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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91212477
Party	Defendant GFA Brands, Inc.
Correspondence Address	JOHANNA M WILBERT QUARLES & BRADY LLP 411 E WISCONSIN AVE, SUITE 2040 MILWAUKEE, WI 53202-4497 UNITED STATES tm-dept@quarles.com, johanna.wilbert@quarles.com, dav-id.cross@quarles.com, DRC@quarles.com, marta.levine@quarles.com, an-drea.fowler@quarles.com
Submission	Brief on Merits for Defendant
Filer's Name	Matthew T. Ingersoll
Filer's e-mail	matthew.ingersoll@quarles.com
Signature	/MTI/
Date	02/26/2015
Attachments	Applicant GFA's Trial Brief.pdf(1681292 bytes) Appendix A - Applicant's Evidence of Record.pdf(127394 bytes) Appendix B - Applicant's Evidentiary Objections.pdf(27326 bytes) Appendix C - Authorities that do not appear in the USPQ.pdf(4057629 bytes)

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Application Serial No. 85/751,520: EARTH BALANCE
Published for Opposition March 19, 2013

BALANCE BAR COMPANY,

Opposer,

Opposition No. 91212477

v.

GFA BRANDS, INC.,

Applicant.

APPLICANT'S TRIAL BRIEF

TABLE OF CONTENTS

Page No.

INTRODUCTION 1

DESCRIPTION OF THE RECORD 2

I. Testimonial Deposition Transcripts 2

II. Stipulated Evidence 3

III. GFA Brands' Notice of Reliance 5

IV. Opposer's Notices of Reliance 7

V. Application Files and Pleadings 8

OBJECTIONS TO OPPOSER'S EVIDENCE 8

STATEMENT OF THE ISSUES 8

RECITATION OF FACTS 8

I. GFA Brands has Used the EARTH BALANCE Marks Since 1998 8

II. No Actual Confusion Despite same Channels of Trade and Advertising Methods as Balance Bar 10

III. GFA Brands' Survey Evidence Proves No Likelihood of Confusion 12

IV. GFA Brands Uses SMART BALANCE Marks With No Confusion 12

V. Balance is Widely Used in Third Party Trademarks Without Confusion 14

ARGUMENT 20

I. GFA Brands Is Entitled to Register the EARTH BALANCE Mark Because There Is No Likelihood of Confusion 20

A. Balance Bar has not met its burden under the DuPont factors 20

B. Factor 1: The marks are dissimilar 21

1. The marks must be viewed in their entireties 22

2. "EARTH" is transformative and the dominant portion of Applicant's EARTH BALANCE mark 24

3. BALANCE is a weak mark 25

(a) Balance is highly suggestive or descriptive of Balance Bar's goods 25

(b) The Third Party Registrations Containing "BALANCE" Are Probative of the Weakness of "BALANCE." 26

4. The marks create distinct commercial impressions 28

5. The marks' dissimilarities make confusion unlikely 30

C. Factor 6: Extensive third party use has weakened the BALANCE mark 30

D. Factors 7 and 8: There is no evidence of actual confusion 33

E. Factor 13: The parties' previous discussions regarding the use of BALANCE are irrelevant; and GFA's prior enforcement strategy is not an admission that confusion is likely, and regardless, it is inapposite today 35

1. The parties' prior dealings over use of BALANCE are irrelevant .....

2. GFA Brands' prior enforcement strategy is not an admission 36

2. GFA Brands' past enforcement strategy is irrelevant for purposes of a likelihood of confusion analysis today 37

II. The Philip Johnson Survey Is Proof of No Likelihood of Confusion 39

A. The Philip Johnson Eveready Format Survey 39

B. Jacoby's and Balance Bar's Principal Criticism 41

C. Awareness of the Balance Bar Mark Among the Relevant Consuming Public 42

D. The Eveready Survey Has Been the Industry Standard for Over 35 Years 43

E. Jacoby's Critique is Not Supported by Case Law and Lacks Empirical Foundation 44

F. Jacoby's Opinion Based on the Swann Article Ignores that the Goal of a Survey is to Reflect Market Realities 47

G. Jacoby's and Balance Bar Company's other criticisms of the Johnson Survey have no Merit 49

CONCLUSION 50

TABLE OF AUTHORITIES

Page No.

Cases

Akiro LLC v. House of Cheatham,
946 F. Supp. 2d 324 (S.D.N.Y. 2013)..... 45

Carl Karcher Enters., Inc. v. Stars Rests. Corp.,
35 U.S.P.Q.2d (BNA) 1125 (T.T.A.B. 1995) 44, 49

Champagne Louis Roederer, S.A. v. Delicato Vineyards,
148 F.3d 1373, 47 U.S.P.Q. 2d (BNA) 1459 (Fed. Cir. 1998) 22, 23

Clinique Labs., LLC v. Absolute Dental, LLC,
No. 91181263, 2011 WL 1652171 (T.T.A.B. 2011) (unpublished, non-precedential) 49

Domino's Pizza Inc. v. Little Caesar Enters., Inc.,
7 U.S.P.Q.2d (BNA) 1359 (T.T.A.B. 1988) 37

E&J Gallo Winery v. Proximo Spirits,
103 U.S.P.Q. 2d (BNA) 1640 (E.D. Cal. 2012)..... 43, 46

E&J Gallo Winery v. Proximo Spirits, Inc.,
2011 WL5922090 (E.D. Cal. Nov. 28, 2011)..... 46, 47

Frank Mint Corp. v. Master Mfg. Co.,
667 F.2d 1005, 212 U.S.P.Q. (BNA) 233 (Fed. Cir. 1981) 22

Fruit of the Loom, Inc. v. Fruit of the Earth, Inc.,
3 U.S.P.Q.2d (BNA) 1531 (T.T.A.B. 1987) 25

Full Speed Ahead, Inc. v. SRAM Corp.,
No. 91171889, 2008 WL 5256412 (T.T.A.B. Dec. 10, 2008) (unpublished, non-precedential)..... 31

G.H. Mumm & Cie v. Desnoes & Geddes, Ltd.,
16 U.S.P.Q.2d (BNA) 1635 (Fed. Cir. 1990) 33

General Mills, Inc. v. Kellogg Co.,
824 F.2d 622, 3 U.S.P.Q. 2d (BNA) 1442 (8th Cir. 1987) 22, 30

In re Bed & Breakfast Registry,
791 F.2d 157, 229 U.S.P.Q. (BNA) 818 (Fed. Cir. 1989) 23

