
FURTHER DEVELOPMENTS ON PREVIOUS SYMPOSIA

COLOR AS A TRADEMARK UNDER THE LANHAM ACT: CONFUSION IN THE CIRCUITS AND THE NEED FOR UNIFORMITY

J. CHRISTOPHER CARRAWAY*

I

INTRODUCTION

The Spring 1949 issue of *Law and Contemporary Problems*, entitled *Trade-Marks in Transition*, focused on the recently enacted Trademark Act of 1946 (the "Lanham Act"),¹ which established a federal substantive law of trademarks and unfair competition. At the outset, the Act promised a bold new future of unprecedented protection for any "word, name, symbol, or device, or any combination thereof" that distinguished goods in the marketplace.²

Trade-Marks in Transition, however, equally characterizes the current state of the Lanham Act. With the growing interplay among trademark, copyright, and patent law,³ and the expanding use of section 43(a) as a federal unfair competition provision, encouraged by the recent Supreme Court decision *Two Pesos, Inc. v. Taco Cabana, Inc.*,⁴ trademark law continues to evolve and mutate rapidly. In fact, the effect the Lanham Act has actually had over the past forty-eight years and its current importance could fill an entire multivolume treatise, and undoubtedly will be discussed at great length next year in various retrospective symposia devoted to the fiftieth anniversary of the Act's passage. In its short space, this note examines merely one small facet of how the Lanham Act remains in transition: the battle currently raging on whether the Act allows

Copyright © 1995 by Law and Contemporary Problems

* J.D. candidate, Duke University School of Law, 1995; B.S., Economics, The Wharton School, University of Pennsylvania, 1992.

1. 15 U.S.C. §§ 1051-1127 (1988).

2. *Id.* § 1127.

3. See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964).

4. 112 S. Ct. 2753 (1992). Unfair competition is the broad doctrine of which trademark law is merely a subset. Trade dress as a form of unfair competition under section 43(a) is discussed *infra* notes 105-09 and accompanying text.

protection of color per se as a trademark.⁵ Since erupting onto the scene in 1986, the issue has continuously flared, as the United States Courts of Appeals for the Federal and Eighth Circuits have taken a flexible approach in contrast to the Seventh and Ninth Circuits' adherence to a common law rule that categorically bars trademark protection of color per se. The United States Supreme Court has now granted a petition for writ of certiorari on the issue of whether the Lanham Act prohibits registration of color as a trademark, and will likely settle the circuit conflict.⁶

Part II of this article reviews the traditional rule and the subsequent conflicting circuit interpretations of the registrability of color per se. Part III analyzes the rationales offered by courts still supporting the traditional rule, and argues that such justifications are meritless in today's society under the Lanham Act. Finally, after finding that color per se is merely one trademark issue among many in conflict today, Part IV advocates transferring all appellate jurisdiction over Lanham Act registration and infringement cases to the Federal Circuit, which will ensure uniformity in the interpretation and application of the Lanham Act throughout the United States.

II

THE SPLIT IN THE CIRCUITS

Trademarks indicate the origin of products⁷ and prevent confusion in the marketplace, thereby protecting the public's interest in obtaining only the goods it desires⁸ and the trademark owner's interest in securing the goodwill

5. "Color per se" means color alone or mere color. Trademark rights in color per se means that the color is not part of some other element, such as a logo, but is the distinguishing element in itself. Usually, a party seeks protection of color per se as product coloration, that is, the color uniformly applied to the product. Therefore, no other party would then be allowed to sell a product coated in the same color.

6. *Qualitex Co. v. Jacobson Prods. Co.*, 115 S. Ct. 40 (Sept. 26, 1994) (No. 93-1577) (granting petition for writ of certiorari).

7. The trademark laws apply to both goods and services equally:

Subject to the provisions relating to the registration of trade-marks, so far as they are applicable, service marks shall be registrable, in the same manner and with the same effect as are trade-marks, and when registered they shall be entitled to the protection in this chapter in the case of trade-marks.

15 U.S.C. § 1053 (1988). The definitions of "trademark" and "service mark" are almost identical. *See id.* § 1127.

Therefore, in this note, whenever "products" are mentioned, one should assume that the law would be the same for services. Color trademarks have almost always identified products, as they usually have consisted of the overall product coloration. *E.g., In re Owens Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) (insulation); *Qualitex Co. v. Jacobson Prods. Co.*, 21 U.S.P.Q.2d 1457 (C.D. Cal. 1991) (dry cleaning press pads), *aff'd in part and rev'd in part*, 13 F.3d 1297 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577). However, color trademarks can also be used to distinguish services. For example, Braniff Airlines painted some of its airplanes entirely in orange (earning them the nickname "flying pumpkins"). JOHN J. NANCE, *SPLASH OF COLORS: THE SELF-DESTRUCTION OF BRANIFF INTERNATIONAL* 105-18 (1984). This orange color applied to an airplane could distinguish its air transportation service and thus could be eligible for service mark protection.

8. Trademarks "protect the public so it may be confident that in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to

contained in the product's reputation.⁹ The Lanham Act was the first significant statutory basis for trademark protection, which, before then, had been almost totally based on common law.¹⁰ Section 45 of the Act defines a trademark as

any word, name, symbol, or device, or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.¹¹

The Patent and Trademark Office (the "PTO") must register any mark that fits this definition, unless it falls within an enumerated exception.¹² The Act was intended to liberalize the traditional trademark laws so that they would conform to modern business practices.¹³ The expansive language of section 45 made

get." S. REP. NO. 1333, 79th Cong., 2d Sess. 3 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274 [hereinafter LANHAM ACT SENATE REPORT]. By ensuring familiarity with products it has used, trademarks lower consumer search costs. William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 269 (1987) ("[A] trademark conveys information that allows the consumer to say to himself, 'I need not investigate the attributes of the brand I am about to purchase because the trademark is a shorthand way of telling me that the attributes are the same as that of the brand I enjoyed earlier.'"). Trademarks also benefit the public by encouraging quality control of goods: a mark may build up goodwill by denoting consistent quality in the public's minds, and any reduction of quality may destroy this accumulated value of the trademark. *Id.* at 270.

9. See *United Drug Co. v. Rectanus Co.*, 248 U.S. 90, 97-98 (1918) ("[A trademark] is merely a convenient means for facilitating the protection of one's good-will in trade by placing a distinguishing mark or symbol—a commercial signature—upon the merchandise or the package in which it is sold.").

10. United States courts in the early nineteenth century apparently imported the English common law with respect to appropriation of trademarks, which had existed since approximately 1618. *Plasticolor Molded Prods. v. Ford Motor Co.*, 713 F. Supp. 1329, 1332 (C.D. Cal. 1989) (discussing in substantial detail the evolution of trademarks from ancient Egypt through the Lanham Act and beyond). Former federal statutes governing trademarks included an 1870 act, Act of July 8, 1870, ch. 230, 16 Stat. 198, which the U.S. Supreme Court held unconstitutional as beyond Congress's commerce and copyright-patent power, in *The Trade-Mark Cases*, 100 U.S. 82 (1879), and a 1905 act, Act of Feb. 20, 1905, ch. 592, 33 Stat. 724, the predecessor of the Lanham Act, which protected only a very narrow class of trademarks.

11. 15 U.S.C. § 1127 (1988).

12. *Id.* § 1052 ("No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it [falls within one of the following five subsections]"); *id.* § 1052(f) ("Except as expressly excluded in [subsections] (a)-(d) of this section, nothing in this chapter shall prevent registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce.").

The specific exclusions to this registration mandate include (a) marks consisting of immoral, deceptive, or scandalous matter, or marks falsely suggesting a connection to or bringing disrepute to or bringing into contempt persons, institutions, beliefs, or national symbols; (b) marks comprising the flags or insignia of any governmental body; (c) marks including a name, portrait, or signature of any living person without his or her consent or of any deceased U.S. President during the life of his widow; and (d) marks confusingly similar to a mark used or registered by another. *Id.* § 1052(a)-(d). Note that the exclusion in subsection (e) relating to marks descriptive of the goods does not apply if the mark becomes distinctive by obtaining secondary meaning. *Id.* § 1052(f).

13. "[I]deas concerning trade-mark protection have changed in the last 40 years and the statutes have not kept pace with the commercial development. . . . [The purpose of this act is] [t]o modernize the trade-mark statutes so that they will conform to legitimate present-day business practice." LANHAM ACT SENATE REPORT, *supra* note 7, at 4-5, 1946 U.S.C.C.A.N. at 1276.

possible the extension of the trademark laws to register and protect new devices such as containers,¹⁴ sounds,¹⁵ and smells¹⁶ when used to distinguish a product. Until 1985, however, both the PTO and the courts excluded color per se from Lanham Act protection. That year, in *In re Owens-Corning Fiberglas Corp.*,¹⁷ the United States Court of Appeals for the Federal Circuit finally granted protection to colors that met the requirements of the Lanham Act and were not needed in the industry for effective competition. The Seventh Circuit refused to follow this lead, instead clinging to the traditional rule with its decision in *NutraSweet Co. v. Stadt Corp.*¹⁸ In the last two years, the split has intensified, with the Eighth Circuit deciding in *Master Distributors, Inc. v. Pako Corp.*¹⁹ to end the discriminatory treatment of colors, and the Ninth Circuit recently holding in *Qualitex Co. v. Jacobson Products Co.*²⁰ that color trademarks are unprotectable as registered marks but protectable as trade dress.

A. The "Traditional Rule"

In analyzing whether a trademark may be registered or whether a trademark is valid and has been infringed, courts apply a three-step test: (1) whether the mark serves a functional purpose besides distinguishing the owner's goods;²¹

14. *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332 (C.C.P.A. 1982) (household cleaner container); *In re Mogen David Wine Corp.*, 328 F.2d 925 (C.C.P.A. 1964) (decanter wine container, held registrable, but registration denied due to lack of secondary meaning); *In re Days-Ease Home Prods. Corp.*, 197 U.S.P.Q. 566 (T.T.A.B. 1977) (drain-pipe shaped liquid drain opener container); *Ex parte Haig & Haig, Ltd.*, 118 U.S.P.Q. 229 (Comm'r Pats. 1958) (Haig "pinch bottle" as whiskey container).

15. See G. Gottlieb, *In Case You Missed It . . .*, 62 TRADEMARK REP. 605 (1972) (discussing the National Broadcasting Network's Registration No. 916,522, as a service mark, of the musical notes G-E-C, used as its television identifying signal during station identification breaks). The specific authority for registration of the NBC radio and television sound mark lay in the phrase "distinctive feature" of the service mark definition, Gottlieb, *supra*, at 606, although it could also have been authorized generally by the definitions's word "device." Other audible marks that have been registered include the musical notes E flat-B flat-G-C-F for the American Broadcasting Co. (Registration No. 928,479), the sound of the Liberty Bell ringing for the Bulletin Co. (Registration No. 548,458), and the sound of a creaking door for the radio program "Inner Sanctum" (Registration No. 556,780). *Id.*; see *supra* note 7 (discussing trademarks in the context of goods and services).

16. *In re Clarke*, 17 U.S.P.Q.2d 1238, 1239 (T.T.A.B. 1990) (affirming registration of a perfumed scent, a "high impact, fresh, floral fragrance reminiscent of Plumeria blossoms," embedded in an embroidery yarn). See generally 1 JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE § 2.12, at 2-159 (1992) ("The Lanham Act definition of 'trademark' in section 45 encompasses fragrances by not excluding them. . . . Although one would strain to conclude that a fragrance could be a 'word' or 'name,' 'symbol' [and] 'device' are sufficiently elastic to allow for it. . . . In sum, there is no statutory reason and no apparent public policy which would prohibit registering and protecting fragrance trademarks.").

The Board advised that scents may not be registered if the products are noted for being fragranced, such as scented household products or perfumes. *Clarke*, 17 U.S.P.Q.2d at 1239 n.4. In these cases, the scent is the product, such that protection of the fragrance would amount to a monopoly on the entire product, which is clearly prevented by the functionality doctrine. See *infra* note 31 and accompanying text.

17. 774 F.2d 1116 (Fed. Cir. 1985).

18. 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991).

19. 986 F.2d 219 (8th Cir. 1993).

20. 13 F.3d 1297 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577).

21. See *infra* notes 31-32 and accompanying text (discussing functionality).

(2) whether the mark actually distinguishes the product's source in the marketplace;²² and (3) whether consumers are likely to be confused by the mark and either previous marks (in registration cases) or the alleged infringing mark (in infringement cases).²³ Though the Supreme Court had never ruled on the issue,²⁴ until the Federal Circuit's decision in *Owens-Corning*, most pre- and post-Lanham Act decisions in the regional circuits had held that color by itself could not be protected as a trademark, even if a color mark clearly passed the general trademark test "with flying colors."²⁵ The rule thus grafted a total judicial exclusion onto the five statutory exclusions contained in section 2 of the Lanham Act,²⁶ which clearly states that its enumerated exclusions are the only ones that can prevent registration.²⁷ Courts have adhered to the traditional categorical exclusion under several rationales, particularly color depletion,

22. The Lanham Act sets forth two types of distinctiveness that can satisfy this prong of the analysis. First, a mark may be inherently distinctive. Alternatively, a mark, although not inherently distinctive, may *acquire* distinctiveness over time by becoming uniquely associated in the minds of the consumer with a specific source. In this case, the mark is said to obtain "secondary meaning." 15 U.S.C. § 1052(f) (1988); *see Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 851 n.11 (1982).

Courts have divided trademarks into five categories: fanciful, arbitrary, and suggestive marks, which are inherently distinctive; descriptive marks, which are not inherently distinctive but may acquire secondary meaning; and generic marks, which may never receive trademark protection. Fanciful marks, such as Exxon and Kodak, are those that are created, or "coined," solely for trademark use. Arbitrary marks, exemplified by Apple computers and Mars candy bars, are words, symbols, or devices that are already in existence but are applied to an unrelated product. Suggestive marks are those, such as Eveready for batteries or Penguin for refrigerators, that suggest in the mind of the consumer some aspect of the product. Descriptive marks are those, such as Forum for a newsletter or Beer Nuts for salted nuts, that actually describe the product or its use. Finally, generic marks are those, including coffee or computer, that serve as the name of the entire class or group, of which the particular brand at issue is just one member. *See generally* *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir. 1976).

23. This three-part test is set forth by the Supreme Court in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2758 (1992).

24. In a pre-Lanham Act opinion, the Supreme Court declined to address the issue of protecting a specific color. *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 201 U.S. 166, 170-71 (1906) (denying protection of an unspecified colored streak woven into a wire rope), *overruled on other grounds*, *United Mine Workers v. Gibbs*, 383 U.S. 715 (1966); *see also* *Coca Cola Co. v. Koke Co. of America*, 254 U.S. 143 (1920) (implicitly denying protection to a dark color in a beverage).

25. *See, e.g.*, *Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950) (no monopolization of colors on candy wrapper); *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795 (3d Cir.) (no exclusive use of red and white on soup labels), *cert. denied*, 338 U.S. 847 (1949); *Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727 (6th Cir.) (no exclusive use of colors on match heads), *cert. denied*, 203 U.S. 589 (1906); *In re L. Teweles Seed Co.*, 140 U.S.P.Q. 75 (T.T.A.B. 1963) (denying registration for blue color of grass seed); *see also* 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 7.16[1], at 7-66 (3d ed. 1992) ("The traditional rule is that a color, per se, is not capable of appropriation as a trademark. That is, one seller cannot feature a certain color and claim that 'This is my color. No one else in this market can use this color in any way.'"); *id.* § 7.17, at 7-73 ("The use of one color merely as a background . . . or as the color of a product is usually rejected as having no trademark significance. . . ."); RESTATEMENT (THIRD) OF THE LAW OF UNFAIR COMPETITION § 13 cmt. d, at 42 (Tentative Draft No. 2, 1990). *But see* *Olay Co. v. Cococare Prods., Inc.*, 218 U.S.P.Q. 1028 (S.D.N.Y. 1983) (protecting specific shade of pink when used in skin care cream); *Clifton Mfg. Co. v. Crawford-Austin Mfg. Co.*, 12 S.W.2d 1098 (Tex. Civ. App. 1929) (allowing exclusive use of reddish-brown color on tents, tarpaulins, and wagon covers).

