

Should Colours be Protected by Trade Mark Law?

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Abstract

The significance of colour as an invaluable marketing tool and source of brand differentiation provides support both for and against its protection by trade mark law. Despite the advantages afforded by trade mark protection, this article demonstrates that such protection is undesirable in a capitalist market that is supposed to foster freedom of competition. Colour depletion will unduly restrict the ability of newcomers to develop their own brand identity as the availability of colours will diminish with increased registration. Problems of shade confusion will hasten the depletion of colours and hinder the ability of the courts to properly determine the scope of protection afforded to a colour trade mark. By looking at the complications in administering a system of colour trade mark protection and the unfair competition associated with the monopolisation of colours, this article will conclude that colours should not be protected by trade mark law.

Introduction

Trade marks (TM) can represent an extremely valuable corporate asset to brand-holders. Their huge economic potential can be seen in the brand value of Google, estimated in 2011 to be worth \$44 billion¹ (27% of the firm's overall value).² The function of a TM has also evolved as the ability to market identical

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¹ Brandirectory, 'Global 500 2011: Find out what the world's top brands were in 2011' (Brand Finance, 2011) <http://brandirectory.com/league_tables/table/global_500_2011> accessed 28 March 2013

² Sean Stonefield, 'The 10 most valuable trademarks' *Forbes* (15 June 2011) <<http://www.forbes.com/sites/seanstonefield/2011/06/15/the-10-most-valuable-trademarks/>> accessed 28 March 2013

products rests on the ability of advertising to differentiate products not on substance but on 'mythical appeal'.³ Far from its function as an indicator of origin, the TM 'acquires a life of its own, making a statement....about quality, reputation and even, in certain cases, a way of seeing life'.⁴ Such an extension of the function of TMs, as a distinct brand identity and symbol of goodwill, evidences a strong desirability for their protection. Registering a TM will not only protect the sanctity of a brand but also the economic interest associated with the brand identity that could represent a large proportion of a company's intangible assets.

Notwithstanding their capacity for protection in the EU and a number of countries including the UK and US, there are serious questions as to whether protecting colours by TM law is desirable. This article takes the standpoint that colours should be protected by TM law only if such protection can be administered effectively and does not unduly restrict the ability for newcomers to enter the market. This premise is justified on the basis that courts should be able to properly determine infringement proceedings without prompting increased litigation about the availability of colour TMs. Furthermore, a system of TM protection should be capable of being administered in the long term without heavily impeding the ability of newcomers to develop their own brand identity. Industry newcomers should be able to exercise their freedoms of enterprise and entry which are associated with a capitalist market, and will be unable to do so where a system of TM protection unduly restricts their ability

³ Thomas D Drescher, 'The Transformation and Evolution of Trademarks – From Signals to Symbols to Myth' (1992) 82 TMR 301, 330

⁴ *Arsenal Football Club v Matthew Reed* [2002] ECR I-10273 Opinion of the Advocate General, 46

to develop a brand identity.⁵ One must, therefore, consider the long-term implications of introducing a new category of signs that are capable of registration as this may exacerbate the 'inherent tension between intellectual property rights and free competition'.⁶

Using a comparative analysis of EU and US law, this article examines the ability to register a colour TM and the problems encountered in protecting them. With particular reference to the colour depletion theory and shade confusion theory, this article demonstrates how protecting colours by TM law will create uncertainty amongst the judiciary in determining the threshold for infringement and unduly restrict newcomers entering the market in the long term. In formulating this argument, this article will focus on the reasoning in *Qualitex Co v Jacobson Products Co*,⁷ which explicitly rejected both the shade confusion and colour depletion theories as genuine threats to a system of colour TM protection. Notwithstanding the value of colour in developing a brand identity, this article will conclude that colours should not be protected by TM law in light of the inherent difficulty in comparing colour shades and the long-term impact of increased registration.