In re Carefirst of Md., Inc. Firsthealth of the Carolinas, Inc.,
77 U.S.P.Q.2d (BNA) 1492, 2005 WL 2451671 (T.T.A.B. 2005) 22, 23

In re E.I. DuPont De Nemours & Co.,
476 F.2d 1357, 177 U.S.P.Q. (BNA) 563 (C.C.P.A. 1973) ..... passim

In re Hair Masters Serv., Inc.,
907 F.2d 157, 17 U.S.P.Q.2d (BNA) 1335 (Fed. Cir. 1990) 37

In re Hunke & Jochheim,
185 U.S.P.Q. (BNA) 188 (T.T.A.B. 1975) 25, 28

Interstate Brands Corp. v. Celestial Seasonings, Inc.,
576 F.2d 926, 198 U.S.P.Q. (BNA) 151 (C.C.P.A. 1978) 21, 37

Kargo Global, Inc. v. Advance Magazine Publishers, Inc.,
2007 WL2258688 (S.D.N.Y. Aug. 6, 2007) 49

King Candy Co. v. Eunice King's Kitchen, Inc.,
182 U.S.P.Q. (BNA) 108 (C.C.P.A. 1974) 33

Knight Textile Corp. v. Jones Inv. Co.,
75 U.S.P.Q.2d (BNA) 1313 (T.T.A.B. 2005) ..... passim

Miles Labs. Inc. v. Naturally Vitamin Supplements, Inc.,
1 U.S.P.Q.2d (BNA) 1445 (T.T.A.B. 1986) 44

Mr. Hero Sandwich Sys., Inc. v. Roman Meal Co.,
781 F.2d 884, 228 U.S.P.Q. (BNA) 364 (Fed. Cir. 1986) 33

Nat'l Distillers Prods. Co., LLC v. Refreshment Brands, Inc.,
198 F. Supp. 2d 474 (S.D.N.Y. 2002) 48

Nat'l Football League Props., Inc. v. Pro Style, Inc.,
16 F. Supp. 2d 1012 (E.D. Wis. 1998) 49

Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772,
396 F.3d 1369, 73 U.S.P.Q.2d (BNA) 1689 (Fed. Cir. 2005) ..... passim

Reliance Standard Life Ins. Co. v. Am. Nat'l Ins. Co.,
No. 91178996, 2012 WL 1881493 (T.T.A.B. Apr. 30, 2012) (unpublished, non-precedential) 22, 24

Rocket Trademarks Pty Ltd. v. Phard S.p.A.,
98 U.S.P.Q.2d (BNA) 1066 (T.T.A.B. 2011) 23

Shen Mfg. Co. v. Ritz Hotel Ltd.,
393 F.3d 1238, 73 U.S.P.Q. 2d (BNA) 1350 (Fed. Cir. 2004) 24

Starbucks U.S. Brands LLC v. Ruben,
78 U.S.P.Q.2d (BNA) 1741, (T.T.A.B. 2006) 44

Syndicat Des Proprietaires Viticulteurs De Chateauneuf-Du-Pape v. Pasquier Desvignes,
No. 91179408, 2013 WL 5407284 (June 14, 2013) (unpublished, non-precedential) 31

Tektronix, Inc. v. Daktronics, Inc.,
534 F.2d 915, 189 U.S.P.Q. (BNA) 693 (C.C.P.A. 1976) 31

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531 F.2d 366, 188 U.S.P.Q. (BNA) 623 (7th Cir. 1976) 40

West Fla. Seafood v. Jet Rests. Inc.,
31 F.3d 1122, 31 U.S.P.Q. 2d (BNA) 1660 (Fed. Cir. 1994) 20

Witco Chem. Co. v. Whitefield Chem. Co.,
418 F.2d 1403, 164 U.S.P.Q. (BNA) 43 (C.C.P.A. 1969) 21

Zillow, Inc. v. Super T Fin. DBA Loanzilla,
No. 91203730, 2014 WL 3752422 (T.T.A.B. Jul. 22, 2014) (unpublished, non-precedential) 31

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4 J. Marshall Rev. Intell. Prop. L. 91, 105 (2005) 43

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THE COMPACT OXFORD ENGLISH DICTIONARY
894 (2d ed. 1991) 27

Treatises

2 J. Thomas McCarthy, Trademarks and Unfair Competition,
§ 11:90 (4th ed.) 26

6 J. Thomas McCarthy, Trademarks and Unfair Competition,
§ 32:173.50 (4th ed.) 45, 46

6 J. Thomas McCarthy, Trademarks and Unfair Competition,
§ 32:174 (4th ed.) 43

INTRODUCTION

Applicant, GFA Brands, Inc. ("GFA Brands"), seeks to register its EARTH BALANCE mark for use in connection with a variety of items including "nut and seed-based snack bars." Balance Bar opposes this registration based on an alleged likelihood of confusion. The DuPont factors, including real world market realities, belie Balance Bar's concerns regarding confusion and support the allowance of the EARTH BALANCE application for use of EARTH BALANCE on nut and seed-based snack bars. EARTH BALANCE and BALANCE BAR products have co-existed in the market with no evidence of any instances of actual confusion since 1998. Since this first use of the EARTH BALANCE trademark, GFA Brands has expanded both its EARTH BALANCE and SMART BALANCE product lines to include a wide range of nationally distributed products, including a variety of snack foods. Despite seventeen years of market co-existence, Balance Bar has failed to develop any evidence of actual confusion between any EARTH BALANCE or SMART BALANCE product and any Balance Bar product.

The record establishes that the lack of actual confusion is attributable to the visual and phonetic differences between EARTH BALANCE and Balance Bar's BALANCE, BALANCE BAR, BALANCE GOLD, BALANCE BAR GOLD, BALANCE BARE, and BALANCE PURE marks (the "Balance Bar Marks"). GFA Brands' EARTH BALANCE mark starts with the word "EARTH" while all of the Balance Bar Marks start with the word "BALANCE." This difference is significant, because the grocery and health stores where the products are sold already stock many products that use the word "balance" in their marks. GFA Brands' own SMART BALANCE product line is one example of other "balance" marks sold in the same stores as Balance Bar's products. The extensive use of "balance" has conditioned customers to distinguish between, and therefore notice, obvious differences between trademarks containing

the term "balance." As a result, the visual and phonetic differences between SMART BALANCE and BALANCE BAR (or any of the other Balance Bar Marks) make confusion unlikely.

