

Seeing Color: Implications of the European Union’s New
Common Practice for Transatlantic Trademark
Registration by United States Trademark Holders

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INTRODUCTION

On November 2, 2002, the United States became a member of the Madrid Protocol, a treaty concerning international registration and pro-

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tection of trademarks.¹ Joining the Madrid Protocol² was a logical step forward in a world where traditional territorial boundaries demarcating the commercial marketplace have given way to a more integrated and fluid marketplace. In a more integrated marketplace, “[t]he reputation of a product or service travels rapidly . . . and can reach foreign markets long before the trademark owner has actually begun marketing its products and conducting business.”³ Reacting to such changes in the marketplace, efforts have been made at the international level to integrate⁴ trademark laws so that protection of trademarks reflects global market trends. The Madrid Protocol is one of these international efforts.

The U.S. accession to the Madrid Protocol makes it simpler for U.S. trademark holders to register their trademarks internationally.⁵ Rather than going through the arduous process of researching specific jurisdictions’ trademark laws (or alternatively, hiring local counsel to do so) and then registering the trademark in a foreign language with foreign currency, the Madrid Protocol allows a U.S. trademark holder to use a U.S. trademark application and to pay in U.S. dollars in order to “obtain protection for [her] mark in any or all of the . . . Madrid Protocol member countries.”⁶ Joining the Madrid Protocol alleviates the “time-consuming, complicated and expensive process” that has been associated with registering separately in each country or region.⁷

However, the administrative and economic ease provided by the Madrid Protocol is now in question given new developments in European Union (EU) trademark law practices.⁸ In 2014, the EU entered a new era of trademark practice by distinguishing a black and white or grayscale mark from the same mark in color (“common practice”).⁹ What may seem like one small procedural change for the EU actually presents com-

1. H.R. 2215, 107th Cong. (2002) (codified at 15 U.S.C. §§ 1141–1141n (2012)); *see also United States Joins the Madrid Protocol*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/web/trademarks/usjoinsmadrid.html> (last updated Nov. 29, 2015).

2. *See infra* Part I.C.1.

3. Marshall A. Leaffer, *The New World of International Trademark Law*, 2 MARQ. INTELL. PROP. L. REV. 1, 4 (1998).

4. Integration, alternatively known as harmonization or convergence, is a multilateral pursuit to standardize and unify national trademark laws into a consistent international law.

5. U.S. PAT. & TRADEMARK OFF., *supra* note 1.

6. *Id.*

7. S. REP. NO. 107-46, at 2 (2001).

8. Irene Ezratty-Farhi, *The True Colours of Trademarks: Black & White or Coloured?*, EZRATTY FARHI LAW FIRM (Sept. 15, 2014), <http://www.ezratty.co.il/en/colours-trademarks>.

9. *Common Communication on the Common Practice of the Scope of Protection of Black and White (“B&W”) Marks*, EUR. TRADE MARK & DESIGN NETWORK (Apr. 15, 2014), <https://www.tmdn.org/network/documents/10181/9b808f52-b87f-424c-9794-8ae1e3031574> [hereinafter *Common Communication*].

plex legal and practical challenges to U.S. trademark holders considering that internationalization of markets has also internationalized trademark law.¹⁰

Registration and protection of trademark is important because trademark is a representation of a company's goodwill—the reputation of a brand.¹¹ For consumers, trademarks serve as source indicators and help buyers make “rational purchasing and repurchasing decisions with speed and assurance.”¹²

This Note explores two issues related to the EU's new common practice: (1) whether the new common practice will deter ongoing efforts to integrate trademark registration and protection at the international level;¹³ and (2) whether U.S. trademark holders, when expanding business into the EU, should register through the Madrid Protocol and obtain a Community Trade Mark or register through a country's trademark office. This Note argues that the new trademark practice hinders international efforts for standardizing trademark registration and that U.S. trademark holders should claim color when registering their marks with the EU.

To comprehensively respond to these two questions, Part I of this Note provides an overview of trademark law in the U.S. and the EU as well as international treaties that govern transatlantic trademark registration. Part II discusses the EU's new common practice. Part III analyzes the legal and practical implications of the EU's new common practice in transatlantic trademark registration. Part IV recommends how U.S. trademark holders should proceed with transatlantic trademark registration in light of the EU's new common practice, after which the Note concludes.

I. OVERVIEW OF U.S. AND EU TRADEMARK LAW

To realize the impact the EU's new common practice may have on U.S. trademark holders, it is important to understand the differences in trademark law and practice between the U.S. and EU. In addition, it is important to understand how international trademark treaties bridge the gap between these two jurisdictions to create a common system for international registration.

10. Thies Bosling, *Securing Trademark Protection in a Global Economy—The United States' Accession to the Madrid Protocol*, 12 U. BALT. INTELL. PROP. L.J. 137, 137–38 (2004).

11. S. REP. NO. 107-46, at 2 (2001); *see also* Leaffer, *supra* note 3, at 6–7.

12. Leaffer, *supra* note 3, at 6–7.

13. The scope of this Note is limited to the U.S. perspective.

A. The United States

There is a general misperception in the United States that one does not have trademark rights unless the mark is registered with the United States Patent and Trademark Office (USPTO).¹⁴ In fact, trademark rights are acquired by use and not by registration.¹⁵ To register a mark with the USPTO, a trademark holder must have used, or intend to use, the mark in interstate commerce.¹⁶ Thus, use is an important component of U.S. trademark law.