The value of colour

Colour is a vital tool in brand differentiation. It is the first point of identification that a consumer has with a brand and is therefore crucial in helping companies

⁵ Luigi Zingales, 'Capitalism After the Crisis' (2009) *National Affairs* 22, 23

⁶ Jennifer Davis, *Intellectual Property Law* (4th edition, OUP 2012) 5

⁷ 514 US 1300 159 (1994)

to distinguish themselves within the market.⁸ By exploiting its psychological effects, colour can be used to 'induce moods and emotions, influence consumers' perceptions and behaviour and help companies position or differentiate from the competition'.⁹ Such an important aspect of a TM will not only add value to, but may also become iconic of a brand; the colour purple¹⁰ has become so distinctive of Cadbury that it can create islands of purple in supermarkets to advertise their brand of chocolate bars.¹¹ The potential to add value suggests that, from an economic perspective, colours should be protected by TM law in order to prevent free-riders from taking economic advantage of what has become iconic of a brand. Registering a colour not only protects the interest of the brand-holder in preventing unfair competition but also assures the consumer that the purple chocolate bar they selected in haste from the purple island is none other than Cadbury.

The significance of colour in the international market also adds to the debate over whether TM protection is desirable. Colours can prove an invaluable marketing tool, as they provide 'universal understanding and can transcend language barriers causing less cultural misunderstanding'.¹² Their ability to attract consumers' attention more quickly than words, makes them a valuable asset in developing a global brand identity.¹³ Companies competing in

⁸ Judith Lynne Zaichkowsky, 'Strategies for Distinctive Brands' (2010) Special issue: "Brand Governance: Managing and Safeguarding Brand Equity" *Journal of Brand Management* 1, 10

⁹ Mubeen M Aslam, 'Are You Selling the Right Colour? A Cross-Cultural Review of Colour as a Marketing Cue' (2006) 12(1) *Journal of Marketing Communications* 15

¹⁰ PANTONE 2865C. Cadbury Ltd's Trade Mark Application [2012] RPC 18

¹¹ Paul Green-Armytage, 'Colours: Regulation and Ownership' (2009) 6(4) *Colour: Design & Creativity* 1, 18. See Appendix 1

¹² Deli Yang, 'Colour Marketability: Registrable in Few Nations, but Debatable among Many!' (2012) 17 *J IP Rights* 246, 248

¹³ C Jones. 'Colour Marks: Colour Ownership – Why it Makes Sense' (2006) *Managing IP: Brand Management Focus* 10

the international arena will therefore use colour as a key element of their marketing strategy in order to establish their brand in different countries. Protecting colour by TM law is therefore desirable for those companies who have established their brand in the international market in order to protect their international reputation. On the other hand, protecting colours by TM law will have anti-competitive consequences for newcomers attempting to penetrate the international market as they will be restricted in their use of the most valuable tool in transcending different cultures.

Whilst there are a number of contemporary examples that illustrate its value, there is some controversy surrounding the notion of being able to TM a colour. If colour is defined as ‘a visual perception phenomenon produced by luminous rays’, then those who seek to register a colour TM could be regarded as wanting to ‘reserve for themselves a characteristic of an object which is attributable to the solar rays’.¹⁴ Allowing colour TMs creates a commodity out of a sensory experience and provides a ‘vivid example of the propertization of seemingly un-ownable resources.... another instance of the “intellectual property land grab” characterizing modern commercial culture’.¹⁵ The subjective nature of colour and how it can be perceived differently by the observer is what distinguishes colour TMs from other signs which are capable of registration. Being able to claim ownership in a subjective experience is not only troubling in theory but may also, on a practical level, raise problems in

¹⁴ Glenda Labadie-Jackson, ‘Through the Looking Hole of the Multi-Sensory Trademark Rainbow: Trademark Protection of Colour Per Se Across Jurisdictions: The United States, Spain and the European Union’ (2008) 7 Rich J Global L & Bus 91, 91-92

¹⁵ Charlene Elliott, ‘Purple Past: Colour Codification in the Ancient World’ (2008) 33 Law & Social Inquiry 173, 174

determining whether a likelihood of confusion exists to constitute infringement. Administering a system of colour TM protection, therefore, may be problematic in light of the inability to ascertain how a colour sign is perceived by the relevant part of the public.

