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# Reconciling *Qualitex* with *Two Pesos*: Ambiguity and Inconsistency From the Supreme Court

Michael B. Landau\*

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## I. INTRODUCTION

Last year, I wrote an article<sup>1</sup> that appeared in this law review examining the issue of trademark protection for color *per se* in light of the Ninth Circuit's decision in *Qualitex Co. v. Jacobson Products Co.*,<sup>2</sup> The article traced the evolution of the inter-circuit split that precipitated the Supreme Court to grant *certiorari* in *Qualitex* and advocated reversing the absolute prohibition against the protection of color as a trademark imposed by the Ninth Circuit. The article was published shortly before the Court arrived at its decision.

The *Qualitex* opinion,<sup>3</sup> handed down on March 28, 1995, left much to be desired. While the Supreme Court did reverse the Ninth Circuit's absolute bar against the protection of color *per se*, the Court did not provide sufficient guidance or engage in satisfactory analysis. The unanimous opinion, written by Justice Breyer, ignores or contradicts much of what was said by the Court only three years earlier in *Two Pesos, Inc. v. Taco Cabana, Inc.*,<sup>4</sup> a case involving "inherent distinctiveness" and "secondary meaning." The differences between the two cases appeared to be so striking that I felt compelled to write a follow-up to the earlier piece.

The *Qualitex* opinion is inherently ambiguous. Its language can be interpreted in two different ways. The first approach is to read *Qualitex* as a fact-specific decision that simply holds that there should not be an absolute rule against the protection of color *per se* as a trademark, provided that color otherwise meets the general requirements for trademark protection.<sup>5</sup> Those who read the case in this manner interpret the holding as standing for the proposition that color is to be treated in the same manner as any other potential

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<sup>1</sup> See Michael B. Landau, *Trademark Protection for Color Per Se after Qualitex Co. v. Jacobson Products Co.: Another Grey Area in the Law*, 2 UCLA ENT. L. REV. 1 (1995) [hereinafter "Landau"].

<sup>2</sup> 13 F.3d 1297 (9th Cir. 1994), *rev'd*, — U.S. —, 115 S. Ct. 1300 (1995).

<sup>3</sup> *Qualitex Co. v. Jacobson Products Co, Inc.*, — U.S. —, 115 S. Ct. 1300 (1995).

<sup>4</sup> 505 U.S. 763 (1992).

<sup>5</sup> 115 S. Ct. at 1303.

mark.<sup>6</sup>

The other way to interpret *Qualitex*—the view apparently held by most<sup>7</sup>—is to read the opinion as holding that color can never be “inherently distinctive” and, therefore, can only be protected by establishing proof of “secondary meaning” or “acquired distinctiveness.”<sup>8</sup> While the Court did not expressly state this in its holding, the Court quickly dismissed the prospect of color being “inherently distinctive” by saying, “[t]rue, a product’s color is unlike ‘fanciful,’ ‘arbitrary,’ or ‘suggestive’ words or designs, which automatically tell a customer that they refer to a brand . . . . But, over time customers may come to treat a particular color . . . as signifying a brand.”<sup>9</sup> In addition, much of the analysis concentrates on whether *Qualitex*’s “green-gold” had developed secondary meaning. The language in the opinion has led many to the conclusion that the Court imposed a requirement of secondary meaning for the protection of color marks.

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<sup>6</sup> See discussion *infra* Part V.

<sup>7</sup> See *infra* note 132.

<sup>8</sup> “Secondary meaning” or “acquired distinctiveness” is an association in the minds of consumers of the source of the goods or services. “The easiest and least expensive manner of proving secondary meaning is to introduce evidence of [1] the amount and nature of advertising of the mark; [2] the length of time the mark has been in use; and [3] the amount of goods and services sold under the mark.” 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 15.16 (3d ed. 1992); see also *Coach House Rests., Inc. v. Coach and Six Rests., Inc.*, 934 F.2d 1551 (11th Cir. 1991); *Conagra, Inc. v. Singleton*, 743 F.2d 1508, 1513 (11th Cir. 1984); *Robarb, Inc. v. Pool Builders Supply of the Carolinas, Inc.*, 21 U.S.P.Q. 2d 1743, 1745 (N.D. Ga. 1991), *aff’d*, 996 F.2d 1232 (11th Cir. 1993); *Jolly Good Industries, Inc. v. Elegra, Inc.*, 690 F. Supp. 227, 230 (S.D.N.Y. 1988) (secondary meaning determined by “(1) substantial advertising expenditures, (2) great sales success, (3) unsolicited media coverage, and (4) defendants, [sic] deliberate attempt to imitate its product” (citing *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 78 (2d Cir. 1985))). In addition, in a modern economy, secondary meaning may be established in very little time as a result of advertising and promotion. See 2 MCCARTHY, §15.20[4].

<sup>9</sup> 115 S. Ct. at 1303 (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-10 (2d Cir. 1976)). This is essentially the extent of the Court’s analysis regarding whether color may be inherently distinctive. The issue of “inherent distinctiveness” and color is discussed in more detail at *infra* note 33.

Including a "secondary meaning" requirement for the protection of all color marks is completely at odds with the literal language of both the Lanham Act and at odds with the Court's own language within *Qualitex* about the "lack of justification for a special rule."<sup>10</sup> Ironically, while the Court stated that there is "no justification for" a "special rule" that prevents color from serving as a trademark, by requiring a finding of "secondary meaning," the Court imposed its own "special rule" for the protection of color. A "special rule" for the protection of color is as equally unjustified as a "special rule" against the protection of color.

The case is also at odds with the Court's earlier decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*<sup>11</sup> A reading of *Two Pesos* leads one to conclude that only marks that are descriptive<sup>12</sup> require "secondary meaning" or "acquired distinctiveness." A reading of *Qualitex* leads one to conclude that all color marks require secondary meaning, regardless of the nature of the mark or its capability of identifying the source of goods and/or services.<sup>13</sup>

Moreover, reading the two cases together, it appears as though if one attempts to protect color as a "trademark," one must prove secondary meaning, but if one attempts to protect color as a major part of one's "trade dress," the "trade dress" can be inherently distinctive, and protected immediately. The result is a "form over substance" distinction, and goes against the Congressional goal of providing uniformity and consistency in trademark law. It also may

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<sup>10</sup> 115 S. Ct. at 1308.

<sup>11</sup> 505 U.S. 763 (1992).

<sup>12</sup> A descriptive mark "conveys an immediate idea of the ingredients, qualities, or characteristics of the goods." *University of Ga. Athletic Ass'n v. Laite*, 756 F.2d 1535, 1540-41 (11th Cir. 1985) (quoting 2 RUDOLPH CALLMANN, *THE LAW OF UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES* §§19.26, at 19-85 (4th ed. 1983)).

<sup>13</sup> It should be noted that *Qualitex* did not expressly state that all color marks require secondary meaning. However, the court did state in unequivocal terms that "a product's color is unlike 'fanciful,' 'arbitrary,' or 'suggestive' words or designs which almost automatically tell a customer that they refer to a brand." 115 S. Ct. at 1303 (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-10 (2d Cir. 1976)).

lead to strange outcomes in litigation in which a color trademark is not protected, but trade dress consisting primarily of color is protected.<sup>14</sup>

Whether willingly or inadvertently, the Court engaged in a bit of "judicial legislation" in *Qualitex* by requiring secondary meaning. This inattention to statute and precedent and the resultant "judicial legislation" by the Court is especially strange given that *Qualitex* was a unanimous opinion.<sup>15</sup> *Qualitex* goes against the Court's trend in other recent trademark cases toward following the literal language of Congress and making it clear that it is up to Congress to establish rules for the registration and protection of trademarks.<sup>16</sup> After *Qualitex*, there are still questions to be answered.

Part II of this article will examine the Supreme Court's 1992 *Two Pesos* decision. In Part III, the Ninth Circuit's 1994 opinion in the *Qualitex* case and the inter-circuit split of authority it precipitated will be discussed. Part IV will examine the Supreme Court's 1995 *Qualitex* decision. Part V will discuss some of the problems with the *Qualitex* opinion and the inconsistencies between *Qualitex* and *Two Pesos*. Finally, Part VI contains the Conclusion.

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<sup>14</sup> Such a result did occur in the Ninth Circuit's *Qualitex* opinion, albeit under different standards of protection. See 14 F.3d 1297 (9th Cir. 1994), *rev'd*, 115 S. Ct. 1300 (1995).

<sup>15</sup> Certainly, some of the Justices must have been familiar with their earlier cases that advocate following the literal language of Congress. See *infra* note 16.

<sup>16</sup> See, e.g., *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281, 291 (1988) ("If the statute is clear and unambiguous, that is the end of the matter, for the court, as well as the agency, must give effect to the unambiguously expressed intent of Congress."); *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 196-197 (1985) ("The statute nowhere distinguishes between a registrant's offensive and defensive use of an incontestable mark . . . . Congress could easily have denied incontestability to merely descriptive marks as well as to generic marks had that been its intention.").

## II. THE SUPREME COURT'S 1992 OPINION IN *TWO PESOS, INC. V. TACO CABANA, INC.*

In 1992, the Supreme Court decided *Two Pesos, Inc. v. Taco Cabana, Inc.*<sup>17</sup> in order to resolve a split of authority between the Second Circuit and the Fifth Circuit over the issue of whether "inherently distinctive" trade dress could be protected without a finding of secondary meaning. The Fifth Circuit, in the opinion below,<sup>18</sup> and earlier in *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*<sup>19</sup> held that "secondary meaning" or "acquired distinctiveness" is required only in cases in which the trademark or trade dress in question were descriptive and therefore not sufficiently distinctive to identify the source. The Fifth Circuit made no distinction between a registered and an unregistered trademark and held that the requirements of Section 2 of the Lanham Act<sup>20</sup> applied to both types of marks. Under the Fifth Circuit's analysis, non-functional trade dress that was "arbitrary," "fanciful," or "suggestive" was "inherently distinctive" and could be protected immediately upon its use in commerce, without a showing of secondary meaning or acquired distinctiveness.

In contrast, the Second Circuit in *Vibrant Sales, Inc. v. New Body Boutique, Inc.*<sup>21</sup> made a distinction between registered and unregistered marks and held that "secondary meaning" must be shown with respect to all unregistered marks in order to prevail on a "false

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<sup>17</sup> 505 U.S. 763 (1992).

<sup>18</sup> *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113 (5th Cir. 1991), *aff'd*, 505 U.S. 763 (1992).

<sup>19</sup> 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126 (1982).

<sup>20</sup> 15 U.S.C. § 1052 (1994).

<sup>21</sup> 652 F.2d 299 (2d Cir. 1981), *cert. denied*, 455 U.S. 909 (1982). It is interesting to note that at the time the Supreme Court denied the petition for *certiorari* in *Vibrant Sales*, the same Circuit conflict already existed. Why the Court decided to grant *certiorari* in *Two Pesos* ten years later in order to resolve the same legal dispute is unknown.

designation of origin claim.”<sup>22</sup> The *Vibrant Sales* court based its logic on an erroneous apparent difference between Section 32(1)<sup>23</sup> of the Lanham Act, which applies to infringement actions for registered trademarks, and Section 43(a)<sup>24</sup> which applies to infringement actions

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<sup>22</sup> *Id.* at 303; *see also* *Le Sportsac, Inc. v. K Mart Corp.*, 754 F.2d 71 (2d. Cir. 1985); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979); *Truck Equipment Service Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1215 (8th Cir.), *cert. denied*, 429 U.S. 861 (1976).

<sup>23</sup> Section 32(1) of the Lanham Act in pertinent part provides:

(1) Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive—

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

As used in this subsection, the term “any person” includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this Act in the same manner and to the same extent as any nongovernmental entity.

15 U.S.C. § 1114(1) (1994).

<sup>24</sup> Section 43(a) of the Lanham Act provides in pertinent part:

(a)(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to



for unregistered trademarks, false designation of origin, and trade dress infringement.

The requirement of proof of secondary meaning flows logically from §43(a)'s somewhat anomalous position in the Lanham Act. As the only provision in the Act which is not limited to registered marks, 43(a) may be invoked by claimants whose marks do not possess the presumptive source association of a registered trademark . . . .<sup>25</sup> As a result, a claimant suing under 43(a) is routinely required to show secondary meaning in order to convince the court that defendant's copying has had the effect of communicating a "false designation of origin."<sup>26</sup>

The court continued, "The reason for the difference in treatment is clear: registered marks are presumed to represent the source in the minds of the public, whereas unregistered marks are not, absent a showing of secondary meaning."<sup>27</sup> The Second Circuit, however, provided no real justification for this holding. Rather, it based its decision on a misunderstanding of the *prima facie* evidence of validity—and therefore, distinctiveness—that attaches to a registered mark.<sup>28</sup> The fact that a registered mark is presumed to be distinctive does not mean, *ipso facto*, that an unregistered mark can never be inherently distinctive. It only means that the holder of an unregistered

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the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . .

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125 (1994).

<sup>25</sup> *Vibrant Sales*, 652 F.2d at 303 (citing Comment, *Generic Drug Laws and Unfair Competition Claims Under the Lanham Act an Uneasy Alliance: Ives Laboratories, Inc. v. Darby Drug Co.*, 33 RUTGERS. L. REV. 227, 237 (1980)).