26. 15 U.S.C. § 1052 (1988).

27. These exclusions are set forth *supra* note 12. For a criticism of this "judicial legislation," *see infra* notes 101, 123-26 and accompanying text.

adequate protection of color as an element, shade confusion, and color functionality.

The color depletion doctrine, the most often-invoked rationale for the traditional rule, reflects a concern that there are only a limited number of colors available for manufacturers to use, and allowing exclusive use of colors under the trademark laws would soon deplete all those available, hindering free competition and market entry.²⁸

Courts also defend the traditional rule by arguing that color is already adequately protected when used in a distinctive manner as an element of a design, leaving no need to extend protection to color alone.²⁹

A third justification for the traditional rule, the concern over shade confusion, reflects a fear that allowing trademark protection of color standing alone will require courts in trademark infringement actions to delve into deciding at what point another manufacturer's color is so similar to the color protected that confusion in the marketplace is likely to occur.³⁰

Finally, the traditional rule is defended by the functionality doctrine of trademarks, which prevents protection of product features, including color, that serve a nontrademark purpose.³¹ The rationale for the functionality doctrine

28. See, e.g., *Campbell Soup*, 175 F.2d at 798 (denying Campbell the exclusive use of red and white on soup labels, because "obviously the list of colors will soon run out."); *Diamond Match*, 142 F. at 729 ("The primary colors, even adding black and white, are but a few."); *Southern Cal. Fish Co. v. White Star Canning Co.*, 187 P. 981, 983 (Cal. Dist. Ct. App. 1920) ("There are not more than seven primary colors, and if one of these may be appropriated as a distinguishing characteristic of a label, it would not take long to appropriate the rest.").

29. See, e.g., *Vision Sports Inc. v. Melville*, 888 F.2d 609 (9th Cir. 1989) (protecting the colors red, black, and white when combined in a particular graphic design, but not individually); *Barbasol Co. v. Jacobs*, 160 F.2d 336 (7th Cir. 1947) (protecting field of blue as a trademark only when combined with a red and white diagonally-stripped border to form a distinctive design); *Gucci Am., Inc. v. Dart, Inc.*, 715 F. Supp. 566 (S.D.N.Y. 1989) (enforcing registered green-red-green mark); *Eastman Kodak Co. v. Fotomat Corp.*, 317 F. Supp. 304 (N.D. Ga. 1970) (protecting "familiar Kodak yellow" only in combination with red and/or black printing).

30. Courts citing the shade confusion dilemma ask, "How different do the colors have to be?" *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990) (holding that the color blue on artificial sweetener packets cannot be protected), cert. denied 499 U.S. 983 (1991). Although courts ask this question rhetorically, for an answer see *infra* notes 145-48, 152 and accompanying text.

31. A color is functional if "it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 850 n.10 (1982) (citing *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232 (1964)). However, this definition mentioned by the Supreme Court in *Inwood* defines only *utilitarian* functionality, where a feature may make the product more economical or efficient to produce. Courts have developed a second form of functionality based on aesthetics rather than economics, recognizing that both could result in a barrier to effective competition. An aesthetically functional feature is one which makes the appearance of the product more appealing to a consumer. The Supreme Court has more recently referred to functionality in general terms, apparently following the trend in the courts of appeals by collapsing the two into one standard for both aesthetically pleasing and economically advantageous features. This standard inquires whether "it is one of a limited number of equally efficient options available to competitors [such that] free competition would be unduly hindered by according the design trademark protection." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2760 (1992); accord *RESTATEMENT (THIRD) OF UNFAIR COMPETITION* § 17 cmt. a ("[T]he ultimate inquiry is whether a prohibition against copying will significantly hinder competition by others."). This inquiry into the competitive effect of removing a feature from public availability separates what courts refer to as "de facto" functional features (features that happen to serve a function) from "de jure" functional features (features whose function is so

is that allowing acquisition of exclusive rights to the functional feature would hinder competition in the marketplace.³²

B. *In re Owens-Corning Fiberglas Corp.*

The traditional rule against any recognition of color trademarks was finally curtailed in *In re Owens-Corning Fiberglas Corp.*,³³ where the Federal Circuit

important to consumers that to deny competitors its availability would deter competition in the industry). *In re R.M. Smith, Inc.*, 734 F.2d 1482, 1484 (Fed. Cir. 1984). For example, a specific color may serve some function on a product: a bright color may make the product more attractive to consumers or more visible on the shelves. Therefore, the color is de facto functional. Only if such a function is so important, in other words so functional, that other competitors require the color to compete fairly, will the color become de jure functional—functional under the trademark laws. In the remainder of this article, “functional” shall refer to the de jure type that renders a trademark invalid.

For examples of color that has been found de jure functional, see, e.g., *Sylvania Elec. Prods., Inc. v. Dura Elec. Lamp Co.*, 247 F.2d 730 (3d Cir. 1957) (holding blue dot on flash bulbs functional because the blue is composed of a chemical that changes to pink to warn of an air leakage, which can be toxic); *Russell Harrington Cutlery, Inc. v. Zivi Hercules, Inc.*, 25 U.S.P.Q.2d 1965 (D. Mass. 1992) (holding color white functional when used on knife handles, because it helps determine whether the knife is clean and sanitary); *Durango Herald Inc. v. Riddle*, 719 F. Supp. 941, 950 n.9 (D. Colo. 1988) (giving bright orange in the hunting clothes industry as example of a functional color, because hunters are required to wear this color for safety); *Nor-Am Chemical v. O.M. Scott & Sons Co.*, 4 U.S.P.Q.2d 1316 (E.D. Pa. 1987) (holding that the color blue used in fertilizer is functional, because blue is the scientific color for nitrogen, a component of fertilizer). An additional example of color functionality would be when color is used on certain insect control devices. ERIC P. DANGER, *THE COLOUR HANDBOOK: HOW TO USE COLOUR IN COMMERCE AND INDUSTRY* 72-73 (1987) (explaining that red light keeps insects away and inhibits growth of cockroaches, that blue attracts mosquitos but pink and yellow repel them, and that the mosquito repelling qualities of color are reputed to be responsible for the present color of the U.S. Army uniforms because the color previously used was found to attract mosquitos when the Panama Canal was being built).

For cases finding a color not functional, see, e.g., *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) (holding that blue distinguishes manufacturer's leader-splicing tape but serves no other function); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) (holding that the color pink applied to insulation has no function but to distinguish the product); *Durango Herald*, 719 F. Supp. 941 (holding that the color red used to distinguish a local telephone directory is not functional, even though it is an eye-catching color).

32. Use of a mark to hinder competition contravenes two public policies. First, functional designs should be protected only under patent law, which carefully balances the public's interest in free use of “inventions” and the need to provide incentives to encourage invention by providing a limited term of monopoly but requiring disclosure; trademark protection of these functional features could upset this balance by providing potentially infinite monopoly, so long as the feature is distinctive of the goods. *Keene Corp. v. Paraflex Indus.*, 653 F.2d 822, 824 (3d Cir. 1981); see *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964). Second, trademark law, being one portion of the larger field of unfair competition law, aims to guarantee fair behavior in the marketplace; allowing an owner to use the mark as a tool to exclude competitors from the marketplace would be unfair. *Wallace Int'l Silversmiths, Inc. v. Goldinger Silver Art Co., Inc.*, 916 F.2d 76, 81 (2d Cir. 1990); *In re Deister Concentrator Co.*, 289 F.2d 496, 504 (C.C.P.A. 1961) (“The true basis of such holdings [that functionality bars protection] is not that they cannot or do not indicate source to the purchasing public but that there is an overriding public policy of preventing their monopolization, of preserving the public right to copy.”); *Eastern Wine Corp. v. Winslow Warren Ltd.*, 137 F.2d 955, 958 (2d Cir.), cert. denied, 320 U.S. 758 (1943) (“[T]here is a basic public policy, deeply-rooted in our economy and respected in the courts, resting on the assumption that social welfare is best advanced by free competition. . . .”); cf. 15 U.S.C. § 1115(b)(7) (1988) (providing a defense in infringement action that trademark owner is using the mark to violate federal antitrust laws); LANHAM ACT SENATE REPORT, *supra* note 8, at 4, 1946 U.S.C.C.A.N. at 1274 (“Trade-marks defeat monopoly by stimulating competition.”).

33. 774 F.2d 1116 (Fed. Cir. 1985).

allowed registration of the color pink as a trademark for insulation sold by Owens-Corning Fiberglas Corporation ("OCF").³⁴ The court analyzed the Lanham Act's text and legislative history, and concluded that nothing precluded the protection of color under modern trademark law.³⁵ The court rejected the shade confusion theory³⁶ and found the color depletion doctrine not to pose an absolute bar to color trademarks.³⁷ Color could only be protected, however, if no competitive need for the color existed in the industry³⁸ and if the color had achieved secondary meaning in the eyes of the consumer.³⁹ A dissenting judge clung to the traditional rule barring any registration or protection of color trademarks.⁴⁰

Some federal courts facing the color issue have acknowledged the *Owens-Corning* holding, but have interpreted its "no competitive need" and "elevated secondary meaning" requirements⁴¹ as narrow exceptions to the traditional per se bar, limited to the extraordinary facts of that case.⁴² These

34. The Trademark Trial and Appeal Board (the "TTAB") below had held that color *could* be protected but had denied registration on the basis that OCF had failed to prove secondary meaning in pink. *In re Owens-Corning Fiberglas Corp.*, 221 U.S.P.Q. 1195 (T.T.A.B. 1984).

35. *Owens-Corning*, 774 F.2d at 1118-19. The court observed that section 2 of the Lanham Act allows registration of any trademark, so long as none of the enumerated exceptions apply, and that color is not one of those exceptions. *See also Master Distributors*, 986 F.2d at 224.

36. The court agreed with the TTAB that "[d]eciding likelihood of confusion between shades of color is no more difficult or subtle than deciding likelihood of confusion where word marks are involved." *Id.* at 1123 (quoting with approval *In re Owens-Corning Fiberglas Corp.*, 221 U.S.P.Q. 1195, 1198 (T.T.A.B. 1984)); *see infra* notes 144-52 and accompanying text (criticizing the concern over shade confusion).

37. The court apparently did *not* reject the color depletion doctrine completely, noting instances of "appropriate application" but refusing to read the doctrine as an absolute prohibition on color trademarks. *Owens-Corning*, 774 F.2d at 1120; *see infra* notes 55-57 and accompanying text (discussing the Federal Circuit's recent clarification of this ambiguous treatment of color depletion).

38. *Owens-Corning*, 774 F.2d at 1122 ("Thus, in a case where there is no competitive need . . . for colors to remain available to all competitors, the color depletion argument is an unreasonable restriction on the acquisition of trademark rights.") (quoting approvingly the *Owens-Corning* TTAB opinion, 221 U.S.P.Q. at 1198). The court held that there was no competitive need for pink in the insulation industry, because the evidence showed that there were few manufacturers of insulation, none of these other manufacturers dyed their insulation and there was no reason to do so, and pink was not a primary color. *Id.* at 1122-23.

Although the separate requirement of demonstrating no competitive need does not technically exist for marks other than color, it is effectively an integral inquiry in the nonfunctionality analysis, required in all trademark and trade dress cases. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2760 (1992); *see supra* note 31 (discussing functionality). Therefore, *Owens-Corning* does not establish some special rule for color but merely levels the playing field.

39. The *Owens-Corning* court, however, implied that a greater showing of secondary meaning was required for colors than for other trademark devices like words or symbols. 774 F.2d at 1127 ("By their nature, color marks carry a difficult burden in demonstrating distinctiveness and trademark character."). The court held that OCF had nevertheless established secondary meaning by showing evidence of advertising expenditures in excess of \$42 million highlighting the pink quality of its insulation and consumer perception of greater than 50% that pink insulation is manufactured by OCF. *Id.* at 1127-28.

40. *Id.* at 1128 (Bissell, J., dissenting). *See infra* notes 59-67 and accompanying text (discussing *NutraSweet* and Judge Bissell's *Owens-Corning* dissent).

41. *See supra* notes 38-39 and accompanying text.

42. *See, e.g., First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1382 (9th Cir. 1987) ("Confronted with an unusual set of facts the court in *Owens-Corning* established a very limited rule that in certain situations a particular color could itself be registered as a trademark."); *Nor-Am*

courts have held that the facts of their cases failed to fit those of *Owens-Corning* either because there was a competitive need for the color or because the party had failed to establish the same level of distinctiveness that OCF had done.

For example, in *Nor-Am Chemical v. O.M. Scott and Sons*,⁴³ the district court denied protection to the color blue as a trademark for fertilizer. Although constrained by Third Circuit precedent that clearly enunciated the color depletion doctrine and a categorical ban on protection of color per se as a trademark,⁴⁴ the court read *Owens-Corning* to provide a very limited exception.⁴⁵ However, the court held that the plaintiff, Nor-Am, failed to fit its case within the exception: (1) there was no evidence of the public's connection of its fertilizer and the color blue, compared with a connection rate of greater than fifty percent in *Owens-Corning*; (2) Nor-Am spent only two million dollars in its color trademark promotion, in comparison with OCF's \$42 million; and (3) color was only one part of Nor-Am's advertising message, whereas OCF's promotion of color permeated its entire advertising campaign.⁴⁶

In *International Jensen, Inc. v. Metrosound U.S.A., Inc.*,⁴⁷ the Ninth Circuit, in denying protection to a "cyan" blue surround on a speaker system, decided the case without having to reach the precise issue of whether color per se may be protected.⁴⁸ Instead, the court was able to affirm the lower court's denial of a preliminary injunction against the alleged infringer on the grounds that the plaintiff had failed to establish secondary meaning in the blue shade and likelihood of confusion among the consuming public.⁴⁹

The *Owens-Corning* decision has, however, retained its validity. A few district courts have applied *Owens-Corning* to permit protection of a color trademark.⁵⁰ Furthermore, a panel of the Federal Circuit unanimously

Chemical v. O.M. Scott & Sons Co., 4 U.S.P.Q.2d 1316, 1318 (E.D. Pa. 1987) ("The [Federal Circuit] placed great emphasis on the fact that Owens-Corning expended in excess of \$42,000,000 to promote pink as the color of its 'Pink Panther' insulation, and noted that 50% of the consuming public recognized Owens-Corning as the manufacturer of 'pink' insulation.").

43. 4 U.S.P.Q.2d 1316.

44. *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795 (3d Cir.), cert. denied, 338 U.S. 847 (1949).

45. *Nor-Am*, 4 U.S.P.Q.2d at 1319.

46. *Id.*

47. 4 F.3d 819 (9th Cir. 1993).

48. *Id.* at 824 ("We need not decide whether to abandon the color depletion theory. Nor need we determine whether the district court's findings as to functionality were correct."). The per se issue did reach the court four months later in *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297 (9th Cir.) (discussed *infra* notes 85-116 and accompanying text), cert. granted, 115 S. Ct. 40 (1994) (No. 93-1577).

49. 4 F.3d at 824-25; see also *AmBRIT Inc. v. Kraft Inc.*, 1 U.S.P.Q.2d 1161, 1175 (11th Cir. 1986) (denying protection to royal blue color on silver packaging of ice cream bars, because blue, being a cool color suggestive of coldness, is "used by a multitude of ice cream and frozen dessert producers" and is, therefore, not distinctive of the Klondike bar alone).