Registering a colour trade mark

The broad definition of a TM as 'any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings' has allowed for colour TMs to enter the array of registrable signs.¹⁶ Both the House of Lords and the European Court of Justice have held that a colour per se can constitute a TM, providing it fulfils the formal and substantive requirements for registration.¹⁷ An equally inclusive definition of a TM in the US has likewise allowed for colours to be registered as a TM,¹⁸ as held in the landmark case of *Qualitex Co v Jacobson Products Co*.¹⁹ Designating a colour through the use of an internationally recognised identification code, such as PANTONE, helps satisfy the formal requirement that the sign is represented graphically in a manner that is 'clear, precise, self-contained, easily accessible, intelligible, durable and objective'.²⁰ Whether a colour is capable of registration will ultimately depend

¹⁶ Trade Marks Act 1994 s 1(1); Agreement on the Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS Agreement) s 2, Art 15

¹⁷ *Smith Kline & French Laboratories Ltd v Sterling-Winthrop Group Ltd* [1975] 1 WLR 914; Case C-104/01 *Libertel Groep BV v Benelux-Merkenbureau* [2003] ECR I-3793

¹⁸ The Lanham Act 1946 15 USC §1127

¹⁹ 514 US 159 (1995)

²⁰ Case C-104/01 *Libertel Groep BV v Benelux-Merkenbureau* [2003] ECR I-3793, 29. A similar position is adopted in the US where the application for the trademark must describe the trademark with 'ordinary language', even if the applicant also

on whether the sign has acquired a distinctive character.²¹ Since colour per se will almost never be inherently distinctive,²² there must be evidence that it has acquired 'distinctiveness through use' which makes it capable of distinguishing goods.²³ Similarly in the US, eligibility for TM protection hinges upon whether the colour has acquired secondary meaning.²⁴

Proving that a colour has acquired distinctiveness or secondary meaning will depend on whether the average consumer identifies the colour with the brand.²⁵ This will necessarily be easier for companies who are well established in the market as an enduring reputation makes it more likely that a 'significant proportion of the relevant class of persons' will identify the TM with their brand.²⁶ Indeed, using the same colour in its get-up and marketing campaign for nearly a decade has helped Cadbury to demonstrate that the colour purple has acquired distinctiveness as a TM of their brand.²⁷ Whilst this demonstrates that market newcomers will be at a competitive disadvantage, it is not a disadvantage that is peculiar to colour TMs. Any sign that is devoid of distinctive character will need to prove distinctiveness through use so it is inherent in the proviso that companies with more established use of a sign will have a competitive advantage. So in terms of registration, protecting colours by

describes the colour based on an identification code such as PANTONE – US Patent and Trademark Office, *Trademark Manual of Examining Procedure* (2007) §1202.05 (e)

²¹ Trade Marks Act 1994 s 3(1)

²² Case C-104/01 *Libertel Groep BV v Benelux-Merkenbureau* [2003] ECR I-3793, 66; *Walmart Stores, Inc v Samara Broz*, 529 US 205, 211-12 (2000)

²³ Trade Marks Act 1994 s 3(1)

²⁴ *Walmart Stores, Inc v Samara Broz*, 529 US 205, 212 (2000)

²⁵ Case C-104/01 *Libertel Groep BV v Benelux-Merkenbureau* [2003] ECR I-3793, 62-67

²⁶ Case C-108 & 109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ETMR 585

²⁷ *Société des Produits Nestlé SA v Cadbury UK Ltd* [2012] EWHC 2637 (Ch); appeal outstanding.

TM law is no less desirable than protecting any other sign which is devoid of distinctive character.