<sup>26</sup> *Vibrant Sales*, 652 F.2d at 299; see also Kenneth B. Germain, *Unfair Trade Practices Under Section 43(a) of the Lanham Act: You've Come a Long Way, Baby—Too Far, Maybe?*, 49 IND. L.J. 84, 103 (1973).

<sup>27</sup> *Vibrant Sales*, 652 F.2d at 304.

<sup>28</sup> A registered mark carries with it *prima facie* evidence of validity of the mark, ownership of the mark, and the exclusive right to use the mark in commerce. See 15 U.S.C. §1057(b) (1988).

mark or trade dress must make a showing of distinctiveness, either inherent or acquired, as plaintiff in an infringement suit under Section 43(a).

*Two Pesos, Inc. v. Taco Cabana, Inc.*<sup>29</sup> dealt with the infringement of "trade dress" of a Mexican Restaurant under Section 43(a) of the Lanham Act.<sup>30</sup> The "trade dress" of a product is its total image and overall appearance of a product and may include

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<sup>29</sup> 505 U.S. 763 (1992).

<sup>30</sup> 15 U.S.C. § 1125(a) (1994). As well as creating a cause of action for unregistered trademarks, this section also creates a federal cause of action for "trade dress" infringement. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041 (1987); *Robarb, Inc. v. Pool Builders Supply of the Carolinas, Inc.*, 21 U.S.P.Q. 2d (BNA) 1743 (N.D. Ga. 1991). "Trade Dress" "involves the total image of a product and may include features such as size, shape, color, or color combinations, texture, [or] graphics." *Two Pesos*, 505 U.S. at 764 n.1 (citing *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)); *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1169 (11th Cir. 1991); *AmBrit*, 812 F.2d at 1535; *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir. 1985) (citing *John H. Harland Co.*, 711 F.2d at 980). In determining whether a product's trade dress is protectable, it is not proper to analyze the individual elements of the trade dress alone; the entire appearance of the product must be viewed as a whole. *AmBrit*, 812 F.2d at 1538; *John H. Harland Co.*, 711 F.2d at 980; *Robarb*, 21 U.S.P.Q. 2d at 1746.

The unique combination of elements or features constitutes protectable trade dress, even if some of the elements or features alone are found on other products, or are individually unprotectable. *See, e.g.*, *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297, 1303 (9th Cir. 1994), *rev'd*, 115 S. Ct. 1300 (1995); *AmBrit*, 812 F.2d at 1537; *LeSportsac*, 754 F.2d at 76; *Warner Bros., Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 330 (2d Cir. 1983); *John H. Harland Co.*, 711 F.2d at 980; *Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 703 (5th Cir. 1981); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979); *Fundex, Inc. v. Imperial Toy Corp.*, 26 U.S.P.Q. 2d (BNA) 1061, 1063 (S.D. Ind. 1992); *Robarb*, 21 U.S.P.Q. 2d at 1745.

In order to prevail on a trade dress infringement cause of action under Section 43(a) of the Lanham Act, the plaintiff must prove the following elements: 1) its trade dress is either inherently distinctive or has acquired secondary meaning; 2) its trade dress is primarily non-functional; and 3) defendant's trade dress is confusingly similar. *Two Pesos*, 505 U.S. at 769; *AmBrit*, 812 F.2d at 1535; *Robarb*, 21 U.S.P.Q. 2d (BNA) at 1745.

features such as “size, shape, color or color combinations, texture, graphics, or even particular sales techniques.”<sup>31</sup> The specific trade dress in question is described as follows:

[A] festive eating atmosphere having interior dining and patio areas decorated with artifacts, bright colors, paintings and murals. The patio includes interior and exterior areas with the interior patio capable of being sealed off from the outside patio by garage doors. The stepped exterior of the building is a festive and vivid color scheme using bright top border paint and neon stripes. Bright awnings and umbrellas continue the theme.<sup>32</sup>

Taco Cabana alleged that Two Pesos had infringed its distinctive trade dress when it opened up competing Mexican restaurants in Texas and initiated suit in the Southern District of Texas. The case was tried before a jury.

With respect to the issue of inherent distinctiveness, the jury was instructed that “to be found inherently distinctive, the trade dress must not be descriptive.”<sup>33</sup> On the basis of that instruction, the jury found the trade dress to be inherently distinctive.<sup>34</sup> However, the jury also found that the trade dress had “not acquired a secondary meaning.”<sup>35</sup> In addition, the jury found that the trade dress was non-functional<sup>36</sup>

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<sup>31</sup> *Two Pesos*, 505 U.S. at 764 n.1 (citing *John H. Harland Co.*, 711 F.2d at 980); RESTATEMENT (THIRD) OF UNFAIR COMPETITION §16, cmt. a (Tent. Draft No. 2, Mar. 23, 1990)).

<sup>32</sup> *Id.* at 765 (quoting *Taco Cabana*, 932 F.2d at 1117).

<sup>33</sup> *Id.* at 766 n.3. On appeal, the Fifth Circuit found nothing wrong with the instruction. Although the instruction was not at issue before the Supreme Court, the Court tacitly approved it by reference. *See id.* at 767.

<sup>34</sup> *Id.* at 766.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.* “The functionality doctrine is based on the competing interests of the right to free competition and the right to establish and protect a distinctive identity within the marketplace.” *Richard L. Bridge, Master Distributors, Inc. v. Pako Corp: Equal Trademark Protection for Color Per Se*, 38 ST. LOUIS U. L.J. 485, 487 (1993). Functional features are not entitled to trademark protection. The Supreme Court has defined a feature as 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 Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.10 (1982). Phrased another way, a design

and that there was a likelihood of confusion<sup>37</sup> among ordinary consumers regarding the source of the goods or services.<sup>38</sup> Because the jury was instructed that "Taco Cabana's trade dress was protected if it either was inherently distinctive or had acquired secondary meaning,"<sup>39</sup> judgment was entered in favor of Taco Cabana. The

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is functional if it is so essential to the product that without it others would be hindered from competing effectively in the marketplace. *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1531-32 (Fed. Cir. 1994) (color black denied protection in connection with outboard motors based upon competitive need). On the other hand, a feature is primarily non-functional if, when omitted, nothing of substantial value in the purpose of use of the goods is lost. See *John Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983); see also Nancy L. Clarke, *Issues in the Federal Registration of Flavors as Protection for Pharmaceutical Products*, 1993 U. ILL. L. REV. 105; Landau, *supra* note 1, at 16-21; Anthony V. Lupo, *The Pink Panther Sings the Blues: Is Color Capable of Trademark Protection?*, 21 MEM. ST. U. L. REV. 637, 644 (1991).

Although there has been some dissatisfaction with the finding that the trade dress was non-functional, that issue was not on appeal in front of the Supreme Court. The only issue certified for Supreme Court review was whether secondary meaning was required for protecting inherently distinctive trade dress. See *Two Pesos*, 505 U.S. at 767 n.6.

<sup>37</sup> In order to prove infringement of a trademark or trade dress, the plaintiff must prove that there would be a "likelihood of confusion." See *Taco Cabana*, 932 F.2d at 1118. The "likelihood of confusion" test in the Ninth Circuit involves the balancing of the following factors:

- 1) the strength of the plaintiff's mark;
- 2) relatedness of the goods;
- 3) similarity of the marks;
- 4) evidence of actual confusion;
- 5) marketing channels used;
- 6) likely degree of purchaser care;
- 7) defendant's intent in selecting the mark; and
- 8) likelihood of expansion of the product lines.

See *Newton v. Thomason*, 22 F.3d 1455, 1461 (9th Cir. 1994); *White v. Samsung Electronics America, Inc.*, 971 F.2d 1395, 1400 (9th Cir. 1992), *cert. denied*, 113 S. Ct. 2443 (1993); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).

<sup>38</sup> *Two Pesos*, 505 U.S. at 766.

<sup>39</sup> *Id.*

decision was affirmed by the Fifth Circuit.<sup>40</sup>

The Supreme Court granted *certiorari* to resolve the inter-circuit between the Second and Fifth Circuits regarding “inherent distinctiveness” and “secondary meaning.” The Court specifically certified the issue of “whether trade dress which is inherently distinctive is protectable under section 43(a) without a showing that it has acquired secondary meaning.”<sup>41</sup>

The Supreme Court’s analysis began with a discussion of the statutory requirements for protection of marks. As a threshold matter, the Court stated that the requirements for registration of a mark under Section Two of the Lanham Act are “applicable in determining whether an unregistered mark is entitled to protection . . . .”<sup>42</sup> The Court held that there should be no difference in standards for protection between requirements for registration and protection for unregistered marks, including trade dress, in an infringement suit.<sup>43</sup>

The Court then went on to discuss the different types of marks and the requirements for protectability for the respective categories:

In order to be registered, a mark must be capable of distinguishing the applicant’s goods from those of others. §1052. Marks are often classified in categories of generally increasing distinctiveness; following the classic formulation set out by Judge Friendly, they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful . . . . The latter three categories of marks, because their intrinsic nature serves to identify

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<sup>40</sup> *See id.* at 767.

<sup>41</sup> *Id.* at 767 n.6.

<sup>42</sup> *Id.* at 768 (citing *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 299 n.9 (3rd Cir. 1986); *Thompson Medical Co. v. Pfizer, Inc.*, 753 F.2d 208, 215-216 (2d Cir. 1985)). For the specific statutory requirements for and prohibitions against the registration of marks, *see* §§ 2(a)-(f) of the Lanham Act (15 U.S.C. §§ 1052(a)-(f) (1994)), *infra* note 49.

<sup>43</sup> *Two Pesos*, 505 U.S. at 768, 773. While the standards for protection are the same for both registered marks and unregistered marks, there are some additional procedural and evidentiary advantages enjoyed by a registered trademark, including the ability to prevent the importation of confusingly similar goods under 15 U.S.C. § 1124, constructive notice of trademark ownership under 15 U.S.C. § 1072, incontestability under 15 U.S.C. § 1065, and *prima facie* evidence of ownership of the mark under 15 U.S.C. § 1057(b). *See also* Landau, *supra* note 1, at 48-49.

a particular source of a product, are deemed inherently distinctive and are entitled to protection. In contrast, generic marks—those that “refe[r] to the genus of which a particular product is a species”—are not registrable as trademarks.

Marks which are descriptive of a product are not inherently distinctive. When used to describe a particular product, they do not inherently identify a particular source, and hence cannot be protected. However, descriptive marks may acquire the distinctiveness which will allow them to be protected under the Act. . . . This acquired distinctiveness is generally called “secondary meaning” . . . .

The general rule regarding distinctiveness is clear: an identifying mark is distinctive and capable of being protected if it either (1) is inherently distinctive or (2) has acquired secondary meaning.<sup>44</sup>

Therefore, under the Supreme Court’s reading of the statute and prior case law, “fanciful,” “arbitrary,” and “suggestive” marks are “inherently distinctive” and may be protected immediately upon use in connection with goods in commerce. A trademark is “arbitrary” or “fanciful” if, when applied to a product or service, it “has no inherent relationship to the product of service with which it is associated.”<sup>45</sup> A trademark is “suggestive” if it “requires imagination, thought and perception to reach a conclusion as to the nature of the goods.”<sup>46</sup> In contrast, a “descriptive” mark “conveys

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<sup>44</sup> *Two Pesos*, 505 U.S. at 768-69 (citations omitted).

<sup>45</sup> *John H. Harland Co.*, 711 F.2d at 974; *see also AmBrit*, 812 F.2d at 1537, n.4. Examples of “arbitrary” marks include: “Black & White” scotch whiskey, *see Fleischman Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149 (9th Cir.), *cert. denied*, 374 U.S. 830 (1963); “Mustang” in connection with a hotel, *see Mustang Motels, Inc. v. Patel*, 226 U.S.P.Q. 526 (C.D. Cal. 1985); and “Lambda” in connection with computer equipment, *see Lambda Electronics Corp. v. Lambda Technology, Inc.*, 515 F. Supp. 915 (S.D.N.Y. 1981).

<sup>46</sup> J. THOMAS MCCARTHY, 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11.21[1] at 11-107 (1994) (quoting *Stix Products, Inc. v. United Merchants & Mfrs., Inc.*, 295 F. Supp. 479 (S.D.N.Y. 1968)). Examples of suggestive marks include: “Acoustic Research” for stereo loudspeakers, *see Bose Corp. v. International Jensen Inc.*, 963 F.2d 1517 (Fed. Cir. 1992); “Chicken of the Sea” for canned tuna, *see Van Camp Sea Food Co. v. Packman Bros.*, 4 F. Supp. 522 (D.N.J. 1933), *aff’d*, 79 F.2d 511 (3d Cir. 1935); and “At A Glance” calendars, *see Cullman Ventures, Inc. v. Columbian Art Works, Inc.*, 717 F. Supp.

an immediate idea of the ingredients, qualities or characteristics of the goods” as opposed to identifying source.<sup>47</sup> It can only be protected under the Lanham Act once it becomes “‘distinctive of the applicant’s goods in commerce.’”<sup>48</sup>

After expressing the basic principles for protection of marks, the Court examined the literal language of the statute and concluded “[w]here secondary meaning does appear in the statute, 15 U.S.C. § 1052, it is a requirement that applies only to merely descriptive marks . . . .”<sup>49</sup>

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96 (S.D.N.Y. 1989).

