CORRECTING A CHROMATIC ABERRATION: QUALITEX CO. V. JACOBSON PRODUCTS CO.

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I. INTRODUCTION

Under traditional trademark law, color received protection as a trademark only if it were combined with a symbol or design. It was not until 1985 that the Court of Appeals for the Federal Circuit broke with the traditional common law rule and precipitated a split by allowing registration of a color by itself as a trademark. Last term in Qualitex Co. v. Jacobson Products Co., the Supreme Court finally resolved the split of authority in a unanimous opinion holding that color may be protected as a trademark when it satisfies all of the normal statutory requirements. The Court's opinion follows both the text and intent of the Lanham Trademark Act as well as the fundamental principles of trademark law. This Note explores the factors which were responsible for the adherence to the traditional rule in most of the circuits over the last ninety years. Following a summary of relevant trademark law principles, this Note discusses the historical development of the traditional rule and its rejection by the Supreme Court in Qualitex. An analysis of this history will reveal that most courts upheld the traditional rule because of a failure to recognize the radical nature of the Lanham Act and because of undue reliance on stare decisis.

II. PRINCIPLES OF TRADEMARK LAW

The primary purposes of trademark law are to encourage the production of quality products, reduce the consumer's costs of making purchasing decisions, protect consumers from misrepresentation, and


2. See In re Owens-Corning Fiberglas Corp., 774 F.2d 1116 (Fed. Cir. 1985) (allowing trademark registration of pink color for fiberglass insulation).


ensure that manufacturers reap the rewards of their investments.\(^5\) Trademark law enables producers to mark their goods in a distinctive manner that allows consumers to recognize that the products come from a particular source. Producers can mark their goods with a trademark that can take the form of a word, name, symbol, or device that indicates the source of the product.\(^6\) A mark that simply describes the product (e.g. "car-freshner") must substantiate its distinctiveness through proof that consumers have associated a secondary meaning with it.\(^7\) The scope of trademark protection is limited by the functionality doctrine to those product features which are non-functional in order to prevent monopoly control over a useful product feature.\(^8\)

Trademarks receive different degrees of protection under the common law, state statutes, and the Federal Lanham Act. The Lanham Act provides for federal registration of a trademark and grants certain procedural and substantive legal advantages to the registrant.\(^9\) Under all of these authorities the common test for trademark infringement is whether the mark creates a likelihood of confusing consumers as to the source of the product.\(^10\) A concept that is closely related to trademarks is trade dress, which refers to the overall appearance of a product and is also protected under the Lanham Act.\(^11\) Although trademarks and trade dress technically refer to different types of protectable interests, many of the same legal principles apply to both.\(^12\) Two arguments against trademark protection for color that appear throughout the cases are the shade confusion problem and the color depletion problem. The shade confusion problem refers to the difficulty of distinguishing similar colors.\(^13\) The color depletion problem refers to the potential that the supply of colors will become depleted if each competitor can appropriate a particular color.\(^14\)

5. See J. THOMAS McCARTHY, 1 MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 2.01 (3d ed. 1993).
7. Id.
10. See McCARTHY, supra note 5, § 19.05.
11. See id. § 23.01.
12. See id. §§ 2.03, 4.04.
14. Id. at 1028.
III. HISTORICAL BACKGROUND

A. Pre-Lanham Act Cases

Almost all of the cases concerning trademark protection for color refer to the Supreme Court's turn-of-the-century opinion in *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.* Leschen & Sons owned a registered trademark for a colored streak that was painted onto wire rope in any color. One of their competitors, Broderick & Bascom, later began manufacturing wire rope with colored streaks, and Leschen & Sons sued for trademark infringement. Broderick & Bascom demurred on the grounds that the mark was not lawful and valid. The Supreme Court held that the trademark was invalid, because its scope which covered any color in any position on the rope was "manifestly too broad." Thus, the holding of the Court was that a trademark owner could not claim the right to use all colors, but the Court did not reach the question of whether a trademark in a particular color could be valid. Nonetheless, in dicta the Court commented that:

Certainly a trade-mark could not be claimed of a rope, the entire surface of which was colored; and if color be made the essential feature, it should be so defined, or connected with some symbol or design, that other manufacturers may know what they may safely do.