50. See *DAP Prods., Inc. v. Color Tile Mfg., Inc.*, 27 U.S.P.Q.2d 1365 (S.D. Ohio 1993) (protecting red color on bucket of mastic, used for installation of ceramic tiles); *Cooper Industries v. Channellock, Inc.*, 788 F. Supp. 873 (W.D. Pa. 1992) (denying summary judgment against manufacturer seeking protection of "Channellock blue" color used on a line of hand tools); *Qualitex Co. v. Jacobson Products, Inc.*, 21 U.S.P.Q.2d 1457 (C.D. Cal. 1991) (protecting green-gold color of press pads sold for use on dry cleaning presses), *aff'd in part and rev'd in part*, 13 F.3d 1297 (9th Cir.), cert. granted, 115 S. Ct. 40 (1994) (No. 93-1577); *Durango Herald Inc. v. Riddle*, 719 F. Supp. 941 (D. Colo. 1988)

reaffirmed the *Owens-Corning* decision, clarifying that circuit's view of color per se as a valid candidate for trademark protection.⁵¹ In *Brunswick Corp. v. British Seagull Ltd.*, the court provided the following confirmation of the *Owens-Corning* holding: there is no exclusion of color per se under the Lanham Act;⁵² instead, "traditional trademark policies, including the functionality limitation, set the boundaries for color mark registration";⁵³ and the competitive need inquiry is simply a part of the normal functionality analysis and not a specific additional test just for color.⁵⁴ The court also clarified an ambiguous portion of *Owens-Corning* used by courts supporting the traditional rule to discount the true impact of the decision.⁵⁵ The *Owens-Corning* court had stated that the color depletion "theory is not faulted for appropriate application. . . ."⁵⁶ In response, the court in *Brunswick* added that the color depletion doctrine has viability *only* in the sense that its policies of ensuring competition are inherent in the competitive need—and thus functionality—analysis on a case-by-case basis.⁵⁷ Although the court did not discuss the opinion of some that *Owens-Corning* imposed an elevated secondary meaning requirement for color, the court's repeated assertions that all the normal policies of trademark law apply equally to color per se certainly seem to disfavor that interpretation.⁵⁸

C. The *Owens-Corning* dissent and *NutraSweet*: Holding the Traditional Line

The Seventh Circuit, in *NutraSweet Co. v. Stadt Corp.*,⁵⁹ rejected the Federal Circuit's majority opinion in *Owens-Corning*, following instead the reasoning in Judge Bissell's dissent.⁶⁰ The court reaffirmed the traditional per

(protecting trademark in the red color of a local phone directory); *Vaughan Mfg. Co. v. Brikam Int'l, Inc.*, 228 U.S.P.Q. 456 (N.D. Ill. 1985) (in a pre-*NutraSweet* decision, protecting arbitrary yellow color applied to frame of folding table).

51. *Brunswick Corp. v. British Seagull, Ltd.*, 35 F.3d 1527 (Fed. Cir. 1994)

52. *Id.* at 1532.

53. *Id.*

54. *Id.* at 1531-32.

55. See, e.g., *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1382 (9th Cir. 1987); *Master Distributors, Inc. v. Pako Corp.*, 777 F. Supp. 747 (D. Minn. 1991); *Nor-Am Chemical v. O.M. Scott & Sons Co.*, 4 U.S.P.Q.2d 1316, 1318-19 (E.D. Pa. 1987).

56. *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1120 (Fed. Cir. 1985).

57. *Brunswick*, 35 F.3d at 1532.

58. See *id.*

59. 917 F.2d 1024 (7th Cir. 1990), cert. denied, 499 U.S. 983 (1991).

60. *Id.* at 1027-28 (citing *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1128 (Fed. Cir. 1985) (Bissell, J., dissenting)).

se ban on color marks,⁶¹ holding that NutraSweet could not obtain exclusive rights in the color blue for artificial sweetener packets.⁶²

Besides relying on the four arguments generally used to defend the traditional rule,⁶³ the two opinions set forth several other rationales. Judge Bissell believed that the Federal Circuit should defer somewhat to other circuits' views on trademarks, given that, unlike its patent jurisdiction, its trademark jurisdiction is not exclusive.⁶⁴ Judge Bissell also argued that the law in the various regional circuits is well settled that color alone, even if it distinguishes one's products in the marketplace and is nonfunctional, is never protectable as a trademark.⁶⁵ The *NutraSweet* court added the rationale of reliance, stating that "lawyers have advised clients, clients have conducted their affairs, and litigants have won, lost, and settled, all based upon the prevailing law in this circuit."⁶⁶ Finally, the Seventh Circuit court felt that judges are unable to decide whether a color is needed for effective competition in the industry, because it is impossible to predict how many competitors will enter the market in the future.⁶⁷

61. *NutraSweet*, 917 F.2d at 1027 ("The seminal case in this circuit is *Life Savers v. Curtiss Candy Co.* . . . This court believes that should continue to be the law in this circuit.") (citation omitted); cf. *Storck USA, L.P. v. Farley Candy Co.*, 821 F. Supp. 524, 528 (N.D. Ill. 1993) (holding color not protectable because plaintiff failed to prove secondary meaning in tan color of packaging of its "Werther's Original" candy; the court, although citing *NutraSweet*, by which it was bound, did not state that the tan color was per se unprotectable, but rather distinguished *Master Distributors* and *Owens-Corning* as finding secondary meaning in color).

62. *NutraSweet*, 917 F.2d at 1028. NutraSweet's Equal brand was the only tabletop sweetener contained in a blue packet, whereas Stadt packaged its Sweet 'N Low in pink. *Id.* at 1025-26 & n.3. In addition, a third major sweetener producer (Alberto-Culver) sold a yellow-packaged product. *Id.* All three products were chemically different; for example, Sweet 'N Low contained saccharine and Equal contained aspartame. *Id.*

Given that NutraSweet's patent on aspartame recently expired and that other competitors have introduced their own packets of the sweetener, it is interesting to ponder whether today blue would be functional on sweetener packets to indicate aspartame, while pink would indicate saccharine. Alternatively, blue may have become generic for the product aspartame, thus prohibiting it from registration. See 15 U.S.C. § 1064(3) (1988).

63. See *supra* notes 28-32 and accompanying text.

64. *Owens-Corning*, 774 F.2d at 1129 (Bissell, J., dissenting). Under the Lanham Act, the Federal Circuit has concurrent jurisdiction, with the district courts, over appeals from the TTAB, 15 U.S.C. § 1072, which itself hears registration and opposition appeals from the PTO, 15 U.S.C. § 1070. Furthermore, since the Federal Circuit may only hear trademark cases that arise from the PTO or the TTAB, 28 U.S.C. § 1295(a)(4)(B), and only the district courts may hear infringement cases, *id.* § 1338(a), the Federal Circuit has no jurisdiction at all over trademark infringement cases. See *infra* note 192 (discussing trademark jurisdiction of the Federal Circuit). Compare with 28 U.S.C. § 1295(a)(1) (assigning the Federal Circuit exclusive jurisdiction of appeals from all district courts of patent law judgments). The wisdom of amending the Lanham Act to grant the Federal Circuit exclusive jurisdiction over all Lanham Act issues is discussed in Part IV, *infra*.

65. *Owens-Corning*, 774 F.2d at 1128-29 & n.2 (Bissell, J., dissenting).

66. *NutraSweet*, 917 F.2d at 1027. It hardly bears mentioning that if courts always relied on this justification, our law would never evolve.

67. *Id.* at 1028.

D. *Master Distributors*: Toward One Trademark Standard

In *Master Distributors, Inc. v. Pako Corp.*,⁶⁸ the Eighth Circuit rejected the Seventh Circuit's *NutraSweet* reasoning, and to a lesser extent the *Owens-Corning* approach, by explicitly holding that color should receive treatment precisely identical to that received by other marks such as words and symbols.

Master Distributors, Inc. ("MDI"), developed and marketed Blue Max, a reputable brand of leader splicing tape that MDI dyed a particular shade of blue.⁶⁹ Pakor Inc., a subsidiary of Pako Corp., distributed Blue Max for MDI for two years, but then began to manufacture its own brand of leader splicing tape, dyed a similar blue color.⁷⁰ MDI brought suit in the U.S. District Court for the District of Minnesota, and Pakor moved for summary judgment on MDI's claims of infringement and dilution of trademark insofar as they were based upon rights to the color blue.⁷¹

The district court granted Pakor's motion for summary judgment, relying on the traditional rule that color alone can never be protected as a trademark.⁷² The court held in the alternative that, even if color were capable of protection, the color depletion doctrine would apply to the leader splicing tape industry to prevent MDI's monopolization of the color blue.⁷³

On appeal, the Eighth Circuit became the first regional circuit court to follow the Federal Circuit and reject the traditional rule prohibiting trademark protection of color alone. It first analyzed the history of the traditional rule, finding no binding precedent on the color issue from the Supreme Court⁷⁴ or the Eighth Circuit.⁷⁵ Looking to the other circuits, the court recognized the two divergent views of *Owens-Corning* and *NutraSweet*, noting that the district court below had been persuaded by the *NutraSweet* opinion to adopt the

68. *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993).

69. Leader splicing tape is used to attach undeveloped film to leader cards, which are fed through minilab photographic processing machines to be developed and printed. *Master Distributors, Inc. v. Pako Corp.*, 777 F. Supp. 744, 745 (D. Minn. 1991), *rev'd*, 986 F.2d 219 (8th Cir. 1993). Leader splicing tape can be dyed in any color, and MDI chose a particular shade of blue to distinguish its tape from that of others, who likewise sell their tape in specific colors. *Id.* Blue Max has gained a reputation as the industry standard, often ordered by customers simply as "the blue tape." *Id.*

70. *Id.* Pakor named its tape "Pakor Blue." *Id.*

71. *Id.*

72. *Id.* at 749 ("The Court is persuaded by the reasoning of the *Owens-Corning* dissent, and therefore will follow the Seventh Circuit in adhering to the traditional view that MDI may not claim trademark rights in the color blue, as applied to leader splicing tape. The case at bar aptly illustrates how the *Owens-Corning* rule could hinder competition in the marketplace.").

73. *Id.*

74. *Master Distributors v. Pako Corp.*, 986 F.2d 219, 221 (8th Cir. 1993); *see supra* note 24.

75. *Id.*; *see Deere & Co. v. Farmhand, Inc.*, 721 F.2d 253 (8th Cir. 1983) (*per curiam*) (affirming district court's finding that "John Deere green" was a functional color in the front-end loader industry, but not addressing the issue of whether color could be protected if nonfunctional), *aff'g* 560 F. Supp. 85 (S.D. Iowa 1982). Although the *Deere* district court opinion had suggested that color *per se* may be unprotectable, the court squarely addressed only the functionality issue. Therefore, the Eighth Circuit's tacit affirmance provided no binding precedent on the color *per se* issue posed in *Master Distributors*.

traditional rule.⁷⁶ The Eighth Circuit, however, reversed, rejecting *NutraSweet* and the traditional rule, and holding instead that color is no different from any other device protected by the trademark laws and should thus be protected if it met the normal trademark requirement of secondary meaning.⁷⁷

The court dismissed all the justifications for the traditional rule.⁷⁸ The color depletion doctrine was rejected because the court found that even though there was only a limited number of primary colors, there were still hundreds of distinguishable shades that could be appropriated without hindering competition.⁷⁹ The court noted that likelihood of confusion is an issue in any trademark infringement case, whether the trademark is a word, symbol, or color, thereby dismissing the shade confusion argument as an unwarranted concern.⁸⁰ The functionality doctrine was found to be compatible with the court's holding that color may be protected, since the doctrine applies to all trademarks, preventing any functional product feature, whether a word or a color, from being exclusively appropriated.⁸¹ Finally, the court rejected the Seventh Circuit's argument in *NutraSweet* that consistency and predictability required adherence to the traditional rule; it found that there was no unanimous rule in the circuits, and that consistency and predictability actually required following the Federal Circuit, as otherwise color could be registered as a trademark in the Federal Circuit but not protected in regional circuit infringement suits.⁸²

Addressing the district court's alternative holding that the color depletion doctrine applied to this case even if color could be protected, the Eighth Circuit disagreed, deciding that the issue was at least one of fact that should not be the subject of summary judgment. The court also appeared entirely to discard the color depletion doctrine from the trademark jurisprudence, expressing

76. *Master Distributors*, 986 F.2d at 221-22.

77. *Id.* at 224.

78. *Id.* at 223.

79. *Id.* Earlier color depletion cases had relied on the judicial fiction that a trademark in blue appropriated all the blue shades. The court rejected this fiction by noting that trademark protection extended only to the shade that could be established to have secondary meaning. As it recognized that experts had listed hundreds of distinctive shades, it concluded that there was no threat of color depletion. *Id.*; see *infra* notes 132-34 and accompanying text.

80. *Master Distributors*, 986 F.2d at 223-24. The court cited a litany of cases deciding likelihood of confusion between two word trademarks, demonstrating the similarity between shade confusion and word confusion inquiries. The court also noted that these shade confusion decisions were already being made by the TTAB and that expert witnesses were available to assist courts in the task. See *infra* note 146.

81. *Id.* at 224 ("The functionality doctrine . . . is not inconsistent with protection of some color trademarks."). Since *Master Distributors*, the Eighth Circuit has affirmatively demonstrated the validity of this statement: it denied trademark protection to red and green applied to cords that close packages of potpourri sold at Christmas, finding that these colors on Christmas-targeted products are both functional and not distinctive of one producer. *Aromatique, Inc. v. Gold Seal, Inc.*, 31 U.S.P.Q.2d 1481, 1488 (8th Cir. 1994).

82. *Master Distributors*, 986 F.2d at 224. The Eighth Circuit noted that "[a] per se rule prohibiting the protection of color alone would essentially render a valid trademark registration ineffective and unenforceable." The Federal Circuit serves as a circuit appellate court for trademark registration cases, after they have first been appealed to the TTAB, although such cases may also be appealed, via a separate action, to a regional district court. See *supra* note 64.

skepticism in its underlying rationale.⁸³ The court ultimately reversed the district court's grant of summary judgment to Pakor, allowing MDI the opportunity on remand to establish secondary meaning in the blue color of Blue Max.⁸⁴

E. *Qualitex*: The Ninth Circuit Stalls the Trend

In the latest chapter of the color per se saga in the circuit courts, the Ninth Circuit rejected the Eighth Circuit's approach to color marks, reversing a lower court's finding of trademark infringement in *Qualitex Co. v. Jacobson Products Co.*⁸⁵ However, the court affirmed the finding of trade dress infringement, thereby protecting the green-gold color as the overall appearance of the good.

The facts that faced the Ninth Circuit in that case strongly counseled a finding of *some* form of infringement. Qualitex Company manufactured and sold, among other laundry industry products, press pads for use on dry cleaning presses.⁸⁶ To distinguish its pads from others, Qualitex dyed the press pad fabric a unique green-gold color that reinforced the trademarked name "Sun Glow."⁸⁷ Qualitex instituted a trade dress and passing off action under section 43(a) of the Lanham Act⁸⁸ against Jacobson Products Company, which sold an inferior-quality press pad named "Magic Glow" with exactly the same green-gold shade.⁸⁹ Before the action reached trial, Qualitex filed for, and the PTO granted, registration of the green-gold shade as a trademark for its press pads.⁹⁰ Qualitex then added to its action a claim that Jacobson had infringed the registered color trademark, violating the Lanham Act's section 32(1).⁹¹

The U.S. District Court for the Central District of California held for Qualitex on both the 43(a) and 32(1) claims. In discussing registered trademark infringement under section 32(1), the court refused to apply the traditional categorical bar to protection of a color per se, stating that color depletion was not a danger in the case given the "hundreds or thousands of distinctive shades of greens, yellows, blues, and browns or tans available to the competitors

83. *Id.* at 225 ("We are not convinced of the soundness of the color depletion theory."). For other cases criticizing color depletion, see *infra* note 130.

