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**“THE END OF THE RAINBOW?”: RECENT JUDICIAL DECISIONS ON THE
REGISTRATION OF COLOUR TRADE MARKS.**

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I INTRODUCTION

The UK's *Patents, Designs and Trade Marks Act 1883*, introduced provision for trade marks in colours. However, notwithstanding this statutory provision, there was an ongoing conservative approach to the approval of colour trade marks. In 1887, the Chancery Division considered an application for the registration of the colours blue, white and red in the form of a *Tricolor*, on a label for a well-known brand of French coffee.¹ In handing down his judgement, Kay J remarked:

“...you cannot register a mark of which the only distinction is the use of a colour, because, practically under the terms of the act, that would give you a monopoly of all the colours of the rainbow”.²

The application was refused, but on the grounds that the trade mark lacked distinctiveness independently of the colour, and that the colour should, in essence, be deemed an accident.

This paper examines the recent judicial decisions on the registration of colour trade marks in respect of two longstanding and contentious cases, namely BP Amoco plc (BP) in respect of the colour green and Cadbury Schweppes (Cadbury) in respect of the colour purple. With both possibly well nigh at the end of their respective litigation rainbows – with nary an oil strike or purple patch in sight, they have been the catalyst for the

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¹ *Re Hanson's Trade-Mark* (1887) 37 ChD 112, 116.

² *Ibid*, at 118

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establishment of new parameters for the distinctiveness requirements of colour trade mark registration.

II THE TRADE MARKS ACT 1995 (CTH)

In Australia, the *Trade Marks Act 1995* (Cth) (TMA) provides for the recognition of colour, scent, shape or sound, as a trade mark provided it is capable of distinguishing, in the course of trade, the proprietor's goods or services from those of other traders. S.41 establishes the requirements for determining distinctiveness.³ In deciding whether a mark is distinctive the Registrar of Trade Marks (Registrar) must consider whether the mark is inherently adapted to distinguish the applicant's goods or services (s.41(3)). If not, the

³ "41(3) [Threshold question in deciding whether mark capable of distinguishing goods]

In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

.....

41(5) [If mark is to some extent inherently adapted to distinguish]

If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:

(a) the Registrar is to consider whether, because of the combined effect of the following:

(i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;

(ii) the use, or intended use, of the trade mark by the applicant;

(iii) any other circumstances;

the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

(b) if the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services — the trade mark is taken to be capable of distinguishing the applicant's goods or services from the goods or services of other persons; and

(c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services — the trade mark is taken not to be capable of distinguishing the applicant's goods or services from the goods or services of other persons.

41(6) [Where mark is not to any extent inherently adapted to distinguish]

If the Registrar finds that the trade mark is not to any extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons, the following provisions apply:

(a) if the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designated goods or services as being those of the applicant — the trade mark is taken to be capable of distinguishing the designated goods or services from the goods or services of other persons;

(b) in any other case — the trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons."

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Registrar must then decide whether the mark is to "some extent inherently adapted to distinguish" those goods and services and if so, whether its "use or intended use" will distinguish them (s.41(5)). If the mark is not inherently distinctive the Registrar must consider whether the mark is distinctive in fact (s.41(6)). If the mark has the capacity either inherently or by use to distinguish the applicant's goods or services, it may be registered.

Hence, s.41(5) may be applied where there is already some inherent adaptation in the mark, whereas s.41(6) applies where there is no inherent adaptation but where, due to the extent to which the applicant has used the mark before the filing date of the application for registration, the mark has acquired its own distinctiveness.

These have been the key issues around which applications for registration of colours, and particularly a single colour, and the opposition to such registration has largely revolved, and on which the applications have succeeded or failed.

III EARLY DETERMINATIONS ON COLOUR REGISTRATIONS

Between the TMA's introduction in 1995, and the *Philmac* judgement in December 2002, there had been few applications for registration of a colour trade mark, some limited dicta considering the registrability of colour marks⁴, and some reported Australian Trade Marks Office (ATMO) decisions denying registration to single colours.⁵ At the time of the *Philmac* case, there were approximately 70 colour marks registered under TMA

⁴ See Jani McCutcheon, "How Many Colours In The Rainbow? The Registration Of Colour Per Se Under Australian Trade Mark Law", *European Intellectual Property Review*, 2004, 26(1), 27-33 for a summary of pre-*Philmac* cases, and an analysis of *Philmac*. See also *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* (2002) 56 IPR 30; [2002] FCAFC 273, Lindgren J at 110; *Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd* (1999) 44 IPR 551; [1999] FCA 816, Lehane J, 46.

⁵ See *Cadbury Ltd* (2002) 55 IPR 561; *Minnesota Mining and Manufacturing Company (yellow)* [2002] ATMO 8 (January 24, 2002); *Flower Carpet Pty Ltd (pink)* [2001] ATMO 35 (May 11, 2001); *Philmac p/l*, [2000] ATMO 132 (December 14, 2000); *Multix Pty Ltd (red)* [ATMO] 36 (16 April 1999); *Notetry Ltd (yellow & silver)* (1999) 45 IPR 547.