Whether mere color can constitute a valid trade-mark may admit of doubt. Doubtless it may, if it be impressed in a particular design, as a circle, square, triangle, a cross, or a star. But the authorities do not go farther than this.

Despite the fact that these statements constituted dicta, many lower courts interpreted them as binding precedent and upheld trademarks for

15. 201 U.S. 166 (1906).
16. *Id.* at 171.
17. *Id.* at 172 ("It is unnecessary to express an opinion whether, if the trademark had been restricted to a strand of rope distinctively colored, it would have been valid.").
18. *Id.* at 170–71.
color only when used in combination with other colors, symbols, or
designs.\textsuperscript{19}

**B. The Lanham Act**

Between 1905 and 1946, federal trademark law was governed by the
Trademark Act of 1905,\textsuperscript{20} which was essentially a codification of the
common law and granted only limited protection to trademarks.\textsuperscript{21} Under
the 1905 Act, descriptive marks could not be registered.\textsuperscript{22} As one
commentator observed, “The basic 1905 Trademark Act remained
inadequate to cope with the realities of twentieth century commerce and
brand names.”\textsuperscript{23} Congress responded by enacting the Trademark Act of
1946,\textsuperscript{24} which is commonly referred to as the Lanham Act. The Senate
committee reporting the bill indicated that its purpose was to “place all
matters relating to trademarks in one statute and to eliminate judicial
obscurity, to simplify registration and to make it stronger and more
liberal, to dispense with mere technical prohibitions and arbitrary
provisions, to make procedure simple, and relief against infringement
prompt and effective.”\textsuperscript{25} The Lanham Act took effect on July 5, 1947.\textsuperscript{26}

The Lanham Act significantly expanded the scope of trademark
protection by broadening the definition of trademarks to include “any
word, name, symbol, or device or any combination thereof adopted and
used by a manufacturer or merchant to identify his goods and distinguish
them from those manufactured or sold by others.”\textsuperscript{27} The new legislation
protected descriptive marks that had acquired secondary meaning, even
when they were not inherently distinctive. Furthermore, the legislative
history accompanying the Lanham Act made it clear that Congress

\textsuperscript{19} See, e.g., Life Savers Corp. v. Curtiss Candy Co., 182 F.2d 4 (7th Cir. 1950)
(noting that trademark protection is not available for color except when used in
connection with a symbol or design); Campbell Soup Co. v. Armour & Co., 175 F.2d
795 (3d Cir.) (holding that a trademark cannot be acquired in color alone), \textit{cert. denied},
338 U.S. 847 (1949); \textit{In re Security Eng’g Co.}, 113 F.2d 494 (C.C.P.A. 1940) (rejecting
trademark application for blue-and-aluminum color for oil well reamers); \textit{In re General
Petroleum Corp.}, 49 F.2d 966 (C.C.P.A. 1931) (rejecting trademark application for
violet-colored gasoline).


\textsuperscript{21} See \textit{McCARTHY, supra note 5, § 5.03}.

\textsuperscript{22} See \textit{Standard Paint Co. v. Trinidad Asphalt Mfg. Co.}, 220 U.S. 446 (1911).

\textsuperscript{23} \textit{McCARTHY, supra note 5, § 5.03}.


\textsuperscript{25} S. REP. NO. 1333, 79th Cong., 2d Sess. 5 (1946), \textit{reprinted in} 1946 U.S.C.C.A.N.
1274, 1277.


1127 (1994)).
intended to give trademarks the broadest protection possible. In addition, the statute states that "[n]o trademark . . . shall be refused registration on the principal register on account of its nature," unless one of the subsequently listed exceptions apply. Color is not included in these exceptions.

C. Post-Lanham Act Cases

Despite the intent of the Lanham Act to liberalize trademark law, courts continued to apply the common law rule prohibiting trademark protection for color. In 1949, for example, the Third Circuit reasserted the traditional rule in *Campbell Soup Co. v. Armour & Co.* Campbell Soup sued Armour to stop Armour's use of a red and white label on food products. The court held that a red and white label was not entitled to trademark protection because, "a man cannot acquire a trademark by color alone."

The following year, in *Life Savers Corp. v. Curtiss Candy Co.*, Life Savers sued for trademark infringement of its multi-colored striped candy wrapper. Life Savers had acquired a registered trademark for a striped background with the words "Life Savers" superimposed on it. The court held that Life Savers could not claim trademark protection for a striped background, because the color pattern served the functional purpose of indicating the package's flavors. In dicta, the court stated with approval the traditional rule that color is not subject to trademark protection except when used in conjunction with a symbol or design.