A problem that is peculiar to colour TMs is that there is a relative dearth of colours that brand-holders can seek for protection. The high degree of sustainability associated with words or symbols, comprised of an infinite combination of letters or shapes, is absent from a colour mark.²⁸ Instead, colours can be reduced to a finite record of recognisable signs using identification systems, such as PANTONE and Focoltone.²⁹ Increased registration will inevitably lead to diminution of the colours available as brand-holders will be able to stake a claim in the appearance of a particular colour on the identification scale. Determining whether TM law should protect them should therefore involve consideration of the long-term implications of increased registration. The relative infancy of this type of TM protection further increases the need to be cautious of the consequences of introducing a new category of registrable signs. Whether it is desirable will not only depend on the ability of newcomers to develop their brand identity but also on the ability of the courts to administer an established system of colour TM protection.

Colour depletion theory

Following the premise that there are only a finite number of recognisable colours in the visible spectrum, the colour depletion theory holds that the choice of available colours will soon be depleted if companies are able to claim

²⁸ William M Landes and Richard A Posner, 'Trademark Law: An Economic Perspective' (1987) 30 *Journal of Law & Economics* 265

²⁹ Green-Armytage (n 11) 15

protection in a colour.³⁰ If a brand-holder is able to appropriate a colour for its goods and others continue the trend, then later manufacturers will have no, or very few, colours left for their own products.³¹ Market newcomers will be at a significant competitive disadvantage as increased registration for colour TMs will increasingly hinder their ability to develop their own brand identity. The potential to eventually exhaust the supply of available colours means this theory has traditionally been espoused in the US as a principal argument to deny protection to colour per se.³²

The paradigmatic case of *Qualitex* has since rejected the colour depletion theory as a genuine threat to a system of colour TM protection. Notwithstanding their unanimous judgement, there are a number of flaws within the reasoning of the court which found the argument unpersuasive. Firstly, the court asserted that ‘hundreds of colour pigments are manufactured and thousands of colours can be obtained by mixing,’ suggesting that there are a lot options for competitors to choose from.³³ Experts have also estimated that, under ideal viewing conditions, a normal eye can distinguish about ten million different colours.³⁴ Yet such an analysis is meaningless if customers do not have the opportunity to make a side-by-side comparison between two

³⁰ James L Vana, ‘Colour Trademarks’ (1999) 7 Tex IPLJ 387, 388

³¹ *Campbell Soup Co v Armour & Co* 175 F 2d 795, 798 (1949)

³² Michael B Landau, ‘Trademark Protection for Colour Per Se After *Qualitex Co. v. Jacobson Products Co.*: Another Grey Area in the Law’ (1995) 2 UCLA Ent L Rev 1, 8

³³ 514 US 159 (1995) [15]

³⁴ George A Agoston, *Colour Theory and its Application in Art and Design* (Springer-Verlag Berlin and Heidelberg GmbH & Co 1979) 101

similar products.³⁵ Two similar but different colour TMs juxtaposed in a mix of brands may appear indistinguishable to consumers who spend an average of twelve seconds deciding which product to buy.³⁶ The amount of colours which are actually capable of distinguishing goods is therefore limited in light of the typical consumer who accustoms themselves to an often 'nonchalant' identification of origin associated with a product.³⁷ The fact that this supports the premise of the colour depletion theory perhaps explains why the US court in *Qualitex* failed to take it into consideration. The Court of Justice of the European Union (CJEU) on the other hand, seem to be much more attentive to the fact that the public are 'rarely in a position directly to compare products in various shades of colour' and therefore accept that the number of different colours that are in fact available as potential TMs to distinguish goods or services is limited."³⁸

The way in which consumers refer to colours will further limit the availability of colour TMs. Consumers often depend on their memory to buy products and will use names to distinguish between different colours.³⁹ Although several hundred names of colours exist theoretically, the majority of people use as few as 12 in common usage.⁴⁰ Deciding on which colour to use