84. *Master Distributors*, 986 F.2d at 224-25. MDI may not have been able to show secondary meaning on remand. Although it offered evidence that its Blue Max tape is the industry standard with an excellent reputation and that customers often order by merely asking for the blue tape, the substantial number of competitors, at least nine, also utilizing a shade of blue on their tape may have rendered a finding that Blue Max blue is nondistinctive of MDI's product. See *Master Distributors, Inc. v. Pako Corp.*, 777 F. Supp. 744, 745 (D. Minn. 1991), *rev'd*, 986 F.2d 219 (8th Cir. 1993).

85. 13 F.3d 1297 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577).

86. *Qualitex Co. v. Jacobson Prods. Co.*, 21 U.S.P.Q.2d 1457, 1457-58 (C.D. Cal. 1991), *aff'd in part and rev'd in part*, 13 F.3d 1297 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577).

87. *Id.*

88. Section 43(a), 15 U.S.C. § 1125(a) (1988), provides for federal protection against general unfair competition, including infringement of trade dress. See *infra* notes 105-16 (discussing the Ninth Circuit's holding with respect to trade dress infringement).

89. *Qualitex*, 13 F.3d at 1300.

90. *Id.* at 1300-01 (setting forth Certificate of Registration No. 1,633,711).

91. *Id.* at 1300.

without danger that recognizing plaintiff's trademark will hinder competition."⁹² The court applied *Owens-Corning*, holding that the green-gold mark had acquired secondary meaning⁹³ and that Jacobson had failed to establish functionality, or competitive need, exemplified by the shade's nonprimary nature, the equal usefulness of other shades, and the availability of "hundreds, if not thousands," of other distinctive, suitable shades.⁹⁴ Apparently to fit the case into the Ninth Circuit's only decision on color, *First Brands Corp. v. Fred Meyer, Inc.*,⁹⁵ which had recognized *Owens-Corning* as only creating a narrow exception where color could be protected, the court stated: "The facts in the present case are remarkably similar to those in *Owens-Corning* and therefore also constitute an 'extraordinary' case to confirm trademark protection to the green-gold color for use on press pads."⁹⁶ The district court also found that Jacobson had infringed Qualitex's trade dress for the press pads under section 43(a).⁹⁷

The Ninth Circuit, in a decision coming about eleven months after the Eighth Circuit's sweeping *Master Distributors* decision, affirmed the trade dress infringement but reversed the lower court's finding of trademark infringement, holding that as a matter of law color alone can never be a registered trademark.⁹⁸ The court's discussion of the trademark issue began with the procedural recognition that Qualitex's registration of the color was prima facie evidence of its validity, establishing a presumption of nonfunctionality and secondary meaning that the contesting party was required to rebut.⁹⁹ However, because it interpreted the Lanham Act, through de novo review of a question of law, to bar any protection of color per se, the court did not decide whether Jacobson met its burden.¹⁰⁰ After reviewing the Lanham Act, *Owens-Corning*, and *Master Distributors*, the court stated that "the better rule is that a trademark should not be registered for color alone."¹⁰¹ In so holding, the court remarked that "[t]he majority of the other circuits have refused to give a

92. *Qualitex*, 21 U.S.P.Q.2d at 1460.

93. Over the thirty year period prior to the lawsuit, Qualitex spent approximately \$1.621 million in advertising and promotion designed to connect Sun Glow pads with the green-gold shade and sold over one million of the pads. *Id.* at 1458. Qualitex also produced evidence that some purchasers ordered the company's press pad by simply asking for the green-gold-colored pad. *Id.* The court also noted that manufacturers in the industry used many different colors on their press pads. *Id.*

94. *Id.* at 1459-60.

95. 809 F.2d 1378 (9th Cir. 1987); see *supra* note 42 and accompanying text.

96. *Qualitex*, 21 U.S.P.Q.2d at 1462.

97. *Id.* at 1461-62.

98. *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577).

99. *Id.* at 1301.

100. *Id.* at 1301-02.

101. *Id.* at 1302. The court revealed its own usurpation of legislative power by quoting section 2 of the Lanham Act, 15 U.S.C. § 1052, which provides that a proffered mark that distinguishes the goods of the applicant must be registered "unless one of the specific exceptions to registrability set forth in [that section] applies. Color is not listed as an exception. However, the courts of appeals generally have refused to grant trademark protection for color alone." *Id.* at 1301 (citation omitted).

color the protection of a registered trademark."¹⁰² For this bold and sweeping statement, the court cited only *NutraSweet*.

One surprising aspect of this holding is the court's apparent abandonment of the color depletion theory: "We recognize that there are countless shades of colors that could not be depleted"¹⁰³ Therefore, the court's basis for continuing the categorical exclusion of color per se becomes merely shade confusion. The court believed that drawing distinctions between close shades of color "could present unnecessary problems," but failed to enumerate exactly what those problems might be.¹⁰⁴

The court announced another rationale supporting the traditional ban on color trademark protection: color is adequately protected as trade dress under section 43(a) of the Lanham Act.¹⁰⁵ Trade dress is merely one facet of the protection afforded by section 43(a), a federal "unfair competition" provision.¹⁰⁶ Trade dress is defined as the "total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques."¹⁰⁷ The United States Supreme Court set forth the test for trade dress infringement in *Two Pesos, Inc. v. Taco Cabana, Inc.*: the proponent of the trade dress must prove that it is nonfunctional, that it has acquired secondary meaning, and that there is a likelihood of confusion between the products.¹⁰⁸ The court of appeals concluded that the district court's findings of nonfunctionality, secondary meaning, and likelihood of confusion, and thus of trade dress infringement, were not clearly erroneous, the standard of review in such a case.¹⁰⁹

Although the court asserted that trade dress analysis must examine the product as a whole,¹¹⁰ the court's discussion of *Qualitex's* trade dress mentions

102. *Id.* at 1302 (citing only *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir.), *cert. denied*, 499 U.S. 983 (1991)).

103. *Id.*

104. *Id.*

105. *Id.* The Seventh Circuit in *NutraSweet* suggested this alternative but failed to discuss its application in that case. *NutraSweet*, 917 F.2d at 1028.

106. Section 43(a) provides, in pertinent part:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, name, symbol, or device, or combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

is likely to cause confusion, or to cause mistake, or to deceive . . . as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities . . . shall be liable in a civil action. . . .

15 U.S.C. § 1125(a).

Actions possible under this broad section—besides trade dress infringement—include "passing off" one's goods as another's and any other "form of competition or selling which contravenes society's current concepts of 'fairness'" 3 MCCARTHY, *supra* note 25, § 25.01[1], at 25-5.

107. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2755 n.1 (1992).

108. *Id.* at 2758.

109. *Qualitex*, 13 F.3d at 1304.

110. This contrasts with trademark infringement analysis, which examines merely one aspect—the trademark itself—of the product.

no feature other than color.¹¹¹ In analyzing functionality, the court spoke only of the green-gold color's ornamental nature and nonutility and of the "hundreds if not thousands" of possible shades that competitors could use for press pads.¹¹² The court also focused only on the secondary meaning of color, highlighting the \$1.6 million Qualitex spent on advertising and promoting the green-gold color of its press pads, and the association by dry cleaners of Qualitex's pads with the claimed shade.¹¹³ Finally, the court ratified the district court's finding that confusion would occur in the marketplace: there was "a high degree of similarity between the products," as "Jacobson used exactly the same color as Qualitex."¹¹⁴ The only deviation from the court's complete focus on color in this trade dress analysis was its recognition that Jacobson also stamped its product name in the same location as Qualitex.¹¹⁵ Denying protection of color per se as a trademark, but then extending practically the same substantive protection under the trade dress provisions of the Lanham Act, although necessary in that case to prevent injustice, contributed to the confusion in an already murky and conflicting area of the law.¹¹⁶

Upon Qualitex's petition, the United States Supreme Court recently granted certiorari on one issue: whether the Lanham Act prohibits the registration of a color as a trademark.¹¹⁷ It appears, therefore, that the ten-year battle among the circuit courts of appeals will come to an end on the color per se issue. The next section argues that the Court should reverse the Ninth Circuit's Qualitex holding and permanently retire the traditional rule from Lanham Act jurisprudence.

III

THE CRUMBLING PILLARS OF THE TRADITIONAL RULE'S CATEGORICAL EXCLUSION OF COLOR PER SE

A. The Argument Against a Categorical Exclusion

Most commentators have analogized color to descriptive marks, under the five-category framework developed by Judge Friendly that classifies marks according to comparative strength.¹¹⁸ Under the Lanham Act, descriptive

111. *Qualitex*, 13 F.3d at 1303-05.

112. *Id.* at 1304.

113. *Id.*

114. *Id.* at 1305.

115. *Id.*

116. *See infra* Part III.D (criticizing the Ninth Circuit's rejection of trademark protection and use of trade dress instead).

117. 115 S. Ct. 40 (Sept. 26, 1994) (No. 93-1577).

118. *E.g.*, Landes & Posner, *supra* note 8, at 290 ("Closely analogous to descriptive marks are common symbols (circles, squares, or hearts) and individual colors (particularly primary colors). . . . [T]here may come a time, particularly if the symbol or color in question has been used exclusively over a period of years, when the common signifier denotes the producer's brand. The symbol or color now primarily provides source information; in trademark jargon it has acquired secondary meaning."). For a discussion of these categories, see *supra* note 22.

marks may be protected with a showing of secondary meaning.¹¹⁹ In contrast, the only category of marks weaker than descriptive ones is the generic mark, the only class that is categorically barred from protection under the Lanham Act.¹²⁰ Color should receive the same categorical exclusion only if it would be better classified as a generic rather than a descriptive mark.

Courts classify marks as generic when the mark is not merely the name of a particular brand but of an entire product, such that competitors require the name to fairly describe their product.¹²¹ Particular colors clearly may be generic for certain products; specifically, the natural color of the product, before any ornamentation has been added, is a generic color for that product.¹²² Otherwise competitors would have to spend money to "color around" the natural color of the product. However, just as there is a generic name and many other available names, many ornamental colors are available to competitors beyond the natural generic one, defeating any argument that all colors per se are generic. Therefore, color, defined as a descriptive mark, should receive equal protection to that accorded other mediums of marks that are descriptive under the Lanham Act, allowing a particular nongeneric color to be registered and protected upon a showing of secondary meaning, that is, once it becomes distinctive of a specific manufacturer's product.

Besides the descriptive nature of color marks, an additional reason counsels against a categorical ban. The Lanham Act specifically delineates only a few exclusions to registrability; color is not among them.¹²³ Courts upholding the traditional ban on color marks directly contravene the Lanham Act by adding color to the list, thereby excluding color even when it meets all the normal requirements for trademark protection.¹²⁴ The legislative history of the Act shows that Congress aimed to end judicial legislation in the law of trademarks by including all exceptions and caveats under one "statutory roof":

The purpose of this bill is to place all matters relating to trademarks in one statute and to eliminate judicial obscurity, to simplify registration and to make it stronger and

119. 15 U.S.C. § 1052(f) (1988).

120. Generic marks are refused registration under the implication of section 14, 15 U.S.C. § 1064, which provides for cancellation "if the mark becomes generic for the goods or services, or a portion thereof."

121. *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194 (1985); see *Landes & Posner*, *supra* note 8, at 291-93 (explaining how competitors would have to engage in periphrasis, describing their product without using the common product name, e.g., an airplane manufacturer having to call its product a "heavier-than-air flying machine").

122. See *supra* note 62 (suggesting, as an additional situation where a color may be generic, that blue may be the only color for aspartame packaging now that NutraSweet's patent has expired).

123. See *supra* note 12; cf. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2760 (1992) (criticizing courts for "engrafting onto § 43(a)" an additional requirement of secondary meaning for inherently distinctive trade dress).

124. See, e.g., *supra* note 101. Although not in reference to the color issue, McCarthy states that courts should not insert their own views on public policy when the mark at issue satisfies the clear requirements of the Lanham Act: "What neither consumers nor the law of trademark needs is a new 'public policy' denying trademark and trade dress protection to identifying symbols that customers perceive and rely on in their purchasing decisions." 1 MCCARTHY, *supra* note 25, § 7.26[5], at 7-146 to 7-147.

more liberal, to dispense with mere technical prohibitions and arbitrary provisions, to make procedure simple and relief against infringement prompt and effective.¹²⁵

Therefore, Congress set forth the limited number of exclusions and stated that there should be no others to fulfill its purpose in passing the Lanham Act, that is, to maximize the protection of trademarks by liberalizing trademark law.¹²⁶

In addition, action and inaction by Congress since *Owens-Corning's* revolutionary opinion supports a broad interpretation of the Lanham Act. In the past, Congress has responded to novel court decisions that conflicted with its interpretation of the Lanham Act.¹²⁷ However, the 1988 amendments to the Lanham Act, drafted at a time when Congress was certainly aware of *Owens-Corning*, and before the Seventh and Ninth Circuits had rejected its change in the law, fail to mandate a return to the traditional rule.¹²⁸ Congress's inaction certainly reflects no dissatisfaction with the *Owens-Corning* decision. In fact, the words "symbol, or device" were intentionally retained in the 1988 amendments, renewing its goal of ensuring broad reach of the Act to anything, including a color, that functions as a trademark.¹²⁹

B. Color Depletion

The concern that only a few recognizable colors are available for product coloration has now been effectively discredited by three circuit courts of appeals and numerous district courts, some of them doing so while still upholding the traditional rule on other bases.¹³⁰ Because protection of color per se is limited

125. LANHAM ACT SENATE REPORT, *supra* note 8, at 3, 1946 U.S.C.C.A.N. at 1274.

126. *Id.* at 3-5, 1946 U.S.C.C.A.N. at 1274-76; *Two Pesos*, 112 S. Ct. at 2760; *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985).

127. For example, Congress amended the Lanham Act in 1975 to allow attorney's fees in infringement cases after the Supreme Court held to the contrary in *Fleishmann Distillery Corp. v. Maier Brewing Co.*, 386 U.S. 714 (1967). See S. REP. NO. 1400, 93d Cong., 2d Sess. 4-5 (1974), *reprinted in* 1974 U.S.C.C.A.N. 7132, 7135-36. More importantly, the Trademark Clarification Act of 1984 nullified the effect of *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296 (9th Cir. 1979), which had held that in determining genericness, the court should look to the buyer's primary motivation for the purchase; the amendment rejects that contention, requiring the court to look instead to the primary significance of the term to the purchasing public. See S. REP. NO. 627, 98th Cong., 2d Sess. 1-10, *reprinted in* 1984 U.S.C.C.A.N. 5708, 5718-27.

128. Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (1988) (codified as amended at 15 U.S.C. §§ 1051-1127 (Supp. IV 1992)).

129. "The revised definition intentionally retains . . . (iv) the words 'symbol or device' so as not to preclude the registration of colors, shapes, sounds or configurations where they function as trademarks." S. REP. NO. 515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607. In addition, the influential United States Trademark Association, in recommending amendments to the Lanham Act, urged that the broad words "symbol, or device" in section 45's definition of the term trademark "should not be deleted or narrowed to preclude registration of such things as a color, shape, smell, sound, or configuration which functions as a mark." United States Trademark Ass'n, *Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 421 (1990).