Although trademark rights can be acquired without registering with the USPTO, registering a mark provides the trademark holder with many advantages, including better protection.¹⁷ This protection is afforded through the Lanham Act—the law governing all aspects of federal trademark.¹⁸ First, upon successful application, the Act gives interstate notice of registration, which protects the mark nationwide.¹⁹ Second, § 32 of the Act enables the trademark holder to sue an infringer.²⁰ Third, the Act entitles a trademark holder to the presumption that her mark is valid.²¹ Fourth, it renders the registered mark incontestable after five years of continuous interstate use.²² Finally, the Act allows for an application or registration with the USPTO to be extended internationally through the Madrid Protocol and to be given priority through the Paris Convention.²³

For several decades, it was unclear whether color could be registered as a trademark. In the seminal case *Qualitex Co. v. Jacobson Products Co.*, the U.S. Supreme Court clarified that color could be registered

14. Valerie Brennan, *Five Common Misconceptions Regarding Trademark Protection: A U.S. Perspective*, INTA BULL. (International Trade Association, Washington, DC), Apr. 15, 2007, available at <http://www.inta.org/INTABulletin/Pages/FiveCommonMisconceptionsRegardingTrademarkProtectionAUSPerspective.aspx>.

15. 15 U.S.C. § 1127 (2012). For goods, the trademark must be on the goods or associated with the goods; for services, the trademark must be “used or displayed in the sale or advertising of services.” *Id.*

16. *Id.* Commerce, within the context of U.S. trademark law, carries the same meaning as provided in the Commerce Clause of the U.S. Constitution. *Id.*

17. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 209 (2000); JANE C. GINSBURG, JESSICA LITMAN & MARY KEVLIN, *TRADEMARK AND UNFAIR COMPETITION LAW: CASES AND MATERIALS* 188–90 (5th ed. 2013).

18. 15 U.S.C. §§ 1065, 1114, 1115 (2012); GINSBURG ET AL., *supra* note 17, at 188–90.

19. GINSBURG ET AL., *supra* note 17, at 188.

20. *Wal-Mart*, 529 U.S. at 209.

21. 15 U.S.C. § 1057(b) (2012).

22. *Id.* § 1065.

23. *Id.* §§ 1141e, 1141g. This will be discussed further in subpart C of this section.

as a trademark if it obtains secondary meaning²⁴ associated with the goods offered.²⁵ Qualitex had produced and sold dry cleaning press pads in green-gold colors to dry cleaning firms since the 1950s.²⁶ The dry cleaning firms associated the green-gold press pads with Qualitex, and as such, the green-gold color became a source identifier.²⁷ In 1989, Jacobson Products, a Qualitex competitor, started selling its press pads in a similar green-gold color scheme.²⁸ While Qualitex registered its green-gold color after Jacobson Products started using it, the Court nevertheless ruled that the green-gold color scheme on the dry cleaning press pads had obtained secondary meaning within the market; consequently, it was protectable under the Lanham Act.²⁹

Thus, provided the colors have obtained secondary meaning, a trademark holder is able to rely on *Qualitex* to protect the colors of her trademark even if the colors themselves were not originally registered with the USPTO. If a trademark holder used her mark in color, she can file a black and white or grayscale mark to cover the use of the mark in that specific color or any other color variations in the future.³⁰ However, if the trademark holder believes it is important that she register the color mark, she may still seek to do so.³¹ In the United States, a black and white or grayscale mark affords federal registration protection for all use of that mark in color.

B. The European Union

In the late 2000s, the EU created the Community Trade Mark³² (CTM)³³ when it passed the Trade Mark Directive³⁴ and the Community

24. “‘Secondary meaning’ is acquired when ‘in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product rather than the product itself.’” *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163 (1995) (quoting *Inwood Labs, Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982)). Secondary meaning is also called “acquired distinctiveness” and is interchangeably used throughout this Note. See TMEP § 1212 (8th ed. Oct. 2012).

25. *Qualitex*, 514 U.S. at 161–62.

26. *Id.* at 161.

27. *Id.*

28. *Id.*

29. *Id.* at 163–64.

30. U.S. PATENT & TRADEMARK OFFICE, PROTECTING YOUR TRADEMARK: ENHANCING YOUR RIGHTS THROUGH FEDERAL REGISTRATION 16 (2014), available at <http://www.uspto.gov/trademarks/basics/BasicFacts.pdf>.

31. Color can become synonymous with a company, and therefore worth the color registration. Examples include the color magenta for T-Mobile or the color green for Starbucks.

32. A Community Trade Mark offers a trademark holder protection throughout the EU. *Trade Marks in the European Union*, OFF. FOR HARMONIZATION INTERNAL MARKET, <https://oami.europa.eu/ohimportal/en/trade-marks-in-the-european-union> (last updated Apr. 11, 2015).

