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Colour Markability: Registrable in Few Nations, but Debatable among Many!

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Colour marks have been equally debatable before and after they became registrable in few countries. Before some landmark cases set the broad legal framework for colour mark protection, debates centred on the registrability. Nowadays, registrability remains an issue, but heightened debates have been surrounding the conditions and interpretations of this non-traditional mark. With the increasing importance of marks for businesses and organizations, colour mark issues have become internationally controversial. This Global IP debate thus, opens with two landmark cases: *Qualitex v Jacobson* and *BP v Woolworths*. It then focuses on some conceptual issues relevant to the colour mark itself, its origin with relevant exemplar cases and historical evolution, to enrich the legal framework and accumulate case experience to resolve colour mark disputes. Next, this column discusses the debates for or against colour mark registrations by drawing arguments and reasoning from scholars and practitioners. The debate ends with some reflections and a possible solution.

Keywords: Colour mark, colour mark registration, colour mark requirement

Opening Cases: *Qualitex v Jacobson* and *BP v Woolworths*

Colour mark, as a type of non-traditional marks¹, refers to a specific colour or combination of colours as representing a product or a service, and has been recognized for registration in several countries (e.g. US, UK, Australia) since 1995. Two landmark cases: *Qualitex v Jacobson*² in the US that marked the beginning of registrability of the non-conventional mark and *BP v Woolworths*³ in Australia, confirm doubts and symbolize heightened controversy in conferring colour mark protection.

The *Qualitex v Jacobson* case sets the landmark beginning of recognizing colour mark in the history of trademarks by setting up a legal framework for registrability. As a background, Qualitex Co had been using a shade of green-gold on dry cleaning pads since the 1950s. In 1989, Qualitex sued Jacobson for unfair competition in the California Central District Court when it found out that the rival was using a similar colour for dry cleaning presses. Following the law suit, Qualitex registered its green-gold colour trademark. This gave its law suit an added meaning: trademark infringement against Jacobson. The verdict was in the plaintiff's favour, but the Court of Appeals subsequently reversed the judgement on the ground that colours alone were

unregistrable. However, in 1995, the Supreme Court judge, Bryer, overturned the decision under the broad Lanham Act. It was held that colours could help identify the source of products by taking on secondary meaning in the course of trademark use and act as a symbol, rather than a function associated with the product's costs or quality.⁴

Meanwhile, the *BP v Woolworths* case in Australia took 11 years (1995-2006) to resolve.⁵ In 1991, BP filed an application with the Australian Trademark Office for a green shade as the predominant colour for its service stations around the world. In 1995, the Australian retailer Woolworths Ltd, which also provided petrol services and used the colour green, opposed BP's attempt to register the shade of green. The application was rejected for registration, but BP appealed to the Federal Court and won the case in 2004. In the appeal, BP produced evidence that it had used the shade since 1923 on its petrol pumps and advertising campaigns, and that based on a consumer survey, 85 per cent of the respondents interviewed, associated the colour with BP. The company described the mark in its 1995 application amendment as follows:

The trademark consists of the colour GREEN applied as the predominant colour to the fascias of buildings, petrol pumps, signage boards - including poster boards, pole signs and price boards - and spreaders, all used in service station

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complexes for the supply of the services covered by the registration, as exemplified in the representation attached to the application form.

Upon the Federal Court ruling, Woolworths sought and was granted leave to appeal and in 2006, the appeal was heard again in the Full Court. The Full Court reversed the previous judgement on the basis that the 1995 application breached Section 65 of the Trademark Act. That is, BP failed to provide convincing evidence of the colour green distinguishing BP's products and services from others' before they applied for the protection. In consequence, the colour mark registration was cancelled. BP sought leave to appeal to the highest court, but was refused.

These two non-conventional cases are historic in the colour mark world. The former confirmed that in the US, trademarks could be registered for single colours and set the legal framework to grant colour marks while the latter further tested the boundaries of registrability and validity for colour marks. The full court verdict in Australia has two-fold implications: the ramifications of amending a colour mark, and the combined effect of a trademark including colours on distinctiveness.⁶ Beyond the final verdict, it seems that both cases gave rise to more debates than consensus given the inconsistent rulings at different levels of courts and in different countries. Both cases raised concerns and further arguments as to not only the registrability but also the ramifications of registrations given the wide latitude for conferring colour mark protection. In consequence, colour mark disputes continue to provide a constant stream of court cases and media headlines.