The lack of a likelihood of confusion has been confirmed by GFA Brands' survey expert, Mr. Philip Johnson, who conducted a survey and concluded that there is not a likelihood of confusion. As Balance Bar's own expert explained, Johnson is an accomplished survey expert, and he used the standard Eveready format for his survey. It follows that Balance Bar's opposition should be dismissed, and GFA Brands should be allowed to expand its EARTH BALANCE mark to nut and seed-based snack bars as well as the other goods in the pending application.

DESCRIPTION OF THE RECORD

The evidence of record consists of the following:[1]

I. TESTIMONIAL DEPOSITION TRANSCRIPTS

The certified transcripts of the testimonial depositions of the following witnesses:[2]

1) Patrick Cornacchiulo, Vice-President of Marketing of NBTY, taken on July 30, 2014, and filed with the Board on January 29, 2015 (including public and confidential portions), including Opposer's Exhibits 50–51 and Applicant's Exhibits 1–10;
2) Erin Lifeso, Senior Director of Marketing for Balance Bar of NBTY, taken on July 30, 2014, and filed with the Board on January 29, 2015 (including public and confidential portions), including Opposer's Exhibits 52–73 and Applicant's Exhibits 11–12;

[1] A detailed index of the evidence made of record by GFA Brands is attached as Appendix A.
[2] References to deposition testimony will be designated as, for example "'477 _____ Tr. at ___, Ex. __."

3) Howard Seiferas, Senior Vice President, Sales Services and Logistics of GFA Brands, taken on September 19, 2014, and filed with the Board on January 23, 2015, including Applicant's Exhibits 13–15; and

4) Adriane Little, Category Manager Earth Balance of Boulder Brands, taken on October 15, 2014, and filed with the Board on January 23, 2015 (including public and confidential portions), including Applicant's Exhibits 16–49.

II. STIPULATED EVIDENCE

On August 14, 2014, the Board granted a Stipulation for Introducing Evidence at Trial, filed by the parties on August 6, 2014, which introduced the following testimony from a previous opposition proceeding captioned Balance Bar Company v. GFA Brands, Inc., Nos. 91196954 and 91197748, of the following witnesses:[3]

1) The trial testimony examination of Patrick Cornacchiulo, Vice-President of Marketing of NBTY, taken May 1, 2014, and filed with the Board on January 29, 2015 (including public and confidential portions), including Opposer's Exhibits 33–49;

2) Erin Lifeso, Senior Director of Marketing for Balance Bar of NBTY, taken on April 30, 2014, and filed with the Board on January 29, 2015 (including public and confidential portions), including Opposer's Exhibits 1–32 and Applicant's Exhibits 1–3;

3) William E. Hooper, Senior Advisor to the Marketing Groups and Board Member of GFA Brands, taken on July 15, 2014, and filed with the Board on October 20, 2014 (including public and confidential portions), including Applicant's Exhibits 4–24; and

[3] References to previous trial testimony will be designated as, for example "'954 _____ Tr. at __, Ex. __."

4) Timothy Kraft, Senior Vice-President, Associate General Counsel at GFA Brands, taken on July 23, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits 41–44.

On October 17, 2014, the parties filed Joint Stipulation Regarding Testimony Evidence, which introduced the following testimony by affidavit in lieu of live deposition, for the following witnesses:[4]

1) William Shanks, Investigations Manager and Designated Lead Investigator at Marksmen, Inc., dated October 13, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits A–J;
2) Kiersten Van Horne, Licensed Private Investigator at Marksmen, Inc., dated October 14, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibit A;
3) Marie Flemmings, Licensed Private Investigator at Marksmen, Inc., dated October 20, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits A–B;
4) Chris Rodermond, Licensed Private Investigator at Marksmen, Inc., dated October 17, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits A–E;
5) Philip Johnson, formerly Chief Executive Officer of Leo J. Shapiro & Associates and GFA Brands' survey expert, dated October 17, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits 1–2; and
6) Jacob Jacoby, Merchants Council Professor of Consumer Behavior and Retail Management, of Stern School of Business, New York University and Balance Bar's rebuttal survey expert, dated December 2, 2014, and filed with the Board on December 3, 2014, including Opposer's Exhibits 1–2.

[4] References to Testimony by Affidavit will be designated as, for example "_____ Aff. at __, Ex. __."

III. GFA BRANDS' NOTICE OF RELIANCE

GFA Brands' Notices of Reliance ("NOR"), filed October 20, 2014, including the exhibits submitted therewith, which introduced the following:[5]

1) USPTO records for Applicant's SMART BALANCE and EARTH BALANCE registrations (U.S. Reg. Nos. 2,200,663, 2,237,867, 2,276,285, 2,952,127, 2,958,216, 3,649,833, 3,708,400, 3,747,526, 3,865,917, 3,958,463, 3,967,828, 4,029,021, 4,029,650, 4,112,473 and 4,203,379);
2) Packaging for third party products, including Nestle Nutrition BOOST "Balanced Nutritional Drink™," Triple Leaf Tea SUGAR BALANCE herbal dietary supplement, Enzymatic Therapy ESTROBALANCE dietary supplement, Nature's Plus MEGA B-100 BALANCED B-COMPLEX dietary supplement, and "bring balance to your body™" Tropical Soother Lozenges-Dietary Supplement, Whole Foods B DAILY ESSENTIALS BALANCED B-COMPLEX dietary supplement, Woodstock Herbal Products BP BALANCE FORMULA dietary supplement, MegaFood BALANCED B COMPLEX whole food multivitamin dietary supplement, CVS/pharmacy BALANCED B-50 dietary supplement, Nature Made BALANCED B-100 COMPLEX dietary supplement, Abbott ENSURE "COMPLETE, BALANCED NUTRITION" nutrition shake, Old Orchard HEALTHY BALANCE juice cocktail blend, Lowes Foods B-COMPLEX 50 BALANCED B-COMPLEX dietary supplement, Gruma Corporation MISSION CARB BALANCE whole wheat tortillas, PharmAssure BALANCED B COMPLEX dietary supplement, General Mills FIBER ONE MEAL BAR "balanced nutrition for a healthy lifestyle™," SIMPLY BALANCED peach slices freeze dried fruit, SIMPLY

[5] Notices of Reliance and accompanying exhibits filed during GFA Brands' testimony period are designated "GFA __ NOR, Ex. __."