Trade Mark Regulation.³⁵ The two laws complement each other by harmonizing the differing trademark laws and practices of the EU member states and by creating unitary trademark protection throughout the EU.³⁶ The agency in charge of administering the CTM is the Office for the Harmonization in the Internal Market (OHIM), whose “main functions are to implement the [CTM] registration process, to maintain the public register of [CTMs], and to adjudicate disputes over the validity of [CTMs] after their registration.”³⁷

The EU’s registration regime differs from the U.S. registration regime in that the aforementioned rights are only awarded to trademark holders who obtain a CTM registration.³⁸ To register for a CTM, current use is not required.³⁹ Instead, upon successful registration, the CTM must be placed in genuine use in the EU within five years.⁴⁰ This does not mean that the CTM must be used in all the member states, however, as long as the mark is used in at least one member state, genuine use is satisfied.⁴¹ In contrast, prior to registering a mark with the USPTO, the trademark holder must demonstrate that the mark has been used, or is intended to be used, in commerce.⁴² To summarize, in the EU, trademark rights are solely based on registration, unlike in the U.S.

The creation of the CTM has been quite advantageous to U.S. trademark holders.⁴³ Foremost among its benefits, a single CTM applica-

33. See, e.g., Annette Kur, *Convergence After All? A Comparative View on the U.S. and EU Trademark Systems in the Light of the “Trade Mark Study,”* 19 J. INTELL. PROP. L. 305 (2012); Paul Maier, *OHIM’s Role in European Trademark Harmonization: Past, Present and Future*, 23 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 687 (2013).

34. Directive 2008/95/EC, of the European Parliament and of the Council of 22 October 2008 to Approximate the Laws of the Member States Relating to Trade Marks, 2008 O.J. (L 299) 25 [hereinafter Trade Mark Directive].

35. Council Regulation 207/2009, of 26 February 2009 on the Community Trade Mark, 2009 O.J. (L 78) 1 [hereinafter Community Trade Mark Regulation].

36. The Trade Mark Directive provides legal principles that the EU member states must abide by to harmonize their trademark laws. The Community Trade Mark Regulation creates a unitary trademark right throughout the EU.

37. Julie Bak, *OHIM: The European Community Trademark’s PTO*, 19 J. CONTEMP. LEGAL ISSUES 416, 418 (2010).

38. Community Trade Mark Regulation, *supra* note 35, art. 7.

39. Kur, *supra* note 33, at 310.

40. Community Trade Mark Regulation, *supra* note 35, art. 15.

41. *Id.*

42. GINSBURG ET AL., *supra* note 17.

43. Bosling, *supra* note 10, at 170–71. However, the biggest drawback of a CTM application is that if one member state refuses the application, the entire application is refused. For instance, if a U.S. trademark holder wants to expand her business into France and registers for a CTM, but is successfully opposed by a trademark holder in Hungary, then her registration for a CTM is denied. Her options would be to appeal or register with the French trademark office for protection within French borders.

tion, contingent upon successful registration, provides a U.S. trademark holder protection throughout the EU.⁴⁴ As a result, obtaining and maintaining a CTM is far less costly and time-consuming than having to file a trademark application with each individual member state.⁴⁵ Second, the CTM uses a broader identification of goods⁴⁶ than in the United States, which means that U.S. trademark holders can establish broader trademark rights.⁴⁷ Finally, CTM registration provides the trademark holder enforcement rights against third party infringers throughout the EU.⁴⁸

At this time, however, it is unclear whether the new common practice has been reconciled with two recent leading cases in the Court of Justice of the European Union (CJEU)⁴⁹ regarding marks registered in black and white but used in color: *Specsavers International Healthcare Ltd. v. Asda Stores Ltd.*⁵⁰ and *Pico Food v. Office for Harmonisation in the Internal Market (Trade Marks and Designs)*.⁵¹

In *Specsavers*, the CJEU ruled that a mark registered in black and white but used in color would be protected.⁵² Specsavers, a large chain of opticians based in the United Kingdom, sued Asda, owner of a chain of supermarkets and a competitor of Specsavers, for trademark infringement.⁵³ Asda had launched an advertising campaign for optical products using a logo that was similar in shape and color to Specsavers's logo.⁵⁴ Specsavers had registered its mark in black and white, but had extensively used the mark in green.⁵⁵ Notwithstanding the black and white CTM registration, the CJEU ruled that if a trademark holder had extensively used its mark in a specific color to the extent that consumers associated that color as a source identifier, the trademark holder could enforce her

44. See generally Trade Mark Directive, *supra* note 34; Community Trade Mark Regulation, *supra* note 35.

45. Bosling, *supra* note 10, at 170.

46. Trademarks are associated with classifications of goods and services. That is to say, trademark rights are limited to the classification of goods or services offered by the trademark holder.

47. Bosling, *supra* note 10, at 170.

48. *Id.* at 171.

49. The Court of Justice of the European Union is the highest court in the European Union. See *EU Law*, EUR. UNION, http://europa.eu/eu-law/index_en.htm (last updated Sept. 11, 2015).

50. Case C-252/12, *Specsavers Int'l Healthcare Ltd. v. Asda Stores Ltd.*, 2013, available at <http://curia.europa.eu/juris/document/document.jsf?text=&docid=139753&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=2702210>.

51. Case T-623/11, *Pico Food GmbH v. Off. of Harmonisation in the Internal Mkt. (Trade Marks and Designs)*, 2014, available at <http://curia.europa.eu/juris/document/document.jsf?text=&docid=150667&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=305900>.