Concepts and History of Colour Marks

Colour marks are more complex to register than conventional trade or service marks for three reasons:⁷ They can only be awarded to established brands; the examination requirements are more stringent; and they need 'acquired distinctiveness' in addition to possessing qualifications for registering a conventional mark. In other words, the colour must have been established in use in association with a registered service or trademark before the colour mark registration application, and must be identified by consumers (or in the market-place) as a source of products or services associated with a particular company. In the US, the applied colour mark must be eligible (e.g. source-distinguishing), associated with

goods or services, distinguishable, non-confusing, and non-functional.⁸ The European Court of Justice (ECJ) stipulates that colour marks must be 'clear, precise, self-contained, easily accessible, intelligible, durable and objective'. In addition to providing a description of the mark, applicants must also provide a colour code according to an internationally recognized colour coding system (e.g. Pantone, RAL or Focoltone).⁹ For example, the UK policy allows applicants to choose a system.¹⁰

Although *Qualitex v Jacobson* case plays a landmark role in the history of colour marks, the colour mark chronicle can be traced back to 1906 *Leschen & Sons Rope Co v Broderick & Bascom Rope Co* case.^{11,12} Leschen manufactured the wire rope with red or other distinctively coloured streak, as it claimed in court. Although it did not assert the ownership of a colour mark, it did claim any colours to be woven into the wire rope. The court held that Leschen trademark registration was too broad, and expressed doubt that mere colours could constitute a valid trademark claim. However, in the *Owens-Corning Fiberglass* case¹³ in 1985, such a tradition was challenged when Owens appealed to the Federal Circuit upon being denied the application for colour pink by the trademark office. The Federal Circuit overruled the trademark office decision and stated that the 'colour depletion theory' should not form a barrier for trademark registration. The company had, for decades, used the pink colour for its insulation (not for the functional aspect of the product), licensed the Pink Panther cartoon for its advertisements, and spent more than US\$ 50 million in advertising. As a result, Owens-Corning could register the colour pink for fiberglass insulation.

The ramifications of these two court decisions are worth noting both separately and as a whole. The verdict for the *Leschen v Broderick & Bascom* appeared to set the benchmark for courts to handle cases with colour elements. Since then, privileges pertaining to colours of trademarks tended to be denied. However, the *Owens-Corning Fiberglass* case in 1985 seemed to 'break such routines' set out with the *Leschen v Broderick & Bascom* case. By recognizing the 'pink panther' for fiberglass, history had reached a stage of confusion as to its registrability given the two different judgements. Since then one has also seen the beginning in legal practice of attending to the substance of this non-traditional mark (e.g. conditions, evidence, and procedures).

Debates and Reasoning for or Against Colour Markability

Colour markability throws up debates involving pros and cons of its use. On the positive note, the notion of colour mark registration has been recognized by the US, EU, and Australia, and even by WIPO through handling international protection. In other words, certain regulations, and legal precedence are present to handle colour protection. Colours provide universal understanding and can transcend language barriers causing less cultural misunderstanding. This is because colours are universal and they can attract consumers' attention more quickly than words to identify the source of a product or service.¹⁴ When expanding business abroad, firms will be less concerned about the transmission of wrong meaning in colour marks than in marks with words. In addition, well known marks tend to be susceptible to infringement and colour mark registration may be an additional defence for the owner to protect their brand reputation.

However, colour marks have some inherent difficulties as a protectable 'weapon' and governments tend to be cautious about granting them protection due to the complexity of registration. The 'shade confusion theory' argues that consumers quite often cannot differentiate close-range colours, thus being confused easily. This theory has a more sophisticated meaning in the modern era. That is, there is a real dilemma about the conflict between consumer recognition and technical identification. For example, Orange mobile identifies its orange as Pantone shade 151, while easyGroup's is specified as Pantone shade 21 (ref. 15). These two colours are identical when judged by consumers. This means that the human eye cannot recognize such colour variations if these two shades appear next to each other in the Pantone system. And the ECJ clearly wishes to avoid colour mark registrations so as to stop competitors from using the same colour in marketing the same product.

While there are many Pantone colours, consumers' inability to distinguish between close colours will severely limit the number, which can be said to be 'recognizable', and therefore available for colour mark registration. This means that the colour depletion theory is still valid particularly, from the perspective of fair competition. The 'colour exhaustion' would restrict the availability of colours for other firms in the same business, and lead onto

unfair competition disputes due to monopoly use of a colour as being an anti-competitive practice. IP specifications for colour marks will have to be much more sophisticated, perhaps using the technical identification system to determine levels of distinctiveness of the shade of a colour, if such registrations are to go ahead and be both distinctive and avoid unfair monopolies over colours. An alternative (but essentially retrogressive) solution would be to backtrack on recent developments and only award colour marks under exceptional circumstances - although this may produce as many problems as it solves.