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s.41(3), the vast majority being for composite colours, combinations of colour and shape, packaging or words.⁶ Only a handful of single colour marks had been registered under TMA ss.41(3), 41(5) or 41(6).

However, there have been some successful applications. Veuve Cliquot, for example, was successful in registering the colour orange for its products, but not within the scope of its original application, and only after the inclusion of a greater degree of specification.⁷ The Delegate of the Registrar found that the colour orange alone had no inherent adaptation to distinguish Veuve Cliquot wines and could not be considered for registration under s.41(5).⁸ This meant that it could only be considered for registration in terms of s.41(6). Because of the extent to which the Veuve Cliquot had used the mark before the filing date and on champagne labels, the colour orange distinguished its champagne and sparkling wines, as at that date. However, as a further indicator of a narrower and stricter application of TMA s.41, the Delegate approved registration of the colour orange, subject the application being confined to just champagne and sparkling wines, and the use being confined to their labels alone.⁹

Prior to BP, the leading case on single colour trade mark registration was the Federal Court decision of December 2002 in *Philmac Pty Ltd v The Registrar of Trade Marks*.¹⁰ Philmac has been described as the first judicial decision directly considering the registrability of colour *per se* as a trade mark under the TMA.¹¹

Philmac, a manufacturer of irrigation fittings, sought to register the colour terracotta applied to the connecting inserts and split rings of its plastic compression fittings for rural polyethylene pipe. The ATMO rejected the original application under ss.41(3) and 41(5)

⁶ See McCutcheon, above n 4, 1-2.

⁷ Veuve Clicquot Ponsardin, Maison Fondée En 1772 (orange) [1999] ATMO 12 (31 March 1999).

⁸ Ibid, 5.

⁹ Ibid, 7. "The trade mark consists of the colour orange, as represented on the application form, when used as the colour of a label".

¹⁰ *Philmac p/l v The Registrar of Trade Marks* [2002] FCA 1551 (13 December 2002). ATMO Application No. 796572.

¹¹ McCutcheon, above n 4, 27.

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because the coloured goods would not "appear as anything more than a decorative feature to the consumer".¹² The placement of an almost ordinary colour (as a sign) on some small part of a fitting, and where it would not be seen in the course of ordinary use (once connected to other fittings), did not develop fundamental trade mark qualities. On the evidence presented, the application also failed under s.41(6) as not distinguishing the applicant's goods, the Hearing Officer noting in particular that the mark was used in conjunction with another sign obviously perceived as a trade mark, namely the brand name 'PHILMAC'.

On appeal to the Federal Court, Mansfield J held that the terracotta of the irrigation fittings was not inherently adapted to distinguish under TMA ss.41(3) or 41(5). Accordingly, he declined registration; however, he found that the colour was distinctive in fact because of use prior to registration and permitted registration under s.41(6).

His Honour observed that, to suggest that a single colour applied to goods may never be inherently adapted to distinguish an applicant's goods from those of others, would be inconsistent with the provisions of the TMA which contemplate that a colour may serve as a trade mark. It would therefore not be in accordance with the TMA to reject a trade mark purely on the basis that rejection would secure a monopoly over part of what is in reality a limited resource. He considered that the circumstances in which colour applied to goods would be inherently adapted to distinguish were limited to the following:

- the mark is not descriptive (i.e. cannot evoke a state or condition);
- the colour is not functional;
- the colour is not the result of a natural or normal manufacturing process;
- the colour is not used where it is an important element of competition within the industry.¹³

¹² Ibid, 28.

¹³ Philmac, above n 10, 65.

Since *Philmac*, the ATMO has experienced a substantial increase in the number of applications for colour trade mark registrations, in both single colour and multiple colour combinations. At the time of writing, there are over 340 applications and registrations on the ATMO register, distributed reasonably evenly across single colour, multiple colour and colour/device groups. The full impact of these applications on the registrability of colour marks in the Australian context has yet to fully realized. Of the 23 applications lodged in 2005, most have been accepted for registration without opposition, with a few still under examination. Most of the 75 or so lodged in 2006 and in 2007 to date are still under examination. The recent judgements in the *BP* and *Cadbury* cases may well have some bearing on the outcomes for these applications.

IV THE NOT-SO-JOLLY GREEN GIANT

The recent litigation in Australia by both *Cadbury* and *BP* has been part of their global campaigns to ensure exclusive use of their respective claimed colour marks.¹⁴ Both have also initiated litigation against other companies who they perceive infringe on their claimed or granted exclusive rights to the use of the respective colours.