130. *E.g.*, *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297, 1302 (9th Cir.) (upholding rule on shade confusion grounds), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577); *Master Distribs., Inc. v. Pako Corp.*, 986 F.2d 219, 223 (8th Cir. 1993) (dismissing traditional rule); *The Keds Corp. v. Renee Int'l Trading Corp.*, 12 U.S.P.Q.2d 1808, 1812 (1st Cir. 1989) (not deciding the issue, but stating: "Renee trots out the old color depletion theory that because primary colors are limited, no one may trademark

to the particular shade claimed as the distinctive trademark,¹³¹ these courts have accepted the untenable nature of the color depletion theory as a basis for a categorical color bar in the face of the overwhelming scientific and practical argument that since a multitude of shades are usually available to competitors, depletion is not inevitable.

When we think of color shades such as red, green, or pink, we generally think of what scientists call hue: the specific wavelength of light in the range visible to humans from 380 to 780 nanometers.¹³² Scientists estimate that the human eye can discriminate between about 150 of these wavelengths, or hues. However, the actual number of individual *shades* is much larger than this, because each color we see can actually be scientifically defined as the combination of three variables: hue, value, and saturation.¹³³ Since each hue can be varied by value and saturation to create a unique shade, the number of actual colors is in the thousands or millions, a number that certainly poses no threat of depletion.¹³⁴

Furthermore, an even more persuasive reason counsels elimination of the color depletion theory: the modern test for functionality already incorporates the theory's concern for guaranteeing free competition in the industry.¹³⁵

a color. This theory has been criticized under the Lanham Act. But in this case we need not decide whether color alone can be trademarked"); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) (dismissing traditional rule); *R.L. Winston Rod Co. v. Sage Mfg. Co.*, 838 F. Supp. 1396, 1400-01 (D. Mont. 1993) (finding the particular color functional); *DAP Prods., Inc. v. Color Tile Mfg., Inc.*, 27 U.S.P.Q.2d 1365, 1371 (S.D. Ohio 1993) (dismissing traditional rule); *W.H. Brady Co. v. Lem Prods., Inc.*, 659 F. Supp. 1355, 1366 (N.D. Ill. 1987) (following circuit precedent).

131. See *Master Distributors*, 986 F.2d at 223 ("We agree that allowing a manufacturer to monopolize [a color] 'in all of its shades' would deplete the color choices available. . . . Allowing a manufacturer . . . to protect a specific shade of color . . . is another matter."); *Qualitex Co. v. Jacobson Prods. Co.*, 21 U.S.P.Q.2d 1457 (C.D. Cal. 1991) (explaining that Qualitex claimed rights in the specific green-gold shade "technically described as 'brass #6587'"), *aff'd in part and rev'd in part*, 13 F.3d 1297 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577); *Olay Co. v. Cococare Prods., Inc.*, 218 U.S.P.Q. 1028, 1045 (S.D.N.Y. 1983) (ordering competitor to use a different shade of pink); see also Brian Richard Henry, *Right Hat, Wrong Peg: In re Owens-Corning Fiberglas Corporation and the Demise of the Mere Color Rule*, 76 TRADEMARK REP. 389, 406-07 (1986) (advocating a system of protection of specific color shades similar to that under French trademark law).

132. DEBORAH T. SHARPE, *THE PSYCHOLOGY OF COLOR AND DESIGN* 53 (1975). For example, green light falls between 490 and 560 nanometers, with turquoise at approximately 490 nanometers and yellowish-green at about 560 nanometers. COLOR 176 (Helen Varley ed., 1980).

133. COLOR, *supra* note 132, at 134-35 (discussing the Munsell coloring system).

134. DAVID R. HILBERT, *COLOR AND COLOR PERCEPTION: A STUDY IN ANTHROPOCENTRIC REALISM* 101 (1987) (finding over ten million discriminable color shades); KENNETH L. KELLY & DEANE B. JUDD, *COLOR: UNIVERSAL LANGUAGE AND DICTIONARY OF NAMES* 4 (1976) (outlining National Bureau of Standards list of 267 distinctive color designations); ANDREAS KORNERUP & JOHAN HENRIK WANSCHER, *REINHOLD COLOR ATLAS* 7 (1961) (providing names and samples of 1,266 colors); SHARPE, *supra* note 132, at 53 (finding over seven million different colors); Henry, *supra* note 131, at 403. The question, of course, will not be how many colors exist that the eye can perceive, but how many can the average consumer actually distinguish among in everyday life. One useful method of determining this number would be to examine the number of color names that exist in our language, since each named color most likely indicates a human's ability to distinguish it from another similar shade. See HILBERT, *supra*, at 114-18 (finding at most a few thousand color names).

135. *Brunswick Corp. v. British Seagull, Ltd.*, 35 F.3d 1527, 1532 (Fed. Cir. 1994) ("The functionality limitation on trademark protection properly subsumes any lingering policy concerns embodied in the 'color depletion theory.'").

When the color depletion theory was created to rationalize the color ban, the test for functionality was limited to questions of utilitarian advantage, such as whether the feature made the product more useful or efficient or whether the feature lowered the producer's manufacturing costs.¹³⁶ Under this formulation, color would almost always be nonfunctional, since it actually costs more and adds to manufacturing time to color a product. Therefore, under utilitarian functionality, courts rarely find a color functional, even if competitors need it to compete. However, since the color depletion theory's genesis, functionality has evolved into a broader doctrine focused on the need for effective competition.¹³⁷ Thus, today, if a color, like any other product feature claimed to serve as a mark, is required by competitors to secure fair competition, it will be held functional whether it lowers the cost of production or whether customers simply refuse to buy the type of product except in one of a few colors.¹³⁸

Functionality requires courts to engage in case-by-case analyses to determine whether a particular feature is needed for effective competition. Courts often find certain classes of features, such as product containers or shapes, to be functional in individual cases.¹³⁹ So far, however, no court has suggested that, because of this trend, protection of these classes of features should be completely banned.¹⁴⁰ As color is merely one class of features that often do serve a function, and the questions courts must ask regarding functionality do not vary whether the feature at issue is a container or a color, logic demands that color be afforded the same case-by-case analysis. The *NutraSweet* court worried that judges do not have the ability to foresee the competitive need for a color in the future, given that the number of entrants to the market is unpredictable.¹⁴¹ However, the same uncertainty exists in the functionality analysis for other types of features as consumer tastes evolve and new entrants appear.

136. See *supra* note 31.

137. See *supra* note 31.

138. See, e.g., *British Seagull, Ltd. v. Brunswick Corp.*, 28 U.S.P.Q.2d 1197 (T.T.A.B. 1993) (sustaining opposition to registration of black applied to outboard motors because boat owners so desire black engines that competitors need access to the color for effective competition), *aff'd*, 35 F.3d 1527 (Fed. Cir. 1994); *R.L. Winston Rod Co. v. Sage Mfg. Co.*, 838 F. Supp. 1396 (D. Mont. 1993) (holding that because only a few dark colors can be applied to fishing rods due to the natural dark color of graphite materials, dark green is needed for effective competition and cannot be appropriated).

139. E.g., *DBC of N.Y., Inc. v. Merit Diamond Corp.*, 19 U.S.P.Q.2d 1308 (S.D.N.Y. 1991) (holding shape of diamond ring designs functional and that excluding competitors would be oppressive); *In re Semel*, 189 U.S.P.Q. 285 (T.T.A.B. 1975) (holding rocket-shaped container functional for fireworks); *In re Int'l Playtex Corp.*, 155 U.S.P.Q. 745 (T.T.A.B. 1967) (holding tubular package functional for girdles).

140. In fact containers and shapes are often registered and protected. E.g., *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417 (5th Cir. 1984) (holding lime juice container nonfunctional); *In re Int'l Playtex Corp.*, 153 U.S.P.Q. 377 (T.T.A.B. 1967) (holding ice cream cone shaped container nonfunctional for baby pants); *Ex parte Haig & Haig, Ltd.*, 118 U.S.P.Q. 229 (Comm'r Pats. 1958) (holding Haig "pinch" bottle nonfunctional for whiskey).

141. See *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1028 (7th Cir. 1990); *supra* text accompanying note 67.

As courts discard the color depletion theory, a serious question arises concerning the flexibility of the functionality standard. What showing of competitive need for color is necessary to establish functionality? Some courts have suggested that the industry needs a color merely because people respond well to the color.¹⁴² This standard would allow judges dissatisfied with color as trademarks to destroy protection via a subjective functionality argument that has no objective foundation.¹⁴³ Clearly, this should not suffice, and appellate courts should guarantee that the standards employed in color per se cases match those of functionality in general.

C. Shade Confusion

The concern that judges are unable to determine the likelihood of confusion between two close shades of color continues to persuade some courts and remains the only persuasive argument for the traditional bar.¹⁴⁴ However, several cases in the Trademark Trial and Appeal Board (the "TTAB") have already shown the ability of judges to discriminate between shades.¹⁴⁵ More importantly, judges currently use the same analysis—likelihood that the public will be deceived or confused—in all trademark cases, and they often must discriminate between extremely similar marks.¹⁴⁶ The Lanham Act specifically instructed judges to make this decision; allowing judges to absolve themselves of statutory responsibilities by creating a categorical ban on color establishes an

142. See, e.g., *Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569 (2d Cir. 1959) (holding pink functional for Pepto Bismol because it has a soothing psychosomatic effect on people with an upset stomach); *Union Carbide Corp. v. Fred Meyer, Inc.*, 226 U.S.P.Q. 1000, 1003 (D. Or. 1985) (denying protection to color yellow on bottle under *Owens-Corning* competitive need test and finding a competitive need because consumers generally respond well to yellow) (citing McNeal, *Color and Its Impact on Consumer Packaging*, 8 BUS. REV., UNIV. OF HOUS. 3, 12 (1961)).

143. See 1 MCCARTHY, *supra* note 25, § 7.21[1], at 7-87 to 7-88 (warning against psychological bases of functionality without any objective proof); Henry, *supra* note 131, at 404 (criticizing subjective evidence of color's psychological impact in the functionality analysis). This is not to say that judges may not find color to be functional. See, e.g., cases cited and examples given *supra* note 31.

144. See *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297, 1302 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577).

145. E.g., *Amsted Indus. v. West Coast Wire & Rigging, Inc.*, 2 U.S.P.Q.2d 1755, 1762 (T.T.A.B. 1987) (finding confusion likely between a wire with two adjacent yellow strands and a competitor's wire having a yellow strand next to a yellowish green one); *In re Hodes-Lange Corp.*, 167 U.S.P.Q. 255 (T.T.A.B. 1970) (finding a vast difference between gold and "bright yellow"); *Youngstown Sheet & Tube Co. v. Tallman Conduit Co.*, 149 U.S.P.Q. 656 (T.T.A.B. 1966) (finding gold shade confusingly similar to orange shade as applied to sewer pipe band); see also *Olay Co. v. Cococare Prods., Inc.*, 218 U.S.P.Q. 1028 (S.D.N.Y. 1983) (finding two shades of pink for skin care cream confusingly similar).

146. E.g., *Kimberly-Clark Corp. v. H. Douglas Enters.*, 774 F.2d 1144 (Fed. Cir. 1985) (distinguishing between "Huggies" and "Dougies" in diapers); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979) (distinguishing between "Sleekcraft" and "Slickcraft" on boats); *Upjohn & Co. v. Schwartz*, 246 F.2d 254 (2d Cir. 1957) (distinguishing between "Syrocol" and "Cheracol" on cough drops); *Beck & Co. v. Package Distribs. of Am., Inc.*, 198 U.S.P.Q. 573 (T.T.A.B. 1978) (distinguishing between "Ex Bier" and "Beck's Beer"). In addition, judges make other close decisions under the Lanham Act that require careful discrimination. For example, the line between a descriptive mark, which requires proof of secondary meaning to obtain trademark status, and a suggestive mark, which requires no such showing of distinctiveness, is highly elusive. See *Thompson Medical Co. v. Pfizer, Inc.*, 753 F.2d 208, 213 (2d Cir. 1985) ("[T]he judiciary is ill-equipped to distinguish between the descriptively suggestive and the suggestively descriptive mark.").

unappealing precedent of judicial shirking. The “unnecessary problems” in distinguishing shades, which greatly troubled the Ninth Circuit, are actually necessary problems inherent in judging under the Lanham Act.¹⁴⁷ In addition, courts stating that shade confusion would create difficulties—or “unnecessary problems”—would fail to address the problem at issue in *Qualitex*, where the competitor copies the *exact shade* registered, thereby requiring no judicial discrimination whatsoever between close shades.¹⁴⁸

One complication that supports the concern for shade confusion, but which could be easily resolved, is the technological backwardness of the current trademark registration system. Registrations involving color recognize only twelve colors, which must be represented using the black and white lining system created by the PTO.¹⁴⁹ This system does not take account of the hundreds of shades available for appropriation by competitors.¹⁵⁰ Although the actual shades are typically introduced in litigation, the limited color universe of the PTO fails to provide adequate notice to competitors, a purpose of registration, such that they may choose dissimilar colors for their products.¹⁵¹ Hence, the PTO should adopt a scientific coloration system, such as the one based upon the three variables of hue, saturation, and value, along with a full-color registration form exemplifying the color claimed as the mark.¹⁵² Besides

147. Because a competitor may not use the particular trademarked shade or a shade that is confusingly similar, a “confusion zone” of shades is created encircling the particular shade. Therefore, as with words or any other type of trademark, protection of one mark actually results in protection of more than just that pinpoint. See Stephen L. Carter, *The Trouble with Trademark*, 99 YALE L.J. 759, 763 (1990). The judge’s task with any trademark is to determine whether the alleged infringing mark falls within this confusion zone. As with other trademarks, experts in color and perceptual psychology could assist the court in making this determination. Henry, *supra* note 131, at 404-05.

148. *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297, 1300 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577).

149. 37 C.F.R. § 2.52(a), (e) (1993).

150. See *supra* notes 132-34 and accompanying text.

151. 15 U.S.C. § 1072 (1988).

152. See *Amsted Indus. v. West Coast Wire Rope & Rigging, Inc.*, 2 U.S.P.Q.2d 1755, 1762 n.9 (T.T.A.B. 1987) (“It may be added that, whereas we are required to determine the issue before us based on the limited descriptions and lining now provided in our rules of practice, we think that some attention should be given to whether our present practice of lining for color is adequate for contemporary needs.”).

One court has used such a scientific analysis of color to determine infringement and provide sufficient relief. In *Olay Co. v. Cococare Prods., Inc.*, the district judge employed the PMS color matching system to analyze the color pink on Oil of Olay claimed as trade dress. 218 U.S.P.Q. 1028, 1032-33 & n.2 (S.D.N.Y. 1983). The judge ordered the infringing party to use a “discernibly different pink, at least 40% different in terms of PMS tones.” *Id.* at 1045.

Color is not the only trademark medium with inherent registration difficulties; fragrance trademarks pose an even more difficult technological challenge for the PTO. Currently, in registering smells, the PTO describes in words on the certificate of registration the particular scent at issue, resulting in an imprecise trademark that fails adequately to notify competitors of the appropriated range of smell. See *In re Clarke*, 17 U.S.P.Q.2d 1238, 1240 n.6 (T.T.A.B. 1990) (registering as a mark for embroidery thread a scent described on the certificate as “a high impact, fresh, floral fragrance reminiscent of Plumeria blossoms”) (discussed *supra* note 16). As the writing TTAB member in *Clarke* commented, “[a]lthough advances are continually being made in Office operations and practices, the era of ‘scratch and sniff’ registrations is not yet upon us.” *Id.* Solutions to both the color and the fragrance problem may also require a deposit of the mark, as is required of copyrighted material. See 17 U.S.C. § 407 (1988).

providing notice to competitors, the scientific system and full color registration would enable judges to depend on some quantitative evidence, in addition to mere qualitative "eye-balling," in deciding likelihood of confusion between two similar shades.