In the ensuing years, courts generally continued to apply the traditional rule. It was not until 1985, in *In re Owens-Corning Fiberglas Corp.*, that the Federal Circuit finally broke with eighty years of precedent and held that there was no per se prohibition against trademark protection for color alone. Owens-Corning, a fiberglass

28. S. REP. NO. 1332, 79th Cong., 2d Sess. 5 (1946), reprinted in 1946 U.S.C.C.A.N. 1774, 1277 ("[A] sound public policy requires that trademarks should receive nationally reatest protect; n that can be given to them.").
30. See id.
32. Id. at 798.
33. 182 F.2d 4 (7th Cir. 1950).
34. Id.
35. See, e.g., *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204 n.6 (2d Cir. 1979); *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 161 (1st Cir. 1977); *Mershon Co. v. Pachmayr*, 220 F.2d 879, 883 (9th Cir.), cert. denied, 350 U.S. 885 (1955).
36. 774 F.2d 1116 (Fed. Cir. 1985).
insulation manufacturer, had filed for trademark protection of the color pink in connection with fiberglass insulation. The practice of the Patent and Trademark Office ("PTO") was to allow trademark registration of a color when it had acquired secondary meaning and was non-functional. However, the Owens-Corning application was denied by the PTO examiner, and this decision was affirmed by the Trademark Trial and Appeal Board on the grounds that the color had not acquired secondary meaning. The Federal Circuit reversed the Board and held that Owens-Corning was entitled to register, finding that there was no inherent bar to such protection. The court based its decision on its interpretation of the intent of the Lanham Act to modernize and expand the scope of trademark protection.

The Owens-Corning court traced the history of color protection from the Supreme Court's *Leschen & Sons* opinion through the adoption of the Lanham Act. Given the liberalizing intent of the Lanham Act, the court refused to be bound by pre-Lanham Act decisions that are inconsistent with its purpose. Furthermore, the court noted a number of cases upholding new types of trademarks and concluded that "[o]ver the thirty-nine years of the Lanham Act, it has become established that the color of goods . . . may serve as a trademark if the statutory requirements are met." The court acknowledged that under appropriate circumstances, either the color depletion theory or the functionality doctrine could bar trademark protection for a color. However, the court rejected any categorical prohibition. The court also rejected the shade confusion problem as a basis for denying protection to color. After reviewing the evidence, the court found that the color pink served no functional purpose and did not deprive competitors of any reasonable competitive need. The court therefore held that Owens-Corning was entitled to register its mark.

In a vigorous dissent, Judge Bissell argued that the overall color of a product was not entitled to registration and that this "was the law long

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38. *Id.* at 1199.
39. *Owens-Corning*, 774 F.2d at 1122.
40. *See id.* at 1119.
41. *See id.*
42. *Id.* at 1122.
43. *See id.* at 1120-22.
44. *See id.* at 1122.
45. *See Owens-Corning*, 774 F.2d at 1123.
46. *Id.* at 1122, 1128.
47. *See id.* at 1128.
before the 1946 Lanham Act, it continued to be the law after the Act, and it ought to be the law in this case."48

D. Post-Owens-Corning

In 1987, the Ninth Circuit addressed the issue in First Brands Corp. v. Fred Meyer, Inc.49 First Brands filed suit for trade dress infringement of its yellow-colored antifreeze jugs. The district court held that the jugs were not entitled to protection since the color had not gained secondary meaning50 and since competitors needed to use the color.51 In affirming the district court, the Ninth Circuit commented that "[o]ther than in extraordinary situations, such as that presented in Owens-Corning, the general rule remains that an element of distinctiveness of shape in combination with the color still exists before a trademark will be granted."52 However, since the case was decided on the grounds of secondary meaning and functionality, the court did not consider whether to adopt the Owens-Corning rule.

In 1990, the Seventh Circuit addressed the issue in NutraSweet Co. v. Stadt Corp.53 NutraSweet brought an action for trade dress infringement of its blue-colored, single-serving packets of sweeteners and sugar substitutes. The court explicitly rejected the Owens-Corning rule and held that color alone cannot be protected as a trademark.54 The court based its holding on shade confusion, color depletion, stare decisis, and the adequacy of other protections.