BALANCED whole grain popcorn, SIMPLY BALANCED vanilla bean granola, SIMPLY BALANCED fruit strips, SIMPLY BALANCED nut & seed bars, SIMPLY BALANCED organic white grape juice, SIMPLY BALANCED essence water coconut pineapple, PROBALANCE™ Protein Shot XL dietary supplement;

3) Printouts of websites showing third parties use: Amazon.com, Inc., Swanson Health Products, Vitacost.com, Hi-Health Supplement Corporation, Wal-Mart Stores, Inc., Doctor Wilson's Original Formulation, LuckyVitamin.com, Sears Brands, LLC, OVitaminPro.com, Windhawk, LLC, My Natural Market, Youngevity, Wegmans Food Markets, Futurebiotics, LLC, and Target Brands, Inc.;

4) Printouts from Amazon.com and Barnesandnoble.com for third party cookbooks and other books using the term "Balance;"

5) USPTO records for various third party registrations (U.S. Reg. Nos. 3,038,361, 3,345,420, 2,468,897, 2,507,231, 2,615,417, 2,578,776, 2,445,383, 3,403,538, 2,058,099, 2,171,979, 3,296,020, 3,574,732, 3,925,693, 3,167,953, 3,849,379, 3,833,070, 3,865,915, 4,023,084, 4,115,211, 4,175,696, 3,823,699, 4,434,063, 4,356,355, 4,090,745, 4,090,736, 3,559,685, 2,831,479, 2,840,590, 2,082,582, 1,393,763, 4,427,797, 3,904,906, 2,361,008 and 2,916,468);

6) Opposer's Objections and Responses to Applicant's First Set of Interrogatories Nos. 7–8, 12, 16–17;

7) Opposer's Objections and Responses to Applicant's Second Set of Interrogatories No. 26;

8) Excerpts from Applicant's Smart Balance and Earth Balance websites, and excerpts from the Made Just Right by Earth Balance website;

9) Trial testimony of William Hooper, taken July 15, 2014, and all exhibits annexed thereto, from the proceeding captioned Balance Bar Company GFA Brands, Inc., Nos. 91196954 and 91197748;

10) Trial testimony of Timothy Kraft, taken July 23, 2014, and all exhibits annexed thereto, from the proceeding captioned Balance Bar Company GFA Brands, Inc., Nos. 91196954 and 91197748; and

11) The discovery deposition of corporate representative of Opposer, Patrick Cornacchiulo, conducted on June 19, 2014, and all exhibits annexed thereto.

IV. OPPOSER'S NOTICES OF RELIANCE

Opposer's Notices of Reliance, filed August 19, 2014 and December 3, 2014, including the exhibits submitted therewith, which introduced the following:[6]

1) USPTO records for Opposer's registrations containing the term BALANCE (U.S. Reg. Nos. 2,636,101, 2,659,753, 2,745,850, 2,999,244, 3,036,771, 3,436,917, 3,760,265, 3,937,988, and 4,062,172);

2) Select pages from the website www.balance.com, as of May 24, 2014 as well as August 18, 2014;

3) GFA Brands, Inc.'s Responses to Opposer's First Set of Requests for Admission and accompanying exhibits;

4) GFA Brands, Inc.'s Responses to Opposer's First Set of Interrogatories Nos. 4–5, 14–17, 20 and 26;

[6] Notices of Reliance and accompanying exhibits filed during Balance Bar's testimony period are designated "BB __ NOR, Ex. __."

5) Select Docket Sheets, Notices of Opposition and Petitions for Cancellation involving Balance Bar Company;
6) Applicant's Trial Brief filed in Opposition Proceeding No. 91194974;
7) Excerpts from the discovery deposition of corporate representative of Applicant, Adriane Little, conducted on June 10, 2014, and Exhibit 2 annexed thereto; and
8) Article entitled "Likelihood of Confusion Studies and Straitened Scope of Squirt" authored by Jerre B. Swan and published in the May–June 2008 edition of The Trademark Reporter (Vol. 98, No. 3).

V. APPLICATION FILES AND PLEADINGS

Pursuant to 37 C.F.R. § 2.122(b), the files of the trademark application (U.S. Ser. No. 85/751,520) involved and the pleadings in this opposition are deemed to be of record.

OBJECTIONS TO OPPOSER'S EVIDENCE

Pursuant to Trademark Rules 2.122 and 2.123 and the Federal Rules of Evidence, attached as **Appendix B** is a brief containing GFA Brands' evidentiary objections to certain testimony and exhibits offered by Opposer, Balance Bar.

STATEMENT OF THE ISSUES

GFA Brands agrees that Balance Bar has accurately stated the issues.

RECITATION OF FACTS

I. GFA BRANDS HAS USED THE EARTH BALANCE MARKS SINCE 1998.

GFA Brands has been using the EARTH BALANCE trademark in grocery stores since 1998, when GFA Brands first launched a butter substitute that was a natural alternative to butter. ('477 Little Tr. at 7:25–8:8; 9:19–10:22.) The EARTH BALANCE mark was originally selected to communicate to consumers that products bearing the EARTH BALANCE mark were natural and organic products. (Id. at 8:9–15.) Recent consumer research has confirmed that this original

intention has been successful and today consumers differentiate the EARTH BALANCE brand as "natural, earthy, and outdoorsy." (Id. at 38:8–39:22, Ex. 34.)

Since 1998, GFA Brands has expanded the goods offered under the EARTH BALANCE trademark. Specifically, GFA Brands sells culinary spreads, peanut butter, alternative mayonnaise, soy milk, popcorn, potato chips, puffs, crackers, and mac & cheese under the EARTH BALANCE mark in addition to the butter substitutes it originally sold. (Id. at 9:6–12; 19:11–20:8; 20:24–21:11; 25:14–26:8.) In addition to its common law rights, GFA Brands has obtained several trademark registrations for EARTH BALANCE. Adriane Little, GFA Brands' Category Manager for the Earth Balance Brand, authenticated the registrations for, use of, and status of the following EARTH BALANCE trademarks:

1. EARTH BALANCE for butter substitutes, cheese, low fat and nonfat cheese substitutes, margarine substitutes, shortening, low fat and nonfat shortening, snack food dips and vegetable oils, first used on butter substitutes in 1998 (Reg. No. 2,237,867) (Id. at 10:5–12:16, Exs. 17, 18);
2. EARTH BALANCE for peanut butter, first used in 2008 (Reg. No. 3,708,400) (Id. at 12:18–13:7, Exs. 19, 20);
3. EARTH BALANCE for soy milk, first used in 2010 (Reg. No. 3,967,828) (Id. at 16:1–16, Ex. 21); and
4. EARTH BALANCE for mayonnaise and soy mayonnaise, first used in 2011 (Reg. No. 4,029,650) (Id. at 16:18–17:8, Ex. 22.)

