



THINK FORWARD

Federal Circuit Deems Multi-Color Product Packaging Marks Inherently Distinctive

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On April 8, 2020, the United States Court of Appeals for the Federal Circuit issued a ruling in [In re Forney Industries, Inc.](#)^[1], which held that multi-color marks can be inherently distinctive when used on product packaging. The Federal Circuit further held that a “well defined peripheral shape or border” is not a prerequisite for color marks to be deemed inherently distinctive.

Forney Industries, Inc. (“Forney”) offers tools and accessories for welding and machining in packaging that features a yellow to red gradient and a black horizontal line above the gradient (the “multi-color mark”), as shown below:



Forney uses the multi-color mark in connection with its welding and machining products as follows:



In 2014, Forney applied to register the multi-color mark in connection with its welding and machining products. Upon review of Forney’s application, the United States Patent and Trademark Office

(“USPTO”) refused registration of the multi-color mark based on its finding that the mark lacked inherent distinctiveness. As part of its refusal, the USPTO advised Forney the multi-color mark would only be registrable on the Principal Register with a submission of evidence showing the mark’s acquired distinctiveness.^[2]

Forney appealed the USPTO’s refusal to the Trademark Trial and Appeal Board (“TTAB”), and submitted arguments that its mark should be treated as product packaging that features multiple colors and that, as product packaging, its multi-color mark should be considered inherently distinctive. On appeal, the TTAB upheld the USPTO’s refusal, finding 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.” In support of its finding, the TTAB referenced three Supreme Court decisions: *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992), which determined a restaurant’s trade dress was inherently distinctive and registerable without a showing of acquired distinctiveness; *Qualitex Co. v. Jacobson Prod. Co.*, 514 U.S. 159 (1995), which determined a special shade of green-gold used for dry cleaning pads was registerable with acquired distinctiveness; and *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000), which determined clothing designs were not inherently distinctive, and thus not registerable, without proof of acquired distinctiveness.

Forney appealed to the Federal Circuit, which ultimately vacated the TTAB’s ruling. In its decision, the Federal Circuit drew a stark distinction between color as applied to a product, and color as applied to product packaging. The Federal Circuit opined that color, as applied to a product, “almost invariably serves purposes other than source identification.” On the other hand, product packaging is often intended to indicate the source of a product, and color included on such packaging can therefore be inherently distinctive. As such, the Federal Circuit determined that Forney’s multi-color mark, as applied to Forney’s product packaging, can function as a source identifier, and stated that Supreme Court precedent^[3] “does not support the [TTAB]’s conclusion that a product packaging mark based on color can never be inherently distinctive.”^[4]

The Federal Circuit also rejected the TTAB’s “alternative conclusion” that a defined peripheral shape or border is required for a color mark to be inherently distinctive. The Federal Circuit again emphasized that “[i]n determining the inherent distinctiveness of trade dress, the question...is whether the trade dress makes such an impression on consumers that they will assume the trade dress is associated with a particular source,” and advised that Forney was “correct that its proposed mark is not just a color mark, but also a symbol.” (internal quotations omitted). The Federal Circuit concluded that Forney was not seeking registration for the individual colors red, yellow, and black; but rather, for the specific combination of the colors, as a whole, which were inherently distinctive as a product packaging mark and registerable without proof of acquired distinctiveness. The Federal Circuit remanded the proceedings to the TTAB to consider whether Forney’s multi-color mark is inherently distinctive as a product packaging mark under the *Seabrook* factors.^[5]

Implications

The *In re Forney* decision opens the door to brand owners who may wish to federally register multi-color product packaging marks without having to show proof of acquired distinctiveness. Compiling evidence of acquired distinctiveness is often a costly and time-consuming endeavor, and frequently includes evidence of long-standing use, significant sales, and advertising figures. Thus, there may be meaningful savings in both cost and time for those multi-color product packaging mark owners who can rely on this decision to argue that their marks are inherently distinctive. Moreover, brand owners who use a specific set of colors on their products may consider expanding their usage of such colors onto product packaging, and consider seeking federal protection for the same.

^[1] *In re Forney Industries, Inc.*, No. 19-1073 (Fed. Cir. 2020).

^[2] Certain marks or product designs are not inherently distinctive at the outset, and as such are not immediately registerable on the Principal Register. Acquired distinctiveness, which is also referred to as secondary meaning, refers to the manner in which marks lacking inherent distinctiveness gather the necessary notoriety to ultimately signify a product’s source; and, thus, become registerable on the

Principal Register.

^[3] See, e.g. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *Qualitex Co. v. Jacobson Prod. Co.*, 514 U.S. 159 (1995); *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000).

^[4] The Federal Circuit also emphasized it was not the only court finding that color marks on product packaging are inherently distinctive. The Federal Circuit identified the Tenth Circuit's 2016 holding in *Forney Indus., Inc. v. Daco of Missouri*, which teaches that in certain circumstances "the use of color in product packaging can be inherently distinctive (so that it is unnecessary to show secondary meaning)." 835 F.3d 1238, 1248 (10th Cir. 2016).

^[5] "(1) [W]hether the trade dress is a "common" basic shape or design; (2) whether it is unique or unusual in the particular field; and (3) whether it is a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods[.]" *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342 (C.C.P.A. 1977).

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