In 1993, the Eighth Circuit considered the issue in Master Distributors, Inc. v. Pako Corp.55 and decided to follow the Owens-Corning rule. Master Distributors sued for trademark infringement of its blue-colored, leader-splicing tape for photographic film processing. The Eighth Circuit held that no per se rule prohibits trademark protection of color alone, and that a color may be protected against infringement if the owner establishes all of the normal trademark requirements.56 The court observed that "[i]nstead of promoting consistency and predictability, we

48. Id. at 1128 (Bissell, J., dissenting).
49. 809 F.2d 1378 (9th Cir. 1987).
50. See id. at 1383.
51. See id. at 1382-83.
52. Id. at 1382.
53. 917 F.2d 1024 (7th Cir. 1990).
54. Id. at 1027.
56. Id. at 224.
believe that establishing a per se prohibition against protection of a color mark would cause confusion and inconsistency."

IV. THE QUALITEX CASE

A. The Facts

Finally, in 1994, the Ninth Circuit faced the color trademark issue in a case that would ultimately reach the Supreme Court. Qualitex had been manufacturing and selling “Sun Glow” dry-cleaning press pads in a particular green-gold color since 1957. Qualitex registered the name “Sun Glow” as a trademark in 1959 and the green-gold color as a trademark in 1991. Since the 1970s, Qualitex had advertised the “Sun Glow” pad by featuring the green-gold color in various trade publications. Qualitex had also emphasized the green-gold color in brochures and flyers as well as at trade show booths. During the period from 1960 through 1990, Qualitex spent over $1.6 million in advertising the green-gold color.

In 1989, Jacobson began to sell a competing press pad with a green-gold color similar to that of the Qualitex pad. On March 9, 1990, Qualitex brought an action for trade dress infringement and unfair competition in the Federal District Court for the Central District of California. Qualitex later added a trademark infringement claim after the PTO granted the registration of the green-gold color in 1991.

B. The District Court Decision

The district court found that the green-gold color had acquired secondary meaning since purchasers identified that color with Qualitex. The court also found that Jacobson had intentionally copied both the

57. Id. at 219.
59. Registration No. 674,153 (Feb. 17, 1959).
60. Registration No. 1,632,711 (Feb. 5, 1991).
62. Id.
63. Id.
64. Id. at 1459.
65. See Qualitex, 13 F.3d at 1306.
66. See id.
67. See Qualitex, 21 U.S.P.Q.2d (BNA) at 1458.
color and the overall look of Qualitex's press pad, thereby creating a likelihood of confusion in the marketplace. In addition, the court found that the color was non-functional and that there was no danger of color depletion since many other colors were usable. The district court concluded that Jacobson was liable for trademark infringement, unfair competition, and trade dress infringement. The court granted damages and an injunction prohibiting Jacobson from using the green-gold color on its press pads.

C. The Ninth Circuit Decision

On appeal, the Ninth Circuit held that the Lanham Act does not permit trademark protection for color alone, and reversed the district court on the trademark infringement claim. Recognizing that the Lanham Act does not explicitly prohibit such a registration, the court nevertheless followed the majority of circuits in ruling that color alone could not be protected as a trademark. The court adopted this rule in light of the shade confusion problem, the color depletion problem, and the adequacy of other protection already available. Although the Ninth Circuit refused to protect the green-gold color as a trademark, it upheld protection under a theory of trade dress infringement. This result creates an inexplicable dichotomy between trademark protection and trade dress protection. Nonetheless, the court of appeals reversed the district court on the trademark infringement claim and ordered cancellation of Qualitex's trademark for the green-gold color.

D. The Supreme Court Decision

As a result of the Ninth Circuit's decision, the magnitude of the split on this issue became clear. Each court of appeals that had addressed this
issue before *Owens-Corning* had adhered to the traditional rule.79 Even after *Owens-Corning*, both the Seventh and Ninth Circuits held to the traditional rule,80 and the Eighth Circuit was the only one that followed the lead of the Federal Circuit.81

In order to resolve the split among the circuits, the Supreme Court granted certiorari on the issue of whether the Lanham Act permits registration of a trademark consisting simply of a single color.82 Justice Breyer, writing for a unanimous court, reversed the Ninth Circuit and held that there was no per se rule prohibiting trademark protection for color.83 The Court based its analysis on the text and intent of the Lanham Act, as well as on the underlying principles of trademark law.