52. *Specsavers*, C-252/12, para. 41.

53. *Id.* para. 10.

54. *Id.* para. 9–10. To see visuals of the disputed marks at issue, refer to the CJEU decision.

55. *Id.* para. 14–15.

rights to prohibit third parties from infringing on her mark and the goodwill reputation associated with it.⁵⁶ Thus, the CJEU held that the use of color in a mark would be protected, even if the color was not included in the CTM application and registration.

Conversely, in *Pico Food*, the CJEU ruled that a mark registered in black and white could not oppose⁵⁷ the registration of a similar mark in color.⁵⁸ The issue revolved around the registration of Milanówek Cream Fudge, a figurative mark,⁵⁹ which featured a cow at the center with yellow vertical stripes against a white background.⁶⁰ The registrant sought protection of the mark in Class 30 of the Nice Classification⁶¹ for its chocolate, chocolate-covered, and glazed goods.⁶² Pico Food filed an opposition arguing likelihood of confusion by citing its own registered marks featuring a cow at the center with vertical stripes on a white background⁶³ for its Class 30 chocolate goods.⁶⁴ Pico Food did not claim color in its registration, but it had used the mark with colored vertical stripes on a white background.⁶⁵ One of the arguments that Pico Food made before the court was that its black and white registration included all color combinations that had been graphically represented, whether they were black, orange, or yellow.⁶⁶ The CJEU disagreed.⁶⁷ Relying in part on *Specsavers*, the court explained that although a trademark holder may obtain protection of a mark through secondary meaning, this does not mean that the trademark holder was covered for all color combinations

56. *Id.* para. 41.

57. “Opposition is a legal proceeding . . . in which a party seeks to prevent a pending application for a mark from being granted registration.” *Opposing a Trademark Application*, INT’L TRADEMARK ASS’N, <http://www.inta.org/TrademarkBasics/FactSheets/Pages/OpposingaTrademarkApplicationFactSheet.aspx> (last updated Apr. 2015).

58. See T-623/11, *Pico Food GmbH v. Off. of Harmonisation in the Internal Mkt. (Trade Marks and Designs)*, 2014, para. 46.

59. A figurative mark consists of pictures, graphics, or images, as opposed to a word mark that consists of words, letters, numbers, or any other characters that can be typed. *Trade Mark Definition*, OFF. FOR HARMONIZATION INTERNAL MARKET (TRADE MARKS & DESIGNS), <https://oami.europa.eu/ohimportal/en/trade-mark-definition> (last updated Sept. 15, 2015).

60. *Pico Food*, T-623/11, para. 2.

61. The Nice Classification (NCL) “is an international classification of goods and services applied for the registration of marks.” *Nice Classification*, WORLD INTELL. PROP. ORG., <http://www.wipo.int/classifications/nice/en/> (last visited Aug. 9, 2015).

62. *Pico Food*, T-623/11, para. 3.

63. The most distinctive features of the two marks were the cow and the stripes. However, there were graphical differences between the two marks. To compare the marks, see *id.* para. 2, 6.

64. *Id.* para. 6–7.

65. See *id.* para. 25.

66. *Id.*

67. *Id.* para. 37.

for which she did not designate in her CTM registration.⁶⁸ Therefore, the CJEU ruled that Pico Food did not have the right to oppose registration of Milanówek Cream Fudge, and it allowed for the registration of the mark.⁶⁹

C. International Treaties

Given the differences in how the U.S. and EU treat trademarks, international treaties have been instrumental in bridging the divide in order to create an international standard for the treatment of trademarks. While there are several important international trademark treaties,⁷⁰ this Note will focus on the Paris Convention and the Madrid Protocol.

1. The Paris Convention

Enacted in 1883, the Paris Convention for the Protection of Industrial Property⁷¹ is “arguably the most important multilateral treaty concerning patents and trademarks.”⁷² Almost all industrialized nations, including the United States, are members to this treaty.⁷³ Importantly, the Paris Convention “ensures that trademark owners have equal access to trademark registration procedures in all member countries.”⁷⁴ The Paris Convention does this by allowing a trademark holder who files an application in one member country to file corresponding applications in other member countries within six months.⁷⁵ The corresponding applications are then given a “priority date,” which is the trademark holder’s first application date.⁷⁶ Thus, a trademark holder can effectively file a trademark application on the same day domestically and internationally.

68. *Id.* para. 39.

69. *Id.* para. 46.

70. See Trademark Law Treaty, Oct. 27, 1994, 2037 U.N.T.S. 35. The focus of the treaty is to “encourage the harmonization and simplification of trademark registration procedures in the signatory countries.” Bosling, *supra* note 10, at 145; see also Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15 1994, 1869 U.N.T.S. 299; North American Free Trade Agreement, Dec. 17, 1992, 32 I.L.M. 289.

71. Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 828 U.N.T.S. 305.

72. Bosling, *supra* note 10, at 141.

73. *Id.*

74. *Id.*

75. *Id.*

76. *Id.*; see also *What is Meant by Priority Date?*, WORLD INTEL. PROP. ORG., http://www.wipo.int/sme/en/faq/pat_faqs_q9.html (last visited Sept. 20, 2015).

