On April 8, the United States Court of Appeals for the Federal Circuit (the Federal Circuit) vacated and remanded a 2018 ruling by the United States Patent and Trademark Office’s (USPTO) Trademark Trial and Appeal Board (TTAB) that had affirmed the refusal to register a trademark consisting of a gradient of multiple colors applied to product packaging and relied on US Supreme Court precedent in concluding that color marks can, in fact, be inherently distinctive when used on product packaging “depending upon the character of the color design.” In re Forney Industries, Inc., Case No. 2019-1073 (Fed. Cir. April 8, 2020) (O’Malley, J.) [precedential].

As the Supreme Court has made clear, inherent distinctiveness depends on whether consumers would be inclined to associate the color feature with its source. Here, the Federal Circuit concluded that it is possible that a distinct, color-based product packaging mark, like Forney’s, can indicate the source of the goods to a consumer and, therefore, can be inherently distinctive. Accordingly, rather than categorically holding that colors alone cannot be inherently distinctive, the TTAB should have considered whether Forney’s mark satisfies the Federal Circuit’s criteria for inherent distinctiveness.

In determining the inherent distinctiveness of trade dress, the appropriate question
to answer is whether the trade dress makes such an impression on consumers that they will assume the trade dress is associated with a particular source. To assess that question, the Federal Circuit stated that TTAB must look into the following factors:

- whether the trade dress is a “common” basic shape or design;
- whether it is unique or unusual in the particular field;
- 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; or
- whether it is capable of creating a commercial impression distinct from the accompanying words.

These factors provide different ways to determine whether it is reasonable to assume that customers in the relevant market will perceive the trade dress as an indicator of origin. Having come from the Federal Circuit, this decision will have an effect on the application and prosecution practice in the USPTO. Moving forward, this decision may provide a path to registration for those that are primarily using, and aiming to acquire, exclusive rights to the colors in their product designs via their packaging. Practically, this may also enable companies to obtain an early registration over color on packaging while simultaneously developing secondary meaning in the marketplace.

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