<sup>47</sup> *Id.*

<sup>48</sup> *Two Pesos*, 505 U.S. at 769 (quoting 15 U.S.C. §§ 1052(e), (f)). A good example of the differences between the categories of marks may be found in J. THOMAS MCCARTHY, 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, §11:22, at 498-99 (2d ed. 1984) (“The word ‘apple’ would be arbitrary when used on personal computers, suggestive when used in ‘Apple-A-Day’ on vitamin tablets, descriptive when used in ‘Tomapple’ for combination tomato-apple juice and generic when used on apples.”).

<sup>49</sup> *Two Pesos*, 505 U.S. at 774. Section 2 of the Lanham Act (15 U.S.C. § 1052) provides as follows:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principle register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

(d) Consists of or comprises a mark which so resembles mark registered in the Patent and Trademark Office; or a mark or a trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive . . . .

(e) Consists of a mark which (1) when used on or in connection with the

In addition to finding no statutory authority for requiring secondary meaning for any type of marks other than descriptive ones, the Court also enunciated strong public policy reasons for following Section 2's mandate. The Court noted that making it more difficult for parties to protect their marks would hinder competition and impose burdens and disincentives on business by enabling commercial parties to appropriate a competitor's inherently distinctive trade dress after it has been used in commerce in connection with goods, but before the legally sufficient secondary meaning had been developed.

[A]dding a secondary meaning requirement could have anticompetitive effects, creating particular burdens on the start-up of small companies. It would present special difficulties for a business, such as respondent, that seeks to start a new product in a limited area and then expand into new markets. Denying protection for inherently distinctive nonfunctional trade dress until after secondary meaning has been established would allow a competitor, which has not adopted a distinctive trade dress of its own, to appropriate the originator's dress in other markets and to deter the

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goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive, except as indications of regional origin may be registrable under section 1054 of this title, or (3) when used on or in connection with goods of the applicant is primarily geographically misdescriptive of them, or (4) is primarily merely a surname.

(f) Except as expressly excluded in paragraphs (a), (b), (c), (d), and (e)(3) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made. Nothing in this section shall prevent the registration of a mark which, when used on or in connection with the goods of the applicant, is primarily geographically deceptively misdescriptive of them, and which became distinctive of the applicant's goods in commerce before December 8, 1993.

15 U.S.C. §§ 1052(a)-(f) (1994).



originator from expanding into and competing in these areas.<sup>50</sup>

The holding in *Two Pesos* is clear and unambiguous. Secondary meaning is required only for the protection of descriptive marks. There is no legal basis for imposing a requirement of proving secondary meaning in order to protect any other kind of mark—including trade dress. Consequently, if trade dress or any other kind of mark is “inherently distinctive,” it may be protected immediately upon its use in connection with goods and/or services in commerce. If, under *Two Pesos*, there is no legal basis for distinguishing between registered and unregistered marks, or trademarks and trade dress, there is even less reason to make a legal distinction between color and other types of marks.

### III. THE NINTH CIRCUIT’S DECISION IN *QUALITEX CO. V. JACOBSON PRODUCTS, INC.*

The case that created the inter-circuit split of authority with regard to the specific issue of whether color *per se* is capable of trademark registration, leading to the Supreme Court’s decision resolving the issue, is *Qualitex Co. v. Jacobson Products, Inc.*<sup>51</sup> In that case, the Ninth Circuit adopted an absolute rule against the registration of color *per se*.<sup>52</sup> Prior to 1985, no federal court had allowed protection for color *per se* as a trademark.<sup>53</sup> In 1985, the Court of Appeals for the

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<sup>50</sup> *Two Pesos*, 505 U.S. at 775.

<sup>51</sup> 13 F.3d 1297 (9th Cir. 1994), *rev’d*, 115 S. Ct. 1300 (1995).

<sup>52</sup> *Id.* Ironically, despite the Ninth Circuit’s holding that Qualitex’s trademark was invalid, the court protected the “trade dress” of Qualitex’s “green-gold” press pad under Section 43(a). See Landau, *supra* note 1, at 3 n.7. The “trade dress” portion of the Ninth Circuit’s opinion was not at issue under the Supreme Court’s grant of *certiorari*. *Id.*

<sup>53</sup> See Daniel R. Schechter, *Qualitex Co. v. Jacobson Prods., Inc.: The Supreme Court “Goes for the Gold” and allows Trademark Protection for Color Per Se*, 5 FORDHAM INTELL. PROP. MEDIA & ENT. L. J. 481, 483-484. (1995); see also *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979); *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154 (1st Cir. 1977);

Federal Circuit, in *In re Owens-Corning Fiberglas Corp.*,<sup>54</sup> allowed the color "pink" in connection with fibrous glass insulation products to be registered as a trademark.

*Owens-Corning* is an extremely important case for both its majority and dissenting opinions. The majority opinion acknowledges and applies the intended changes in trademark law brought about by the enactment of the Lanham Act and the dissent sets forth reasons for not protecting color as a trademark. Judge Bissell's dissent was cited almost verbatim by the majorities in cases that followed, including

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*Volkswagenwerk A.G. v. Rickard*, 492 F.2d 474 (5th Cir. 1974), *reh'g granted*, 492 F.2d 474 (5th Cir. 1974); *Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569 (2d Cir. 1959), *cert. denied*, 362 U.S. 919 (1960); *Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3 (6th Cir. 1957); *Fram Corp. v. Boyd*, 230 F.2d 931 (5th Cir. 1956); *Mershon Co. v. Pachmayr*, 220 F.2d 879 (9th Cir. 1955), *cert. denied*, 350 U.S. 885 (1955); *Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950); *Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727 (6th Cir.), *cert. denied*, 203 U.S. 589 (1906); *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85, (S.D. Ia. 1982), *aff'd per curiam*, 721 F.2d 253 (8th Cir. 1983); *Funnelcap, Inc. v. Orion Industries, Inc.*, 421 F. Supp. 700 (D. Del. 1976); *Vitarroz Corp. v. River Brand Rice Mills, Inc.*, 266 F. Supp. 981 (S.D.N.Y. 1967); *Delamere Co. v. Taylor-Bell Co.*, 249 F. Supp. 471 (S.D.N.Y. 1966); *In re L. Teweles Seed Co.* (T.T.A.B. 1963); *Chun King Sales, Inc. v. Oriental Foods, Inc.*, 136 F. Supp. 659 (S.D. Cal. 1955), *modified on other grounds*, 244 F.2d 909 (9th Cir. 1957); *Campbell Soup Co. v. Armour & Co.*, 81 F. Supp. 114 (E.D. Pa. 1948), *aff'd*, 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949); *Radio Corp. of America v. Decca Records, Inc.*, 51 F. Supp. 493 (S.D.N.Y. 1943); *James Heddon's Sons v. Millsite Steel & Wire Works, Inc.*, 35 F. Supp. 169 (E.D. Mich. 1940), *aff'd*, 128 F.2d 6 (6th Cir.), *cert. denied*, 317 U.S. 674 (1942); *Southern California Fish Co. v. White Star Canning Co.*, 45 Cal. App. 426, 187 P 981 (Cal. Ct. App 1920); *H. P. Hood & Sons, Inc. v. Whiting Milk Co.*, 345 Mass. 287 (Mass. Sup. Jud. Ct. 1963); *Mr. Gasket Co. v. Travis*, 35 Ohio App. 2d 65 (Ohio Ct. App. 1973); *Pacific Coast Condensed Milk Co. v. Frye & Co.*, 85 Wash. 133, 147 P. 865 (1915); Jerome Gilson, TRADEMARK PROTECTION AND PRACTICE, § 2.11 (1992), 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 7.16 (3d ed. 1992); Landau, *supra* note 1, at 6; Jeffrey M. Samuels and Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 TRADEMARK REPR. 554 (1993) (citing *North Shore Laboratories Corp. v. Cohen*, 721 F.2d 514 (5th Cir. 1983)).

<sup>54</sup> 774 F.2d 1116 (Fed. Cir. 1985).

*Qualitex*, thereby leading to the inter-circuit split of authority.<sup>55</sup>

Owens-Corning had colored its fibrous glass insulation with the color "pink," and had engaged in extensive promotion and advertising, including a campaign with the "Pink Panther" cartoon character to make the public identify the "pink" insulation as being that of Owens-Corning. After several years of continuous use of the "pink" insulation, Owens-Corning applied to the Patent and Trademark Office to register "pink" as a trademark.

The Trademark Examiner denied the application and the case was appealed to the Trademark Trial and Appeals Board ("T.T.A.B"). The T.T.A.B. affirmed the Examiner's denial.<sup>56</sup> The Board ruled that the color "pink" did not function as a trademark, but was "mere ornamentation."<sup>57</sup>

The Federal Circuit reversed the T.T.A.B. on appeal. In a thoughtful opinion by Judge Pauline Newman, the Federal Circuit concluded that as a result of the passage of the Lanham Act and the resultant expansion of the categories of potential marks, color *per se* could be registered as a trademark. The court examined the legislative history and language of the Lanham Act and cited language interpreting the Lanham Act from its predecessor court, the C.C.P.A.<sup>58</sup>:

The legislative history of the Act as a whole describes its objective as making registration "more liberal," dispensing with "mere technical

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<sup>55</sup> For further analyses of the *Owens-Corning* case, see: Lee Burgunder, *Trademark Registration of Product Colors: Issues and Answers*, 26 SANTA CLARA L. REV. 581 (1986); Lawrence D. Grewach, *The Federal Circuit Puts Owens-Corning In the Pink*, 35 AM. U. L. REV. 1221 (1986); 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 (1986); Janet R. Hubbard, *Think Pink! Color Can Be A Trademark*, 43 WASH. & LEE L. REV. 1433 (1986).

<sup>56</sup> 221 U.S.P.Q. 1195 (T.T.A.B. 1984).

<sup>57</sup> See *Owens-Corning*, 774 F.2d at 1124 (citing the prior decision by the Trademark Trial and Appeal Board, 221 U.S.P.Q. (BNA) 1195, 1198 n.3 (T.T.A.B. 1984)). The Board did state that the overall color of a product *could* possibly be registered as a trademark if the color had acquired secondary meaning. See *id.* at 1118.

<sup>58</sup> *Id.* at 1119.

prohibitions and arbitrary provisions” and modernizing the trademark statutes “so that they will conform to the legitimate present-day business practice.” The basic goal of the Act, which dealt with a good deal more than registration was the “protection of trademarks, securing to the owner the good will of his business and protecting the public against spurious and falsely marked goods.” Accordingly, we consider the pre-Lanham Act decisions . . . to be inapt.<sup>59</sup>

The court continued:

Under the Lanham Act trademark registration became available to many types of previously excluded indicia. Change was gradual and evolutionary, as the Patent and Trademark Office and the courts were presented with new concepts. Registration has been granted, for example, for containers; product configurations; and packaging, even if subject to design patent protection; for tabs having a particular location on a garment; slogans; sounds; ornamental labels; and goods which take the form of the mark itself. The jurisprudence under the Lanham Act developed in accordance with the statutory principle that if a mark is capable of being or becoming distinctive of the applicant’s goods in commerce, then it is capable of serving as a trademark.<sup>60</sup>

After affirming the general proposition that color may serve as a trademark, provided that it meets the other requirements for protection, the court then went on to consider the issues of functionality<sup>61</sup> and secondary meaning or “acquired distinctiveness.”<sup>62</sup>

With respect to non-functionality, the court found that pink “serves the classical trademark function of indicating the origin of the goods, and thereby protects the public as discussed in the legislative history of the Lanham Act . . . .”<sup>63</sup> The court also found that use of the mark would “not confer a ‘monopoly’ or act as a barrier to entry in

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<sup>59</sup> *Id.* (quoting *In re E.I. du Pont DeNemours & Co.*, 476 F.2d 1357, 1360 (C.C.P.A. 1973) (footnotes omitted)).

<sup>60</sup> *Id.* at 1119-20 (footnotes omitted).

<sup>61</sup> *See supra* note 36.

<sup>62</sup> *See supra* note 8.

<sup>63</sup> *Owens-Corning*, 774 F.2d at 1123.

the market” for other fibrous glass insulation manufacturers.<sup>64</sup> In addition, the court found that the color pink had “no relationship to [the] production of fibrous glass insulation,”<sup>65</sup> and was therefore non-functional and potentially protectable.

In determining whether or not the mark had acquired distinctiveness or secondary meaning, the court considered factors such as the amount of advertising dollars expended by Owens-Corning to promote its “pink” fiberglass, the length of time that Owens-Corning had continuously used the color “pink” to identify its fiberglass insulation products, and survey evidence showing that the relevant public had come to associate pink insulation with Owens-Corning.<sup>66</sup> Based upon such extensive sales and promotion, the Court found that “secondary meaning” was established.<sup>67</sup> The Federal Circuit held that Owens-Corning had met its burden and that the decision of the Patent and Trademark Office denying registration was “clearly erroneous.”<sup>68</sup> As a result, the registration was granted.