2. The Madrid Protocol

Next, the Madrid Protocol, which greatly changed international trademark registration procedure, was enacted in 1989⁷⁷ to supplement the Madrid Agreement Concerning the International Registration of Marks.⁷⁸ The United States became a member of the treaty in 2002.⁷⁹

The Madrid Protocol offers many advantages to U.S. trademark holders seeking to acquire trademark protection abroad.⁸⁰ Foremost, there are ninety-two countries that are members to the treaty, which speaks to its jurisdictional reach.⁸¹ Moreover, the U.S. trademark holder can use her U.S. trademark registration⁸² to obtain multiple trademark registrations among all the treaty's member nations using one language and paying a single fee in a single currency.⁸³ The U.S. trademark holder may choose any countries to which she would like to extend the registration.⁸⁴ In addition, the treaty makes it easy for the trademark holder to add more countries at a later time, which provides administrative and economic flexibility to the trademark holder.⁸⁵ In short, the Madrid Protocol greatly benefits U.S. trademark holders because it reduces costs, including registration, renewal, and attorney fees incurred for applying and registering with each country, and it extends protection of the trademark to all member countries.

Given these advantages, it is not surprising that international application and registration of trademarks via the Madrid Protocol is a popular option with U.S. trademark holders.⁸⁶ Indeed, since the law went into effect in 2003, the number of U.S. trademark holder applications and registrations via the Madrid Protocol has increased each year, and it continues to grow.⁸⁷ The same phenomenon is occurring in the EU as well.⁸⁸

77. Bosling, *supra* note 10, at 149.

78. Madrid Agreement Concerning the International Registration of Marks, Apr. 14, 1891, 828 U.N.T.S. 389. The U.S. is not a member to this treaty.

79. H.R. 2215, 107th Cong. (2002).

80. Bosling, *supra* note 10, at 162; Jeffrey M. Samuels & Linda B. Samuels, *The Changing Landscape of International Trademark Law*, 27 GEO. WASH. J. INT'L L. & ECON. 433, 452 (1994).

81. *Members of the Madrid Union*, WORLD INTEL. PROP. ORG. (Oct. 15, 2015), http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf.

82. 15 U.S.C. § 1141f (2012). While application can be extended, practically speaking, it is recommended that the U.S. trademark holder extend her registration of the trademark to avoid encountering domestic opposition, which would place the Madrid registration at risk.

83. Bosling, *supra* note 10, at 163; Samuels & Samuels, *supra* note 80, at 453.

84. *See* 15 U.S.C. § 1141f (2012); Samuels & Samuels, *supra* note 80, at 453.

85. 15 U.S.C. § 1141f (2012).

86. WORLD INTELLECTUAL PROP. ORG., WORLD INTELLECTUAL PROPERTY INDICATORS 64 (2014), available at http://www.wipo.int/edocs/pubdocs/en/wipo_pub_941_2014.pdf.

87. WIPO IP Statistics Data Center, WORLD INTEL. PROP. ORG., <http://ipstats.wipo.int/>

The popularity of the Madrid Protocol is a testament not only to the effectiveness of the treaty—namely, of removing administrative and economic burdens—but also to the need for international harmonization of trademark registration and protection as markets increasingly become internationalized. However, the EU's new common practice presents legal and practical challenges to U.S. trademark holders; therefore, it frustrates ongoing efforts to harmonize international trademark law.

II. THE NEW COMMON PRACTICE REGARDING BLACK AND WHITE OR GRAYSCALE REGISTERED MARKS

Given the advantages to U.S. trademark holders vested in a registered CTM, the new common practice of distinguishing between black and white or grayscale and color marks a concern for many U.S. trademark holders. Another concern is the source that announced the change. The new common practice stems neither from an EU regulation⁸⁹ nor an EU directive.⁹⁰ Rather, it derives from a voluntary project called the Convergence Programme.⁹¹

The purpose of the Convergence Programme is to identify inconsistencies in trademark laws and practices among EU member states and to harmonize them.⁹² The European Trade Mark and Design Network—comprised of OHIM, the EU's intellectual property offices, and international organizations and user groups—oversees the Programme.⁹³ However, because the Programme is voluntary, questions remain regarding how effective the new common practice will be in harmonizing the

ipstatv2/?lang=en (last visited Nov. 30, 2015) (click on “Madrid” tab; choose “applications by office” or “registration by office” for “Indicator”; choose “Yearly statistics” for “Report type”; then choose “2003” for “From” and “2015” for “To” for the “Year range”).

88. *Id.*

89. EU regulations are legislative acts that are legally binding on all member states.

90. EU directives provide legal principles that all member states must adhere to, but it is up to the individual member state to adopt the principles into national laws. Unlike EU regulations, EU directives can lead to slight legal variations between member states.

91. See generally *Convergence: Frequently Asked Questions (FAQ) on Common Practice, Version 2, CP4 Scope of Protection of B&W Marks*, EUR. TRADE MARK & DESIGN NETWORK, https://www.tmdn.org/network/documents/10181/175901/Final_FAQv2_EN [hereinafter *FAQ*].