D. Trade Dress as an Alternative

In *Qualitex*, the Court of Appeals for the Ninth Circuit rejected trademark protection of a color under section 32(1) of the Lanham Act, but found that color may be protected, as it was in that case, as an element of trade dress.¹⁵³ Faced with a trade practice by the defendant manufacturer so egregiously unfair that it required some form of judicial condemnation, the court sacrificed the conceptual clarity of the Lanham Act by simply granting essentially the same substantive protection to color per se—with all of its claimed inherent problems—under the procedurally different auspices of section 43(a). The Supreme Court recently held that the tests for trademark infringement under section 32(1) and trade dress infringement under section 43(a) are identical.¹⁵⁴ Under both theories, the test for protection is whether (1) the dress/mark is nonfunctional, (2) the dress/mark has acquired secondary meaning, and (3) there is a likelihood of confusion between the two products.¹⁵⁵ Trade dress is defined as the overall appearance of the product, including all its elements, while a trademark is limited to one element.¹⁵⁶ A question arises, therefore, as to how the law should treat a trade dress that includes nothing but a distinctive color, that is, a one-element or unidimensional trade dress.¹⁵⁷ *Qualitex* apparently involves such a case, as the trade dress at issue there consisted of only the green-gold color of the press pad.¹⁵⁸ Protection of such a unidimensional trade dress achieves the same substantive result as would trademark protection: liability for using a confusingly similar color on one's product. Since both cases require the court to analyze functionality, secondary meaning, and likelihood of confusion, the court's protection of *Qualitex*'s one-element trade dress renders unpersuasive its previously expressed arguments against registration of color, particularly shade confusion.¹⁵⁹

153. See *supra* notes 105-16 and accompanying text.

154. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2760 (1992).

155. *Id.* at 2758.

156. *Id.* at 2755 n.1; *supra* text accompanying note 107.

157. For example, suppose MDI in *Master Distributors* claimed protection for the trade dress of its leader splicing tape. The only element of its trade dress would be the color, as the tape contains no markings and is not packaged.

158. The court, in analyzing the trade dress, discussed only the color and no other elements, such as shape or distinguishing markings, except for one reference to the location of the name on the press pad. See *supra* notes 111-16 and accompanying text.

159. *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297, 1301-02 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (No. 93-1577).

Indeed, many of the cases addressing color *per se* involve claims of trade dress rather than trademark infringement.¹⁶⁰ These cases, whether siding with the traditional rule (or following it merely because it is binding in the circuit) or supporting the liberal trend of *Owens-Corning* or *Master Distributors*, apply their respective views equally to trademark and trade dress cases.¹⁶¹ The Ninth Circuit cannot claim an inability to differentiate between shades under one section of the Lanham Act and then do so under another section. Such inconsistency undermines what little basis still supports the traditional rule.

Because trademark and unidimensional trade dress protection are substantively identical, the only differences between the two are procedural. Therefore, the Ninth Circuit merely switched the burden of proof on color *per se*. In trade dress cases, under section 43(a), the burden of proof rests upon the party claiming ownership rights in the trade dress;¹⁶² in contrast, a registered trademark bears a presumption of validity, such that the challenger of the mark must prove that the mark is functional or lacks secondary meaning.¹⁶³ The rationale for this presumption is understandable: the owner of the mark initially established these elements before the PTO to register the mark and may also have borne the burden in opposition and cancellation proceedings before the TTAB. Thus, the Ninth Circuit's holding requires a party to establish nonfunctionality or secondary meaning of a color one more time, thereby granting no deference to up to three prior holdings of the PTO and TTAB, bodies specialized in trademark law.¹⁶⁴ An argument may be made that such procedural shifts for color could be an intermediate position between the *Master Distributors/Owens-Corning* view and the traditional rule. However, no statutory basis exists for treating color separately from other marks,¹⁶⁵ and the court in *Qualitex* did not indicate that it intended such a compromise position.

Even if color is one of *many* elements, trade dress protection would still dilute the court's concern for shade confusion. In rejecting color marks, the court relied most heavily upon the "unnecessary problems" in having to distinguish between similar shades.¹⁶⁶ However, trade dress—which includes all elements of a product including color, size, text script, and location of

160. See, e.g., *Aromatique, Inc. v. Gold Seal, Inc.*, 31 U.S.P.Q.2d 1481 (8th Cir. 1994) (color of cord used to tie packaging of potpourri package); *International Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819 (9th Cir. 1993) (cyan blue color of speaker); *Durango Herald, Inc. v. Riddle*, 719 F. Supp. 941 (D. Colo. 1988) (red color of phone directories); *Nor-Am Chemical v. O.M. Scott & Sons Co.*, 4 U.S.P.Q.2d 1316 (E.D. Pa. 1987) (blue color of fertilizer); *Olay Co. v. Cococare Prods., Inc.*, 218 U.S.P.Q. 1028 (S.D.N.Y. 1983) (pink color of Oil of Olay).

161. See, e.g., *Durango Herald*, 719 F. Supp. at 950 ("Under the Lanham Act, courts do not treat color *per se* unprotectable in the context of trade dress. . . . Strong evidence of secondary meaning and evidence that a manufacturer has expended considerable resources to acquire that secondary meaning can extend protection to primary colors incorporated in trade dress.") (citing *Owens-Corning* and *Nor-Am*).

162. *Qualitex*, 13 F.3d at 1303.

163. 15 U.S.C. § 1057(b).

164. See *infra* note 192.

165. See *supra* Part III.A.

166. See *supra* notes 145-48, 152 and accompanying text.

identifying labels and patterns—requires a likelihood of confusion comparison analyzing the interrelationship of multiple dimensions.¹⁶⁷ This complex analysis, which judges currently perform quite competently, should entail decisions much more difficult than simply deciding whether two shades are confusingly similar, a unidimensional decision. Therefore, allowing trade dress protection of color as one of several elements of a trade dress undercuts the court's fear of shade confusion.

E. Easing the Concerns of Traditionalists

Supporters of the traditional rule have no reason to worry that the PTO and the TTAB, by following *Owens-Corning's* rejection of a categorical bar on color, will allow such massive appropriation of colors as to destroy effective competition. In fact, the decisions of the TTAB since *Owens-Corning* having demonstrated its fervent dedication to guaranteeing free competition. In *Edward Weck, Inc. v. IM, Inc.*,¹⁶⁸ the TTAB sustained an opposition to the registration of a shade of green for use on certain disposable plastic medical instruments, such as forceps, surgical clamps, suture pullers, and scalpels.¹⁶⁹ First, the TTAB held that the opposer had failed to establish that green is functional on these products.¹⁷⁰ However, the TTAB sustained the opposition on the ground that the color had not become distinctive of the registrant's medical products, that is, it had not developed secondary meaning.¹⁷¹

In the more recent case of *Kasco Corp. v. Southern Saw Service, Inc.*,¹⁷² the TTAB cancelled a color mark that had been registered five years earlier, holding that the registrant is not entitled to protection of the color green on

167. For example, if a manufacturer of a fishing rod claims trade dress in four elements—crimson color, five-ridged handle, and the name "FLYMATE" in Helvetica typeface on the rod—a judge must examine likelihood of confusion in four dimensions: color, ridges, name, and typeface. What if a competitor sells a rod with a maroon color, four ridged handle, and the name "FLYE-MAIT" in Times typeface along the side? Is this likely to confuse a consumer? What if the competitor copies the Helvetica typeface but makes the handle only two-ridged?

168. 17 U.S.P.Q.2d 1142 (T.T.A.B. 1990).

169. An opposition is an *inter partes* proceeding tried before the TTAB, which may be begun by "[a]ny person who believes that he would be damaged by the registration of a mark upon the principal register . . ." 15 U.S.C. § 1063. An opposition must be filed within 30 days after the mark offered for registration is published by the PTO. *Id.* Grounds for cancellation include any of those for denial of registration under section 2, *id.* § 1052 (set forth *supra* note 12). *Id.* § 1063.

170. 17 U.S.P.Q.2d at 1145. On the functionality issue, the opposer argued that green eased eye strain and, by being more visible, reduced the risk that instruments would be left inside a surgery patient. *Id.* The TTAB found that no evidence had been offered to support such speculative arguments. *Id.* In addition, the TTAB found that green actually made the products more expensive to produce and that, because of the variety of available colors, competition would not be fettered. *Id.*

171. *Id.* Evidence the TTAB relied upon included common use of color in the industry for ornamentation, use of similar shades of green by competitors on their medical instruments, sales by the applicant of its green-colored products to others for sale under a different name, the applicant's small total advertising and promotion expenditures (\$20,000 to \$250,000), and the limited extent to which these marketing activities focused on the promotion of the color green as a trademark. *Id.* at 1145-46.

172. 27 U.S.P.Q.2d 1501 (T.T.A.B. 1993).

packaging of band saw blades for the meat cutting industry.¹⁷³ The registrant used the green color along with many others to “color-code” its line of blades, “enabl[ing] purchasers and users of the blades to quickly identify and distinguish one blade type from another”; this, the TTAB found, evidenced both a utilitarian purpose and a competitive need (by itself appropriating most of the predominantly used colors).¹⁷⁴ Although a finding of functionality would have been sufficient to cancel the registration, the TTAB proceeded, in case of reversal of the functionality holding, to find the green color also was not distinctive and thus did not serve as a trademark for the registrant’s blades.¹⁷⁵

Finally, the TTAB sustained an opposition to the registration of black as a mark for outboard motors on boats in *British Seagull, Ltd. v. Brunswick Corp.*¹⁷⁶ The TTAB held that opposers had proven both functionality and

173. A cancellation proceeding is an *inter partes* adjudication before the TTAB that may be brought by anyone “who believes that he is or will be damaged by the registration of a mark on the principal register.” 15 U.S.C. § 1064. The grounds upon which one may petition for cancellation depend on how long the mark has been registered. A mark may be cancelled at any time if it has become the generic name for a product (e.g., aspirin, thermos, cellophane), if it has been abandoned, if the registration was obtained fraudulently, if it has been used to misrepresent the source of the product, or if it was obtained contrary to section 2 (a), (b), or (c), *id.* § 1052 (a)-(c) (set forth *supra* note 12). Section 14, *id.* § 1064. In addition, within five years of registration, a mark may be cancelled for any ground which would have prevented registration initially; essentially this adds the grounds in section 2 (d) and (e)—confusing similarity to marks previously used by others, and descriptiveness. *Id.*

174. *Kasco*, 27 U.S.P.Q.2d at 1505. For a finding that color coding as an identification system is functional, the TTAB relied upon *Spraying Systems v. Delevan, Inc.*, 762 F. Supp. 772 (N.D. Ill. 1991), which, as the dissent stresses, also followed the traditional rule’s categorical ban on *any* protection of color, mandated in the Seventh Circuit by *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991). The dissent, vehemently disputed the majority’s view of functionality, stating that when a company chooses an arbitrary color scheme for its line of products, the color scheme is not necessarily functional. *Kasco*, 27 U.S.P.Q.2d at 1508-09 (Simms, member, concurring in part and dissenting in part) (citing *Artus Corp. v. Nordic Co.*, 512 F. Supp. 1184 (W.D. Pa. 1981) (finding nonfunctional an arbitrary color scheme to represent different thicknesses of shims); *Ex parte Ohio Knife Co.*, 117 U.S.P.Q. 449 (Comm’r Pats. 1958) (registering scheme of color markings on knife handles)); *see also Barnes Group Inc. v. Connell Ltd. Partnership*, 793 F. Supp. 1277 (D. Del. 1992) (finding nonfunctional a set of four colors indicating load class of die springs). However, the arguments of both the majority and the dissenting opinions fail to analyze the issue appropriately, in that the registrant claimed a trademark not in the color scheme as a whole, as was the situation in the cases cited in both opinions, but in a particular color in the scheme. Instead, the appropriate functionality analysis for cases before the TTAB is whether the color is a superior color, makes economical the use or manufacture of the product, or is needed by competitors in the industry. *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1340 (C.C.P.A. 1982). This is known as *de jure* functionality, which differs from the common meaning of “function.” *See supra* note 31 (discussing functionality).

The registrant’s own witnesses provided the evidence of competitive need: e.g., “Q. Why did you choose orange [for this wrapper]? A. We weren’t using it as part of the color scheme in the blade wrapping, and we were running out of colors.” *Id.* (emphasis added). *Kasco*, 27 U.S.P.Q.2d at 1505.

175. *Kasco*, 27 U.S.P.Q.2d at 1505-06. The evidence of no secondary meaning included use generally in the industry of similar color-coding systems for blades and even competitive use of green, specifically, on blade wrappers. *Id.* In contrast to the vigorous disagreement with the majority on the issue of functionality, the dissent was only partial, in that it agreed that the green color was not distinctive of the registrant’s product. *Kasco*, 27 U.S.P.Q.2d at 1507-10 (Simms, member, concurring in part and dissenting in part).

176. 28 U.S.P.Q.2d 1197 (T.T.A.B. 1993), *aff’d*, 35 F.3d 1527 (Fed. Cir. 1994). For a discussion of the Federal Circuit’s decision affirming in *Brunswick*, *see supra* notes 51-57 and accompanying text.

lack of secondary meaning.¹⁷⁷ These three cases, along with others decided by the TTAB,¹⁷⁸ demonstrate that *Owens-Corning* does not authorize wholesale monopolization of colors, but instead allows selective protection of color only in those cases where it serves as a trademark by distinguishing one's goods from those of another and where the color is nonfunctional, guaranteeing others the ability to compete effectively in the industry.¹⁷⁹ The TTAB understands this principle, and, appropriately, it found the colors in *Weck*, *Kasco*, and *Brunswick* not suitable for protection under the *Owens-Corning* test for color marks.¹⁸⁰

177. According to the TTAB, black is functional on outboard motors because, even though it does not make the motors work better or cheaper to manufacture, black is compatible with a wider variety of boat colors and reduces the perceived size of the motor in comparison to the boat, evidencing a competitive need for the color in this industry. *Id.* In addition, although the applicant spent more than \$100 million over 30 years to promote its Mercury engines, which were produced only in black, the TTAB believed the applicant had failed to establish that black is distinctive of its outboard motors: an offered survey did not provide convincing proof of consumer belief that all black engines come from the applicant or even from one particular source, and there was significant use on motors of black (and colors indistinguishable from black) by competitors, including both the opposers and merchants who were sold black motors *by the applicant itself* for sale under the merchant's own name and without any reference to the applicant as the manufacturer. *Id.*

178. *E.g.*, *In re Deere & Co.*, 7 U.S.P.Q.2d 1401 (T.T.A.B. 1988) (finding bright green—"John Deere" green—and bright yellow entitled to registration as marks applied to the wheels and body of farm equipment, because the colors perform no utilitarian function, are unnecessary for effective competition, and have achieved secondary meaning in relation to applicant's goods); *Amsted Indus. v. West Coast Wire Rope & Rigging Inc.*, 2 U.S.P.Q.2d 1755 (T.T.A.B. 1987) (sustaining opposition to registration of yellow and green colors on wire strand as colors were confusingly similar to yellow color already registered and used on competitor's wire strand).

179. Outside the TTAB, other courts applying *Owens-Corning* also have ensured that competition will not be fettered. *See, e.g.*, *Specialty Surgical Instrumentation, Inc. v. Phillips*, 844 F. Supp. 1211 (M.D. Tenn. 1994) (holding color gray in surgical catalogs not protectable: competitive need in industry for gray because the color makes catalog more effective by highlighting the design of the depicted instruments). However, the *Phillips* case may be an example of a lower court stretching the functionality doctrine beyond its proper bounds. *See supra* note 143 and accompanying text.