Judge Bissel’s dissent concentrated on the tradition in the courts of

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<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> The record indicated that Owens-Corning had actively promoted its “pink” fiberglass insulation since 1956. In addition, in the period between 1972 and 1981, Owens-Corning had expended more than \$42 million on advertising. Over \$11 million of the amount was spent in 1981 alone. *Id.* at 1125. In considering the large amount of advertising, the court noted that “[t]he size of advertising expenditures alone has been found to serve as strong evidence of secondary meaning.” *Id.* (quoting *Roux Laboratories, Inc. v. Clairol Inc.*, 427 F.2d 823, 829 n.10 (C.C.P.A. 1970)); see also *RJR Foods Inc. v. White Rock Corp.*, 603 F.2d 1058, 1060 (2d Cir. 1979) (extensive advertising of plaintiff’s product properly considered in secondary meaning determination); *In re Hollywood Brands, Inc.*, 214 F.2d 139, 141 (C.C.P.A. 1954) (secondary meaning found when one-third of \$1.1 million in advertising was devoted to promoting the specific mark); 37 C.F.R. §2.41 (an applicant may submit “evidence showing duration, extent and nature of use and advertising expenditures” to support a claim of secondary meaning or acquired distinctiveness).

<sup>67</sup> See *id.* at 1128. The court, however, did not analyze the mark for “inherent distinctiveness.” *Owens-Corning* was decided before *Two Pesos*, so there was still an open question in the courts regarding when “secondary meaning” should apply.

<sup>68</sup> *Id.*

denying trademark protection to color *per se*.<sup>69</sup> “I adhere to the view that ‘the law is well settled today that the overall color of a product . . . cannot be a trade identity designation, nor is it entitled to registration.’ [citation] That was the law long before the 1946 Lanham Act, it continued to be the law after the Act, and ought to be the law in this case.”<sup>70</sup>

Judge Bissell stated four main reasons for not allowing a color alone to be protected as a trademark: 1) reliance by lawyers and clients upon prior federal court decisions;<sup>71</sup> 2) no need to create a division in the law;<sup>72</sup> 3) the “circumstances of this case might create a barrier to otherwise lawful competition in the home insulation trade;<sup>73</sup>” and 4) shade confusion.<sup>74</sup>

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<sup>69</sup> Because Judge Bissell’s dissent was instrumental in influencing the Ninth Circuit in *Qualitex* to deny protection, portions are presented above.

<sup>70</sup> *Owens-Corning*, 774 F.2d at 1128; *see also* *Coca-Cola Co. v. Koke Co.*, 254 U.S. 143, 147 (1920); *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 161 (1st. Cir. 1977) (color alone cannot be appropriated as a trademark); *Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474, 479-80 (5th Cir. 1974) (automobile manufacturer has no rights in specific shade of light blue); *Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569, 572 (2d Cir. 1959) (pink color of “Pepto-Bismal” not protectable); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366, 374 (S.D.N.Y. 1979); *Radio Corp. of America v. Decca Records*, 51 F. Supp. 493, 495 (S.D.N.Y. 1943) (“color qua color may not be a trademark”); *Gillette Safety Razor Co. v. Triangle Mechanical Laboratories Corp.*, 4 F. Supp. 319, 324 (E.D.N.Y. 1933) (“[A] concern, however, must clearly identify its product by something more distinctive and individual than mere color . . . . Color itself is free.”).

<sup>71</sup> *Owens-Corning*, 774 F.2d at 1129 (“While the decisions of the regional circuits certainly are not binding precedent on this court, they are entitled to at least a modicum of respect and deference . . . . Lawyers have advised clients, clients have conducted their affairs, litigants have won and lost and settled, all in light of the interpretation universally applied in the federal courts.”).

<sup>72</sup> *Id.*

<sup>73</sup> *Id.* at 1130 (“[B]y reason of the dominance of Owens-Corning in the field . . . new entrants might be unable to effectively compete if barred from making pink insulation.”). “By making this statement, Judge Bissell makes her confusion about the functionality doctrine clear. Judge Bissell is almost saying, by analogy, that Coca-Cola should not be allowed to protect the name ‘Coke,’ because if such protection were permitted, Coca-Cola could then prevent others from introducing a

Judge Bissell, in her dissent, did not examine the provisions of the Lanham Act itself, but instead relied on outdated cases holding that color is unprotectable. By doing so, Judge Bissell made the same mistake that other judges have often made by failing to overcome "legal inertia." After the *Owens-Corning* case, there were a few cases in the circuit courts dealing with the issue of color as a trademark, but none dealt with the specific issue of registration of color *per se* as a trademark.<sup>75</sup>

At this point, a brief background discussion of the facts of *Qualitex* is warranted.<sup>76</sup> Qualitex manufactured and sold various products for dry cleaners, laundries, and garment manufacturers.<sup>77</sup> In 1957, Qualitex began manufacturing and selling its "SUN GLOW" press pad for use on dry cleaning presses. The fabric for the cover of the pad is a unique "green-gold" color.<sup>78</sup> Qualitex filed for trademark registration of its "green-gold" color. The Registration

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beverage named 'Coke.' New market entrants may not appropriate the mark of a competitor; however, nothing prevents them from introducing a similar product with like physical properties—provided that the product is not covered by a valid patent." Landau, *supra* note 1, at 16-21, 32; see also Bridge, *supra* note 36, at 487; Clarke, *supra* note 36; Lupo, *supra* note 36, at 644.

<sup>74</sup> *Owens-Corning*, 774 F.2d at 1130.

<sup>75</sup> *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990), dealt with the issue of protection of color as trade dress. The Seventh Circuit denied protection to the color blue in connection with packets of artificial sweetener based upon the reasons articulated by Judge Bissell in her dissent in *Owens-Corning*. *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993), dealt with the issue of protection of color as a common law trademark. The Eighth Circuit granted protection to the color blue in connection with tape "leaders." *International Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819 (9th Cir. 1993), was decided by the Ninth Circuit shortly before it decided *Qualitex*. The issue was whether colored rubber surrounds on music loudspeakers could be protected. The court avoided the issue of protectability of color by finding that there was no likelihood of confusion. For a discussion of these cases, see Landau, *supra* note 1, at 26-45.

<sup>76</sup> A discussion of the development of law both in favor of and against the registration and/or protection of color as a trademark can be found in Landau, *supra* note 1.

<sup>77</sup> See 13 F.3d at 1300.

<sup>78</sup> See *id.*

issued on February 5, 1991.<sup>79</sup> The defendant, Jacobson, began manufacturing and marketing a similar press pad, called "Magic Glow" in 1989.<sup>80</sup> The cover of Jacobson's press pad was the same "green-gold" color as that of Qualitex's "SUN GLOW" pad and the names of the pads are similar.<sup>81</sup>

Qualitex filed suit on March 9, 1990 and alleged "trade dress" infringement in violation of Section 43(a)<sup>82</sup> of the Lanham Act.<sup>83</sup> After the registration issued in 1991, Qualitex amended the complaint to include an action for registered trademark infringement under Section 32(1)<sup>84</sup> of the Lanham Act.<sup>85</sup> In its defense, Jacobson claimed that it did not infringe, did not engage in unfair competition and that Qualitex did not have a valid interest to assert because color is not protectable as a trademark.<sup>86</sup> The district court found that Jacobson had infringed both Qualitex's registered trademark in the "green-gold" color and its "trade dress."<sup>87</sup> Jacobson appealed to the Ninth Circuit.<sup>88</sup>

On appeal, the court first dealt with the threshold trademark protection issue and second, looking directly at the language of the Lanham Act. The Ninth Circuit began the opinion by recognizing that:

Registration of mere color is not explicitly barred by the Lanham Act, which provides that, "[n]o trademark by which the goods of the applicant may be distinguished from the goods of another shall be refused

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<sup>79</sup> See *id.*

<sup>80</sup> See *id.*

<sup>81</sup> See *id.*

<sup>82</sup> 15 U.S.C. § 1125(a) (1994).

<sup>83</sup> See *Qualitex*, 13 F.3d at 1300. In order to prove infringement, the plaintiff must prove (1) ownership of a valid mark and (2) that defendant's use of the allegedly infringing mark "is likely to cause confusion."

<sup>84</sup> 15 U.S.C. § 1114(1) (1994).

<sup>85</sup> See *Qualitex*, 13 F.3d at 1300.

<sup>86</sup> See *id.* Jacobson based this assertion upon the reasons articulated in Judge Bissel's dissent in *Owens-Corning*, discussed in *supra* notes 68-74 and accompanying text.

<sup>87</sup> See *Qualitex*, 13 F.3d at 1300.

<sup>88</sup> *Id.*



registration,” [citation] unless one of the specific exceptions to registrability set forth in 15 U.S.C. §1052 applies. Color is not listed as an exception.<sup>89</sup>

The court clearly recognized that unlike the case of “scandalous, immoral, or deceptive” marks,<sup>90</sup> flags,<sup>91</sup> or dead presidents,<sup>92</sup> color is not expressly prohibited by the Lanham Act. Because the court found no express statutory prohibition against the protectability of color as a mark, the court should have granted protection. The inquiry with respect to whether color may be registered should have stopped there.

Nevertheless, the Ninth Circuit decided to look to prior cases, especially *Owens-Corning*,<sup>93</sup> *NutraSweet*,<sup>94</sup> and *Master Distributors*<sup>95</sup> for guidance. Despite the fact that the courts in both *Owens-Corning* and *Master Distributors* held that there was no *per se* bar to registering color and that color should be registered if it meets the other requirements, the Ninth Circuit was influenced by the reasons articulated in *NutraSweet*—reasons that were essentially the same as Judge Bissel’s dissent in *Owens-Corning*.<sup>96</sup>

In the final analysis, the Ninth Circuit held:

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<sup>89</sup> *Qualitex*, 13 F.3d at 1301 (quoting 15 U.S.C. § 1052).

<sup>90</sup> 15 U.S.C. §1052(a) (1994).

<sup>91</sup> 15 U.S.C. §1052(b) (1994).

<sup>92</sup> 15 U.S.C. §1052(c) (1994).

<sup>93</sup> *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985).

<sup>94</sup> *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990) (denial of trade dress protection for the color blue on sweetener packets).

<sup>95</sup> *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) (upholding common-law protection for color in connection with splicing tape leader).

<sup>96</sup> Although *NutraSweet* was a “trade dress” case under Section 43(a), the *Qualitex* court cited it directly for the proposition that color “is not entitled to registration.” 13 F.3d at 1302. Registration was never an issue in *NutraSweet*. By definition, “trade dress” is unregistered; if it were registered, the action would have fallen under Section 32(1) (15 U.S.C. § 1114(1) (1994) and not under Section 43(a) (15 U.S.C. § 1125(a) (1994), which only applies to unregistered marks. It should also be noted that the majority opinion in *NutraSweet* was almost a verbatim reproduction of Judge Bissel’s dissent in *Owens-Corning*.

We conclude that the better rule is that a trademark should not be registered for color alone. As many cases have noted, under the color depletion theory, no person should have a monopoly on a primary color. We recognize that there are countless shades of colors that could not be depleted, but then, we could well become involved in "shade confusion . . . ." <sup>97</sup>

By adopting this "better rule," the Ninth Circuit established an absolute bar to the protection of color as a trademark and cancelled the issued registration.<sup>98</sup> *Qualitex* appealed to the Supreme Court.

#### IV. THE SUPREME COURT'S 1995 OPINION

On March 28, 1995, the Supreme Court gave its unanimous opinion in the *Qualitex* case, written by Justice Breyer.<sup>99</sup> As a threshold matter, the Court first addressed the issue of whether there should be an absolute prohibition against the protection of color *per se* as a trademark. Supreme Court held: "that, sometimes, a color will meet ordinary legal trademark requirements. And, when it does so, no *special legal rule* prevents color alone from serving as a trademark."<sup>100</sup>

The Court continued:

Both the language of the [Lanham] Act, and the basic underlying principles of trademark law would seem to include color within the universe of things that can qualify as a trademark. The language of the Lanham Act describes that universe in the broadest of terms. It says that trademarks "includ[e] any word name symbol or device or any combination thereof." §1127. Since human beings might use as a "symbol" or "device" almost anything that is capable of carrying meaning, this language, read literally, is not restrictive. . . . If a shape, a sound, and a fragrance can act as symbols,

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<sup>97</sup> *Qualitex*, 13 F.3d at 1302.

<sup>98</sup> Federal courts have the power to cancel marks that have been issued by the Patent and Trademark Office. *Cf. Qualitex*, 13 F.3d at 1305.

<sup>99</sup> *Qualitex Co. v. Jacobson Products Co, Inc.*, — U.S. —, 115 S. Ct. 1300 (1995).

<sup>100</sup> *Id.* at 1302 (emphasis added).

why, one might ask, can a color not do the same?

A color is also capable of satisfying the more important part of the statutory definition of a trademark which requires that a person "us[e]" or "inten[d] to use" the mark "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 goods, even if that source is unknown" . . . .

. . . . It is the source-distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve these basic purposes . . . . And, for that reason, it is difficult to find, in basic trademark objectives, a reason to disqualify absolutely the use of color as a mark.<sup>101</sup>

The Court then addressed in turn each of the doctrines and rationales previously used by the courts to deny protection to color: "shade confusion," "color depletion," "reliance on precedent," and "protection under Section 43(a) for trade dress."

#### A. *Shade Confusion*<sup>102</sup>

The Court expressly rejected Jacobson's "shade confusion" argument: "We do not believe, however, that color in this respect is special. Courts traditionally decide quite difficult questions about whether two words or phrases or symbols are sufficiently similar, in context, to confuse buyers. . . . Indeed courts have already done so in cases where a trademark consists of a color plus a design . . .

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<sup>101</sup> *Id.* at 1302-04.

<sup>102</sup> "Shade confusion" is based upon the erroneous assumption that individuals are unable to distinguish among different shades. For a discussion of the Shade Confusion Doctrine, see Landau, *supra* note 1, at 10-16.