In addition to these four registrations, GFA Brands' First Notice of Reliance included proof of GFA Brands' registration of three other EARTH BALANCE trademarks including registrations for milk, soy eggnog, and vegetable-based spreads. (GFA 1st NOR, Exs. A-12, A-14, and A-15.)

In her trial deposition, Ms. Little testified about periods of use, and authenticated product packaging, product pictures, and advertisements for the physical products that GFA Brands has sold in connection with the EARTH BALANCE trademarks. ('477 Little Tr. at 7:25–8:8; 9:19–12:16; 13:8–21; 19:15–26:8, Exs. 20, 24–27.) This testimony establishes concurrent use of the

EARTH BALANCE mark and the Balance Bar Marks dating from 1998 through the present. (Id. at 7:25–8:8; 9:19–10:22.)

II. NO ACTUAL CONFUSION DESPITE SAME CHANNELS OF TRADE AND ADVERTISING METHODS AS BALANCE BAR.

GFA Brands' and Balance Bar's trademarks have coexisted in the market for over fifteen years while using the same advertising methods and promotional channels without any evidence of actual confusion. In fact, GFA Brands and Balance Bar have been using the trademarks at issue to sell products in the very same stores. GFA Brands sells its EARTH BALANCE products nationally through three major classes of trade: conventional grocery stores, natural grocery stores, and mass merchants such as Wal-Mart. ('477 Little Tr. at 32:1–13.) More specifically, GFA Brands currently sells and has historically sold its EARTH BALANCE products in stores such as Trader Joe's, Wal-Mart, Kroger, and Publix. (Id. at 35:11–25, Ex. 32.) GFA Brands also sells products bearing the EARTH BALANCE trademark to distributors who then sell to grocery stores. Specifically, GFA Brands sells to distributors including UNFI, which distributes to Whole Foods, Nature's Best, which distributes to Sprouts, and KeHE, which distributes to natural and conventional stores that have natural products sets. (Id. at 34:5–35:15, Ex. 32.)

Balance Bar sells to the very same stores to whom GFA Brands sells. Confidential testimony from Balance Bar's witnesses as well as a comparison of the customer lists from the two parties confirms that there is significant overlap. ('477 Lifeso at 26:2–27:23, Exs. 66–67; '477 Cornacchiulo Tr. at 13:22–14:9; '477 Little Tr. at 34:5–35:15, Ex. 32; GFA 6th NOR, Ex. F-2 at 3–4.) In fact, Balance Bar's own trial brief states, "both Balance Bar and Applicant sell products through many of the same retail outlets." (BB Br. at 10.) Given that Balance Bar was

founded and began using its mark in 1992, the EARTH BALANCE mark and the BALANCE BAR Marks have co-existed in the same stores for over fifteen years.

Similarly, GFA Brands and Balance Bar have historically used similar advertising and promotional tools to reach consumers. Specifically, GFA Brands uses print media, coupons, websites, social media, Facebook, and product demonstrations to reach its customers. Through Ms. Little's trial testimony deposition, GFA Brands introduces examples of its print ads, coupons, websites, and provided details about its social media presence. ('477 Little Tr. at 51:1–70:24, Exs. 38–40, 42–47.) Confidential testimony from Ms. Little establishes that GFA Brands spent millions advertising the EARTH BALANCE brand. (Id. at 57:4–62:1, Ex. 41.)

GFA Brands' marketing expenditures have been well received in the market. Confidential testimony and exhibits establish that GFA Brands has experienced both increased customer awareness of the EARTH BALANCE brand and a substantial growth in revenues. (Id. at 42:16–44:19, Exs. 33, 35, 36.) Specifically, revenues associated with the EARTH BALANCE brand have shown a 27 percent average annual growth rate from 2006 through 2013. (Id. at 36:2–37:16, Ex. 33.)

Balance Bar's discovery responses confirm that Balance Bar uses many of the identical advertising methods. (GFA 6th NOR, Ex. F-1 at 6–7 (Interrog. Resp. No. 7.) Balance Bar's testimony and exhibits also establish, that like GFA Brands, Balance Bar has also spent millions advertising its Balance Bar Marks. ('954 Lifeso at 128:4–137:9, Exs. 28–29; '477 Lifeso Tr. at 28:6–33:10, Exs. 68–70.) Thus, both parties have for multiple years expended significant money and time to advertise their respective brands using the same marketing channels.

Despite coexisting in the same stores for over fifteen years and using the same advertising and promotional methods, there is no evidence of actual confusion between the

marks. Both of Balance Bar's witnesses testified that they were not aware of any reported instances of actual confusion between GFA Brands' EARTH BALANCE marks and any of the Balance Bar Marks. ('477 Cornacchiulo Tr. at 41:9–13; '477 Lifeso Tr. at 57:14–18.) Likewise, GFA Brands' witnesses were also unaware of any instances of actual confusion between EARTH BALANCE and any of the Balance Bar Marks. ('477 Little Tr. at 71:18–72:11; 73:18–74:6; '954 Kraft Tr., GFA 8th NOR, Ex. H-2 at 17:2–9; '954 Hooper, GFA 8th NOR, Ex. H-1, at 21:21–22:7.)

III. GFA BRANDS' SURVEY EVIDENCE PROVES NO LIKELIHOOD OF CONFUSION.

Philip Johnson, an accomplished survey expert with four decades of experience, conducted a survey showing that only 4% of respondents would be confused by the use of EARTH BALANCE on all natural snack bars and BALANCE BAR or any of its brands. (Johnson Aff., Ex. 1 at 17.) Based on the results of his research, Mr. Johnson concluded that, "when current and prospective purchasers of all natural snack bars are exposed to the Earth Balance word mark in connection with all natural snack bars, there is no likelihood of confusion that these consumers will falsely believe this snack bar comes from or is related to Balance Bar." (Id. at 18.) Although Balance Bar has the burden of proving a likelihood of confusion, and has retained a survey expert, it has not conducted any survey research to support its allegations. Its expert has expressed no opinion about any alleged likelihood of confusion.