³⁵ Stephen J Newman, 'Kill the "Mere Colour" Rule: Equal Protection for Colour Under the Lanham Act' (1994) 61 U Chi L Review 1595, 1614 – asserting that a purchaser who never gets the chance to make a side by side comparison 'is more likely to be fooled by an infringer's similar shade'

³⁶ Peter R Dickson and Alan G Sawyer, 'The Price Knowledge and Search of Supermarket Shoppers' (1990) 54(3) Journal of Marketing 42, 47

³⁷ Labadie-Jackson (n 14), 108

³⁸ Case C-104/01 *Libertel Groep BV v Benelux-Merkenburea* [2003] ECR I-3793, 47

³⁹ Ralph M Evans, *An Introduction to Colour* (John Wiley & Sons 1948) 229-30

⁴⁰ *ibid* 230.

therefore depends on what colours are already registered as a TM for a particular product. Whilst each colour shade has its own name and code according to the PANTONE scale, such distinctions are meaningless if the public refer to each shade in the collective, e.g. purple or blue instead of 'Paisley purple' and 'Purple Ash' or 'Eggshell blue' and 'Marine blue'.⁴¹ Even if a manufacturer selects a different shade for its own brand, with its own unique name and identification code, it will do little to prevent consumers from referring to it as a variant of one of their 12 familiar colours.⁴² Manufacturers may therefore eliminate wide segments of alternative bands of colours from their catalogue of options in order to avoid consumer confusion.⁴³ Eliminating entire shades will further deplete the offer of colours available, making it difficult for industry newcomers to choose an appropriate colour to establish their brand identity.⁴⁴

In asserting that there are a large number of available colours, the court in *Qualitex* held that 'when a colour serves as a mark, normally alternative colours will likely be available for similar use by others'.⁴⁵ Whilst this may currently be the case, in light of the relative infancy of colour TMs, increased registration will increasingly diminish the colours that will be available. Furthermore, the ability to appeal to customers makes only a certain number

⁴¹ PANTONE, 'Find a PANTONE colour' (2013) <<http://www.pantone.co.uk/pages/pantone/colorfinder.aspx>> accessed 3 April 2013

⁴² Evans (n 39)

⁴³ Labadie-Jackson (n 14) 108

⁴⁴ Discussed further below in 'Shade Confusion Theory'

⁴⁵ 514 US 159, 169 (1995)

of colours appropriate for any particular product.⁴⁶ There are often a 'limited number of desirable colours within any given industry' and if all the attractive colours for a specific product are protected then new competitors will be at a disadvantage by being obliged to use less attractive colours.⁴⁷ Manufacturers of masculine products in particular, such as men's razors or aftershave, may suffer from a competitive disadvantage where the only shades left unprotected are traditionally feminine colours, such as pink.⁴⁸ To reject colour depletion theory on the basis that there will 'normally' be other colours available therefore ignores the fact that colour is an important asset in targeting specific segments of the market. Allowing a system of colour TM protection will further narrow the already limited range of appropriate colours for a particular product, thereby inhibiting the ability of industry newcomers to appeal to customers.

In justifying its rejection of the colour depletion theory, the court in *Qualitex* unreasonably relied on the ability of the functionality doctrine to prevent the anti-competitive consequences of colour depletion.⁴⁹ In relying on this doctrine, the court assumed that anti-competitive practices in relation to colour TMs will only occur as a result of registering a colour which is functional to the product, that is 'essential to the use or purpose of the product or affects its cost or quality'.⁵⁰ Yet the use of colour in marketing and brand differentiation

⁴⁶ Jean Hayes Kearns, 'Qualitex Co. v. Jacobson Products Co.: Orange You Sorry the Supreme Court Protected Colour?' (2012) 7 St John's Law Review 337, 355

⁴⁷ Labadie-Jackson (n 14)

⁴⁸ Veronika Koller, 'Not Just a Color: Pink as a Gender and Sexuality Marker in Visual Communication' (2008) 7 Visual Communication 395. Of course this may be particular to Western culture.

