

LEGAL AND PRIVACY

## Must-know basics of protecting colors as trademarks for luxury goods companies

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By A LUXURY DAILY COLUMNIST

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Louis Vuitton late last year announced the planned acquisition of U.S. jeweler Tiffany & Co.

Among the assets it would acquire for \$16.2 billion are Tiffany's valuable trademarks.

One of these is the color trademark for robin egg blue, used to identify jewelry and many Tiffany's luxury goods and related services. Tiffany's has owned a federal trademark registration for that color since 2000.

Color can be a major part of branding and promotion for luxury goods companies.

Indeed, color is often used to reinforce branding image it is applied to packaging, sometimes products, and then also used in stores, in advertising, and on Web sites and popups, all to create a connected brand image.

Tiffany is certainly not the only company to do so.

Cartier has its iconic red box, Louis Vuitton traditionally used chocolate brown packaging and recently shifted to "Safran Imperial," a tan shade; Herms has long used orange bags and boxes.

*Luxury Daily* published [a special report](#) about colors in the luxury goods business. It is clearly a powerful branding tool.

But how can a brand's color be protected legally?

### History of trademark protection for colors

It was not always clear that a single color could be protected as a trademark. Many courts refused to recognize such rights, worried that such recognition would lead to "color depletion," meaning that all of the colors would be used up as trademarks, stifling competition.

But in a 1995 case, *Qualitex Co. v. Jacobson Products Co., Inc.*, the United States Supreme Court held that a color can indeed be given trademark protection, under certain conditions.

Since then companies such as Tiffany have been registering and protecting colors as their marks. This has included luxury goods companies such as Christian Louboutin (red shoes) and companies in other industries (brown for UPS delivery services and pink for Owens-Corning insulation are two well-known examples).

There are unique requirements to protect colors as trademarks that a company seeking to protect must understand.

So, here are nine basic things you need to know:

The principles of trademark law apply

I previously wrote about the basics of trademark law ([see story](#)), so I am not repeating that here. All of those principles apply to color trademarks.

Two related concepts that should be noted are (a) a trademark is only owned *relative* to the goods and services for which the trademark owner uses the mark, and (b) trademarks are only infringed where a third-party use causes confusion or deception.

What this means is that a company that owns a color mark only has rights in the space it operates in, and perhaps also in closely related markets.

Tiffany could well protest use of its robin-egg blue color for jewelry and other luxury goods. It is doubtful it could successfully do so for, say, automobile parts.

No one would think Tiffany is branching out to selling carburetors, so a robin-egg blue carburetor would not likely cause confusion.

Protection of color requires "acquired distinctiveness"

As I also previously wrote, every trademark has to be "distinctive," meaning that it has to differentiate the goods of one producer from another.

Some trademarks are inherently distinctive such as arbitrary words that have no inherent connection to the product.

Others only become distinctive by building up commercial recognition, termed "acquired distinctiveness" (oftentimes also called "secondary meaning").

In the *Qualitex* case, the Supreme Court indicated that color marks *always* require a showing of acquired distinctiveness. This means the owner has to evidence, through sales and promotion, that the consuming public has come to associate that color with only one producer.

This legal requirement dovetails with the branding goals of use of color.

The recent Luxury Daily special report on color quotes one marketing expert Sonja Prokopec: "[w]hen a consumer sees over and over again different codes of the brand, and then other forms of communication like storytelling on heritage and specific know-how, that color also acquires a meaning of its own, clearly linked with the luxury."

That "meaning of its own" also has legal significance. The key legal question is, does the consuming public see the color and associate it with only one source? If so, then it has achieved acquired distinctiveness and can be protected.

The relevant public is the consumer base for that product

"Acquired distinctiveness" has to be among the public that purchases those products. For general consumer goods, this means almost everyone.

But for luxury goods, the relevant universe is narrower those likely to buy those products.

Luxury goods companies direct their marketing and sales efforts to a well-heeled clientele. It is in that market segment where "acquired distinctiveness" has to be met.

Maintaining sales and advertising records is important

Sales, advertising and promotion are the principal forms of proof that a color or any other trademark has achieved "acquired distinctiveness."

So, it is crucial that the brand maintain good records of its sales of the product, the appearance of the product in connection with the color trademark, and all advertising and promotional efforts. That would include, for example, media placement and spend schedules, and examples of advertising used in various campaign.

Media comments: Another excellent source of proof

Comments by the media about the product can also be excellent sources of proof.

Media association with or comments of the color with the brand show that it has built up recognition.

Many recent news comments about Louis Vuitton's planned acquisition of Tiffany included a picture of a robin-egg blue Tiffany box.

The *BBC* article on this subject even stated, "Tiffany is known for its signature robin's-egg blue packaging." These kinds of statements are invaluable proof that the public indeed associates the color with the brand.

Many luxury brands maintain a media office that collects and maintains records of every mention of the brand and brand product in the media.

Such collections might include general media as well as specialized product periodicals. This is an excellent practice that makes it easier to prove acquired distinctiveness.