92. The vision of the Convergence Programme is “[t]o establish and communicate clarity, legal certainty, quality and usability for both applicant and office.” *Common Communication, supra* note 9, at 3 (emphasis omitted).

93. *European Trade Mark and Design Network*, OFF. FOR HARMONIZATION INTERNAL MARKET, <https://oami.europa.eu/ohimportal/en/european-trade-mark-and-design-network> (last updated Nov. 16, 2015).

treatment of black and white or grayscale trademarks across the member states.⁹⁴

The Convergence Programme introduced the new common practice in the Common Communication.⁹⁵ It provides that a trademark registered in black and white or grayscale will not be identical to the same mark in color unless the differences are insignificant.⁹⁶ The new common practice will change three areas of trademark law within the EU:⁹⁷ (1) claim of priority;⁹⁸ (2) relative grounds for refusal;⁹⁹ and (3) genuine use of the mark.¹⁰⁰ An exception to the new common practice occurs when the difference between the two marks is insignificant,¹⁰¹ which, according to the Common Communication, is “a difference that a reasonably observant consumer will perceive only upon side by side examination of the [two] marks.”¹⁰² Therefore, the general rule is that unless the changes are insignificant, a mark that is black and white or grayscale is not identical to the same mark in color.

94. Because it is a voluntary program, member states have the option of opting out of the Common Practice. Due to national legal constraints, Sweden, Denmark, and Norway have taken this option. Italy, France, and Finland decided not to participate in the Common Practice. *Common Communication*, *supra* note 9, at 5.

95. *See generally id.*

96. *Id.* at 2.

97. These three areas are specific to registration of the mark and do not address cases of infringement. *Id.* at 3.

98. As mentioned above in Part I.C, priority right is based in Art. 4(A)(2) of the Paris Convention. If the priority mark claims no color, but the application is filed in color, the marks will be deemed not identical to each other and the priority claim will not be accepted, unless the differences are insignificant. *Id.* at 10–11.

99. Relying on Art. 4(1)(a) of the Trade Mark Directive (“A trademark shall not be registered or, if registered, shall be liable to be declared invalid: (a) If it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected”), the national offices and OHIM concluded that the “difference in colour must be negligible and hardly noticeable by an average consumer, for the signs to be considered identical.” *Id.* at 12.

100. A mark that is altered by color will be considered altered if the color alters the distinctive character of the registered mark. Such analysis will depend on the case. The following criteria are offered for the analysis:

For the purposes of [use], a change only in colour does not alter the distinctive character of the trade mark as long as:

- The word/figurative elements coincide and are the main distinctive elements.
- The contrast of shades is respected.
- Colour or combination of colours does not have distinctive character in itself.
- Colour is not one of the main contributors to the overall distinctiveness of the mark.

Id. at 13 (emphasis omitted).

101. *Id.* at 2.

102. *Id.*

III. EFFECT ON INTERNATIONAL INTEGRATION

If there is an area of international law that can achieve substantive consensus in terms of legal rights, it is trademark law.¹⁰³ Indeed, the enactments of international trademark treaties from past to present points toward greater integration of trademark law.¹⁰⁴ For instance, both the Paris Convention and Madrid Protocol confer great benefits to trademark holders in the areas of registration and protection.¹⁰⁵ Yet, the new common practice regarding treatment of color undermines the security that a U.S. trademark holder believes would be conferred onto her mark. The next section will explore both the legal and practical effects of the new common practice.

A. The Legal Effects of the New Common Practice

The new common practice is especially of concern to U.S. trademark holders due to differences in how the U.S. and the EU confer trademark rights on trademark holders. As previously mentioned, a U.S. trademark holder has rights to her trademark upon use,¹⁰⁶ whereas an EU trademark holder has rights to her trademark upon registration.¹⁰⁷ The fundamental difference between these two practices has a great impact on how U.S. trademark holders can obtain a CTM registration.

To illustrate, imagine that a U.S. trademark holder uses her mark in commerce and wishes to extend her business activities beyond the domestic market. Specifically, she would like to enter into the EU, Australia, and Switzerland.¹⁰⁸ She applies for the registration of her mark in black and white with the USPTO in order to ensure the broadest protection possible.¹⁰⁹ The trademark holder then decides to extend her registration via the Madrid Protocol to the aforementioned countries rather than filing and paying for a CTM registration, an Australian trademark registration, and a Swiss trademark registration separately. The trademark holder also has future hopes to expand to various other countries

103. See Graeme B. Dinwoodie, *Some Remarks on the Limits of Harmonization*, 5 J. MARSHALL REV. INTELL. PROP. L. 596, 600 (2006).

104. Bosling, *supra* note 10, at 141, 144, 149; see also *About the Nice Classification*, WORLD INTELL. PROP. ORG., <http://www.wipo.int/classifications/nice/en/preface.html> (last visited Apr. 19, 2015).

105. See *supra* Part I.C.

106. See *supra* Part I.A.

107. See *supra* Part I.B.

108. All three are members to the Madrid Protocol. See WORLD INTELL. PROP. ORG., *supra* note 81, at 16–17.

109. U.S. PATENT & TRADEMARK OFFICE, *supra* note 31. In the case of the U.S., filing the mark in black and white provides broad protection.

that happen to be parties to the Madrid Protocol, and, consequently, would like to have the option of extending her U.S. trademark registration to other countries at a later time. Her trademark registration with the EU, Australia, and Switzerland is successful and the trademark holder uses her mark in those countries.