⁴⁹ 514 US 159 (1995) [16]

⁵⁰ *Inwood Laboratories, Inc v Ives Laboratories, Inc*, 456 US 844, 850 (1983)

demonstrates that colour depletion is a concern, even where the use of colour is not functional to the product. As demonstrated, colour is a valuable marketing tool and an important feature of brand differentiation so, regardless of whether it is functional to the purpose of the product, registering a colour TM will have anti-competitive consequences for market newcomers. The CJEU appears to be more sensitive to the issue by holding that, when assessing the potential distinctiveness of a colour as a TM, ‘regard must be had to the general interest in not unduly restricting the availability of colours’.⁵¹ Yet this does not adequately address *how* the courts can mitigate the anti-competitive consequences of colour registration. Both the US court and the CJEU seem to assume that anti-competitive practices can be prevented at the point of registration and neither seems to have properly considered the long-term sustainability of a system of colour TM protection.

Shade confusion theory

The shade confusion theory is ‘rooted in the fundamental premise of TM law’⁵² that identical marks on similar goods and services will not be registered where there exists a ‘likelihood of confusion of the part of the public, which includes the likelihood of association with the earlier trade mark.’⁵³ This argument recognises that determining whether a likelihood of confusion exists between colour TMs will be more difficult for courts to resolve since shades of colour are inherently more difficult to differentiate. The perception of colours depends on

⁵¹ Case C-104/01 *Libertel Groep BV v Benelux-Merkenbureau* [2003] ECR I-3793, 60

⁵² *Vana* (n 30), 389

⁵³ Trade Marks Act 1994 s 5(2); There is a similar provision in the Lanham Act 1946 s 43(a) (codified at 15 USC 1125(a))

a variety of factors which are often intrinsically variable: the level of illumination can appear to alter a colour several shades and juxtaposing it with other colours will dramatically change its appearance.⁵⁴ Most importantly, the perception of colour is essentially subjective and its appearance hinges on the mind of the observer.⁵⁵ The assimilation of colour and how it is perceived will vary depending on the individual observer's age and memory.⁵⁶ These variables in how colour is perceived create considerable difficulties when determining whether a likelihood of confusion exists between two colour TMs. The inability to accurately understand how the relevant part of the public perceives colour makes it difficult to determine the scope of protection afforded to a colour TM. In failing to recognise the 'unique challenges of shade perception' the court in *Qualitex* held that the same standard test for distinguishing between similar words could be used when comparing colours.⁵⁷ Courts are routinely obliged to make comparatively complicated assessments about the similarity between words or phrases so the Supreme Court held that colours should not be treated any differently. Yet to make this analogy commits a fallacy in reasoning as the courts have unreasonably assumed that colours are as distinguishable as words. The visualisation of words is entirely different to the perception of colour, which is ultimately a subjective experience for the observer. Words are much easier to distinguish on the basis that they are comprised of recognisable letters compared to the shades, tones and tints that create the appearance of

⁵⁴ Kearns (n 46) 349-350

⁵⁵ Labadie-Jackson (n 14) 107

⁵⁶ Kearns (n 46) 352

⁵⁷ *ibid* 346-47

colour. It is therefore much easier to pinpoint the difference between words such as 'huggies' and 'dougies'⁵⁸ than colours such as 'Empire yellow' and 'Cyber yellow'.⁵⁹

The potential for colour to change its appearance depending on its environment is another factor that weakens the court's analogy of colour with words. Whilst the letters of a word remain unaffected by a change in environment, a colour can appear to alter several shades through even a slight change in illumination. Determining whether a likelihood of confusion exists is therefore much more difficult when dealing with a mark whose appearance can vary than with a mark whose appearance remains consistent. The courts have attempted to mitigate this problem by holding that they could replicate, if necessary, the lighting conditions under which the product is normally sold.⁶⁰ Yet this addresses only one of the variables associated with colour perception and does not account for different individual perceptions of colour or its change in appearance depending on its placement with other products. The feasibility of the courts' suggestion is further undermined when considering products which are sold online: the 'device dependent' appearance of colour means that a consumer's viewing experience will vary depending on the type of computer equipment used for display.⁶¹ By assuming that a court will be able to re-create the conditions under which a colour is viewed, the court in *Qualitex* show insufficient regard for these intrinsically variable factors. Determining