Another important argument against colour markability is based on the anti-dissection doctrine which is in line with the long debate about the distinctiveness of colour marks. That is, the entirety of a mark determines its overall impression and each individual element of the mark forms the composite of the mark; and should not be separated.¹⁶ Colours on their own are not inherently distinctive, and they need other elements to complement their meaning and distinction. However, this does not mean that one should undermine the importance of each mark element. On the contrary, the anti-dissection rule does recognize the importance of each mark component in two ways:¹⁷ each mark element (words, colours, drawings, etc.) serves as a preliminary step to help evaluate the overall effect of a mark on consumers, and assess each component to determine the distinctiveness of a mark in its entirety for protection. On the basis of the argument, colour mark protection, as in the *Qualitex v Jacobson* case, ignores the composite nature of marks in describing wholesome meaning of mark, thus resulting in underdescription.¹⁸ In consequence, it creates unfair-competition issue for relevant parties.

There are also, as yet, too few precise legal stipulations about colour marks, which will make dealing with disputes in this area problematic, particularly so in the international realm. This is an issue that also exists in other IP fields, particularly in the field of patent grants, where the pace of technological progress outstrips that of legal development. For example, what rights are conferred on the owner of colour marks? What constitutes an infringement? Some germane court cases have recently forced developed countries, such as the US, UK, Germany and Australia to increase their precision in the field of colour mark registrations and

to learn to cope with dispute resolution, whereas many others have not. Nonetheless, such progress is likely to become increasingly important, particularly in the international arena, if unrealistic applications and unnecessary disputes are to be avoided. Otherwise, colour marks will constitute a growing legal, public and business headache.

The international battles between Libertel and the easyGroup over the colour orange, and *Cadbury v Darrel Lea* further illustrate the complexities of colour marks.

The Orange 'revolution' appears to be never ending, and has already involved two separate cases - Libertel Group registration; *Orange v EasyMobile*¹⁵ The registration of an orange rectangle with the word 'Orange', by Libertel Group was rejected by the ECJ on the ground that the colour must be specified with an international (Pantone) identification code rather than just a sample colour that would deteriorate over time, and that 'its distinctiveness should not restrict the available colours for other traders to register for businesses'. But the orange debate continued, and when the easyGroup launched its mobile phone service easyMobile, the Orange mobile phone company challenged its use of the colour orange. EasyMobile confronted the challenge by advertising in the London Evening Standard as follows:

Orange want (sic) to stop easyMobile.com from using the colour orange! STELIOS THINKS THAT'S RUBBISH! . . . It's hard to believe I know but . . . Orange are (sic) suing easyMobile for using the colour Orange! As you know, all the easyGroup companies have always used the colour orange and Stelios is determined to continue to do so!

The purple colour dispute saw Cadbury registering its shade of purple as a colour mark in 2003, only to have the monopoly on the use of the colour to brand confectionery in Australia challenged by the Darrell Lea Confectionery company.¹⁹ In 2005, Cadbury sued Darrell Lea for trademark passing off. The court ruled against Cadbury on the ground that the chocolate giant had no exclusive use of the colour purple over the years, and had made no consistent efforts to enforce a monopoly on the colour, therefore, Darrell Lea had never passed off Cadbury's products. Justice Heerey was quoted: 'Cadbury does not own the colour purple and does not have an exclusive reputation in purple in connection with chocolate in Australia. Darrell Lea is entitled to use purple,

or any other colour, as long as it does not convey to the reasonable consumer the idea that it or its products have some connection with Cadbury'.²⁰ Since that court ruling, Cadbury had been working on its exclusivity and in 2009, it succeeded in the exclusive ownership to use a purple shade on the packages of its specified foods. As a result, Darrell Lea amended its mark into a different shade of purple to avoid any conflict.

Reflections and Possible Solution

The debates reported so far seem to show that the cons for colour markability as a whole prevail against the pros. The issues also create a world mark environment where nations are divided, which complicates cross-border registration and international business. Even in countries, where colour marks are accepted for registrations, wide latitude in defining colour markability seems to burden the administration and enforcement and creates inconsistency at different levels of courts. Given the situation, the key is to register marks in consideration of its overall effect on consumers. The WTO stipulates in its TRIPS Agreement: '...combination of colours...shall be eligible for registration as trademarks.... Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.'²¹ This seems to indicate that colour registration must be in combination with other mark elements, such as words, drawing, or shape on the condition of acquired distinctiveness being established. This also implies its standing against single colour mark registration. Allowing single colour to be monopolized creates issues of complicating the registration system, burdening administration and enforcement, but more so of leading to unfair competition.

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