180. For an interesting application of *Owens-Corning* beyond the Lanham Act, showing how the Federal Circuit analysis duly accounts for competitors' need for specific colors, see *R.L. Winston Rod Co. v. Sage Mfg. Co.*, 838 F. Supp. 1396 (D. Mont. 1993). In *Winston Rod*, the court used the Federal Circuit's analysis to determine that, for purposes of a preliminary injunction under a state law dilution claim, a plaintiff would likely not be able to establish that it had a valid common law trademark in the color green as applied to "high-end green graphite rods." *Id.* at 1398. The court first analyzed the competitive need for the color green in the particular industry, finding that the necessity of masking the black natural color of graphite severely restricted the available color palette to a few dark shades. *Id.* at 1400 ("Under these circumstances, granting exclusive use of a color to one manufacturer would severely restrict competition; there would be little left for the rest of the world."). The court then found green to be functional for high-end fly rods because consumers prefer these rods in the few "natural colors of the outdoor environment in which they are used, e.g., green, black, and brown." *Id.* The court also noted that competitive need and functionality ask approximately the same question. *Id.*; *see infra* note 38 (criticizing the separate inquiries). Finally, the court found no evidence that the plaintiff had promoted green as its trademark, in stark contrast to the pink insulation in *Owens-Corning*, thus also defeating the plaintiff's claim of secondary meaning. *Id.* at 1401-02.

IV

THE NEED FOR UNIFORMITY IN TRADEMARK LAW: AN ARGUMENT FOR EXCLUSIVE FEDERAL CIRCUIT APPELLATE JURISDICTION

A. Three Possibilities for Uniformity in Trademark Law

Even though the conflict surrounding the protection of color per se will likely be resolved by the Supreme Court in 1995, color per se is but one trademark issue among many that divide the circuits and that continue to arise. A few of the many still unresolved circuit conflicts include the proper test for determining likelihood of confusion between marks,¹⁸¹ the effect in the United States of a mark being generic in a foreign country,¹⁸² the scienter required for a plaintiff to receive an infringer's profits,¹⁸³ and the scienter necessary for a junior user to claim a good faith defense.¹⁸⁴

Three simple yet problematic solutions are potentially available to resolve a split among the circuits on a given trademark issue. First, as the issue arises in the other regional circuits, they may uniformly cast aside one view, creating such an overwhelming majority in the appellate judiciary that the dissenting circuits will reconsider their view. Whether this is likely or not, the length of time for such a judicial adaptation would leave confusion and uncertainty in the Lanham Act's application for years or even decades.

Second, the United States Supreme Court could grant certiorari in a case posing the issue in conflict, as it has just done in *Qualitex* on the issue of color

181. See *Sno-Wizard Mfg., Inc. v. Eisemann Prods. Co.*, 791 F.2d 423 (5th Cir. 1986) (setting forth seven-factor test for likelihood of confusion inquiry); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934 (10th Cir. 1983) (following four-factor test of RESTATEMENT OF TORTS § 729 (1938)); *Squirt Co. v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980) (setting forth six-factor test); *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F.2d 1225, 1229 (3d Cir. 1978) (setting forth ten-factor test); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir.) (establishing eight-factor test), *cert. denied*, 368 U.S. 820 (1961).

182. Compare *Seiko Sporting Goods USA, Inc. v. Kabushiki Kaisha Hattori Tokeiten*, 545 F. Supp. 221, 226 (S.D.N.Y.) ("While plaintiff has sought to show that Seiko is a generic term in Japan, it is not so recognized in this country."), *aff'd*, 697 F.2d 296 (2d Cir. 1982) and *Carcione v. The Greengrocer, Inc.*, 205 U.S.P.Q. 1075 (E.D. Cal. 1979) (holding genericness of word in foreign country does not mean it is generic in U.S.) with *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655 (7th Cir. 1965) (holding "Yo Yo" generic in U.S. because it is generic in the product's nation of origin) and *In re Le Sorbet, Inc.*, 228 U.S.P.Q. 27 (T.T.A.B. 1985) (holding "Le Sorbet" generic in U.S. because, among other reasons, terms that are generic in foreign languages are treated no differently under U.S. law than are their English language equivalents).

183. See *Alpo Petfoods, Inc. v. Ralston Purina Co.*, 913 F.2d 958, 961 (D.C. Cir. 1990) (holding that some "willful, targeted wrongdoing" must be shown to receive infringer's profits as remedy); *Roulo v. Russ Berrie & Co.*, 886 F.2d 931, 941 (7th Cir. 1989) (stating that there is no requirement that infringement be willful to justify profits remedy), *cert. denied*, 493 U.S. 1075 (1990); *Wesco Mfg., Inc. v. Tropical Attractions of Palm Beach, Inc.* 833 F.2d 1484, 1487-88 (11th Cir. 1987) (assuming automatic entitlement to infringer's profits as one form of damages for infringement).

184. Compare *Fuddrucker, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 844 (9th Cir. 1987) (holding that mere awareness destroys a good faith junior user defense) with *GTE Corp. v. Williams*, 904 F.2d 536 (10th Cir.) (requiring some evidence of intent to confuse or appropriate another's good will before the court will deny a good faith junior user defense), *cert. denied*, 498 U.S. 998 (1990).

per se.¹⁸⁵ The Supreme Court, however, has shown little interest in hearing trademark law cases over the past few decades.¹⁸⁶

Third, Congress could clarify the Lanham Act specifically to endorse one of the conflicting views.¹⁸⁷ One problem with legislative clarification lies in its uncertain effectiveness given past defiance of the Lanham Act's specific language by some circuit courts of appeals.¹⁸⁸ There is, however, a more dangerous effect of specific legislation, particularly if the issue in conflict is the inclusion by the Lanham Act of a new medium of trademark: future courts analyzing the protectability of nontraditional "symbols" or "devices" that arise due to evolving technology or commercial practices may be inclined to exclude them because they are not included. Therefore, creating specific inclusions in the Lanham Act may sacrifice the broad sweep intended by its drafters to encompass new "symbols" or "devices" capable of distinguishing goods in the marketplace.¹⁸⁹ Most importantly, because of the many circuit conflicts on trademark law, both current conflicts and those that continue to arise, congressional clarification of one trademark issue, if effective at all, would create only partial and temporary harmony.

B. The Necessity of Uniformity in Trademark Law

The conflict among the circuits on the color per se issue reflects more than a simple disagreement on substantive law; the rift exposes a fundamental flaw in the structure of U.S. trademark adjudication. A difference of opinion among the regional circuits in the interpretation of any law creates the dangers that litigants will engage in forum shopping, that one's actions may or may not be violative of the law, and that companies will lose investments built up over many years.¹⁹⁰ In the case of trademarks, two factors magnify these dangers.

185. *Qualitex Co. v. Jacobson Prods. Co.*, 115 S. Ct. 40 (1994) (No. 93-1577).

186. Excluding *Qualitex*, the Court has decided only three cases in the last quarter century directly involving the Lanham Act. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753 (1992) (interpreting § 43(a)); *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985) (holding that descriptiveness is not a defense to an infringement charge based on a registered mark whose exclusive right of use has become incontestable); *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844 (1982) (interpreting vicarious trademark infringement and the functionality doctrine).

187. Many legislators advanced this same argument for specific legislative clarification of the Patent Act when Congress was considering creation of the Federal Circuit to resolve the many inter-circuit conflicts in patent law interpretation. See, e.g., S. REP. NO. 275, 97th Cong., 1st Sess. 41 (views of Sen. Baucus) (accusing Congress of "passing the buck"), reprinted in 1982 U.S.C.C.A.N. 11, 50; 127 Cong. Rec. 29,862 (1981) (statement of Sen. Baucus) (criticizing "an approach that creates a new court first, rather than attempting to give the existing courts better direction"). See generally The Honorable Randall R. Rader, *Specialized Courts: The Legislative Response*, 40 AM. U. L. REV. 1003, 1004 (1991).

188. Currently, the Lanham Act quite clearly mandates registration of any type of mark that does not fall within the specific exclusions. Although color is not one of these exclusion, courts applying the traditional rule nevertheless ignore the language and graft on a color per se exclusion. See *supra* notes 12, 123-126 and accompanying text.

189. See *supra* notes 11-16 and accompanying text.

190. See generally COMMISSION ON REVISION OF THE FEDERAL COURT APPELLATE SYSTEM STRUCTURE AND INTERNAL PROCEDURES: RECOMMENDATIONS FOR CHANGE, reprinted in 67 F.R.D. 195, 206-07 (1975) [hereinafter HRUSKA COMM'N].

First, differences among the circuits may result in a trademark's validity in one regional circuit but invalidity in another. However, a registered trademark constitutes a property right to use the mark throughout the nation rather than merely in a particular circuit.¹⁹¹ Given the national flow of commerce, the products on which these marks are attached often are sold in a substantial number of states that overlap the federal judicial circuit borders. Therefore, using color per se as an example, a company selling some of its products in a traditional rule circuit would likely elect not to use color per se as its mark because of the uncertainty created by the split, even though it also sells the products in progressive circuits where the color could be protected. Such uncertainty allows one circuit effectively to veto all of the others by discouraging appropriation of the type of mark it invalidates. As for forum shopping, a competitor wishing to challenge a company selling its products in many circuits will naturally choose to litigate in the one where the law opposes color per se.

More importantly, if the split is between some regional circuits and the Federal Circuit, the danger of wasted resources is magnified, as companies will invest significant money to register a trademark, only to find that registration voidable in some circuits. Federal Circuit law governs the PTO's registration decisions and the TTAB's review, but appeals from the TTAB's review may be to the Federal Circuit, which will naturally apply Federal Circuit law, *or* to a district court, which applies its regional circuit's interpretation of the Lanham Act to the trademark at issue.¹⁹² Besides the conflicting interpretations of law present at the registration stage, infringement actions occur only in the district courts, which can invalidate a registered trademark under the regional circuit interpretations.¹⁹³ Thus, the Lanham Act's supposed national protection of registered trademarks actually extends only to those circuits that agree with the Federal Circuit's interpretation.

191. Registration under the Lanham Act provides nationwide constructive notice to any potential users of the mark, eliminating the possibility of a "good-faith" defense. 15 U.S.C. § 1072 (1988). In addition, registration freezes the geographic scope of any other current users of the mark. *Old Dutch Foods, Inc. v. Dan Dee Pretzel & Potato Chip Co.*, 477 F.2d 150, 156-57 (6th Cir. 1973); *John R. Thompson Co. v. Holloway*, 366 F.2d 108, 114 (5th Cir. 1966); *Dawn Donut Co. v. Hart's Food Stores, Inc.* 267 F.2d 358, 362-63 (2d Cir. 1959).

192. The appellate structure under the Lanham Act is currently quite complex. Decisions of the TTAB in both registration and *inter partes* (opposition and cancellation) cases are appealable to the Federal Circuit *or* to a district court. 15 U.S.C. § 1071(a), (b). If the party chooses to appeal to the Federal Circuit, review is limited to the record that was before the TTAB. *Id.* § 1071 (a)(4). Alternatively, a party may choose to "appeal" by commencing a civil action in a federal district court, which reviews the TTAB's decision almost *de novo*. *Id.* § 1071(b); see Mary L. Kevlin, *Review of the 1985 Trademark Decisions of the Court of Appeals for the Federal Circuit*, 35 AM. U. L. REV. 1149, 1151 n.11 (1986) (reviewing cases holding that, although parties may freely introduce new evidence to supplement the TTAB record, review is less than *de novo* because significant deference should be given to the TTAB's factual findings). According to several studies, most parties choose to appeal to the Federal Circuit rather than to instigate a district court civil action. Barbara G. Booth, *Review of TTAB Inter Partes Decisions: Appeal Versus Civil Review*, 74 TRADEMARK REP. 396, 399, 401 (1984); Daniel L. Skoler, *Trademark Appeal, Opposition and Cancellation Procedure in Six Nations: A Comparative Examination*, 74 TRADEMARK REP. 367, 372 (1984).

193. 15 U.S.C. § 1121.

C. A Proposal for a Jurisdictional Shift in all Lanham Act Appeals

To create uniformity in the trademark law, thereby limiting commercial uncertainty, forum shopping, and wasted resources, a more fundamental change is needed in the institutional framework under which trademarks are registered and protected.¹⁹⁴ The most logical solution, and one which has proven highly successful in the context of the patent laws, is for Congress to grant the Federal Circuit *exclusive* jurisdiction to hear appeals of decisions both from the TTAB on registration issues and from the district courts on infringement issues.¹⁹⁵ Such legislation would remove from the regional circuits all appeals from district court decisions based in whole or in part on the Lanham Act, not only easing their severely overloaded dockets but, more importantly, ending the cacophony of conflicting Lanham Act interpretations by establishing a uniform and nationally applicable interpretation of this federal trademark statute.¹⁹⁶

In the Federal Courts Improvement Act of 1982 (the "FCIA"), Congress created the Federal Circuit after years of study on the need to resolve the major problem of the federal judiciary's structure, specifically "the inability . . . to provide a prompt, definitive answer to legal questions of nationwide significance."¹⁹⁷ Although the confusion among the circuits on the interpretation of the patent act drove the reform, Congress did not create the Federal Circuit to be merely a specialized patent court. Instead, Congress saw the Federal Circuit as a "national appellate court" for many substantive areas of the law with such

194. In discussing the need to create a national appellate court whose jurisdiction would be defined by certain subject matter rather than geography, the Senate, in its report on the Federal Courts Improvement Act of 1982 (the "FCIA"), stated:

[T]here are certain areas of Federal law in which the appellate system is malfunctioning. A decision in any one of the twelve regional circuits is not binding on any of the others. As a result, our Federal judicial system lacks the capacity, short of the Supreme Court, to provide reasonably quick and definitive answers

S. REP. NO. 275, 97th Cong., 1st Sess. 3, *reprinted in* 1982 U.S.C.C.A.N. 11, 13 [hereinafter FCIA SENATE REPORT].

195. See 28 U.S.C. § 1295(a)(1) (1988) (assigning the Federal Circuit exclusive jurisdiction of appeals from all district court judgments in cases arising under the patent laws of the United States). The FCIA, of which the patent provision *supra* was one component, established the U.S. Court of Appeals for the Federal Circuit and set forth its limited jurisdiction. Pub. L. No. 97-164, 96 Stat. 25 (1982) (codified in scattered sections of 2, 5, 7, 10, 15, 16, 18, 19, 22, 25, 26, 28, 30, 31, 33, 35, 40, 41, 42, 44, & 50 app. U.S.C.).

196. The number of cases involved would be quite large. One batch of cases would be the approximately 25% of appeals from TTAB registration reviews that the Federal Circuit does not currently hear. The other would be all of the infringement appeals heard yearly in the regional circuits. A study would be needed to determine whether the Federal Circuit could actually absorb such jurisdiction.

197. FCIA SENATE REPORT, *supra* note 194, at 1, 1982 U.S.C.C.A.N. at 11; HRUSKA COMM'N, *supra* note 190, at 207-09, 247. See generally Rochelle Cooper Dreyfuss, *The Federal Circuit: A Case Study in Specialized Courts*, 64 N.Y.U. L. REV. 1, 6-8 (1989); The Honorable Pauline Newman, *The Federal Circuit: Judicial Stability or Judicial Activism?*, 42 AM. U. L. REV. 683 (1993); The Honorable Helen Wilson Nies, *The Federal Circuit: A Court for the Future*, 41 AM. U. L. REV. 571 (1992).

nationwide importance that they required uniform and consistent interpretations.¹⁹⁸

Since establishing the Federal Circuit and its original jurisdictional reach, Congress has added new types of appeals to its docket.¹⁹⁹ More relevant to the trademark issue, Congress, since enacting the FCIA, has even transferred additional exclusive appellate jurisdiction of appeals from district courts away from the regional circuits to the Federal Circuit.²⁰⁰ Therefore, precedent exists for Congress to effect the jurisdictional shift needed to eliminate the confusion created by conflicting regional circuit interpretations of the Lanham Act, only one example of which is the color per se issue.