IV. GFA BRANDS USES SMART BALANCE MARKS WITH NO CONFUSION.

Confusion between EARTH BALANCE and the Balance Bar Marks is unlikely because consumers have successfully distinguished between the EARTH BALANCE and SMART BALANCE brands, used on the same goods for the past seventeen years. In 1996, GFA Brands began using the SMART BALANCE trademark in its line of butter substitutes. ('954 Hooper

Tr., GFA 8th NOR, Ex. H-1 at 9:12–20.) The testimony deposition of William Hooper, GFA Brands' Senior Advisor and Board of Directors, emeritus, from Oppositions 91196954 and 91197748, was submitted pursuant to an August 6, 2014 stipulation of the parties. This testimony establishes GFA Brands' extensive use in commerce of the SMART BALANCE brand. Specifically, GFA Brands' owns multiple registrations for SMART BALANCE for use in connection with products including butter substitutes (Reg. No. 2,200,663), mayonnaise (Reg. No. 2,276,285), popped and processed popcorn (Reg. No. 2,952,127), peanut butter (Reg. No. 3,649,833), eggs (Reg. No. 3,747,526), milk (Reg. No. 3,865,917), and olive oil (Reg. No. 3,958,463). (GFA 1st NOR, Exs. A-1, A-3, A-4, A-6, A-8–A-10.)

Through Mr. Hooper's testimony and the exhibits marked during his testimony, GFA Brands introduced evidence regarding the extent of its use in commerce of the SMART BALANCE mark, which has been an extremely successful product line for GFA Brands. GFA Brands introduced confidential information regarding GFA Brands' sales of SMART BALANCE products in Confidential Exhibit 14 and the related testimony. ('954 Hooper Tr., GFA 8th NOR, Ex. H-1 at 26:1–27:11, Ex. 14.) As an example, [redacted]. (Id. at 27:4–6, Ex. 14.)

GFA Brands introduced confidential data regarding GFA Brands' advertising expenses during Mr. Hooper's deposition. This information can be found in Confidential Exhibits 15 and 16 and the confidential testimony related thereto. (Id. at 29:17–35:23, Exs. 15, 16.) [redacted]. (Id. at 33:25–35:7, Ex. 16.)

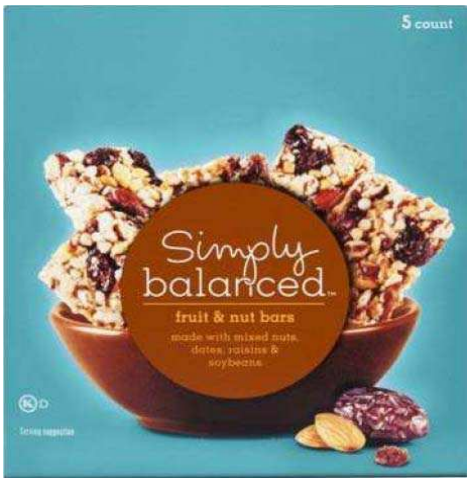
GFA Brands introduced confidential information regarding GFA Brands' consumer tracking and brand strength during Mr. Hooper's deposition. This information can be found in Hooper Confidential Exhibits 23 and 24 and the related testimony. (Id. at 46:6–53:8, Exs. 23, 24.) Tracking data establishes that in 2012 SMART BALANCE had a 73% total brand awareness for its butter products. (Id. at 46:6–48:14, Ex. 23.) Since then, consumer awareness of the SMART BALANCE brand has increased to approximately 76%. (Id. at 47:21–48:5.)

Despite such high consumer awareness of the SMART BALANCE brand and, GFA Brands' use of SMART BALANCE and EARTH BALANCE on identical goods such as buttery spreads, peanut butter, and popcorn, GFA Brands has not experienced any customer confusion between its SMART BALANCE and EARTH BALANCE brands. ('477 Little Tr. at 41:13–42:14.) In fact, the opposite has occurred. Consumer research establishes that the EARTH BALANCE brand "is highly differentiated from Smart Balance despite sharing the category base of spread." (Id. at Little Tr. at 41:1–41:17, Ex. 34 at 7; '954 Kraft Tr., GFA 8th NOR, Ex. H-2 at 18:5–19:1.) Such research combined with the lack of confusion between SMART BALANCE and EARTH BALANCE indicates that consumers can and do successfully differentiate from products bearing the term "Balance" in their name. This is further confirmed by Balance Bar's own witnesses' testimony that Balance Bar is not aware of any instances of confusion between the SMART BALANCE marks and its Balance Bar Marks. ('477 Cornacchiulo Tr. at 41:14–18; '477 Lifeso Tr. at 57:19–24.)

V. BALANCE IS WIDELY USED IN THIRD PARTY TRADEMARKS WITHOUT CONFUSION.

In addition to GFA Brands' extensive use of both the EARTH BALANCE and SMART BALANCE marks, third party use of the term "Balance" on product packaging is common in connection with the goods in dispute, namely snack foods, meal replacement products, and

nutritional products. For example, Target uses the SIMPLY BALANCED trademark in connection with nut & seed based bars as well as other snack bars. Below are pictures of the SIMPLY BALANCED product packaging:



(GFA 2d NOR, Ex. B-21; '954 Kraft Tr., GFA 8th NOR, Ex. H-2 at 9:13–11:8, Ex. 41; GFA 3d NOR, Ex. C-28.)

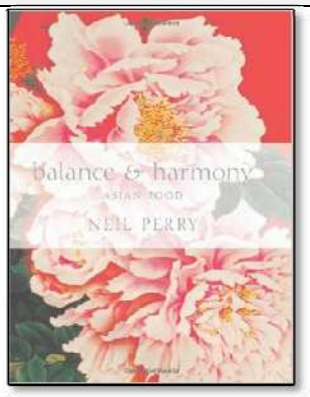
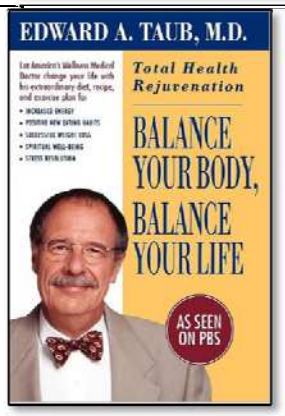
Use of the SIMPLY BALANCED trademark in commerce has been confirmed by multiple witnesses. For example, private investigator Chris Rodermond purchased nut and seed bars bearing the SIMPLY BALANCED mark on May 27, 2014, from a Target located in Raleigh, North Carolina. (Rodermond Aff. at ¶¶ 18–21, Ex. D.) Private investigator Marie Flemmings purchased SIMPLY BALANCED nut and seed bars as well as SIMPLY BALANCED cherry almond Greek yogurt granola bars on May 27, 2014 from a Target located in Glendale, California. (Flemmings Aff. at ¶¶ 9–12, Ex. B.) Likewise, Ms. Little testified that she personally saw the SIMPLY BALANCED nut & seed based bars in a Target located in Denver during the first quarter of 2014. ('477 Little Tr. at 76:5–76:14; 90:17–91:2, Ex. 49.) Mr. Kraft testified about how GFA Brands' legal department has been monitoring of the SIMPLY BALANCE mark and discussed its progression from a secondary mark to a primary mark. ('954 Kraft Tr., GFA 8th NOR, Ex. H-2 at 9:13–11:8.) Balance Bar itself confirmed awareness of the