1. The Lanham Act

Justice Breyer noted that the Lanham Act uses broad language when it states that trademarks include "any word, name, symbol, or device, or any combination thereof."84 Breyer observed that this language, when read literally, implies that anything which is capable of carrying meaning can serve as a trademark.85 The Lanham Act merely requires that the

79. *See, e.g.*, Quabaug Rubber Co. v. Fabiano Shoe Co., 567 F.2d 154 (1st Cir. 1977) (affirming finding of unfair competition in deceptive use of yellow-colored labels on footwear when color was combined with octogonal shape); Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) (affirming finding of common law trademark in cheerleading costume when color was combined with distinctive design); Campbell Soup Co. v. Armour & Co., 175 F.2d 795 (3d Cir. 1949) (affirming denial of trademark protection for red and white label), *cert. denied*, 338 U.S. 847 (1949); Transportation, Inc. v. Mayflower Serv., Inc., 769 F.2d 952 (4th Cir. 1985) (affirming injunctive order prohibiting taxicab company from using red and black color combination); Fram Corp. v. Boyd, 230 F.2d 931 (5th Cir. 1956) (affirming denial of injunctive relief for carton color for oil filter replacement cartridges); Tas-T-Nut Co. v. Variety Nut & Date Co., 245 F.2d 3 (6th Cir. 1957) (reversing denial of relief from unfair competition when color is merely part of overall trade dress of packaged nuts); AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531 (11th Cir. 1986) (denying exclusive rights to royal blue color for ice-cream bar packaging), *cert. denied*, 481 U.S. 1041 (1987).


82. *Qualitex*, 115 S. Ct. at 1302.

83. *See id.*

84. *Id.* (quoting 15 U.S.C. § 1127 (1994)).

85. *See id.* at 1302-03.
trademark identify and distinguish the producer’s goods from those manufactured by others.\textsuperscript{56} Over time, a color can come serve this purpose if customers treat a particular color on a product as an indication of the source of the goods.\textsuperscript{87} Thus, a color can acquire secondary meaning and function as a trademark in the same way that a descriptive word can.\textsuperscript{88} Furthermore, the Lanham Act clearly states that “nothing . . . shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce.”\textsuperscript{89}

The Court also noted that the legislative history of the Lanham Act indicated a congressional intent to allow trademark protection for colors.\textsuperscript{90} Furthermore, Congress had made changes recently to the definitions section of the Lanham Act, but did not modify the relevant part of the definition even though: (1) the Federal Circuit had decided \textit{Owens-Corning}; (2) the PTO had a clear policy of allowing color trademark registrations; and (3) a Trademark Commission report recommended that the scope of trademark protection not be narrowed.\textsuperscript{91} The Court interpreted this action by Congress as legislative ratification of the \textit{Owens-Corning} rule.\textsuperscript{92} Furthermore, the Senate report accompanying the 1988 amendments specifically stated that the revised definition does not preclude the registration of “colors, shapes, sounds or configurations where they function as trademarks.”\textsuperscript{93}

\textsuperscript{87} See \textit{Qualitex}, 115 S. Ct. at 1303.
\textsuperscript{88} See \textit{id.} at 1303-04.
\textsuperscript{90} See \textit{Qualitex}, 115 S. Ct. at 1307-08.
\textsuperscript{91} See \textit{id.} at 1307.
\textsuperscript{92} See \textit{id.} at 1308.
2. Principles of Trademark Law

Turning to an examination of the basic principles of trademark law, the Court noted that the fundamental objectives of trademark law are to reduce customer costs of shopping and making purchasing decisions, and to assure that a producer will reap the financial rewards that come from a successful high-quality product. The Court observed that a color which has acquired secondary meaning can achieve these purposes just as well as a shape, word, or symbol. Therefore, the Court concluded that the objectives of trademark law provided no basis for disqualifying the use of color as a mark.

In addition, the Court noted that the functionality doctrine does not create an absolute bar to trademark protection for color. The test for determining whether a product feature is functional and cannot serve as a trademark is whether "it is essential to the use or purpose of the article or if it affects the cost or quality of the article." In other words, a product feature is functional if exclusive control over the feature would significantly hinder competition. The Court concluded that the functionality doctrine does not create an absolute bar to the use of color as a trademark since in many situations color can serve a non-functional purpose.