⁵⁸ *Kimberly-Clark Corp v H Douglas Enterprises Ltd* 774 F 2d 1144 (1985)

⁵⁹ See Appendix 2

⁶⁰ 514 US 159 (1995) [14]

⁶¹ Adrian Ford and Alan Roberts, 'Colour Space Conversions' (1998)

<http://147.228.63.6/research/night_road/westminster.pdf> accessed 2 April 2013

whether a likelihood of confusion exists between two colours is comparatively more difficult than dealing with two words and the courts have been left ill-equipped to deal with the former.

The inability to accurately determine how consumers will perceive colour may result in an over-broad interpretation of the scope of protection afforded to a colour TM.⁶² Brand-holders may be able to claim protection over a much wider range of shades than that originally registered, as neither the US Supreme Court nor the CJEU have provided sufficient guidelines with which to determine the scope of protection afforded under a colour TM. The ambiguity of whether the relevant part of the public will find two colour marks confusingly similar means that competitors may rule out entire shades of colour as potential options for fear of violating an earlier protected mark. Competitors of products aimed at the elderly, in particular, may avoid entire shades since the 'age related decline in visual ability' increases the likelihood of that relevant part of the public finding two shades confusingly similar.⁶³ Such an over-broad interpretation by the courts and competitors over what colours are protected will further hasten the depletion of colours as problems of shade confusion eliminate entire shades from a newcomer's catalogue of options.

⁶² Kearns (n 46) 353

⁶³ Keiko Ishihara et al, 'Age-Related Decline in Color Perception and Difficulties with Daily Activities: Measurement, Questionnaire, Optical and Computer-graphics Simulation Studies' (2001) 28 *International Journal of Industrial Ergonomics* 153, 154

Conclusion

Colour is clearly a valuable asset in marketing and brand differentiation. Its ability to appeal to customers makes it an important ingredient in developing a brand identity and can help contribute to the huge economic potential of a company's TM. Its potential to add value presents a strong argument, at least from an economic perspective, that it should be protected by TM law. The fact that colour can become iconic of a brand suggests that it should be protected in order to protect the TM's function as an indicator of origin.⁶⁴ Yet the significance of colour in its ability to attract consumer's attention and transcend different cultures likewise suggests that this invaluable marketing tool should remain available for competitors. The 'propertization' of what is ultimately a subjective experience is not only problematic in theory but, in practice, can create problems for the court when it comes to the implementation of protection.

Despite its rejection in *Qualitex*, the colour depletion theory remains a valid concern in light of various factors, such as individual perceptions of colour, typical consumer shopping habits and colour desirability for particular products, which limit the amount of colours capable of distinguishing goods. Increased registration will inevitably hasten the depletion of colours as the already limited range of appropriate colour TMs will become increasingly narrow. Newcomers will be unduly restricted in their ability to establish a brand identity and neither the CJEU nor the US Supreme Court have adequately

⁶⁴ Davis (n 6) 200

addressed how to mitigate these anti-competitive consequences associated with an established system of colour TM protection.

Problems of shade confusion also exacerbate the depletion of colours available for competitors. The fact that two colours identified separately on the PANTONE scale may appear identical to consumers highlights the 'real dilemma about the conflict between consumer recognition and technical identification.'⁶⁵ The lack of a concrete definition of a colour TM will result in an over-broad interpretation of the scope of protection afforded to brand-holders as the courts have been left ill-equipped to deal with the problem of variable perceptions of colour. The lack of sufficient guidelines will result in increased litigation in order to determine the threshold for infringement and the extent of protection that is afforded to a colour TM. Too few precise legal stipulations make disputes in this area problematic and the ambiguity in the law will make appeals more likely as competitors will challenge the extent to which two colour marks are confusingly similar. The inability of competitors to delineate the scope of protection in the absence of clear guidelines will continue to necessitate the intervention of the courts in order to establish which colours are lawfully available.