“ - the colour does not serve a utilitarian function: that is, it does not physically or chemically produce an effect such as light reflection, heat absorption etc;
- the colour does not serve an ornamental function: that is, it does not convey a recognised meaning such as the denotation of heat or danger or environmentalism;
- the colour does not serve an economic function: that is, it is not the naturally occurring colour of a product and registration of that colour in respect of that product would not thereby submit competing traders to extra expense or extraordinary manufacturing processes in order to avoid infringement;
- the colour mark is not sought to be registered in respect of goods in a market in which there is a proven competitive need for the use of colour, and in which, having regard to the colour chosen and the goods on which it is sought to be applied, other properly motivated traders might naturally think of the colour [and] use it in a similar manner in respect of their goods.”

¹⁴ *BP* has been successful in gaining registration of green as a trade mark, either alone or as the predominant colour, in New Zealand, Andorra, Benelux, Azerbaijan, France, Germany, Guernsey, Indonesia, Jersey, Poland, Singapore, Spain, Switzerland, Turkmenistan, UK, Hong Kong, Fiji, Malaysia, Mozambique, Philippines, Ukraine, and the United States; see *BP plc v Woolworths Limited* [2007] HCATrans 249 (25 May 2007). *BP* has also initiated litigation against other companies who it perceives infringes on its granted exclusive rights to the use of the colour green; see *BP Amoco p/l v John Kelly* [2002] FSR 5. See Norma Dawson, “The Power of Colour in Trade Mark Law, *European Intellectual Property Law Review*, 2001, 23(8), 383-388 for an analysis of the *BP v Kelly* case.

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In Australia, BP lodged applications in 1991 and 1995 for registration of the colours green and yellow in association with its service stations, the first covering core goods and services.¹⁵ Both applications were subsequently amended to the colour green only.

The amended first application included the endorsement:

"The trade mark consists of the colour GREEN applied as the predominant colour to the fascias of buildings, petrol pumps, signage boards — including poster boards, pole signs ... all used in service station complexes for sale of the goods and supply of the services covered by the registration".

The second application, as amended, included a very similar endorsement, essentially extending the registration to BP services not covered in the first application.

The applications were examined and advertised as accepted on 17 July 1997. Woolworths, which also uses a combination of green and other colours for its supermarkets and associated fuel outlets, opposed registration. The Delegate of the Registrar held that, in respect of s.41(5), the mark had only a very small amount of inherent adaptation to distinguish, and evidence presented by BP fell even further short of meeting the more demanding factual test under s.41(6). The Delegate found that neither mark claimed was not capable of distinguishing BP's goods and services, and refused both applications. The Delegate also considered that the first application was for a device of a green square and had been improperly amended, contrary to TMA s.65.

¹⁵ ATMO application No. 559837 (originally three applications but consolidated into one in 1995) of 17 July 1991, covering goods and services in classes 1, 4 & 37, and included a square of green paper with the endorsement "the trade mark is limited to the colour green as shown in the representation attached to the application form". Application 676547 of 25 October 1995 covered services in class 42 and included a representation of a petrol station with the endorsement "the mark consists of the colour green applied to the exterior surfaces of the premises used for the supply of the said services as exemplified in the representation attached to the application."

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BP appealed the ATMO decision before the Federal Court in October 2004, and Woolworths again opposed registration.¹⁶

The challenge for BP has been to establish that the shade of green of its application has acquired a secondary meaning by being identified in the minds of the public specifically with its goods and services as distinct from other traders; and that prior to the application filing date, BP has used the colour as a trade mark or badge of origin, and not merely as an indicator of association with BP and its products and services.

However Finkelstein J identified what he saw as a problem of a different order with the BP application. BP's get-up consists of more than one feature, namely the shield, the letters BP, and use made of the colours white and yellow, as well as the colour green. While green is accepted as BP's dominant colour, it is only one aspect of its total image. The question that arises in these circumstances is whether it is possible to dissect that total image and obtain trade mark registration of only one component of the whole image.

Drawing on US authorities in the absence of English or Australian authorities, his Honour considered that the relevant principles that could be applied were that separate components of a single get-up or design may qualify for registration as a mark.¹⁷ They would be capable of registration if each feature considered separately distinguished the goods or services in question. If the get-up or design created "a separate and distinct commercial impression" then the separate parts would not be registrable. However, it would be sufficient if each separate part created an impression which was totally separate from the others, and was distinctive in that it performs the trade mark function of identifying the source of the goods and services to customers.

His Honour reached the conclusion that, although the colour green was not inherently adapted to distinguish BP's goods and services pursuant to TMA ss.41(3) and 41(5) the

¹⁶ *BP plc v Woolworths Ltd* [2004] FCA 1362 (25 October 2004).

¹⁷ *Ibid*, para 64.

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colour depicted in the applications had acquired a secondary meaning to become distinctive of BP's goods and services. Hence the colour green of the applications had acquired distinctiveness, and satisfied the requirements of s.41(6) because:

"Customers identified BP's service stations by the colour green alone, independently of the shield. These are the reasons. First, BP is the only service station that used green as the predominant colour on its get-up when the applications were filed. Second, BP has made extensive use of the colour green in its get-up — not only with the implementation of Project Horizon but as early as 1956 when green was adopted as one of BP's corporate colours in Australia. Third, the colour green has featured prominently in the company's advertising."¹⁸

Accordingly, Finkelstein J allowed the appeal by BP, and directed that the applications proceed to registration.