3. Reasons Proposed for Treating Color Differently

Jacobson argued that allowing trademarks for color would produce uncertainty in application and result in extensive litigation as competitors tried to determine what shades of color they could lawfully use. In addition, the courts would also suffer from the shade confusion problem when called upon to decide the likelihood of consumer confusion since the appearance of a color depends upon many variable factors such as ambient lighting. Jacobson contended that determining the similarity of colors was far more difficult for the courts than determining the similarity of words.

94. See Qualitex, 115 S. Ct. at 1303.
95. See id. at 1304.
96. Id.
97. Id.
98. Id.
99. See id.
100. See id. at 1304.
101. See id. at 1305.
102. See id.
103. See id.
However, the Court rejected this argument and declined to treat color as special in this respect. The Court noted that courts are routinely called upon to decide the difficult question of when two words are so similar as to produce consumer confusion, and that legal standards exist to help guide courts in making these decisions. The Court asserted that judges should be able to apply these same standards when comparing colors. Furthermore, the Court noted that judges were already called upon to make such comparisons in those cases in which color has been combined with a symbol or design. Thus, the Court rejected the shade confusion argument as a bar to trademark protection for color.

Jacobson also argued that since colors are in limited supply, the set of available colors would become depleted if producers could each acquire exclusive use of a particular color. Even though in general the human eye may be able to distinguish thousands of different shades, in the context of a particular product, only a few colors may be practical for use due to consumer preferences and manufacturing constraints. In many situations, the usable colors could become depleted to the point where a competitor would be unable to find a suitable color, and would therefore be unable to enter the market, thereby decreasing competition and reducing selection for consumers.

The Court rejected the color depletion argument since this line of reasoning would allow "an occasional problem to justify a blanket prohibition." The Court stated that in most cases many alternative colors are available for competitors to use. Furthermore, in those situations in which a color depletion problem were to arise, the functionality doctrine would prevent exclusive use of a color since competitors would be at a significant non-reputation-related disadvantage. The Court pointed to a number of cases in which lower courts had made appropriate use of the functionality doctrine to prevent exclusive appropriation of a color when that color served a functional purpose or

104. See id.
105. See id.
106. See id.
107. See id.
108. See id.
109. See id.
110. See id. at 1305-06.
111. See id.
112. Id. at 1306.
113. See id.
114. See id.
would have put competitors at a competitive disadvantage. The Court concluded that the functionality doctrine should be sufficient to prevent the potentially anti-competitive consequences of the color depletion problem.

Jacobson also argued that the Court should adhere to its precedent that trademark protection is not available for color alone. However, the Court observed that these decisions interpreted trademark law as it existed before Congress passed the Lanham Act in 1946. In addition, the Court noted that these decisions only questioned the availability of trademark protection for colors in dicta. The Court focused on the fact that the Lanham Act was designed to dispense with technical prohibitions by permitting registration of descriptive words that had acquired secondary meaning. The Court therefore concluded that the enactment of the Lanham Act and its legislative history rendered the Court's precedents unpersuasive.

Jacobson also argued that there was no need for trademark protection for color alone since adequate protection could be achieved by combining color with a design or pattern. Alternatively, Jacobson argued that color could be sufficiently protected under the trade dress provisions of the Lanham Act. The Court responded that there are many situations in which a manufacturer would find it difficult to place a word or symbol on a product and would, therefore, choose to use color alone to mark the product. Furthermore, the Court noted that trademark law provides many benefits to the holder of a mark that trade

115. See id. (citing Deere & Co. v. Farmhand, Inc., 560 F. Supp. 85 (S.D. Iowa 1982) (denying trademark protection for green-colored farm machinery since color was functional due to aesthetic preference), aff'd, 721 F.2d 253 (8th Cir. 1983); Brunswick Corp. v. British Seagull Ltd., 35 F.3d 1527 (Fed. Cir. 1994) (affirming denial of trademark registration for the color black when applied to outboard motors since color was functional in that it is compatible with a wide variety of boat colors and exhibits the property of making the objects look smaller), cert. denied, 115 S. Ct. 1426 (1995)).
116. Id. at 1306-07.
117. Id. at 1307. The cases discussed are A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co., 201 U.S. 166 (1906) and Coca-Cola Co. v. Koke Co., 254 U.S. 143 (1920) ("The product including the coloring matter is free to all who can make it...").
118. See Qualitex, 115 S. Ct. at 1307.
119. See id.
120. See id.
121. Id. at 1308
122. See id.
123. See id.
124. See id.
dress protection does not. Therefore, a company would have good reasons to seek trademark protection for a color rather than rely on trade dress protection. Based on the Court's analysis of the Lanham Act, the principles of trademark law, and its rejection of Jacobson's arguments for treating color differently, the Supreme Court reversed the Ninth Circuit and held that Qualitex's trademark was valid.

