

Color of Product Packaging May Be Protectable As Inherently Distinctive Trade Dress

In *re* Forney Industries, the Federal Circuit Court of Appeals reversed the refusal by the Trademark Trial & Appeal Board (TTAB) to register the color mark below, used on Forney's product packaging for its welding and machining tools and accessories.

Forney sought to register the mark on the ground that it was inherently distinctive. In refusing registration, the TTAB held:

- (1) a multi-color mark (such as the one at issue here) could never be inherently distinctive as trade dress, and
- (2) color marks for product packaging cannot be inherently distinctive without a well-defined peripheral shape or border.

The Federal Circuit reversed both holdings.

Neither the Federal Circuit nor the Supreme Court had ever directly addressed whether a multi-color mark applied to product packaging can be inherently distinctive. Nonetheless, the Federal Circuit reviewed similar Supreme Court cases for guidance. In *Two Pesos*, the Supreme Court held that the décor of a "festive eating atmosphere" of a restaurant was protectable trade dress. Its opinion rested on the premise that trade dress may be inherently distinctive. And while the Court in *Qualitex* noted that color marks—a green-gold color of a dry-cleaning pad—may be protectable where the color has acquired secondary meaning, it did not go as far as saying that secondary meaning is required.

In Wal-Mart , the Supreme Court held that “with respect to at least one category of mark—colors—we have held that no mark can ever be inherently distinctive”; it later reiterated by way of comparison that “design, like color, is not inherently distinctive.”

With these cases in mind, the Federal Circuit found in *In re Forney Industries* that the TTAB erred in ruling that multi-color product packaging can never be inherently distinctive. In the Federal Circuit’s view, the controlling precedent did not support such a strict rule.

The Federal Circuit concluded that Forney’s multi-color product packaging mark was more like the décor/“packaging” at issue in *Two Pesos* than the product designs in *Qualitex* and *Wal-Mart*. The Federal Circuit noted that while *Wal-Mart* did not explicitly spare product packaging trade dress when finding color to be “not inherently distinctive,” the decision drew a distinction between *Wal-Mart*’s apparel product design and the décor in *Two Pesos*, which was analogized to product packaging.

The Federal Circuit also struck down the rule, fashioned by the TTAB, that color may only be inherently distinctive in conjunction with a peripheral shape or border. The Federal Circuit noted that precedent does not mandate such a rule. Rather, the question was whether the particular combination of colors in the product packaging design applied for by Forney function as a source identifier. The Federal Circuit remanded the case to the TTAB for an answer.

Like many Federal Circuit decisions, *Forney* may be destined for review at the Supreme Court. A deciding factor will be whether the Supreme Court’s seemingly broad observation in *Wal-Mart*—that no color mark “can ever be inherently distinctive”—was limited to product design trade dress, or whether it includes product packaging design as well.

Source: Nathan Harris, Lando & Anastasi, LLP

1. Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992).
2. Qualitex Co. v. Jacobson Prod. Co., 514 U.S. 159, 115 S.Ct. 1300, 131 L.Ed.2d 248 (1995).
3. Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 120 S.Ct. 1339, 146 L.Ed.2d 182 (2000).