<sup>103</sup> *Qualitex*, 115 S. Ct. at 1304. Triers of fact must often answer close and difficult questions, and the traditional likelihood of confusion standard should be applied to distinguish similar colors, as it is when similar slogans, symbols, numbers, or words are compared. See, e.g., *Dial-A-Mattress Franchise Corp. v. Page*, 880 F.2d 675 (2d Cir. 1989) ("1-800- Mattress" and "Dial-A-Mattress"); *Kimberly-Clark Corp. v. H. Douglas Enters., Ltd.*, 774 F.2d 1144 (Fed. Cir. 1985) ("Huggies" and "Dougies"); *Chemical Corp. of Am. v. Anheuser-Busch, Inc.*, 306 F.2d 433 (5th Cir. 1962), *cert. denied*, 372 U.S. 965 (1963) ("Where there's life

### B. *Color Depletion*<sup>104</sup>

The Court also rejected Jacobson's "color depletion" theory argument, acknowledging that there are a multitude of colors and classifying it as "an occasional problem [insufficient] to justify a blanket prohibition."<sup>105</sup> The Court also applied the same logic as the Federal Circuit did in *Brunswick Corp. v. British Seagull, Ltd.*<sup>106</sup>

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. . . there's bugs" and "Where there's life . . . there's Bud"); *G.D. Searle & Co. v. Chas. Pfizer & Co.*, 265 F.2d 385 (7th Cir.), *cert. denied*, 361 U.S. 819 (1959) ("Dramamine" and "Bonamine"); *Upjohn Co. v. Schwartz*, 246 F.2d 254 (2d Cir.1957) ("Syrocol" and "Cheracol"); *Hancock v. American Steel & Wire Co.*, 203 F.2d 737 (C.C.P.A. 1953) ("Cyclone" and "Tornado").

<sup>104</sup> Color depletion is based upon the erroneous assumption that there is a small, finite, and exhaustible number of colors that are available for potential use as trademarks and that, in time, all of the colors will run out or be depleted. For a discussion of the Color Depletion Doctrine, see Landau, *supra* note 1, at 6-8; see also Henry, *supra* note 55, at 402 (quoting L. CHESKIN, *COLORS: WHAT THEY CAN DO FOR YOU* 46-47 (1947)).

<sup>105</sup> *Qualitex*, 115 S. Ct. at 1305. Several studies have been undertaken to classify and quantify the number of perceptibly different shades of color. One was performed by Albert Munsell in 1912. Henry, *supra* note 55, at 402 (citing M. GRAVES, *COLOR FUNDAMENTALS* 136 (1952)).

Munsell developed a system of color categorization that resulted in a compilation of 362 distinct categorized colors. The National Bureau of Standards (NBS) and the Inter-Society Council (ISC) also engaged in the undertaking of categorizing colors. Their study was much more extensive. The NBS arrived at 7,500 distinct colors. Each color was assigned a numerical value which indicated the specific combination of hue, saturation, and lightness. K. KELLY AND D. JUDD, *NATIONAL BUREAU OF STANDARDS, CIRCULAR 553, THE ISCC-NBS METHOD OF DESIGNATING COLORS AND A DICTIONARY OF COLOR NAMES* 4 (1955). Another study was performed by Kornerup and Wanscher in 1962. They were able to find 1,266 discernable colors which they embodied in a book of "color swatches." A. KORNERUP AND J.H. WANSCHLER, *COLOR ATLAS* 1962. The colors were organized according to hue, density, and shadow. *Id.* In addition to the studies, there are sources available to everyone that show that there is quite a large universe of perceptibly different colors available—all that one need do is visit any paint store, hardware store, or art supply store.

<sup>106</sup> 35 F.3d 1527 (Fed. Cir. 1994), *cert. denied*, — U.S. —, 115 S. Ct. 1426 (1995) (The color "black" was denied trademark registration in connection with outboard motors under the "functionality doctrine" on the grounds that other

that in those limited situations in which “color depletion” or “color scarcity” would arise, the “functionality” or “competitive need” doctrine would be able to prevent the “anticompetitive consequences that Jacobson’s argument posits, thereby minimizing that argument’s practical force.”<sup>107</sup>

### C. *Reliance on Precedent*

The Court rejected Jacobson’s “precedent” primarily because of its failure to take into account the dramatic changes in the Lanham Act in 1946 and 1988 that greatly expanded the categories of trademark coverage. The argument’s main flaw was similar to Judge Bissel’s dissent in *Owens-Corning*—reliance on outdated cases, including Supreme Court cases from 1906 and 1920.<sup>108</sup>

### D. *Similar Protection for Trade Dress*

Jacobson also argued that there was no need for the Court to protect color *per se*, for Qualitex was able to receive adequate protection for its “trade dress.” While the Court agreed that Qualitex could protect the appearance of its “green-gold” press pads as “trade dress” under Section 43(a), the Court pointed out the same differences between such protection and the additional protection afforded a registered trademark. These include the ability to prevent the importation of confusingly similar goods under 15 U.S.C. § 1124, constructive notice of trademark ownership under 15 U.S.C. § 1072, incontestability under 15 U.S.C. § 1065, and *prima facie* evidence of ownership of the mark under 15 U.S.C. § 1057(b).<sup>109</sup> Therefore,

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manufacturers had a competitive need to use the color. *Certiorari* was denied on April 3, 1995, one week after *Qualitex* was decided.).

<sup>107</sup> *Qualitex*, 115 S. Ct. at 1306. For a discussion of the Utilitarian and Aesthetic Functionality Doctrines, see Bridge, *supra* note 36, at 487; Landau, *supra* note 1, at 16-21; see also Clarke, *supra* note 36; Lupo, *supra* note 36, at 644.

<sup>108</sup> *Qualitex*, 115 S. Ct. at 1307; see also *supra* part III.

<sup>109</sup> See *Qualitex*, 115 S. Ct. at 1308; see also the discussion of the Ninth Circuit’s *Qualitex* opinion, *supra* part III.

the Court concluded that “one can easily find reasons why the law might provide trademark protection in addition to trade dress protection.”<sup>110</sup>

After determining that there is no statutory proscription against protecting color as a trademark, the Court discussed how color might qualify for trademark protection. Instead of engaging in any analysis of the *Abercrombie & Fitch* categories, the Court merely stated:

[A] product’s color is unlike “fanciful,” “arbitrary,” or “suggestive” words or designs, which almost automatically tell a customer that they refer to a brand . . . . But, over time, customers may come to treat a particular color on a product or its packaging . . . as signifying a brand . . . .

We cannot find in the basic objectives of trademark law any obvious theoretical objection to the use of color alone as a trademark, where that color has attained “secondary meaning” and therefore identifies and distinguishes a particular brand (and thus indicates its “source”).<sup>111</sup>

Ultimately, the Court reversed the Ninth Circuit:

Having determined that a color may sometimes meet the basic legal requirements for use as a trademark and that respondent Jacobson’s arguments do not justify a special legal rule preventing color alone from serving as a trademark (and, in light of the District Court’s here undisputed findings that Qualitex’s use of the green-gold color on its press pads meets the basic trademark requirements), we conclude that the Ninth Circuit erred in barring Qualitex’s use of color as a trademark.<sup>112</sup>

Although the Court reversed the Ninth Circuit’s absolute bar with respect to the registration of a color mark, the Court’s opinion was largely grounded in the specific facts of the case before it, leaving some issues unresolved. Depending upon how one reads the case, the Court either did not set forth any clear standards regarding how and when color meet the requirements for trademark protection, or it established its own *special legal rule* for the protection of color,

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<sup>110</sup> *Qualitex*, 115 S. Ct. at 1308.

<sup>111</sup> *Id.* at 1303.

<sup>112</sup> *Id.* at 1308.

namely a requirement of “secondary meaning” for the protection of a non-descriptive mark.<sup>113</sup>

## V. PROBLEMS WITH THE SUPREME COURT’S *QUALITEX* OPINION

### A. *The Opinion Itself is Inherently Ambiguous*

The *Qualitex* opinion is extremely short and not well presented and as such leaves much to be desired. The readily apparent problem is that the opinion is itself internally ambiguous, and the holding can be read in two different ways:<sup>114</sup> (1) Color may qualify as a trademark, and should be treated no differently from other “word[s], symbol[s], or device[s],”<sup>115</sup> or (2) Color may be protected as a trademark only upon a showing of “secondary meaning” or “acquired distinctiveness.” The ambiguity is evidenced by the fact that reasonable legal minds differ over the interpretation.<sup>116</sup> If legal scholars, commentators, and practitioners disagree at present over whether or not the holding in *Qualitex* imposes a “secondary meaning” requirement for the protection of all color *per se* marks, it would not be surprising if, in subsequent cases at the district court and appellate court levels, judges disagree on the same point as well.

While most lower court judges would probably require proof of secondary meaning for the protection of all color marks, the

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<sup>113</sup> The Court could have called it a “better rule,” as the Ninth Circuit did when it decided to not follow the statute.

<sup>114</sup> How one reads the case may depend upon whether one believes that the Court engages in “rule of law” analysis or a “discretion-conferring approach.” “General rules of law lead to greater predictability.” See Eric J. Segall, *Justice Scalia, Critical Legal Studies, and the Rule of Law*, 62 GEO. WASH. L. REV. 991, 1000 (1994) (quoting Antonin Scalia, *The Rule of Law as a Law of Rules*, 56 U. CHI. L. REV. 1175, 1179 (Fall 1989)). “A ‘discretion-conferring approach’ on the other hand, leads to a case-by-case analysis of facts and circumstances and allows judges to impose their own personal judgments instead of being forced to adhere to prior governing principles.” *Id.*

<sup>115</sup> See 15 U.S.C. § 1127 (1994).

<sup>116</sup> Compare note 122 and accompanying text with note 127 and accompanying text.

possibility does exist that some judges might find “inherently distinctive” colors. If so, in a future case there might be a petition for *certiorari* over specific issues: 1) may color *per se* ever be “inherently distinctive?” and 2) if so, may an “inherently distinctive” color be protected as a trademark without a showing of secondary meaning?<sup>117</sup> More realistically, the issue that may be ripe for a later case is: “may trade dress that is principally color be inherently distinctive?”<sup>118</sup>

Language in the opinion leading to these different interpretations is discussed in more depth below.

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<sup>117</sup> This is not as crazy as it sounds. After all, in copyright, there have been three different Supreme Court cases involving interpretation of the same section of the Copyright Act of 1976, § 107, the provisions relating to “fair use.” See, e.g., *Campbell v. Acuff Rose Music, Inc.*, 510 U.S. —, 114 S. Ct. 1164 (1994) (issue of whether a parody of a musical composition constituted a “fair use”); *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985) (issue of whether the use of excerpts of Gerald Ford’s unpublished manuscript was a “fair use”); *Sony Corp. of America v. Universal Studios, Inc.*, 464 U.S. 417 (1984) (issue of whether off-air home videotaping of television broadcasts was a fair use). In addition, there have been other cases in which a rule of law is supposedly announced that have spawned substantial litigation over its interpretation. For example, after the Court in *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989), announced the factors to be considered in determining whether one is an “employee” for purposes of the “works made for hire” doctrine, there has been substantial litigation over precisely that issue. The same thing occurred after after the Supreme Court decided *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991) (denying protection to telephone white pages compilation for lack of originality in the selection, organization, and arrangement of the information). See, e.g., *Key Publications, Inc. v. Chinatown Today Pub. Enterprises, Inc.*, 945 F.2d 509 (2d Cir. 1991) (granting protection to yellow pages); cf. *Information Services v. Maclean Hunter Market Reports, Inc.*, 44 F.3d 61 (2d Cir. 1994) (granting protection to a compilation of used car prices); *BellSouth Advertising and Publishing Corp (BAPCO) v. Donnelley Information Publishing, Inc.*, 999 F.2d 1436 (11th Cir. 1993) (denying copyright protection to yellow pages).

<sup>118</sup> Both *Two Pesos* and *Qualitex* dealt with the same provisions of the Lanham Act, §§ 45 and 2. One would have thought that after *Two Pesos*, the lower courts would have received and absorbed the message.



1. Interpretation Number 1: Color is Subject to the Same Rules as Any Other Type of Mark

Language in the opinion states: “[b]oth the language of the [Lanham] Act and the basic underlying principles of trademark law would seem to include color within the things that can qualify as a trademark. The language in the Lanham Act describes that universe in the broadest of terms.”<sup>119</sup> The Court states that a “color is capable of satisfying the more important part of the statutory definition of a trademark, which requires that a person ‘us[e]’ . . . the mark ‘to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods . . . .’”<sup>120</sup>

It is this language, as well as the language stating that Jacobson’s “arguments do not justify a special rule preventing color alone from serving as a trademark,”<sup>121</sup> that has led some to interpret the opinion as holding that color should be treated in the same manner as all other types of marks: a problem created by the lack of guidance provided by the Court.<sup>122</sup> If the opinion is read as allowing color to be treated in the same manner as any other mark, the opinion is still problematic because it provides little guidance for those who would attempt to protect a color mark. For example, there is no discussion of how and when a color should or even could be classified according to the *Abercrombie* categories: “arbitrary,” “fanciful,” “suggestive,” or “descriptive.”<sup>123</sup> There certainly are situations in which color

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<sup>119</sup> *Qualitex*, 115 S. Ct. at 1303.