The disadvantages of protecting colour TMs, as a whole, prevail against the advantages of protection which inevitably work in favour of established brand-holders. Allowing colours to be protected by TM law will not only complicate the registration system and burden administration and enforcement, but also severely inhibit the ability of newcomers to enter the

⁶⁵ Yang (n 12) 248

market. An established system of colour TM protection will make it difficult for the courts to ensure that they are 'not unduly restricting the availability of colours for the other traders' as an increasing number of colour TMs will inevitably restrict the availability for other competitors.⁶⁶ Problems of colour depletion and shade confusion continue to be genuine threats to a system of TM protection and until these problems are resolved 'colour marks will continue a growing legal, public and business headache'.⁶⁷

Postscript

Since publication, the UK courts have handed down an important decision relevant to the issues discussed in this article. In October 2013, Cadbury lost its colour trade mark battle with Nestlé, as the Court of Appeal overturned the High Court's decision to grant Cadbury a registered trademark for purple/PANTONE 2685C in respect of the packaging of its chocolate bars and drinking products.⁶⁸ Rowing back from the CJEU's position in *Libertel*, the Court of Appeal held that, despite submitting a colour swatch plus a written description of the application of PANTONE 2685C to their products, the mark applied for lacked 'the required clarity, precision, self-containment, durability and objectivity to qualify for registration'.⁶⁹ The crucial issue stemmed from Cadbury's attempt to register the use of PANTONE 2685C as applied to not only the whole surface of its packaging but also, in the alternative, as the

⁶⁶ Case C-104/01 *Libertel Groep BV v Benelux-Merkenbureau* [2003] ECR I-3793, 60

⁶⁷ Yang (n 12) 249

⁶⁸ *Société des Produits Nestlé SA v Cadbury UK Ltd* [2013] EWCA Civ 1174. The Supreme Court has since refused an application by Cadbury to appeal against the ruling.

⁶⁹ *ibid* [55]

'predominant' colour for its products.⁷⁰ Alive to the competitive effects and difficulties in registering unclear and imprecise marks, the court recognised the potential for the use of the word 'predominant' to 'open the door to a multitude of different visual forms as a result of its implied reference to other colours and other visual material not displayed in the application'.⁷¹ The full judgment provides further discussion of many of the issues raised here and is therefore highly recommended for readers of this article.

⁷⁰ *ibid* [50]

⁷¹ *ibid* [51]

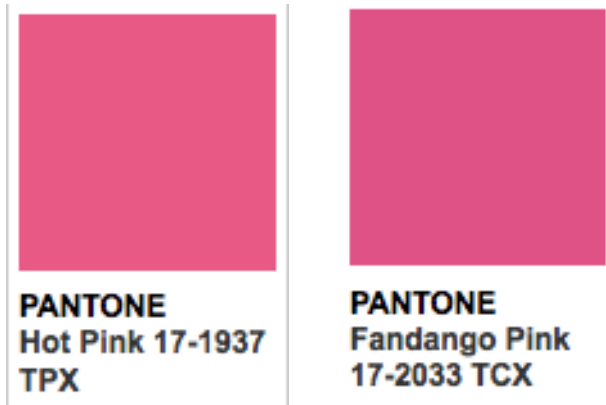
Appendices

Appendix 1



Cadbury's purple display in supermarkets

Photo courtesy of Paul Green-Armytage 'Colours: Regulation and Ownership'
(2009) 6(4) Colour: Design & Creativity 1, 18.

Appendix 2

Different shades of pink on the PANTONE identification scale. NB computer simulations of the PANTONE colours may not match PANTONE-identified colour standards.

Courtesy of PANTONE®

<http://www.pantone.co.uk/pages/pantone/colorfinder.aspx>

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