Appealing against the decision to the Full Federal Court, Woolworths argued that the primary judge had erred by considering the distinctiveness of green alone and not the distinctiveness of the mark in its full scope.¹⁹ It also argued that the primary judge should have focused on whether the colour green had been used by BP during the relevant period as claimed in the application as a badge of origin, rather than whether the colour was associated with BP, its get-up or packaging of goods generally. The Full Federal Court was sympathetic to Woolworths' arguments, noting: "In our view, there are obvious dangers in approaching these issues by reference to the get-up of the service stations."²⁰

The focus of the primary judge's inquiry should have been on the use of the marks applied for, rather than use of colour as part of the get-up or packaging of goods generally. What needed to be decided on appeal was whether BP's marks had become distinctive because of prior use. Pursuant to s 41(6), the primary judge was required to give specific consideration to the extent to which BP had used each of the trade marks

¹⁸ Ibid, para 65.

¹⁹ *Woolworths Limited v BP plc (No.2)* [2006] FCAC 132 (4 September 2006).

²⁰ Ibid, para 82.

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applied for *as a mark* before the date of filing and whether that use was sufficient to distinguish the designated goods and services as being those of BP.

Whilst survey evidence was presented to show that historically there has been a strong association between the colour green and BP, such an association did not lead to the conclusion that the use of the colour has included use, as a trade mark, of either green alone, or green as the predominant colour. The mere fact that consumers associate green with BP did not satisfy the test of distinctiveness as required by s 41(6).

The Full Federal Court found that the primary judge had erred on three points of law, namely:

- “by directing his attention to the 'get-up' of the service stations, as opposed to the use before 1991 or 1995 of colour as a trade mark, whether green, or green and yellow ...;
- by not considering whether BP's use of the colour green prior to 1991 and 1995 constituted trade mark use of the marks claimed in the applications, such that they had become distinctive of BP's goods and services", and in particular by not considering the full scope of each of the marks by asking whether BP had used the colour green as the predominant colour with yellow or any other colour;
- in treating the survey as evidence that the trade marks the subject of the applications must have been in use as trade marks before the priority dates, so as to distinguish BP's goods and services".²¹

However, the Court agreed with the primary judge that the colour green was not inherently adapted to distinguish BP's goods and services. As the Court noted, the green was never used without its “ever-present companion, yellow”, and the green could not be extracted from the total image of BP's get-up to constitute evidence of use as a trade

²¹ Ibid, para 121.

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mark. Consequently, use of the colour green as a trade mark could not be established. Accordingly, the Court ruled that:

"In our view, BP failed to establish as at July 1991 or October 1995 that it had used each of the trade marks it had applied for, that is green as the predominant colour of the parts of the service station referred to in the endorsements with any other (unspecified) colour. Nor in our view did BP establish as at July 1991 or October 1995 use as a trade mark of the colour green alone in respect of the parts of the service station referred to in the endorsements."²²

In July of this year, another chapter, but not necessarily the final chapter, in the ongoing colour green saga was written when the High Court refused BP's application for special leave to appeal from the judgment of the Full Federal Court.²³ Counsel for BP submitted that there were aspects of trademark law that were inexorably sliding out of control, and that only the High Court could bring it back to its true course. They argued that by a series of decisions culminating in the Full Federal Court's decision to disallow registration, successive Federal Courts had failed to appreciate the true nature of a trademark as defined by TMA s.17.²⁴ And core to BP's argument was the submission that one colour predominant amongst a number of colours in the same get-up – such as the BP green amongst its gold or other colours - could act as a trademark under TMA s.41(6).

Their Honours were not moved by the BP submission. While the Full Federal Court held that such words “applied as the predominant colour” are words of limitation since they imply the required use of another or other colours, BP tried to argue that such an approach was an error in law and fact, and that the Court erred in not “disaggregating” green from the other colours used in its trademarks.

²² Ibid, para 122.

²³ *BP plc v Woolworths Limited* [2007] HCATrans 249 (25 May 2007)

²⁴ Ibid, 249.

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Gummow J noted that many of the issues BP raised in its appeal to the High Court presented issues of fact, "the resolution of which would raise no point suitable for the grant of special leave". In the final analysis, Gummow and Hayne JJ were not persuaded that the contentions held by BP that the Full Federal Court had made errors of law in its construction of provisions of the TMA enjoyed sufficient prospects of success to warrant a grant of special leave. On the other hand, Kirby J was prepared to grant leave, but only in respect of those matters arising under the TMA, and not on those concerning the powers of the Federal Court.