<sup>120</sup> *Id.* (quoting § 45 of the Lanham Act (15 U.S.C. § 1127 (1994))).

<sup>121</sup> 115 S. Ct. at 1308.

<sup>122</sup> *See, e.g.*, Paul R. Morico, *Protecting Color Per Se in the Wake of Qualitex v. Jacobson*, 77 J. PAT. & TRADEMARK OFF. SOC’Y 571, 579 (1995) (“The Court provides some guidance in this area by pointing out that color trademarks should be protected just as any other marks which are capable of functioning as a trademark.”); Marcia B. Paul, *Basic Principles of Section 43(a) and Unfair Competition*, 419 PLI/PAT. 81 (Nov.-Dec. 1995) (“The court held that rights to a color should be analyzed in the same way as rights in a work mark or trade dress case.”).

<sup>123</sup> *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-10 (2d Cir. 1976)

that is unrelated to the product's use, properties, or functions, i.e., "arbitrary" is capable of identifying source all by itself. If so, it should be protected without a showing of secondary meaning. This issue is discussed at more length *infra* Part V.B.

In addition, the Court did not provide an explanation of the fine line between descriptiveness and functionality in the case of color marks. There is always a danger that a descriptive mark will be classified as functional and therefore completely ineligible for protection. In many cases, color that somehow relates to the nature of a product, or to its use, has indeed been deemed as functional and consequently unprotectable, such as the colors of Life-Savers brand candy<sup>124</sup> or the color red in connection with flashlights.<sup>125</sup> In fact, an example used by the Court itself—the orange color of marmalade<sup>126</sup>—is clearly unprotected because it is functional. There is certainly a competitive need for the manufacturers and marketers of marmalade to use the color orange.

The flaw with Interpretation Number 1 is that the Court has provided little guidance. If courts apply this standard, there could be litigation in the future regarding when and how color should be protected, specifically over the issue of "inherent distinctiveness."

## 2. Interpretation Number 2: "Secondary Meaning" Must be Proven in Order to Protect a Color Mark

The most common interpretation of the *Qualitex* opinion is that it holds that "secondary meaning" must be proved in order to protect a color mark.<sup>127</sup> This interpretation is based upon the general tone of

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<sup>124</sup> *Life-Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950).

<sup>125</sup> *See U.S. Electric Mfg. Corp. v. Bright Star Battery Co.*, 2 N.Y.S. 2d 690 (Sup. Ct. 1938).

<sup>126</sup> *Qualitex*, 115 S. Ct. at 1303.

<sup>127</sup> *See*, 7 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, §7.17 at 7-80 (1995) ("Some read the Court's *Qualitex* opinion as not addressing the issue of whether a single product color can ever be 'inherently distinctive' and hence protectable without proof of secondary meaning. However, in the author's opinion, the Court, not in so many words, said that this type of trademark or trade dress, a single color per se can never be classified as inherently

the opinion as a whole, as well as a few specific quotes. While the Court did not expressly hold that secondary meaning must be proved, the Court briefly dismissed the possibility of color ever being inherently distinctive by stating:

[A] product's color is unlike "fanciful," "arbitrary," or "suggestive" words or designs, which almost automatically tell a customer that they refer to a brand . . . . But, over time, customers may come to treat a particular color on a product or its packaging . . . as signifying a brand . . . .

We cannot find in the basic objectives of trademark law any obvious theoretical objection to the use of color alone as a trademark, where that color has attained "secondary meaning" and therefore identifies and distinguishes a particular brand (and thus indicates its "source").<sup>128</sup>

There is absolutely nothing in the Lanham Act to justify or substantiate the the imposition of a "secondary meaning" requirement on all color marks. This is further discussed below.

In addition, imposing a requirement of "secondary meaning" for color also would undermine the purpose of the Lanham Act. Protection of trademarks of all kinds permissible under Section 2, serves the Act's purpose of "secur[ing] to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers. National protection of trademarks is desirable, Congress concluded, because trademarks foster competition and the maintenance of quality by securing to the

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distinctive and will always require proof of secondary meaning for protection and registration."); *see also* *Fabrication Enters., Inc. v. Hygenic Corp.*, 64 F.3d 53, 58, n.3 (2d Cir. 1995) ("Pursuant to *Qualitex*, Lanham Act protection for a single color may be garnered only upon a showing of secondary meaning."); *Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063, 1071 (2d Cir. 1995) ("In light of the Supreme Court's decision in *Qualitex*, color is today capable of obtaining trademark status in the same manner that a descriptive mark satisfies the statutory definition of a trademark, by acting as a symbol and attaining secondary meaning."); *Schechter*, *supra* note 53, at 509 ("color trademarks are entitled to registration 'where the color has attained secondary meaning.'").

<sup>128</sup> *Qualitex*, 115 S. Ct. at 1303.

producer the benefits of good reputation.”<sup>129</sup> By making it more difficult to identify a product with its producer, a secondary meaning requirement for a non-descriptive dress would hinder improving or maintaining the producer’s competitive position.

Adding a secondary meaning requirement could have anticompetitive effects, creating particular burdens on small “start-up” companies. It would present special difficulties for parties introducing new products to expand into new markets. Denying protection for inherently distinctive non-functional colors until after secondary meaning has been established would allow a competitor to appropriate the first party’s color and trade on his “good will” before the requisite “acquired distinction” has been proven.

Essentially, competitors could “check-out” the competition to see who is using appealing colors to identify the marks. If a second party wanted to use the identifying color of a first party, all that would be legally necessary under Interpretation Number 2 is for the second party to start using the color before there would be enough evidence available to the first party to establish “secondary meaning.” There is no longer such a thing as protection for “secondary meaning in the making.” Such misappropriation is not one of the goals contemplated by Congress.

#### B. *The Lanham Act Only Requires “Secondary Meaning” for the Protection of Descriptive Marks*

The Court’s holding in *Qualitex* goes against both the literal language of the pertinent provisions of the Lanham Act, as well as the legislative history. Section 45<sup>130</sup> of the Lanham Act defines “trademark” as “any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of goods, even if that source is

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<sup>129</sup> *Park 'N Fly*, 469 U.S. at 198 (citing S. REP. NO. 1333, 79th Cong., 2d Sess., 3-5 (1946)).

<sup>130</sup> 15 U.S.C. § 1127 (1994).

unknown.”<sup>131</sup> As the Court recognized, a reading of the statute leads one to the conclusion that there should not be any *per se* bar against color marks. The inquiry should not stop with a reading of Section 45. For the purposes of the protection of color marks, Section 2<sup>132</sup> of the Act is more important, for it details the types of marks that may not be protected at all and the types of marks to which a requirement of secondary meaning applies. Instead of discussing Section 2 of the Act<sup>133</sup> in detail, for some unknown reason, the Court selectively chose some language from the statute and dismissed the rest of the statute as “not relevant here.”<sup>134</sup>

Section 2 provides in pertinent part that “[n]o trademark . . . shall be refused registration on the principle register on account of its nature”<sup>135</sup> unless it “falls within one of the categories of marks which are expressly excluded from registration.”<sup>136</sup> Types of marks that are excluded are “immoral, deceptive, or scandalous matter;”<sup>137</sup> “the flag or coat of arms or other insignia of the United States, or of any State or municipality;”<sup>138</sup> “the name, portrait, or signature” of a living individual used without written permission; “the name, signature, or portrait of a deceased President of the United States during the life of his widow” used without written permission;<sup>139</sup> and marks which are confusingly similar to already registered marks or other marks used in commerce.<sup>140</sup>

Section 2(e) lists the only types of marks that are not protected initially, but may be protected upon a finding of secondary meaning in accordance with section 2(f). The list sets forth four categories of marks, and four categories only: (1) “merely descriptive or

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<sup>131</sup> *Id.*

<sup>132</sup> 15 U.S.C. § 1052 (1994).

<sup>133</sup> *Id.*

<sup>134</sup> *Qualitex*, 115 S. Ct. at 1308.

<sup>135</sup> 15 U.S.C. § 1052 (1994).

<sup>136</sup> Landau, *supra* note 1, at 22.

<sup>137</sup> 15 U.S.C. § 1052(a) (1994).

<sup>138</sup> 15 U.S.C. § 1052(b) (1994).

<sup>139</sup> 15 U.S.C. § 1052(c) (1994).

<sup>140</sup> 15 U.S.C. § 1052(d) (1994).

deceptively misdescriptive” marks;<sup>141</sup> (2) “primarily geographically descriptive” marks<sup>142</sup>; (3) “primarily geographically deceptively misdescriptive” marks<sup>143</sup>; and (4) marks that are “merely [ ] surname[s].”<sup>144</sup> Conspicuously missing from that list is “marks that consist wholly of color.” There is nothing in the literal language of the statute to mandate a “secondary meaning” requirement for color. Congress could easily have added color to Section 2(e), but it chose not to do so.

The recent legislative history is important as well. The legislative history behind the Trademark Law Revision Act of 1988<sup>145</sup> also leads to the conclusion that Congress did not intend to impose a “secondary meaning” requirement on those attempting to protect color marks. Included in the Senate Report is the following language with respect to the definition of “trademark” in Section 45: “The revised definition intentionally retains . . . the words ‘symbol or device’ so as not to preclude the registration of colors, shapes, or configurations where they function as trademarks.”<sup>146</sup> Portions of the Lanham Act, including section 43(a)<sup>147</sup> were revised as well, yet there was no revision regarding a secondary meaning requirement under section 2(e). The legislative history indicates that color was on Congress’ collective mind during the 1988 Amendments, yet Congress did not include color anywhere in Section 2 of the Lanham Act. As such, Congress’ intent was not to impose any restriction on or create any “special rule” with respect to color.

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<sup>141</sup> 15 U.S.C. § 1052(e)(1) (1994).

<sup>142</sup> 15 U.S.C. § 1052(e)(2) (1994).

<sup>143</sup> 15 U.S.C. § 1052(e)(3) (1994). It should be noted that only “primarily geographically deceptively misdescriptive” marks that have achieved “secondary meaning” or have “acquired distinctiveness” before December 8, 1993 are eligible for protection. If the mark was not distinctive as of that date, it is ineligible for protection.

<sup>144</sup> 15 U.S.C. § 1052(e)(4) (1994).

<sup>145</sup> Pub. L. No. 100-667, 102 Stat. 3935 (1988).

<sup>146</sup> S. REP. NO. 515, 100th Cong., 2d Sess. (1988).

<sup>147</sup> 15 U.S.C. § 1125(a) (1994).

The Lanham Act was amended again in 1993<sup>148</sup> to proscribe the registration of certain “primarily geographically deceptively misdescriptive” marks.<sup>149</sup> The 1993 revision dealt specifically with making a change to Section 2(f), the section of the Lanham Act that sets forth the categories of marks for which secondary meaning is required. Specifically, Congress enacted a prohibition against the registration of “primarily geographically deceptively misdescriptive” marks if secondary meaning for the subject mark was not established by December 8, 1993.<sup>150</sup> Once again, Congress could have added a secondary meaning requirement for color, but it did not.

There is no statutory justification for requiring “secondary meaning” for all color marks. “Congress’ silence is just that—silence.”<sup>151</sup> This was clearly enunciated several times by the Court earlier in *Two Pesos* as follows: “[S]ection 2 requires secondary meaning only as a condition to registering descriptive marks.”<sup>152</sup> “Where secondary meaning does appear in the statute, 15 U.S.C. §1052 (1982 ed.), it is a requirement that applies only to merely descriptive marks . . . .”<sup>153</sup>

### C. *Qualitex is at Odds with Two Pesos*

The Supreme Court in *Two Pesos* held that under the Lanham Act, there is no express distinction between the requirements for protection of registered and unregistered marks<sup>154</sup> or between trademarks and

<sup>148</sup> See North American Free Trade Agreement Implementation Act, Pub. L. No. 103-182, § 333, 107 Stat. 2057 (1993).

<sup>149</sup> See 15 U.S.C. § 1052(f) (1994).

<sup>150</sup> *Id.*

<sup>151</sup> *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 748 (1989) (quoting *Alaska Airlines, Inc. v. Brock*, 480 U.S. 678, 686 (1987)).

<sup>152</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 772 (1992).

<sup>153</sup> *Id.* at 774; see also *Community for Creative Non-Violence*, 490 U.S. at 748 (1989) (discussing the importance of adhering to specific categories enumerated by Congress).

<sup>154</sup> *Two Pesos*, 505 U.S. at 768 (“[T]he general principles qualifying a mark for registration under §2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under §43(a).”

trade dress: "There is no persuasive reason to apply to trade dress a general requirement of secondary meaning which is at odds with the principles generally applicable to infringement suits under Section 43(a)." <sup>155</sup>

As discussed above, most people read *Qualitex* as imposing a burden of requiring proof of secondary meaning for the protection of all color marks. While the Court stated that "a product's color is unlike 'fanciful,' 'arbitrary,' or 'suggestive' [marks]," <sup>156</sup> the Court did not say why; it just made this conclusory and unsubstantiated statement. The Court then went on to hold that color that has acquired secondary meaning "over time" should be protected. <sup>157</sup> By primarily concentrating on the facts of the case, the Court did not adequately deal with whether color by itself could ever be "inherently distinctive." <sup>158</sup>

As a result, there are gaping holes and contradictions between the Supreme Court's holdings in *Two Pesos* and in *Qualitex*. Under *Two Pesos*, secondary meaning is only required for the protection of "descriptive marks." Under the interpretation of the majority of the readers of *Qualitex*, secondary meaning is required for the protection of all color marks. The analysis in *Two Pesos* was persuasive; there is no statutory authority for distinguishing between different types of marks, except for that expressly set forth in Section 2 of the Act. <sup>159</sup> Therefore, the distinction between trademarks and trade dress was unwarranted. Under the logic of *Two Pesos*, if there is no reason to distinguish between trade dress and trademarks, there is no reason to distinguish between color marks and all other kinds of non-descriptive

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(citing *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 299 n.9 (3d Cir. 1986); *Thompson Medical Co. v. Pfizer Inc.*, 753 F.2d 208, 215-216 (2d Cir. 1985)).