Trademarks share many common features with the other substantive areas of the law in which the Federal Circuit already enjoys exclusive appellate jurisdiction over decisions from the district courts.²⁰¹ First, both patents and

198. FCIA SENATE REPORT, *supra* note 194, at 2, 1982 U.S.C.C.A.N. at 12; H.R. REP. NO. 312, 97th Cong., 1st Sess. 4, reprinted in 4A DONALD R. DUNNER ET AL., COURT OF APPEALS FOR THE FEDERAL CIRCUIT: PRACTICE AND PROCEDURE App. E-4 (1992) [hereinafter FCIA HOUSE REPORT] (“[T]he new court [has] a breadth of jurisdiction that rivals in its variety that of the regional courts of appeals. The proposed new court is not a ‘specialized court.’”).

The Federal Circuit hears appeals from many different adjudicatory bodies and covers a wide breadth of substantive law. *E.g.*, 28 U.S.C. § 1295(a)(3) (Supp. V 1993) (final decisions of United States Court of Federal Claims—formerly known as United States Claims Court); *id.* § 1295(a)(5) (1988) (final decisions of United States Court of International Trade); *id.* § 1295(a)(6) (final determinations of United States International Trade Commission relating to unfair trade practices in import trade); *id.* § 1295(a)(7) (questions of law in findings of Secretary of Commerce regarding the Tariff Schedules of the United States); *id.* § 1295(a)(8) (decisions of the Department of Agriculture under section 71 of the Plant Variety Protection Act, 7 U.S.C. § 2461); *id.* § 1295(a)(9) (Supp. V 1993) (final decision or orders of Merit Systems Protection Board).

199. For example, the Federal Circuit is the appellate court for the United States Court of Veterans Appeals. 38 U.S.C. § 7292 (Supp. V 1993). The court also hears all appeals in claims brought by Senate or Presidential employees under the Civil Rights Act of 1991. Pub. L. 102-166, § 309, 105 Stat. 1071, 1093-94 (to be codified at 2 U.S.C. § 1209). More recently, Congress eliminated the Temporary Emergency Court of Appeals and transferred its pending cases to the Federal Circuit. Federal Courts Improvement Act of 1992, Pub. L. 102-572, § 102(e), 106 Stat. 4506, 4507 (to be codified at 28 U.S.C. § 1295).

Congress also has granted some regional circuits exclusive appellate jurisdiction over certain substantive areas of the law where nationwide uniformity is crucial. *See, e.g.*, 42 U.S.C. § 7607(b)(1) (Supp. V 1993) (certain EPA orders appealable only to the D.C. Circuit); 47 U.S.C. § 402(b) (1988) (certain orders of the FCC appealable only to the D.C. Circuit).

200. In 1988, Congress transferred from the regional circuits to the Federal Circuit exclusive appellate jurisdiction over all interlocutory appeals from district court decisions on whether a claim against the government is a Tucker Act claim, those for \$10,000 or more which must be brought in the Court of Federal Claims, or a “Little Tucker Act” claim, those for less than \$10,000 which may be brought in either the district courts or the Court of Federal Claims. Previously, such interlocutory appeals from a motion to transfer went to the regional circuits if from a district court and to the Federal Circuit if from the Court of Federal Claims. Rader, *supra* note 187, at 1013.

Commentators have suggested additional exclusive jurisdiction. *E.g.*, Harold C. Petrowitz, *Federal Court Reform: The Federal Courts Improvement Act of 1982—And Beyond*, 32 AM. U. L. REV. 543, 554 (1983) (arguing that Congress should not have eliminated the proposed exclusive tax appeal jurisdiction, given tax law’s problems under the old appellate structure). For a discussion of Congress’s elimination of tax jurisdiction from the bill that became the FCIA, see Dennis DeConcini, *The Federal Courts Improvement Act of 1982: A Legislative Overview*, 14 GEO. MASON U. L. REV. 529, 533 (1992).

201. There are two substantive areas in which all appeals from district courts must go to the Federal Circuit, rather than to the regional circuits: patents and claims against the government. The claims jurisdiction can be split into two categories: (1) under 28 U.S.C. § 1295(a)(3), all appeals from the

trademarks arise out of a centralized national examining office charged with the scrutiny of all applications from throughout the United States and the granting of rights only to those that meet the requirements of the applicable act of Congress.²⁰² Second, under trademark law today and patent law before the creation of the Federal Circuit, differing interpretations of the applicable act govern the registration and infringement decisions. The PTO examines all trademark applications for validity under the law of the Federal Circuit; similarly, the law of the Court of Customs and Patent Appeals governed the PTO's examination and issuing of patents.²⁰³ As with trademarks, regional circuit law applied to any later infringement actions related to those issued patents, such that the patents could be issued under one interpretation of the act and then nullified by a regional circuit under another.²⁰⁴ Third, as with

Court of Federal Claims, which itself has exclusive jurisdiction over claims against the federal government for more than \$10,000 (Tucker Act claims of *id.* § 1491), and (2) under *id.* § 1295(a)(2), all appeals from either the Court of Federal Claims or the district courts, which have concurrent jurisdiction over claims against the government for less than \$10,000 ("Little Tucker Act" claims of *id.* § 1346(a)(2)).

In passing the FCIA, Congress asserted that it had included in the Federal Circuit's jurisdiction those areas of the law that required nationwide subject matter uniformity; adding more substantive areas to the court's jurisdiction would require "serious future evaluation" and new legislation. FCIA SENATE REPORT, *supra* note 194, at 14; *see infra* notes 199-200 (discussing proposed and legislated additions to Federal Circuit jurisdiction).

The original bills introduced to create the Federal Circuit included the exclusive trademark jurisdiction argued for in this article. S. 677, 96th Cong., 1st Sess., 125 CONG. REC. 2869 (1979); S. 678, 96th Cong., 1st Sess., 125 CONG. REC. 2854-55 (1979); *see also* Edward M. Kennedy, *The Federal Courts Improvement Act: A First Step for Congress to Take*, 63 JUDICATURE 8, 10-11 (1980) (discussing S. 678's exclusive patent and trademark jurisdiction). Congress apparently decided at that time against this course of action. *See Federal Courts Improvement Act of 1981: Hearings on S. 21 Before the Subcomm. on Courts of the Senate Comm. on the Judiciary*, 97th Cong., 1st Sess. 248-49 (statement of Howard T. Markey, Chief Judge, United States Court of Customs and Patent Appeals) ("Tax, environmental, and trademark matters were originally included [in the court's exclusive appellate jurisdiction].").

202. Note, however, that the effect of a trademark registration is different from that of a patent grant, although both flow out of an examining process by the PTO. A trademark registration operates concurrently with the common law of trademarks and unfair competition, thus adding protection to what the states and section 43(a) of the Lanham Act already provide. In contrast, a patent grant is the only means of gaining protection for an invention, since the Constitution's patent clause preempts all common law of patents. *See generally* 3 MCCARTHY, *supra* note 25, § 31.21[2][b][iii], at 31-99 to 31-101.

203. *See Dreyfuss, supra* note 197, at 6.

204. For example, from 1953 through 1977, the Federal circuit courts invalidated an average of 60.2% of all patents adjudicated in the courts, ranging from 40.4% in the Tenth Circuit to 82.8% in the Eighth Circuit. 2 GLORIA K. KOENIG, PATENT INVALIDITY: A STATISTICAL AND SUBSTANTIVE ANALYSIS § 4.02, at 4-31 (rev. vol. 1980); *see also* Dreyfuss, *supra* note 197, at 7 (noting that between 1945 and 1957, patents were twice as likely to be upheld in the Fifth Circuit than in the Seventh Circuit, and four times as likely to be upheld in the Seventh than in the Second Circuit); *see also* Graham v. John Deere Co., 383 U.S. 1, 18 (1966) ("We have observed a notorious difference between the standards [of patentability] applied by the Patent Office and by the courts."); FCIA HOUSE REPORT, *supra* note 198, at App. E-7 (opining that "the validity of a patent [sic] is too dependent upon geography (i.e., the accident of judicial venue) to make effective business planning possible"); Newman, *supra* note 197, at 686 ("The practical importance . . . is manifest when one considers that over 150,000 patent applications are processed annually by the patent examining system, yet each patented invention that is successful in the marketplace is subject to second-guessing in the courts."). *Compare with In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1129 n.3 (Bissell, J., dissenting) (discussing trademark law differences between the regional circuits and the Federal Circuit and noting that "there is no point

patents and claims against the government (nontort claims, usually involving government contracts), trademarks represent a vital sector of the national economy that must not be disrupted by uncertainty.²⁰⁵ Fourth, trademarks are national property rights that, like patents, are supposedly enforceable throughout the land. Fifth, because they consist of national rights for use on products that may be sold—and therefore infringed—throughout the nation, both trademarks and patents often involve multicircuit litigants, thereby posing a particularly enhanced opportunity for forum shopping.²⁰⁶ Finally, both patent and trademark law include “a large number of recurring questions, no one of which is of great importance by itself, and most of which are not worthy of review by the Supreme Court of the United States.”²⁰⁷

Congress’s transfer of exclusive appellate patent jurisdiction to the Federal Circuit has proven a resounding success. In just its first three years of existence, the Federal Circuit identified and resolved all of the thirteen patent law issues with conflicting interpretations that had accumulated in the regional circuits’ case law.²⁰⁸ In resolving these intercircuit conflicts and bringing uniformity to the substantive patent law of the United States, the Federal Circuit enjoys a strong record in the Supreme Court. In fact, the Court has granted certiorari in only three patent cases since the birth of the Federal Circuit.²⁰⁹ Two of these posed only procedural or jurisdictional questions, and in the one

in granting a registration which will not be recognized by the regional circuits.”).

205. Trademarks constitute a substantial portion of the value of U.S. corporations. For example, 80% of the \$25 billion paid for RJR Nabisco was attributed to trademarks and other intangibles, and American Brands, Inc., purchased seven liquor trademarks from Seagram Co. for \$372.5 million. Russell L. Parr, *The Value of Trademarks*, C913 ALI-ABA 229, 232, 235 (1994); see also Newman, *supra* note 197, at 683 (characterizing the fields of law within the Federal Circuit’s jurisdiction as critical or important to national interests).

206. See Dreyfuss, *supra* note 197, at 67-68 (“[U]niformity produced by deciding all cases in a single tribunal may be a more substantial benefit than it would be . . . if its consumers were localized.”); J. Clifford Wallace, *The Nature and Extent of Intercircuit Conflicts: A Solution Needed for a Mountain or a Molehill?*, 71 CALIF. L. REV. 913, 933-34 (1983) (explaining that patent law, as opposed to most other substantive fields, suffers intolerable forum shopping caused by the usual presence of multicircuit actors).

207. *Federal Courts Improvement Act of 1979, Hearings on S. 677 and S. 678 Before the Subcomm. on Improvements in Judicial Machinery of the Comm. of the Judiciary*, 96th Cong., 1st Sess. 47 (1979) (prepared statement of Erwin N. Griswold, former Solicitor General of the United States).

Trademark law, does, however, also contain marked differences from patent law. In particular, patent adjudication tests a judge’s ability to absorb such highly technical subject matter as genetic engineering and laser technology. In contrast, trademark law essentially rests upon the notion of fair competition in the marketplace, which does not require such technical expertise. However, the majority of Federal Circuit judges are not patent specialists, and the purpose of the judiciary reform was to provide uniformity in several areas of the law, not to create courts of technical expertise. See *supra* note 198 and accompanying text.

208. The Honorable Howard T. Markey, *The Federal Circuit and Congressional Intent*, 41 AM. U. L. REV. 577 (1992); see also Newman, *supra* note 197, at 686 (“In decisions of exemplary fidelity to the constitutional and legislative purposes of the patent law, drawing upon the mixture of economic theory and technological practicality that coalesce in the patent law, the Federal Circuit retrieved from the law much of the arcana with which it had been burdened in recent decades.”).

209. *Eli Lilly and Co. v. Medtronic, Inc.*, 496 U.S. 661 (1990); *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800 (1988); *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809 (1986).

substantive patent case, the Court affirmed the Federal Circuit's decision.²¹⁰ In addition, the chief concern voiced by many opponents of exclusive patent jurisdiction, that the Federal Circuit would be overly biased in favor of patent protection, "has apparently by now foundered on the facts."²¹¹ The Federal Circuit's success in establishing uniformity in the patent law, along with both the Supreme Court's apparent approval of these results and the neutrality shown in achieving them, counsels a similar jurisdictional shift for cases arising under the Lanham Act.²¹²

V

CONCLUSION

The Lanham Act contains broad language that allows any type of mark that distinguishes a product in the minds of the consumer to be registered, supposedly bestowing nationwide protection against infringers. This inclusive definition of a trademark allows the Act to remain in transition, covering new trademark formats as the commercial world finds a way to use them as distinguishing devices in the marketplace. The breadth of the Lanham Act is kept in check, however, both by a few specific statutory exclusions and by limiting provisions that prevent the appropriation of a particular trademark that confuses the public or fetters competition in the industry.

A color, as with a word, shape, or logo, often satisfies the Lanham Act's broad definition of a trademark. As such, it should be afforded the protection the Act commands when a mark fits the statutory definition, does not fall within one of the statutory exclusions, and is neither confusing nor anticompetitive.

Two federal circuit courts have acted consistently with the Lanham Act's clear progressive mandate. Others continue to judicially legislate their own categorical color exclusion, adding it to the limited list Congress chose to enact.

210. *Eli Lilly*, 491 U.S. 661.

211. *Markey*, *supra* note 208, at 579. See Erica U. Bodwell, *Published and Unpublished Federal Circuit Patent Decisions: A Comparison*, 30 IDEA 233, 239 (1990) (finding that in patent cases appealed to the Federal Circuit from 1987 to 1989, the court held for patentee 59% of the time—patent held valid 71 times and patent held infringed 87 times—and against patentee 41% of the time—patent held invalid 56 times and patent held not infringed 56 times).

212. Uniformity, however, does have its costs, which must be balanced against its advantages. For example, it can be argued that the Supreme Court can make more informed decisions on an issue when it has many conflicting views to examine. Wallace, *supra* note 206, at 927-30. In addition, granting exclusive jurisdiction over a substantive area to one court creates litigation on the issue of what exactly falls within those substantive boundaries. See, e.g., *Christianson*, 486 U.S. at 813-15 (affirming Federal Circuit's finding that it had no jurisdiction over the case; the Seventh Circuit had disclaimed jurisdiction and transferred the case to the Federal Circuit).

Another potential disadvantage of exclusive substantive jurisdiction would be bifurcated appeals when some issues in a case fell within the court's exclusive jurisdiction while others did not, e.g., a case with two copyright issues and two patent issues. To neutralize this problem, the Federal Circuit's patent and claims jurisdiction grants it authority over entire cases, not merely issues. *United States v. Hohri*, 482 U.S. 64, 75-76 (1987) ("[A] mixed case, presenting both a nontax Little Tucker Act claim and an FTCA claim, may be appealed only to the Federal Circuit."). The same case-based jurisdiction should be included in the trademark appeal jurisdiction argued for in this note.

Although the color per se issue will soon be settled by the Supreme Court, this and other splits among the circuits on trademark issues create uncertainty for individuals and businesses who sell products and services throughout this nation, thereby casting a dark cloud over an enormous percentage of our national economy.

As this note has suggested, the time has come to reexamine the structure of trademark case adjudication in the United States. An existing judicial body, the United States Court of Appeals for the Federal Circuit, has proven its ability to resolve conflicting interpretations of national law. Transferring jurisdiction of all trademark cases to the Federal Circuit, as was done with all patent cases when the court was created, is a hopeful solution to the vexing problems created by multiple interpretations of trademark law issues such as the protection of color per se. This structural shift of jurisdiction would provide the uniformity necessary in a nation of commerce that usually extends beyond the regional circuit borders.