Throughout the hearing reference was made on more than one occasion to the purple saga, with Kirby J mindful that "we are all on notice that the Cadbury purple is wending its way and may end up here", noting that "at least in that, counsel have not yet shifted their ground at the last minute to try and embrace a couple of colours."²⁵ He also noted that "the fact that special leave was refused in this case would govern the outcome of a decision in the *Cadbury case*."²⁶

As has been suggested by more than one commentator, BP may well have erred strategically in amending its original application from green and yellow to merely green.²⁷ The Full Court opined that the application was not for a "single colour" trade mark at all, but for a mark the predominant colour of which was green but which also, by necessary implication, included one or more different and unspecified colours.²⁸ And only one colour – namely the green – was specified in the application.

Time will tell whether this is the end of the rainbow for BP's campaign to secure its exclusive use of the colour green as a trade mark. BP has separately registered the

²⁵ Ibid.

²⁶ Ibid.

²⁷ See Campbell Thompson and Bill Ladas, "How Green is My Trade Mark?: Woolworths v BP", *European Intellectual Property Review*, 2007, 29(1), 29-35 at 34 & n43; "BP's Registration of 'Colour Green' Trade Marks Overturned", *Focus*, September 2006, Allens Arthur Robinson, <<http://www.aar.com.au/pubs/pta/fofmsep06.htm>> at 30 August 2007.

²⁸ BP, above n 19, 125.

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colours green and yellow as composites, and green, yellow, and white as composites, both without opposition,²⁹ but has struck opposition to its application to register a green striplight as a single colour mark.³⁰

V THE NEW COLOUR OF 'CADBURY PURPLE'

Cadbury Limited (Cadbury) first filed a trade mark application on 25 November 1998 for a range of shades of the colour purple in respect of goods or services in class 30 (chocolate).³¹

The application went through a series of ATMO internal examinations and amendment until its final form of 1 September 2003. Amongst the amendments was the removal of reference to the Pantone formula to identify the shades of purple for which registration was sought, following the view expressed by the original examiner that the Pantone system was not appropriate to describe a mark. The final form of the description thus appeared as:

²⁹ ATMO, Application No. 728556 lodged 24 February 1997 and registered without opposition on 3 May 2002; Application No. 1118600, lodged on 1 September 2005 and registered without opposition on 11 December 2006. The second application, in classes 4, 35, 37, 38, 39, 40, 42, 43, 44, and 45, includes the following endorsement:

"The colour GREEN appears principally on the canopy, pumps, shop fascia and main identification board; GREEN also appears with the colour YELLOW and/or WHITE on other component parts of the service station shown in the reproduction in box 7 and in the device element (the circular decal) in the centre of the canopy fascia and on the main identification board.; Mark Description: The mark consists of the colours GREEN (Pantone 348C), YELLOW (Pantone 109C) and WHITE (RAL 9016), the letters "bp" and the device element in the representation attached hereto, applied to the exterior surfaces of buildings, canopies, pole signs, shop fascias and other component parts of service stations. *"

³⁰ ATMO application No. 1016694 for the classes 4, 35, 37, 43, with the endorsement "the trade mark is a green striplight (neon, LED or similar) affixed to the edge of the canopy over the petrol pumps at vehicle service stations as shown in the representation attached to the application form.* Provisions of subsection 41(6) applied.*"

³¹ ATMO Application No. 779336. The application described the mark as follows:
"The trade mark consists of the colour purple, the said trade mark being adopted as the substantial colour of packaging used in relation to the nominated goods. The colour is the shades of purple corresponding to the following references in the 1997-1998 Pantone Colour Formula Guide: 2597c. 2607c. 2617c. 266c. 268c. 269c. 2685c. 273c. 274c. Violet C. 2735c. 2745c and 2755c."

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"The trade mark is the colour PURPLE depicted in the representations attached to the application form used as the substantial colour of packaging in relation to the nominated goods."

In the first instance, the ATMO refused registration of the mark on the grounds that it had no inherent adaptation to distinguish Cadbury's chocolates, pursuant to s.41(5), but invited Cadbury to provide evidence of trade mark use in accordance with the requirements of s.41(6). Cadbury submitted that it was more appropriate to assess the trade mark under the provisions of s.41(5), but nevertheless provided evidence of use which it felt met the requirements of s.41(6), without success.

During a hearing in June 2002 before the Delegate, Cadbury submitted that:

"Where ...the evidence establishes that the owner has taken the colour and effectively incorporated it as a salient element of its own identity then the nexus between the goods, the colour and the trader is complete ... no further enquiry is required in order to find that the colour does distinguish in the relevant sense because all of the elements have in fact become inseparable in the mind of the consumer."³²

The Delegate was not moved by the Cadbury submission, finding that the colour purple as an aspect of packaging for chocolate and confectionery was not to any extent inherently adapted to distinguish. While it was well accepted that Cadbury enjoyed commercial prominence in the moulded chocolate market, and extensively used the colour purple in its packaging and marketing, the Delegate was not convinced that the colour was functioning as a trade mark or that it necessarily distinguished Cadbury's chocolates from other traders. Accordingly, she held that Cadbury had not established that the colour purple distinguished Cadbury's goods, and, as required by TMA s.41(6), rejected the application.³³

³² Cadbury Limited [2002] ATMO 56 (28 June 2002).