<sup>155</sup> *Id.* at 770.

<sup>156</sup> *Qualitex*, 115 S. Ct. at 1303 (quoting *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-10 (2d Cir. 1976)).

<sup>157</sup> *Id.*

<sup>158</sup> See *Two Pesos*, 505 U.S. at 763.

<sup>159</sup> 15 U.S.C. § 1052. See *supra* note 154.



marks that are eligible for protection.<sup>160</sup>

If “trade dress” can be “inherently distinctive,” why not product color? The Court in *Qualitex* did not adequately address this, but merely jumped to an unsubstantiated conclusion and dismissed the possibility in one sentence.<sup>161</sup> The Court should have addressed the issue.

Reading *Qualitex* under Interpretation Number 1 in light of *Two Pesos* leads one to believe that there indeed can be “inherently distinctive” color marks. Color by itself certainly is “capable of identifying source”<sup>162</sup> all by itself, without secondary meaning. This will most often occur with non-primary colors, *e.g.*, “pink,” “lime-green,” “green-gold,” “cobalt-blue,” and others. For example, the color “cobalt-blue” in connection with Vodka should be protected as “inherently distinctive.”<sup>163</sup> When one walks into a liquor store and sees a few “cobalt-blue” bottles among a sea of clear ones, one knows that there is something different, *i.e.*, distinctive, about the overall visual impression or appearance of blue ones. The color “blue” is unrelated to any aspect, purpose, or function of the product, and therefore should be “arbitrary,” and protected upon its use in commerce. The same should be true of “pink” in connection with

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<sup>160</sup> It should be noted that although “generic” is not expressly mentioned in Section 2, it is implicitly covered. Section 2’s language provides, “No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration . . . .” 15 U.S.C. § 1052 (1994) (emphasis added). Because a “generic” mark, by definition does not indicate source, there is no statutory problem with excluding “generic” marks. The same can be said with respect to a “functional” mark. Because a functional mark is one that consists primarily of elements that are necessary in order to make or use the product, all manufacturers or distributors would, in time, need to use the functional elements. In this sense, a functional mark also does not identify the source of goods or distinguish one’s goods from those of another. Therefore, although “functional” is not expressly listed in § 2 of the Act, 15 U.S.C. § 1052, the prohibition of “functional” marks can be found within the “distinguishing” language of the section.

<sup>161</sup> *Qualitex*, 115 S. Ct. at 1303.

<sup>162</sup> *Id.*; *Two Pesos*, 505 U.S. at 773.

<sup>163</sup> SKYY Vodka uses the color “cobalt-blue” to distinguish its bottles from those of others.

fibrous glass insulation<sup>164</sup> or "blue" in connection with artificial sweetner packets.<sup>165</sup>

In my previous article, I posed a hypothetical situation of "day-glow-lime-green" in connection with computer floppy disks.<sup>166</sup> The "day-glow-lime-green" is unrelated to the function of description of the disks. It is also unrelated to efficiencies in the manufacturing practice. If the color were being used with the intention of distinguishing one company's product from those of others, it should be protected. One may be able to think of numerous examples of other colors that are unrelated to the product itself and that are "capable of identifying source." If so, under *Two Pesos*, the color should be "inherently distinctive." The Court in *Qualitex*, however, provided no guidance as to when and how color may be considered to be "inherently distinctive." Under Interpretation Number 1, the issue of "inherent distinctiveness" of color is wide open.

Under Interpretation Number 2, the Court, in *Qualitex*, also went against its own trend in the other trademark cases of the last decade<sup>167</sup> by ignoring the literal statutory language of the Lanham Act. Instead, the Court chose to follow certain provisions and ignore others in order to reach a desired result. *Qualitex* is only the third Lanham Act case to be heard by the Supreme Court in a decade, the others being *Two Pesos, Inc. v. Taco Cabana, Inc.*,<sup>168</sup> decided in 1992, and *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*,<sup>169</sup> decided in 1985.<sup>170</sup> In those cases, the Court followed the language of

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<sup>164</sup> As in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985).

<sup>165</sup> See *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990).

<sup>166</sup> See Landau, *supra* note 1, at 56-57.

<sup>167</sup> See *supra* note 16.

<sup>168</sup> 505 U.S. 763 (1992). *Two Pesos* dealt with the issue of whether or not secondary meaning had to be proven in situations in which the "trade dress" in question was "inherently distinctive."

<sup>169</sup> 469 U.S. 189 (1985). *Park 'N Fly* dealt with the issue of trademark "incontestability" under 15 U.S.C. § 1065.

<sup>170</sup> Another case, *K Mart Corp. v. Cartier*, 486 U.S. 281 (1988), dealt with trademark subject matter (e.g., grey-market goods). However, the legal issues involved interpretation of § 526 of the Tarriff Act and several Customs Service regulations. *K Mart* dealt with whether it was permissible to import certain "grey-

Congress and the legislative intent in interpreting the Act and applying its categories.

As discussed above, the Court in *Two Pesos*, looked at the literal language of the Act and found absolutely no statutory support for the imposition of different standards for the protection of registered and unregistered marks. It reiterated that Section 2 only requires “secondary meaning” for “descriptive” marks.

In *Park 'N Fly*, the Court was called upon again to interpret the Lanham Act: this time the “incontestability” provisions, Sections 15<sup>171</sup> and 33(b).<sup>172</sup> After five years of continuous unchallenged use of a mark, upon application by the registrant, a mark may become incontestable. “Incontestability” essentially means that the validity of the mark may not be challenged except under certain defenses

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market” goods. A grey-market good is “a foreign-manufactured good, bearing a valid United States trademark, that is imported without the consent of the United States trademark holder.” 486 U.S. at 281. Several manufacturers challenged Customs regulations that permitted the importation of goods when “(1) [b]oth the foreign and the U.S. trademark or trade name are owned by the same person or business entity, (2) [T]he foreign and domestic trademark or trade name owners are parent and subsidiary companies or are otherwise subject to common ownership or control . . . , and (3) the articles of foreign manufacture bear a recorded trademark or trade name applied under authorization of the U.S. owner.” 486 U.S. at 289 (citing 19 C.F.R. §§ 133.21 (c)(1)-(c)(3)). The legal argument was that the Customs Service Regulations above were inconsistent with the statutory language and legislative intent of § 526 of the Tarriff Act (19 U.S.C. § 1526).

The Court enunciated the principles that should be followed: “If the statute is clear and unambiguous, ‘that is the end of the matter, for the court, as well as the agency, must give effect to the unambiguously expressed intent of Congress’” 486 U.S. at 291 (quoting Board of Governors, *FRS v. Dimension Financial Corp.*, 474 U.S. 361, 368 (1986)).

The Court continued, “In ascertaining the plain meaning of the statute, the court must look to the particular statutory language at issue, as well as the language and design of the statute as a whole.” 486 U.S. at 292. Under these guidelines, the Court affirmed regulations §133.21(c)(1) and §133.21(c)(2) as being consistent with the statutory language and intent, but invalidated §133.21(c)(3) as conflicting with § 526 and consequently not authorized.

<sup>171</sup> 15 U.S.C. § 1065 (1994).

<sup>172</sup> 15 U.S.C. § 1115(b) (1994).

enumerated in Section 33(b).<sup>173</sup> The provisions make a distinction between a mark that has become “generic” and a mark that is “merely descriptive.”<sup>174</sup> Marks that have become “generic” may be cancelled at any time, for they no longer serve the primary purpose

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<sup>173</sup> Section 33(b) of the Lanham Act, as set forth in 15 U.S.C. § 1115(b), provides:

To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence . . . of the registrant’s exclusive right to use the registered mark in commerce or in connection with the goods or services specified in the affidavit filed under the provisions of section 1065 . . . subject to any conditions or limitations in the registration or in such affidavit . . . [and] subject to the following defenses or defects: (1) That the registration or the incontestable right to use the mark was obtained fraudulently; or (2) That the mark has been abandoned by the registrant; or (3) That the registered mark is being used, by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services on or in connection with which the mark is used; or (4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party’s individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; or (5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant’s prior use and has been continuously used by such party or those in privity with him from a date prior to . . . the registration of the mark under this chapter . . . or publication of the registered mark under subsection (c) of section 1062 of this title: *Provided, however,* that this defense or defect shall apply only for the area in which such continuous prior use is proved; or (6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however,* that this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant’s mark; or (7) That the mark has been or is being used to violate the antitrust laws of the United States; or (8) That equitable principles, including laches, estoppel, and acquiescence, are applicable.

15 U.S.C. § 1115(b) (1994).

<sup>174</sup> *Park ’N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985).

of a trademark: identifying the source of goods or services. In contrast, once a descriptive mark has acquired distinctiveness and later becomes “incontestable,” it may not be challenged on descriptiveness grounds alone. “Incontestability” acts as a five-year statute of limitations, subject to certain specific statutory exceptions set forth in Section 33.

Dollar Park and Fly attacked Park 'N Fly's mark after it became “incontestable” on the grounds that it was merely descriptive and was not distinctive. The district court enjoined the respondent from using the words “Park and Fly” and any other confusingly similar marks.<sup>175</sup> The Ninth Circuit reversed, holding that while the petitioner's mark could not be cancelled, Dollar Park and Fly could use “descriptiveness” as a defense in an infringement suit.

In reversing the Ninth Circuit and enjoining the petitioner's use, the Supreme Court looked to the literal language of the statute:

Statutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose . . . .

One searches the Lanham Act in vain to find any support for the offensive/defensive distinction applied by the Court of Appeals. The statute nowhere distinguishes between a registrant's offensive and defensive use of an incontestable mark . . . .

The statutory provisions that prohibit registration of a merely descriptive mark but do not allow an incontestable mark to be challenged on this ground cannot be attributed to inadvertence by Congress . . . . The Conference Committee agreed to an amendment providing that no incontestable right can be acquired in a mark that is a common descriptive<sup>176</sup> . . . . Congress could easily have denied incontestability to merely descriptive marks as well as to Generic marks had that been its intention.<sup>177</sup>

The Supreme Court's decisions in the other Lanham Act cases of the decade could not be more clear: if Congress has made a deliberate distinction between categories of marks, and these distinctions are

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<sup>175</sup> *Id.* at 193.

<sup>176</sup> See H.R. CONF. REP. NO. 2322, 79th Cong., 2d Sess., 4 (1946).

<sup>177</sup> 469 U.S. at 196-97.

expressly stated in the statute, the Court should follow Congress' mandate and apply the distinctions. Where there are no distinctions, the Court should not create them.<sup>178</sup>

D. *Trademarks or "Trade Dress": The Elevation of "Form Over Substance"*

As a result of the way that most people read the holding in *Qualitex*, another conflict with *Two Pesos* exists. Color may not be protected as a trademark unless "secondary meaning" is shown, yet "trade dress" consisting substantially of color may be "inherently distinctive" and protected immediately upon its use in commerce.<sup>179</sup> This reading does not conform to Congress' intention of making trademark laws and standards more uniform since the passage of the Lanham Act. It is essentially a "form over substance" distinction. This could result in decisions where the trademark is not protected, but the trade dress is.

*Qualitex* only dealt with the issue of protection of product color alone as a trademark. It did not discuss the issue of color as a primary component of trade dress. Thus, under the broad holding of *Two Pesos*, trade dress in which color is a major part should be protected if it is "inherently distinctive" upon its use in commerce—not upon a showing of secondary meaning.

As a result of the difference in standards for protection, many parties wishing to protect their distinctive colors will phrase the infringement action in terms of "trade dress" infringement, either alone or in conjunction with a trademark action. The reason is clear: if inherently distinctive "trade dress" may be protected without secondary meaning, as held by *Two Pesos*, the period of time that it will take for protection will be much shorter. "Inherently distinctive" marks are protected upon their use in commerce. This will almost

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<sup>178</sup> See also *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 748 n.14 (1989) ("Strict adherence to the language and structure of the Act is particularly appropriate where, as here, a statute is the result of a series of carefully crafted compromises.").

<sup>179</sup> See Interpretation Number 2, *supra* Part IV.D.2.

inevitably be shorter than the time that it would take to prove "secondary meaning" by collecting evidence of sales, promotional literature and advertising, other marks in the field, etc.<sup>180</sup>

"Trade Dress" involves "the total image of a product, and may include features such as size, shape, color, or color combinations, texture, [or] graphics."<sup>181</sup> In determining if a product's trade dress is protectable, the entire appearance of the product must be viewed as a whole; it is not proper to analyze the individual elements of the trade dress alone.<sup>182</sup> The unique combination of elements or features constitutes protectable trade dress, even if some of the elements or features alone are found on other products or are individually unprotectable.<sup>183</sup> Accordingly, it would appear that even if color by itself is unprotectable, trade dress containing color should be protected.<sup>184</sup> As in *Two Pesos*: "[A] court in a trade dress case must look at the product as a whole. Therefore, it is possible to

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<sup>180</sup> See William J. Keating, *Development of Evidence to Support Color-Based Trademarks*, 9 J.L. & COM. 1 (1989), for a thorough discussion of the types of evidence needed to satisfy the "secondary meaning" requirement.