V. ANALYSIS

Most commentators agree that the Supreme Court reached the correct result in Qualitex. The primary factor underlying the Court's opinion is the adoption of the Lanham Act in 1946. The Lanham Act was a key development in trademark law since it replaced the common law's limited protection for trademarks with greatly expanded protection. The Court recognized that the common law rule on color trademarks was inconsistent with the Lanham Act's purpose and was therefore invalid. However, lower courts continued to adhere to the traditional common law rule after the adoption of the Lanham Act primarily because these courts repeatedly failed to analyze the relevance of the Act. What accounts for this pervasive failure to examine the Lanham Act? It appears to be the result of an oversight in the Campbell Soup case which was repeated by later courts and retained as good law through the doctrine of stare decisis.

After the enactment of the Lanham Act, the courts continued to adhere to the traditional rule primarily because they failed to analyze the effect of the Lanham Act on the traditional rule. In Campbell Soup, the first case to address the issue after the enactment of the Lanham Act, the court completely failed to discuss the effect of the Act on the substantive law of trademarks. The court appears to have believed that the Lanham Act's effect was limited to registration and that the validity of

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125. See id. (citing 15 U.S.C. §§ 1124 (ability to prevent importation of confusingly similar goods), 1072 (constructive notice of ownership), 1065 (incontestable status), and 1057(b) (prima facie evidence of validity and ownership) (1994)).
126. See id.
127. See id.
a trademark was essentially a question of state property law. Looking to the common law, the court correctly noted that the rule that “a man cannot acquire a trademark by color alone has been stated a good many times in decisions and textbooks.” However, the court failed to recognize that the Lanham Act had expanded the common law, thereby undermining the precedential value of these earlier cases. Furthermore, the court’s brief mention of the change from the 1905 Act to the Lanham Act indicates that the court did not realize the radical changes brought about by the Lanham Act.

Later courts would cite the Campbell Soup case as evidence that the Lanham Act had not changed the traditional rule. But the complete failure of the court even to address the issue hardly supports the argument that the Lanham Act did not affect the rule. What actually appears to have happened is that the court simply missed the issue.

The following year, in Life Savers, the Seventh Circuit also mentioned the traditional rule with approval, although the rule was entirely unnecessary to its resolution of the case since the case was decided on the grounds of functionality. The court cited Campbell Soup along with other cases pre-dating the Lanham Act as support. As in Campbell Soup, the Seventh Circuit repeated the rule without any analysis of the Lanham Act. Incredibly, forty years later in NutraSweet, the Seventh Circuit would refer to Life Savers as the “seminal” case on this issue. Over the next thirty-five years, the courts continued to apply the traditional rule routinely.

In 1985, the Federal Circuit became the first court to conduct a thorough analysis of the effect of the Lanham Act on trademark protection for colors, concluding in Owens-Corning that the text and intent of the Lanham Act rendered the traditional rule invalid.

In dissent, Judge Bissell argued that the Lanham Act had not changed the traditional rule. However, Judge Bissell never offered any argument based on the text or legislative history of the Act. Instead, the dissent relied upon the fact that after the enactment of the Lanham Act, “all the regional circuit courts that confronted the issue continued to recognize the validity of the [traditional] rule.”

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130. Id. at 797 (“[F]ederal registration does not create a trade-mark. The trade-mark comes from use, not registration, and the right to it is in the nature of a property right based on common law.”).