³³ Ibid.

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Cadbury appealed from this decision to the Federal Court. The matter was settled by consent, in respect of "chocolate", by orders made on 30 July 2003, and the ATMO advertised the application as accepted on 18 September 2003.

Darrell Lea Chocolate Shops Pty Limited (Darrell Lea) filed notice of opposition in November 2003 on grounds relating to the application of TMA s.41, Cadbury's alleged ownership of the colour purple (s.58), and alleged improper amendments to the mark application (s.61).³⁴

At the hearing before the Delegate of the Registrar in February 2006³⁵, both parties accepted that colour lacked any inherent capacity to distinguish the relevant goods. The main differences between the parties lay in how the evidence of the use of the colours in question by the applicant and others should be interpreted. From the Delegate's perspective, the difficulties for both parties in attempting to establish or maintain their respective positions in relation to each of the grounds were illustrated by the cautionary words of Finkelstein J in the BP case³⁶:

"Most objects have to be some colour. So merely applying a colour to a product will not act as an identifier for that product. In deciding whether colour functions as a trade mark it is necessary to determine whether the trader has used the colour in a way that informs the public that the product emanates from a particular source. Put another way, colour must be used to distinguish products and not as mere ornamentation or decoration. Moreover, I propose to begin from the premise that in most cases the public will consider colour as ornamentation and not as indicating a particular origin. For that reason I will require substantial evidence to show acquired distinctiveness or secondary meaning for a single colour ... what is required is the promotion of the colour itself in a way that it attracts attention, just like the established institution of advertising, so as to lead the public to associate the colour with the products and services in question."³⁷

³⁴ Another opposition to registration of the mark was filed by Societe des Produits Nestle SA (Nestle) on 17 December 2003. This opposition was settled and withdrawn after Nestle had filed its evidence in support and the applicant had filed its evidence in answer.

³⁵ *Darrell Lea Chocolate Shops v Cadbury Ltd* (2006) 69 IPR 386

³⁶ *ibid*, 398.

³⁷ BP, above n 16, para 24. Finkelstein J para 10 also refers to Kay J's reasoning in (1887) ChD 112, 116.

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Darrell Lea's basic argument was that the colour purple was not inherently adaptable to distinguish Cadbury's products as it is a colour that also evokes images of "richness" or "luxury" that other chocolate/confectionary manufacturers used for their packaging.

Cadbury in reply submitted that purple had featured prominently and continuously on Cadbury's boxed chocolates and moulded plain milk chocolate blocks for many years, and that, at the time of filing, the particular shade of purple as applied to Cadbury's chocolate blocks and boxed chocolates had acquired distinctiveness. Most Australians who bought the products would "have instantly recognised the colour purple ... without further reference to any other trade mark which might have appeared on the label". The mark in the particular shade had served the function of identifying Cadbury as the trade source of these products.

The Delegate determined that Cadbury's use of the colour purple as a trade mark, as the substantial colour of its packaging, was in fact capable of distinguishing at the filing date, but only in respect of moulded block milk chocolate and boxed milk chocolate bonbons. However, these were the only products to which the mark applied, since the colour had not been used on Cadbury's other goods as the substantial colour of packaging until after the filing date. The use, and acquired distinctiveness, was such that it could not be taken to be capable of distinguishing in respect of "chocolate" in general. It was not appropriate therefore that the application be registered in respect of "chocolate" generally in Class 30.

The Delegate also determined that the application was wrongly amended in terms of TMA s.62 in respect of the amendments deemed substantial as made to the application.

Accordingly, he refused to register the marks as specified on the application. However, he was prepared to allow registration if Cadbury was prepared to amend the application so that:

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- the goods were confined to "Block chocolate; boxed chocolates.
- the shade of purple was that "approximated by reference PMS 2685c in the 1997-1998 Pantone Colour Formula Guide and used as the substantial colour of packaging in relation to the nominated goods."³⁸

The Delegate suggested that the outcome of this round was perhaps a draw – "to this extent, although the opponent has established its opposition, both parties might be regarded as having had a measure of success."³⁹

This decision by the ATMO is quite similar to the decision by the New Zealand Intellectual Property Office (IPONZ), where Cadbury's application to register purple as a trademark in relation to block chocolate and chocolate in bar or tablet form received opposition from a local confectionary manufacturer.⁴⁰ The IPONZ Commissioner held that while it was difficult to show distinctiveness in a single colour, it was not impossible. The difficulty was especially pronounced in Cadbury's case, since the colour mark had been substantially used in conjunction with other, more traditional, trademarks. That said, Cadbury was able to demonstrate use of the colour over an extended period of time (since the 1920s). It could also show a concerted strategy to persuade the public that the colour functioned as a badge of origin for chocolate, and market surveys established that the public did in fact associate the colour purple with Cadbury. Accordingly, the Commissioner granted registration as applied predominantly to the packaging of block chocolate, but also required amendment of the original application to clearly establish the particular Pantone shade of purple.