Before the new common practice, the trademark holder's use of her color mark would be protected, despite the fact that the mark registered with the USPTO is in black and white. She did not have to worry about whether her mark was protected, let alone worry about whether her mark was registered. This example, however, illustrates how the new common practice creates a reverberating effect that goes beyond the borders of the EU and onto the international stage.

The new common practice brings to the fore the fundamental differences between the U.S. and the EU in terms of their respective sources, uses, and registration of trademark rights. In addition, the new common practice creates a significant legal question for U.S. trademark holders: whether her mark registered in black and white but used in color is protected. There could be many reasons why a trademark holder seeks to register her mark in black and white, as opposed to color; but, legally, one of the motivators is that black and white covers all use in color. As the court noted in *Qualitex*, as long as the color obtains secondary meaning associated with that good or service within its classification, it is treated in the same way as the registered mark.¹¹⁰ *Specsavers* offers a similar legal rationale.¹¹¹ Despite the fact that the mark in that case was registered in black and white, the CJEU held that the color green used by Specsavers had obtained secondary meaning within the optometry market; therefore, Asda had infringed upon Specsavers's mark by causing likelihood of confusion.¹¹²

However, recent events, namely the implementation of the new common practice and the *Pico Food* decision, bring into question whether the *Specsavers* holding can be relied on to support a trademark holder's argument that lawful protection of a mark, sourced from the black and white or grayscale mark, extends to a color mark. The European Trade Mark and Design Network (TMDN), the group that promulgated the new common practice, addressed the *Specsavers* ruling, stating that "[t]he possibility of a [black and white] trade mark being used in colour is described in the Common Practice document, and is in line with the *Specsavers* judgment. Therefore, the principles agreed upon with the

110. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 166 (1995).

111. Case C-252/12, *Specsavers Int'l Healthcare Ltd. v. Asda Stores, Ltd.*, 2013, para. 48.

112. *Id.*

working group and described in the Common Practice remain unaffected by the *Specsavers* judgment.”¹¹³ Moreover, TMDN has turned to the *Pico Food* decision as recent case law that supports the common practice.¹¹⁴ Quoting from paragraph 37 of the decision, TMDN stated that the judgment “explicitly” supports “that the registration of a mark in black and white does not cover all colours, and that a registration in black and white and in colour is not the same.”¹¹⁵ By addressing both of the relevant cases, TMDN attempted to buttress its new common practice.

But the *Pico Food* decision does not necessarily imply that the CJEU will always support the common practice. Rather, it seems that the CJEU did not agree with Pico Food’s argument that its black and white/grayscale mark included *any and all* colors in use. As stated by the CJEU,

[I]t is necessary to reject the applicant’s argument that the registration of a mark ‘in black and white’ covers “all colour combinations which are enclosed within the graphic representation” and . . . “[t]herefore, the [applicant] can claim protection for any combination of vertical stripes consisting of white and colour stripes, regarding whether the colour stripes are black, orange or yellow.”¹¹⁶

Pico Food is distinguishable from *Specsavers*. The CJEU ruled in favor of Specsavers by affording protection to its green mark based on its black and white registered mark because it had acquired distinctiveness.¹¹⁷ As such, it is likely that the CJEU would be willing to grant protection of a specific color that acquired distinctiveness rather than presuming that the black and white mark would cover all variations of color.

This poses a challenge to U.S. trademark holders because the U.S. follows the practice whereby black and white marks cover all other color variations.¹¹⁸ Yet, in cases where a U.S. trademark holder registered her mark in black and white but used the mark in a specific color that had acquired secondary meaning, *Specsavers* would likely support treating the color mark the same as the black and white mark, which would protect the color mark from potential infringers.

113. *FAQ*, *supra* note 91, at Question 19 (italics added).

114. *Id.* at Question 4, 19.

115. *Id.* at Question 4.

116. Case T-623/11, *Pico Food GmbH v. Off. of Harmonisation in the Internal Mkt (Trade Marks and Designs)*, 2014, para. 37.

117. *Specsavers*, Case C-252/12, para. 32–50.

118. U.S. PATENT & TRADEMARK OFFICE, *supra* note 30.

Case law aside, the common practice provides that marks registered in black and white that utilize insignificant color changes will be afforded the same protection as the original mark.¹¹⁹ An insignificant difference between two marks is “a difference that a reasonably observant consumer will perceive only upon side by side examination of the marks.”¹²⁰ While for the purposes of trademark examination, two marks could be placed side by side for comparison, the same should not be assumed for consumers, who are not likely to be confused if comparing two marks side by side because they will probably notice the different feature(s) of the marks. Moreover, a trademark serves as a source indicator,¹²¹ and, as such, it should be instantly recognizable and conjure up the goodwill associated specifically with that mark (such as quality) whether or not a similar mark is present. Accordingly, a side-by-side comparison for insignificant color changes is not reflective of how the public interacts with trademarks.