131. Id. at 798.

132. See id. at 798 nn.2 & 4-6.

133. NutraSweet Co. v. Stadt Corp., 917 F.2d 1024, 1027 (7th Cir. 1990).

134. Owens-Corning, 774 F.2d 1116 at 1128 (Bissell, J., dissenting) (footnotes omitted).
courts addressed, much less refuted, the compelling textual and legislative intent arguments presented by the Owens-Corning majority. Not one of the cases cited by the dissent explains why the Lanham Act did not change the traditional rule, other than by referring to other cases equally lacking in explanation.\(^{135}\) The dissent’s only attempt at analysis of the Lanham Act is its conclusory statement that “[t]he Act does not require the result the majority reaches,”\(^ {136}\) apparently referring to the fact that the Act does not explicitly mandate trademark protection for color. The dissent can only assert, without any legitimate support or argument, that “color per se . . . does not fall into the realm of registrable matter as contemplated by the [Lanham] Act.”\(^ {137}\)

Even after Owens-Corning, the same failure to adequately address the Lanham Act occurs again in both NutraSweet and Qualitex. In NutraSweet, the Seventh Circuit reaffirmed the traditional rule, but failed to discuss the Lanham Act and supported its holding by citing other cases such as Life Savers and the Owens-Corning dissent, which themselves failed to analyze the Lanham Act.\(^ {138}\) Although the court mentions several reasons for its decision, the court’s decision to adhere to the traditional rule seems to be based primarily on a desire for “[c]onsistency and predictability of the law.”\(^ {139}\)

Similarly, in Qualitex, the Ninth Circuit also failed to explicitly discuss the effect of the Lanham Act provisions. Although the court admitted that the “[r]egistration of mere color is not explicitly barred by the Lanham Act,”\(^ {140}\) its analysis went no further. Rather than analyzing the Lanham Act provisions, the court just asserted that the traditional rule was not modified by the Lanham Act and cited the dissent in Owens-Corning for support.\(^ {141}\)

Thus what we have is a series of cases, each pointing to the previous one in order to support the proposition that the traditional rule has not changed. But none of the cases in the chain actually analyzed the issue of the Lanham Act. Therefore, although there is a great number of cases, all of them rest on a common law foundation that was supplanted in 1946. Even after the Federal Circuit pointed out this fact, most courts

\(^{135}\) See id. at 1128 n.2.

\(^{136}\) Id. at 1129 (Bissell, J., dissenting).

\(^{137}\) Id. at 1131 (Bissell, J., dissenting).

\(^{138}\) Although the case technically is about trade dress protection, the court notes that the principles of trademark protection apply interchangeably. See NutraSweet at 1027, n.7.

\(^{139}\) Id. at 1027.


\(^{141}\) See id.
continued to give undue weight to stare decisis, believing that uniformity in the law was more important than adherence to congressional intent. For example, the *Owens-Corning* dissent was clearly persuaded by stare decisis in commenting: "there [is no] persuasive reason for this court to discard decades of jurisprudence" and "[t]here is a valuable public interest in consistency and predictability in the law."142

In case after case, the courts failed to realize that a major change in trademark law had occurred with the enactment of the Lanham Act in 1946 which fundamentally altered the traditional rule on trademark protection for color. Congress had determined that the broadest possible protection should be made available to trademarks. In *Qualitex*, the Supreme Court finally had to remind the lower courts that stare decisis had to yield to the legislative power of Congress to change the common law, and that it was the courts' duty to give effect to the language and intent of the Lanham Act.

VI. CONCLUSION

The Supreme Court's *Qualitex* opinion resolved the split which had developed in 1985 following *Owens-Corning* and brought unity to the divided courts of appeals. The Court's decision furthers the objectives of trademark law, while making appropriate allowance for those circumstances in which granting exclusive rights to a color would conflict with those objectives. Despite the Court's holding, it is important to note that a company desiring to obtain and enforce trademark protection for a color still faces substantial practical difficulties due to the high burden of proof required by the PTO and the courts.143 In *Qualitex*, the Supreme Court had to remind a number of the circuits of the importance of analyzing the Lanham Act when applying trademark rules that pre-date its adoption. Thus, the primary importance of the *Qualitex* case lies in the fact that it will spur a renewed focus on the Lanham Act when applying traditional trademark rules to new and non-traditional types of marks.

142. *Owens-Corning* at 1129 (Bissell, J., dissenting).
143. For a discussion of some of the practical difficulties associated with obtaining trademark protection for color alone, see Morico, *supra* note 128, and Douglass, *supra* note 128.