While Cadbury has been pursuing registration through the ATMO, albeit with only limited success, it has been also striving to reinforce its claim to ownership and exclusive use of the colour purple by waging litigation war against Darrell Lea on another front.

³⁸ Darrell Lea, above n 35, 408-9.

³⁹ Ibid.

⁴⁰ IPONZ T26/2004, 5 October 2004, 32.

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In April 2006, Cadbury brought an action in the Federal Court alleging that Darrell Lea had engaged in misleading and deceptive conduct in contravention of ss.52, 53(c) and 53(d) of the *Trade Practices Act (1974) (Cth) (TPA)*.⁴¹ Cadbury asserted that it had "substantial, exclusive and valuable reputation and good will" in the so-called colour "Cadbury Purple", and Darrell Lea's use of the colour would mislead consumers to mistakenly conclude that Darrell Lea products were Cadbury products, or that Darrell Lea itself or its products had some form of association with Cadbury.⁴²

The trial judge, Heerey J, found that there was a wide awareness amongst Australian consumers of the use by Cadbury of a dark purple colour in connection with the marketing, packaging and presentation of certain chocolate products particularly Cadbury Dairy Milk and other block milk chocolate products, and as a corporate colour. Cadbury's use of purple in marketing, advertising and promotion was, and was seen by consumers to be, inextricably bound up with its name. It was also noted that Cadbury never uses the colour purple in isolation, and also markets many chocolate products which have little or no purple in their packaging.

The fact that Cadbury had not consistently enforced its alleged exclusive reputation on third parties was played upon by Darrell Lea, drew comment from the trial judge, and substantially weakened Cadbury's argument.⁴³ Other chocolate manufacturers and traders have for many years used a similar shade of purple, with Cadbury's knowledge and at times concurrence - in particular, Cadbury's main competitor Nestle with its Violet

⁴¹ *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No. 4)* [2006] FCA 446 (27 April 2006)

⁴² *Ibid*, para 1.

⁴³ *ibid*, paras 52-68. Examples of inconsistency provided at the trial included: Cadbury objective achieved after negotiation (Hunter Valley Chocolate); no further action after initial demands ignored (Alpha); backing off after demands firmly resisted (Magic Chef); Federal Court proceedings initiated (Kenman Kandy (1990), Willow Confectionary and others (1997), Ontrack (2003), and "Co-existence Agreement (Nestle (2005)).

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Crumble Bars, Polly Waffle Bars and number of its other products.⁴⁴ A number of Nestlé products were the subject of an agreement between the Cadbury UK and the Nestle Swiss parent companies, by which Cadbury agreed to allow Nestle to continue to using a purple packaging for these major lines in particular without objection.

His Honour found that Cadbury and Darrell Lea were competitors in the retail chocolate market, and each had distinct identities in the market place. Cadbury did not own the colour purple and did not have an exclusive reputation in purple in connection with chocolate. Darrell Lea was entitled to use purple, or any other colour, as long as it did not convey to the reasonable consumer the idea that it or its products have some connection with Cadbury. Accordingly, Cadbury's substantive claim of passing off and contravention of TPA s.52 were dismissed.⁴⁵

In the course of the trial, Heerey J refused to admit some affidavits and expert opinion on consumer behaviour tendered on behalf of Cadbury.⁴⁶ Cadbury appealed to the Full Federal Court, which held that the evidence was wrongly refused, set aside the judgment and remitted the matter back for further hearing.⁴⁷ Subsequently Cadbury brought a motion before the same court asking that its previous order be varied, that the matter be remitted for a hearing *de novo*, and that the trial judge excuse himself on the ground of apprehended bias. The Full Court dismissed the motion.⁴⁸ On 16 August 2007, Heerey J

⁴⁴ The "Co-Existence Agreement" between Cadbury (UK) and Nestle (Switzerland) was executed by Cadbury on 9 December 2005. The recitals to the agreement acknowledge that the parties have registered and are using similar marks for chocolate and similar goods in Australia and New Zealand and that to "avoid confusion in the minds of the public and to settle the various oppositions to each other's marks which the parties have filed" the parties wish to enter into a "trade mark co-existence agreement concerning their respective uses of certain of their marks in Australia and New Zealand". Cadbury's obligations include (cl. 2.1.5) that it will "...not object to the continued use by Nestlé in Australia of the Violet Crumble, Wonka, Quality Street and Polly Waffle Get Ups in respect of the Goods in Australia"

⁴⁵ Cadbury, above n 41, para. 121 (the trial judgment).

⁴⁶ *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Ltd* [2006] FCA 363, and [2006] FCA 386 (31 March and 7 April 2006) (the evidence & affidavit rulings)

⁴⁷ *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) [2007] FCAFC 70 (21 May 2007) (the first Full Court judgment).

⁴⁸ *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 2)* [2007] FCAFC 102 (9 July 2007) (the second Full Court judgment).

