

## Federal Circuit Rules Multicolor Designs on Product Packaging Eligible for Trademark Protection

April 10, 2020

On April 8, 2020, the US Court of Appeals for the Federal Circuit reversed the Trademark Trial and Appeal Board (the Board) and held that multicolor designs can be inherently distinctive – and thus immediately eligible for federal trademark registration – when used on product packaging. The court further held that multicolor marks need not be used within a well-defined shape or border to be eligible for protection.

### Background

Color marks have a long and complex history under United States trademark law. Certain brands are instantly associated with a specific color, such as Tiffany blue or pink fiberglass insulation. Most products, however, use colors as ornamentation, rather than to signal the source of the product. Colors may also be functional or utilitarian, such as colors used to indicate the flavor of a product (red for cherry) or allow the product to blend in better with its surroundings (camouflage for hunting gear).

Colors, like all other trademarks, are only registrable if a color identifies the product's source, rather than serving some other purpose. In many contexts, colors are used as part of a product's trade dress, which is the look and feel of a product, by which one producer's product may be distinguished from the products of others. Trade dress takes into account the total image of a product, including size, shape, color, color combinations, texture, graphics and other features – even scent or particular sales techniques. See *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1578 (Fed. Cir. 1995).

Forney Industries, Inc. (Forney) sells accessories and tools for welding and machining in packaging that features a solid black stripe above a yellow gradient fading into red at the bottom. In 2014, Forney applied to register this color scheme (pictured below) as a trademark for various welding and machining goods.



The United States Patent and Trademark Office (USPTO) rejected Forney's application, finding that the mark was not inherently distinctive and would only be registrable on the Principal Register after providing sufficient proof of acquired distinctiveness. Acquired distinctiveness (also known as secondary meaning) allows otherwise unprotectable trademarks to become eligible for protection when a word, color or symbol, through advertising or other exposure over time, comes to signify to consumers that a product is produced or sponsored by a particular manufacturer, rather than describing a feature or category of product more generally.

Forney appealed the USPTO's refusal, but the Board upheld the rejection. The Board relied on the Supreme Court's past decisions in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992), *Qualitex Co. v. Jacobson Prod. Co.*, 514 U.S. 159 (1995) and *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000), which related to trade dress for restaurants, use of a special shade of green-gold for dry cleaning pads and the design of children's clothing, respectively. The Board concluded that, when assessing marks consisting of color, there is no difference between colors applied to a product's design and colors applied to a product's

packaging.

On further appeal, the Federal Circuit reversed. Its decision reiterates the importance of differentiating between colors applied to products themselves – product *design* – and colors applied to product *packaging*. The court observed that colors used in product design almost invariably serve some purpose other than source identification. By contrast, color-based product packaging can indicate the source of the goods to a consumer and, therefore, can be inherently distinctive.

While neither the Supreme Court nor the Federal Circuit had previously addressed the issue of multicolor marks directly, in this case the Federal Circuit concluded that, as a source indicator, Forney's multicolor product packaging mark "falls firmly within the category of marks the [Supreme] Court described as potential source identifiers," and "Supreme Court precedent simply does not support the Board's conclusion that a product packaging mark based on color can never be inherently distinctive."

The Federal Circuit also rejected the Board's alternative finding that a color may only be inherently distinctive when used in conjunction with a distinctive peripheral shape or border. It agreed with Forney that a particular pattern or combination of colors, arranged in a particular design, is not just a color but a symbol, which trademark law may protect. Regardless of whether a multicolor mark is used in a particular shape or peripheral border, the critical question is whether, as used on a product's packaging, the combination of colors and the design those colors create may be sufficient to indicate the source of the goods contained in that packaging.

## Key takeaway

The Federal Circuit's ruling in *Forney* may allow businesses that use multiple colors in ways that identify their brands to seek registration of those color schemes at the USPTO. Businesses currently using shapes or symbols may be encouraged to adopt additional defining color schemes, and businesses already using specially colored shapes or symbols may seek to broaden their use of those colors on product packaging and other branded materials.

## Practice tip

Brand owners should evaluate their product packaging to the extent they feature colors or multicolor schemes and consult with a trademark lawyer to consider whether to seek trademark protection.

For brands that use colorful product packaging to distinguish themselves in the market, this decision offers an additional tool to register and protect product packaging color schemes.

The case is [In Re: Forney Industries, Inc., No. 19-1073 \(Fed. Cir. 2020\)](#).

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