Furthermore, the introduction of the common practice creates legal roadblocks to international harmonization from the perspective of U.S. trademark holders. This is not to say that the change in the common practice is insurmountable; a U.S. trademark holder always has the option of registering her mark with an individual nation’s trademark office.¹²² However, the purpose behind international registration was to move away from exclusive national jurisdiction to inclusive international jurisdiction, thereby removing the trademark holder’s need to register her mark in every nation where she hopes to extend her market presence.¹²³ For this reason, the new common practice undermines the international community’s efforts to substantively integrate each country’s trademark laws and practices.

B. The Practical Effects of the New Common Practice

The new common practice raises not only legal but also practical effects that may resurrect past barriers. To illustrate, consider the Apple

119. See *Common Communication*, *supra* note 9, at 6.

120. *Id.* at 7 (emphasis omitted).

121. “The term ‘trademark’ includes any word, name, symbol, or device, or any combination thereof . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” 15 U.S.C. § 1127 (2006). “A Community trade mark may consist of any signs . . . capable of distinguishing the goods and services of one undertaking from those of other undertakings.” Community Trade Mark Regulation, *supra* note 35, art. 4.

122. See *supra* Part I.B. There are several benefits to seeking a CTM, one of which is the ability to obtain broad classification, which would allow broader protection of the mark.

123. Bosling, *supra* note 10; Samuels & Samuels, *supra* note 80.

mark, which features an apple with a detached stem and a “bite” mark.¹²⁴ Although the mark has not changed since its initial use in the 1970s,¹²⁵ the color of the mark has evolved throughout the years.¹²⁶ Apple has used a rainbow colored mark,¹²⁷ a simple black mark,¹²⁸ and a two-toned silver and blue mark.¹²⁹ In the United States, a black and white trademark registration with the USPTO would cover all of these color variations.¹³⁰ This means that Apple would not be required to register for each color variant because Apple’s colored mark in use is presumed to be identical to its black and white registered mark.¹³¹ This benefits the trademark holder because it affords protection of the trademark without the trademark holder having to file additional trademark application(s) and avoiding greater fees and costs.

Prior to the new change, the EU shared the presumption that a colored mark (which has obtained secondary meaning) in use is identical to its black and white registered mark. However, this is no longer the case. If a U.S. trademark holder wants to extend her U.S. trademark registration into the EU, she must now reconsider her options and finances. While such decisions may solely rest with the trademark holder, her options may be limited to: (1) registering her mark in both black and white and color to extend her registration via the Madrid Protocol, or (2) seeking a CTM registration for the color mark independent of her U.S. registration. In either case, the administrative and economic costs that the Madrid Protocol sought to alleviate, such as registration and maintenance of trademarks, may be placed back on the trademark holder,¹³² thus resurrecting past barriers that trademark holders faced.

IV. RECOMMENDATION TO U.S. TRADEMARK HOLDERS

Each trademark holder’s situation is unique. As a result, it is difficult to make a blanket recommendation on how to respond to the new common practice. Yet, this author recommends that U.S. trademark

124. Bogdan Raduta, *Little Known Facts About Some of the Most Popular Logos in the World*, TOP DESIGN MAG, <http://www.topdesignmag.com/little-known-facts-about-some-of-the-most-popular-logos-in-the-world/>.

125. *Id.*

126. *Id.*

127. *Id.*

128. *Id.*

129. *Id.*

130. The exception may be the rainbow colored Apple mark, due to its unique features.

131. Indeed, despite the color changes over the years, Apple has only black and white marks registered with the USPTO. See APPLE, Registration No. 1114431 and 3679056, for classification of computer and computer-related goods.

132. Bosling, *supra* note 10, at 162–63; Samuels & Samuels, *supra* note 80, at 452–53.

holders seek registration of their color marks despite the Common Communication's provision for insignificant differences between the two marks.¹³³ Upon examining the practical examples offered by the TMDN on what it considers insignificant or significant differences, it appears that the TMDN would likely deem most color changes as significant.¹³⁴ Moreover, unless the difference between the black and white or grayscale and the color mark is minimal, it is likely that the TMDN will consider the use of the color mark to alter the distinctive nature of the registered black and white mark.¹³⁵

However, color marks that have acquired distinctiveness are an exception to my general recommendation. The CJEU likely would rule that a mark registered in black and white or grayscale but used in a specific color is identical to the original mark if it has acquired distinctiveness within the classified market. In such cases, a separate registration may not be required. This analysis would differ if the mark did not acquire distinctiveness, which was the case in *Pico Food*.¹³⁶

CONCLUSION

As markets continue to integrate internationally, trademark laws should reflect this global trend by becoming more harmonized across nations. The various international trademark treaties demonstrate the efforts to integrate trademark practices.¹³⁷ The new common practice is raising concern for U.S. trademark holders because there is now uncertainty about whether the trademark holder's marks would be protected in the EU. This concern is reinforced by the fundamental differences in trademark rights between the U.S. and the EU, which are based on use and registration, respectively. These differences complicate the systems in place to ease the international registration process, such as the Madrid Protocol. Accordingly, the new common practice has the effect of deterring international efforts to integrate trademark laws and practices.

133. *Common Communication*, *supra* note 9, at 2.

134. *Id.* at 8–10.

135. *See supra* note 100 and accompanying text.

136. *Id.*; *see also supra* Part I.B.

137. *See supra* Part I.C.