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again heard the matter, gave grounds for dismissing the evidence and again dismissed Cadbury's appeal.⁴⁹

The latest state of play in the Cadbury colour purple saga has been an application by Cadbury for leave to appeal to the High Court against so much of the orders of the Full Federal Court as ordered that the matter be remitted to the trial judge for further hearing.⁵⁰ On 30 August 2007, Gleeson CJ and Hayne J dismissed the application, not being persuaded that it was in the interests of justice in this case that there be a grant of special leave to appeal. Nor were they persuaded that an appeal to the High Court would enjoy sufficient prospects of success to warrant a grant of special leave.

Notwithstanding this latest setback, the purple saga may still continue, with Cadbury still having the option of appealing against the 2006 decision of the ATMO on its mark registration application. The reflections by Kirby J during the BP special leave hearing on a possible future appearance of Cadbury in the High Court may be yet shown to be prescient.

VI CONCLUDING REMARKS

The recent litigious battles between heavyweights BP and Woolworths over the colour green, and "goliath" Cadbury and "david" Darrell Lea over the colour purple as a trade mark, highlight the strict interpretative and conservative approach taken by the ATMO and the Australian courts in respect of the registrability of a single and multiple colours as trade marks. They also establish new benchmarks in respect of the required burden of proof required of applicants to establish acceptable degrees of capacity to distinguish,

⁴⁹ *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 5)* [2007] FCA 1245 (16 August 2007) (the second trial judgement).

⁵⁰ *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] HCATrans 468 (30 August 2007).

inherent adaptability and unique association as mark as required under TMA ss.41(3), (41(5) and 41(6).

What seems clear after both the BP and Cadbury decisions is that an application for a single colour mark under s.41(3) or s.41(5) is most unlikely to be registered unless also accompanied by peculiar and particular circumstances surrounding that application and the nature of the goods and services to which it is inherently adapted. A single colour applied to the surface of goods that are normally coloured will generally be regarded as being devoid of inherent adaptation to distinguish, and the provisions of s.41(6) will need to apply. In both the BP TMA case and the Cadbury passing off case, the courts have restated the *Philmac* principles concerning the limitations on single color marks. And the ATMO have reinforced the *Philmac* principles by incorporating them in its Trade Marks Procedures Manual.

But this is not to say that the volume of single colour and composite colour applications currently before the ATMO are doomed to rejection. It has been suggested that single colour applications with the greater chance of success will those with a colour coming “out of left field” in the context of the goods or services concerned, or striking colours far removed from those colours naturally occurring or commonly produced in the manufacturing process⁵¹ - such as red tipped bananas or pink insulation batts.⁵²

However, as again illustrated by the BP and Cadbury cases, the ATMO and the courts will not resile from imposing exacting and stringent standards concerning the scope and description of the nature of the mark for which registration is sought. The BP and Cadbury cases have both shown that colour applications that are generic or broad in scope will be refused if there is any doubt in the minds of the ATMO or the courts as to

⁵¹ McCutcheon, above n 4, 33.

⁵² ATMO application No. In 2003, QLD banana grower, Fada p/l, was granted registration as a mark for the colour red for end-dipped bananas to indicate that they were bio-friendly produced. Fada has since made application for blue-tipped and green-tipped bananas, on similar grounds. One awaits purple-dipped bananas.

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their exact nature and application. It is interesting to note in this regard that, while the ATMO neither publicly supports nor insists on, the use of any specific colour identification system, compliance with a system such as Pantone for the sake of exactness is becoming more and more *de rigueur*.

And as occurred in both the Veuve Cliquot and Philmac registrations, the ATMO will not hesitate to require amendments to applications where they consider such course of action necessary as a pre-condition for approval for a mark.

What also emerges from both cases is that the courts will give close scrutiny of market surveys and expert advice, and take a somewhat jaundiced view of survey generalizations without critical substantiation, integrity and independence. Both BP and Cadbury placed significant weight on market surveys and expert opinion to reinforce their claims of acquired association with their respective products. However, in both cases the courts gave little weight to their conclusiveness for the purposes of TMA s.41(6). Heerey J initially ruled expert opinion as inadmissible; when found to have erred in law by such ruling, he nevertheless subsequently soundly discounted the opinion. Similarly, the Full Federal Court was critical of the BP market survey on the colour green, finding that it tested consumer recognition of a trade mark other than that sought by BP, as the stimulus used as a survey did not include other colours than green.⁵³

The position of the ATMO and the courts is in essence unchanged - that a single colour applied to the goods or packaging of the goods will in almost all cases have a very low level of inherent adaptation to distinguish. Accordingly, there is a heavy onus on the applicant to show that the colour uniquely distinguishes the applicant's goods or services.

⁵³ *Woolworths v BP* [2006] FCAFC 132, 115. See also Thompson C, & Ladas B, "How Green is My Trade Mark?: *Woolworths v BP*", *European Intellectual Property Review*, 2007, 29(1), 29-35

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