<sup>181</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 765 (1992) (citing *John H. Harland Co. v. Clark Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)); *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir. 1985) (citing *John H. Harland Co.*, 711 F.2d at 980); *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1169 (11th Cir. 1991); *AmBrit v. Kraft, Inc.*, 812 F.2d 1531, 1535 (11th Cir. 1986).

<sup>182</sup> *Robarb, Inc. v. Pool Builders Supply, Inc.*, 21 U.S.P.Q. 2d 1743, 1746 (N.D. Ga. 1991); *AmBrit*, 812 F.2d at 1538; *John H. Harland Co.*, 711 F.2d at 980.

<sup>183</sup> See, e.g., *LeSportsac*, 754 F.2d at 71; *Warner Bros, Inc. v. Gay Toys, Inc.*, 724 F.2d 327 (2d Cir. 1983); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979); *Chevron Chemical Co. v. Voluntary Purchasing Group, Inc.*, 659 F.2d 695 (5th Cir. 1981); *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994); *AmBrit* 812 F.2d at 1531; *John H. Harland Co.*, 711 F.2d. at 980; *Fundex Inc. v. Imperial Toy Co.*, 26 U.S.P.Q. 2d 1061 (S.D. Ind. 1992); *Robarb*, 21 U.S.P.Q. 2d at 1745.

<sup>184</sup> In order to prevail on a trade dress infringement cause of action under Section 43(a) of the Lanham Act, the plaintiff must prove the following elements: 1) its trade dress is either inherently distinctive or has acquired secondary meaning; 2) its trade dress is primarily non-functional; and 3) defendant's trade dress is confusingly similar. See *Two Pesos* 505 U.S. at 763; see also *AmBrit*, 812 F.2d at 1535; *Robarb*, 21 U.S.P.Q. 2d at 1745.

succeed on a suit for unfair competition or trade dress infringement under section 43(a) of the Lanham Act<sup>185</sup> even where there is no registered trademark to begin with or even if no aspect of the packaging or product taken alone is registrable as a trademark."<sup>186</sup>

The standard for the protection of trade dress is that it is either "inherently distinctive" or has acquired distinctiveness through secondary meaning.<sup>187</sup> The trade dress of a product is "inherently distinctive" if the "overall impression and appearance" is "not descriptive and not functional."<sup>188</sup> Expressed in another way, trade dress that "does not describe the product" is "inherently distinctive."<sup>189</sup> As articulated in *Two Pesos*, trade dress is protectable if it is "capable of distinguishing the [holder's] goods from those of others."<sup>190</sup>

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<sup>185</sup> 15 U.S.C. § 1125(a) (1994).

<sup>186</sup> *Qualitex*, 13 F.3d at 1303-04. *Qualitex* prevailed on its trade dress issue in the Ninth Circuit. That issue was not before the Supreme Court on the appeal.

<sup>187</sup> *Two Pesos*, 505 U.S. at 768.

<sup>188</sup> *Two Pesos*, 932 F.2d at 1120. Other factors often considered—usually relating to functionality or competitive need—are: a) whether the trade dress or design is a common basic shape or design; b) whether it is unique or unusual in a particular field; and c) whether it is a mere refinement of a of a commonly-adopted and well-known form, dress, or ornamentation for the goods. See *Ambrit* 812 F.2d at 1536 (cited in *Two Pesos*, 505 U.S. at 769).

<sup>189</sup> *Ambrit*, 812 F.2d at 1531 (citing *Chevron Chemical Co.*, 659 F.2d at 702 ("[T]rade dress is protectable if it is arbitrary and not descriptive.")).

<sup>190</sup> *Two Pesos*, 505 U.S. at 768. One commentator suggests that the "capable of" standard for "inherent distinctiveness" was the result of an error of interpretation on the part of the Court, or one of the Supreme Court law clerks.

One can only surmise that Mr. Justice White's law clerk opened to the wrong section of the Lanham Act and was completely unaware of the differences between the Principal and Supplemental Registers when drafting the majority opinion in *Two Pesos*. Stating that "[i]n order to be registered, a mark must be capable of distinguishing the applicants' goods from those of others" misreads the plain language in the definition of a trademark in §45 of the Act and in the Principal Register discussion in §2. "Capable of distinguishing" is found in §23 for the Supplemental Register and Supplemental Register Marks are never inherently distinctive.

Nancy Dwyer Chapman, *Trade Dress Protection in the United States After the Supreme Court Decision in Two Pesos*, 387 PLI/PAT 7 (1994). The standards for



After the *Two Pesos* decision, protecting trade dress as “inherently distinctive” has generally become easier.<sup>191</sup> For example, in *Paddington v. Attiki*,<sup>192</sup> the Second Circuit protected the trade dress of an Ouzo bottle under the “capable of indentifying source” standard.<sup>193</sup> In *Life Industries Corp. v. Ocean Bio-Chem, Inc.*,<sup>194</sup> trade dress consisting of a yellow background with black borders and black lettering was protected as inherently distinctive. The court noted that the “inherently distinctive” standard was less stringent than the “secondary meaning” standard.<sup>195</sup> The court continued, “[s]ince the choices that a producer has for packaging its product are almost unlimited, typically a trade dress will be arbitrary and fanciful. Such marks are by definition ‘inherently distinctive’.”<sup>196</sup> In *Letica Corp v. Sweetheart Cup Co.*,<sup>197</sup> the district court found the visual impression of colored bands on disposable drinking cups to be

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protection are that the mark distinguish the goods, not that it be “capable” of doing so. For a detailed discussion of the differences between the Principal Register and the Supplemental Register. See J.T. McCarthy, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION §19.09 (3d ed.).

<sup>191</sup> See generally Nancy Dwyer Chapman, *supra* note 190; Jenny Johnson, *Two Pesos, Inc. v. Taco Cabana, Inc.: The Supreme Court’s Expansion of Trade Dress Protection Under Section 43(a) of the Lanham Act*, 24 LOY. U. CHI. L.J. 285 (1993); Gregory L. Pehlman, *Relaxed Standards for Protection of Distinctive Trade Dress: Two Pesos, Inc. v. Taco Cabana, Inc.*, 60 TENN L. REV. 449 (1993).

<sup>192</sup> 996 F.2d 577 (2d Cir. 1992).

<sup>193</sup> *Id.* at 582-83.

<sup>194</sup> 827 F. Supp. 926 (E.D.N.Y.), *modified on other grounds*, 832 F. Supp. 926 (E.D.N.Y. 1993).

<sup>195</sup> 827 F. Supp at 931; *But see* *Sassafras Enterprises, Inc. v. Roshko, Inc.*, — F. Supp. —, 1996 WL 46721 (N.D. Ill. 1996) at \*3 (“[I]t is worth noting at the outset that [plaintiff’s] burden as to inherent distinctiveness is not an easy one—it must show that a reasonable jury could conclude that the configuration and appearance of [plaintiff’s] set would almost automatically be perceived by buyers as an indicator of the source of the set”). See also *Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063 (2d Cir. 1995) (trade dress of cosmetic makeup compacts consisting primarily of black was not inherently distinctive).

<sup>196</sup> *Id.* (citing *Two Pesos*, 505 U.S. at 768; *Paddington*, 996 F.2d at 582-583).

<sup>197</sup> 25 U.S.P.Q. 2d 1727 (E.D. Mich. 1992).

“sufficiently fanciful.”<sup>198</sup> In *Storck USA L.P. v. Farley Candy Co.*,<sup>199</sup> the court protected the trade dress of candy packaging based upon its “distinctive and arbitrary visual appearance.”

Under these standards endorsed by *Two Pesos*, most non-functional, non-descriptive trade dress probably should be viewed as “arbitrary” or “fanciful” and, consequently, “inherently distinctive.”<sup>200</sup> Therefore, the overall visual appearance of the “green-gold press pads with lettering” in *Qualitex* should have been inherently distinctive. Likewise, the “pink fibrous glass insulation sandwiched between two sheets of an insulating material with lettering” in *Owens-Corning* or the “rectangular blue packets with lettering and a smaller specifically positioned blue rectangle” in *NutraSweet*<sup>201</sup> should be protected. All of the above have a distinctive overall visual appearance. None of the trade dress mentioned above describes the product.

Reading *Qualitex* and *Two Pesos* together, it is clearly easier to protect the trade dress that consists substantially or primarily of color than it would be to attempt to protect a color *per se* trademark. With immediate protection available for almost all “non-descriptive” and “non-functional” trade dress, it would not be surprising if we saw the number of trade dress cases involving color increase in coming years.

In *Qualitex*, the Supreme Court pointed out that there are some additional protections available to the holders of registered trademarks as opposed to unregistered trademarks, including trade dress. These additional protections, however, are primarily procedural or evidentiary. They will hardly prevent a party who has a protectable

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<sup>198</sup> However, the case was decided in favor of the junior user on the basis of a lack of “likelihood of confusion.”

<sup>199</sup> 25 U.S.P.Q. 2d 1927 (N.D. Ill. 1992).

<sup>200</sup> Admittedly, the standard of “arbitrary visual appearance” is itself somewhat ambiguous. It almost resembles the “I know it when I see it” standard. The “not descriptive” standard is easier to apply.

<sup>201</sup> Although not addressed in the case, there could have been functionality arguments presented in *NutraSweet*. First, the size and shape of the packets is determined by the sweetener holders on restaurant tables. Second, it could be argued that the color identifies the substance contained in the packets: white is for sugar; pink is for saccharine; blue is for aspartame; light brown is for raw sugar.

trade dress, consisting in part of a color that has not attained secondary meaning, from initiating suit under Section 43(a).

After the Lanham Act was amended in 1988, Section 35<sup>202</sup> provides substantially the same remedies for infringement of unregistered marks and trade dress as under Section 43(a) and for infringement of registered marks as under Section 32(a).<sup>203</sup> The only significant exception is that special damages and *ex parte* seizure orders are not available to holders of unregistered marks in counterfeiting cases.<sup>204</sup> In essence, there is nothing to lose for

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<sup>202</sup> 15 U.S.C. § 1117. Section 1117 provides as follows:

Recovery for violation of rights; profits, damages and costs; attorney fees; treble damages

(a) When a violation of any right of a registrant of a mark registered in the Patent and Trademark Office, or a violation under section 1125(a) of this title, shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove the defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty. The court in exceptional cases may award reasonable attorney fees to the prevailing party.

*Id.*

<sup>203</sup> *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1126 (9th Cir. 1991), *aff'd sub nom.*, *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 112 S. Ct. 2753 (1992) ("Circuits that have addressed the issue uniformly apply the Lanham Act remedies of section 35 to violations of section 43(a).") (citing *NuPulse, Inc. v. Schlueter Co.*, 853 F.2d 545, 548, 550 (7th Cir. 1988)). The quantum of damages was not an issue in the Supreme Court appeal of *Two Pesos*.

<sup>204</sup> 15 U.S.C. § 1116(d) (1994).

phrasing one's cause of action as one of trade dress infringement either in lieu of or in addition to trademark infringement.

## VI. CONCLUSION

The Supreme Court's decision in *Qualitex* leaves much to be desired. Depending upon how one reads the decision, it either provides little guidance, or imposes a standard of secondary meaning that is not justified by either precedent or the language of the Lanham Act. Under either reading, the issue of protectability of trade dress that consists of a substantial degree of color is still unclear.

By requiring "secondary meaning" for the protection of color as a trademark, the Court followed neither the Lanham Act nor its own precedent. There is no statutory justification for such a requirement, nor is there sufficient justification for blithely dismissing the possibility that color could ever be inherently distinctive. Just as it was improper to make legal distinctions between registered and unregistered marks or between trade dress and trademarks, it is also improper to make a legal distinction between color and all other types of marks if not directed by the statute.

While a policy of requiring secondary meaning for color *per se* might be the most desirable,<sup>205</sup> such a requirement should not be permitted unless it is authorized by the statute. As the statute stands today, secondary meaning is and should only be required for the protection of descriptive marks.

The Supreme Court should not ignore express statutory language, even if it does not agree with it. Indeed, there have been other cases in which the results seemed strange or undesirable, yet those results were contemplated by Congress. If the rules are to be changed, they should be changed by Congress and not by the Court. The Court has followed the literal language of intellectual property statutes in the past; it should have done the same in *Qualitex*. Congress—not the

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<sup>205</sup> See Landau, *supra* note 1, at 59 (presenting a proposed Congressional amendment to § 2 of the Lanham Act to provide for protection of color with secondary meaning).

Court—should be the policy maker. The Supreme Court should have followed its earlier admonition: “The sign of how far Congress has chosen to go can come only from Congress . . . . [I]t is not our job to apply laws that have not yet been written.”<sup>206</sup>

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<sup>206</sup> *Sony Corporation of America v. Universal City Studios, Inc.*, 464 U.S. 417, 446 (1984) (citing *Deepsouth Packaging Co. v. Laitram Corp.*, 406 U.S. 518, 530 (1972)).