Exclusivity is important

Because color can be used so easily in a wide variety of ways in both packaging and products, it is very easy to lose exclusivity in a color, and this negates "acquired distinctiveness."

If other competitors are using the same color for the same or related goods, then one cannot say that the color is associated with a single source.

This can be the case, even when a color has been used for many years.

General Mills has used a deep yellow color on its Cheerios boxes since 1945. In 2015, it sought to register that yellow color for packaging for oat cereals. The Trademark Office said no, citing competitors that also used that color.

"Customers, accustomed to seeing numerous brands from different sources offered in yellow packaging, are unlikely to be conditioned to perceive yellow packaging as an indicator of a unique source," the Trademark Office said. "Rather, they are more likely to view yellow packaging simply as eye-catching ornamentation customarily used for the packaging of breakfast cereals generally."

Color marks cannot be functional

Like trade dress, color marks cannot be "functional."

Functional has a special meaning in trademark law: the color gives some competitive advantage, apart from association with the brand.

There have been quite a few cases where color was rejected because it made the product work better.

In one case, a court rejected the color black for outboard motors for boats, because (a) black as a color for motors easily coordinates with the wide variety of boat colors and (b) objects colored black appear smaller than they do when they are painted other lighter or brighter colors, and consumers found that feature more desirable.

Other examples include:

- Amber-colored mouthwash, because the color indicated the flavor;
- Black bottle for soft drinks, because the color keeps out light;
- Color-coded automobile replacement parts, because the colors assist in installation;
- Purple sandpaper, because the color signified the grit size of the abrasive;
- Red filter on end of a flashlight, because it served as a safety and warning light;
- Pink color for a medicine used to relieve upset stomachs, because of the soothing quality of the pink color coordinates with the medicinal effect.

Most luxury goods products do not have functionality issues. One powerful proof of non-functionality is availability of alternative colors.

Typically, there are many possible alternative colors for the same type of product such as a handbag, watch, or clothing item. That competitors have so many alternatives to compete evidence that the color is not needed to make a better product.

Color marks can be registered

Like any trademark, color marks can be registered, and the Trademark Office has allowed a number of such registrations.

An application to register a trademark requires both a "drawing," meaning a depiction of the mark, as well as a written "description."

It has become common in both trademark applications and court cases to identify colors using the Pantone Matching System, an ink matching technique consisting of 1,114 colors.

Color trademarks can be combinations of colors or applied only to portions of a product

While some companies seek protection for a single color, others seek protection for a *combination* of colors.

For example, a court recognized that John Deere owned trademark rights in the combination of green and yellow for

tractors and other farming equipment.

A color-combination mark will generally be easier to protect than a single color, because it will be easier to develop "acquired distinctiveness" and the combination is less likely to be found functional.

Color marks can also be claimed in *part* of a product.

One household design company, Fiskars, registered the color orange for scissors, later enforcing that in court. Its registration claimed, "the color orange as applied to the handle portion of the goods," *i.e.*, scissors. By limiting the color to *part* of the product, it made it easier to protect the color as a mark.

These principles came into play in a 2012 case involving luxury footwear manufacturer Christian Louboutin and fashion goods company Yves Saint Laurent.

Louboutin claimed red soles as a trademark for ladies' shoes and had obtained a trademark registration from the Trademark Office and charged YSL with infringement.

The trial court held that allowing Louboutin to monopolize a single color for shoes would stifle competition, in essence holding the color mark functional.

The Court of Appeals reversed, but in an interesting way. It held that Louboutin had only shown that it had used the red sole mark for shoes with contrasting-color upper portions (*e.g.*, black or white uppers). So, its proofs of acquired distinctiveness were limited in that way.

The Court of Appeals limited Louboutin's mark to a red sole with contrasting color uppers and ordered the Trademark Office to amend Louboutin's registration accordingly.

This relieved YSL of liability, since *its* shoes were in a monochrome red, and there was no confusion with the now-limited Louboutin color mark.

The *Louboutin* case illustrates the complexities that can arise in protecting color marks.

On the one hand, the Court of Appeals saved Louboutin's mark by limiting it to a particular combination: contrasting-color uppers.

On the other hand, that certainly narrowed the mark, and meant that YSL was off the hook for infringement.

This reflects a common dilemma in many intellectual property situations: claiming rights too broadly, may be invalidating, but claiming too narrowly might not cover an infringement.

Companies considering protecting color as their mark should carefully consider how color interacts with other features of the product, and whether they might claim a color combination or limit the color mark to only part of the product.

COLOR MARKS, like many trademarks, can be a company's most valuable asset.

Colors often evoke a basic emotional reaction, are easily identifiable by even children, and thus can potentially form a powerful way of associating a product with a brand.

Companies such as Tiffany that have worked hard to associate a color with their brand can gain significant benefits from that protection.

A full understanding how the law protects color as a trademark is key to maximizing the return on investment in a color as a marketing effort.

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