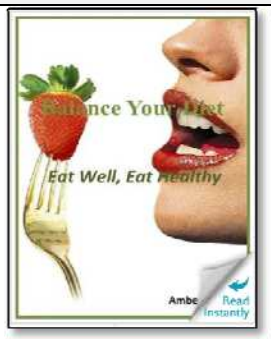
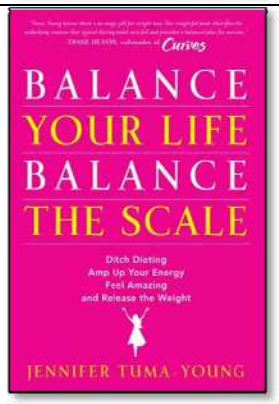
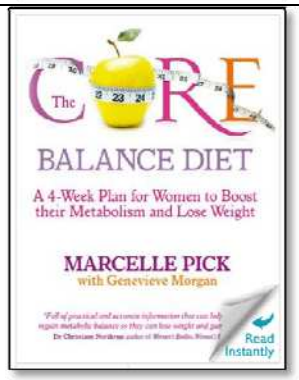
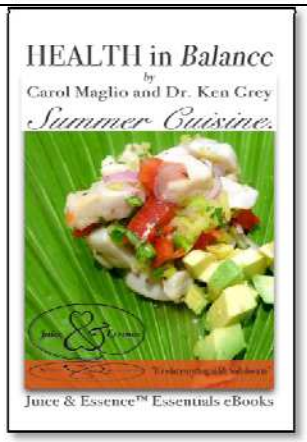
SIMPLY BALANCED mark in interrogatory responses dated March 21, 2014. (GFA 6th NOR, Ex. F-1 at 7.)

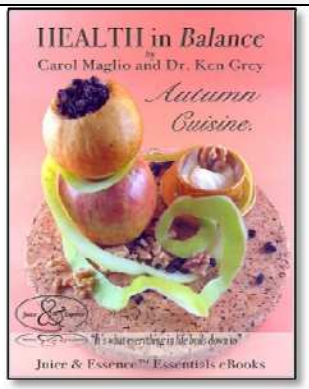
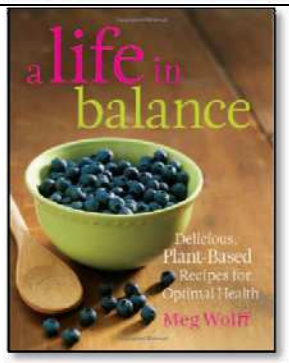
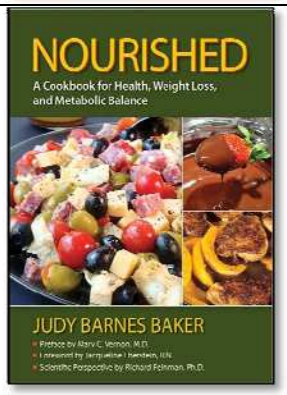
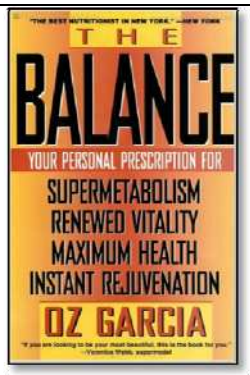
Balance Bar listed numerous third party uses of BALANCE in marks with food products and nutritional supplements of which it was aware. (GFA 6th NOR, Ex. F-1 at 7.) GFA Brands has also submitted proof of additional documented examples of the use of the term "Balance" in connection with related products through multiple mechanisms. GFA Brands introduced testimony through affidavits of four different private investigators who purchased various products containing the term "balance" in stores located throughout the county and then photographs those products. (Shanks Aff. at ¶¶ 1–76, Ex. A–J; Suskind Aff. at ¶¶ 1–21, Exs. A–C; Van Horne Aff. at ¶¶ 1–12, Ex. A; Flemmings Aff. at ¶¶ 1–13, Exs. A–B; Rodermond Aff. at ¶¶ 1–25, Exs. A–E.) The affidavits contain the dates and locations of purchases to confirm use in commerce as of that date and region. (Id.) In connection with its Second Notice of Reliance, GFA Brands submitted 24 different product packages that contain the term "Balance." (GFA 2d NOR.) GFA Brands also submitted 29 different websites offering products for sale that use the term "Balance" as well as 34 USPTO records for various third party registrations. (GFA 3d NOR; GFA 5th NOR.) Of the 34 registrations submitted, GFA Brands has submitted evidence confirming that 20 of the registered trademarks were used in commerce. This use was confirmed through locating websites selling the product, purchasing and submitting product packaging bearing the registered trademark, or through the affidavit testimony of GFA Brands' private investigators. For example, GFA Brands' submitted Registration Number 3,849,379 for HEALTHY BALANCE as Exhibit E-15 attached to GFA's 5th NOR, submitted the product package as Exhibit B-12 to GFA's 2nd NOR, submitted a website selling HEALTHY BALANCE branded product as Exhibit C-26 to GFA's 3rd NOR, and submitted private

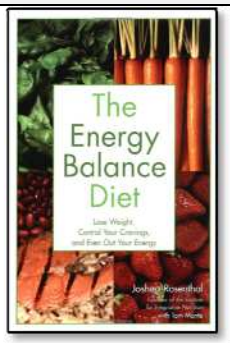
investigative purchases of HEALTHY BALANCE products through the Shanks and Rodermond Affidavits. (Shanks Aff. at ¶¶ 57–60, Ex. H; Rodermond Aff. at ¶¶ 6–9, Ex. A.)

In addition to use on food products, consumers are accustomed to seeing the term "Balance" in connection with diet and health publications. Authors and publishers extensively use the term "Balance" to convey a good-for-you message in cookbook titles. The table below includes eleven examples of cookbooks and health books that use the word "Balance" in their title and were recently offered for sale. The website that offered the book for sale is also included in the table followed by the date the website was accessed and printed. GFA Brands submitted the documents supporting this chart in its Fourth Notice of Reliance.

Cover	**Book Title, Website where sold, date of offer**
	Neil Perry, *Balance and Harmony: Asian Food*, 2008, http://www.amazon.com/Balance-Harmony-Neil-Perry/dp/1740459083/ref=sr_1_7?s=boo (accessed and printed on October 9, 2014) (GFA 4th NOR at 2 and Ex. D-1)
	Edward A. Taub, M.D., Balance Your Body, Balance Your Life, 2000, http://www.barnesandnoble.com/w/balance-your-body-balance-your-life-edward-a-taub/1004150257?ean=9780743412599 (accessed and printed on October 9, 2014) (GFA 4th NOR at 2 and Ex. D-2)

Cover	Book Title, Website where sold, date of offer
	Amber Walker, Balance Your Diet: Eat Well, Eat Healthy, 2012, http://www.barnesandnoble.com/w/balance-your-diet-amber-walker/1112936809?ean=978 (accessed and printed on October 9, 2014) (GFA 4th NOR at 2 and Ex. D-3)
	Jennifer Tuma-Young, Balance Your Life, Balance the Scale: Ditch Dieting, Amp Up Your Energy, Feel Amazing, and Release the Weight, 2012, http://www.barnesandnoble.com/w/balance-your-life-balance-the-scale-jennifer-tuma-young/1112037995?ean=9780062117007 (accessed and printed on October 9, 2014) (GFA 4th NOR at 2 and Ex. D-4)
	Marcelle Pick, The Core Balance Diet, 2011, http://www.barnesandnoble.com/w/core-balance-diet-marcelle-pick/1100318587?ean=978 (accessed and printed on October 10, 2014) (GFA 4th NOR at 2 and Ex. D-5)
	Carol Maglio and Dr. Ken Grey, HEALTH in Balance Summer Cuisine, 2012, http://www.amazon.com/HEALTH-Balance-Summer-Cuisine-ebook/dp/B00876CM0K/ref (accessed and printed on October 10, 2014) (GFA 4th NOR at 2 and Ex. D-6)

Cover	Book Title, Website where sold, date of offer
	Carol Maglio and Dr. Ken Grey, HEALTH in Balance Autumn Cuisine, 2012, http://www.barnesandnoble.com/w/health-in-balance-autumn-cuisine-carol-maglio/1112713510?ean=2940015056518 (accessed and printed on October 10, 2014) (GFA 4th NOR at 2 and Ex. D-7)
	Meg Wolff, A Life in Balance: Delicious Plant-based Recipes for Optimal Health, 2010, http://www.amazon.com/Life-Balance-Delicious-Plant-based-Recipes/dp/0892729066/ref= (accessed and printed on October 10, 2014) (GFA 4th NOR at 2 and Ex. D-8)
	Judy Barnes Baker, Nourished; A Cookbook for Health, Weight Loss, and Metabolic Balance, 2012, http://www.barnesandnoble.com/w/nourished-a-cookbook-for-health-weight-loss-and-metabolic-balance-judy-barnes-baker/1110271351?ean=2940014528054 (accessed and printed on October 10, 2014) (GFA 4th NOR at 2 and Ex. D-9)
	Oz Garcia, The Balance, 2000, http://www.barnesandnoble.com/w/the-balance-oz-garcia/1111674937?ean=9780061914 4 (accessed and printed on October 10, 2014) (GFA 4th NOR at 2 and Ex. D-10)

Cover	Book Title, Website where sold, date of offer
	Tom Monte and Joshua Rosenthal, The Energy Balance Diet: Lose Weight, Control Your Cravings and Even Out Your Energy, 2005, http://www.amazon.com/Energy-Balance-Diet-Control-Cravings/dp/0028643585/ref=sr_1 (accessed and printed on October 10, 2014) (GFA 4th NOR at 2 and Ex. D-11)
	Lorraine Allard and Judy Hamza, The Perfect Balance, 2000, http://www.amazon.com/Perfect-Balance-Lorraine-Allard/dp/0968721907/ref=sr_1_39?s= (accessed and printed on October 10, 2014) (GFA 4th NOR at 3 and Ex. D-12)

Despite, or perhaps because of the extensive use of the term "balance" on other food products and health related cookbooks, witnesses for both parties were unaware of any instances of actual confusion between their party's marks and other "Balance" marks. ('954 Kraft Tr., GFA 8th NOR, Ex. H-2 at 15:22–16:1; '954 Lifeso Tr. at 180:20–183:7; '477 Little Tr. at 71:18–23; 72:6–11; 73:18–23; 74:2–75:1; '477 Lifeso Tr. at 56:25–57:24.)

ARGUMENT

I. GFA BRANDS IS ENTITLED TO REGISTER THE EARTH BALANCE MARK BECAUSE THERE IS NO LIKELIHOOD OF CONFUSION.

A. Balance Bar has not met its burden under the DuPont factors.

Balance Bar has not met its burden of proving that there is a likelihood of confusion. West Fla. Seafood v. Jet Rests. Inc., 31 F.3d 1122, 1125, 31 U.S.P.Q.2d (BNA) 1660, 1662 (Fed. Cir. 1994) (opposer must prove likelihood of confusion by a preponderance of the evidence). To carry its burden, Balance Bar must prove that there is a likelihood of confusion, not just possible

confusion, and it has not done so. Witco Chem. Co. v. Whitefield Chem. Co., 418 F.2d 1403, 1405, 164 U.S.P.Q. (BNA) 43, 44–45 (C.C.P.A. 1969).

To assess likelihood of confusion, the Board considers the thirteen DuPont factors. In re E.I. DuPont De Nemours & Co., 476 F.2d 1357, 1361, 177 U.S.P.Q. (BNA) 563 (C.C.P.A. 1973). Of those factors, the following make clear that confusion is unlikely in this case: Factor 1 – similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression; Factor 7 – the nature and extent of any actual confusion; and Factor 8 – the length of time during and conditions under which there has been concurrent use without evidence of actual confusion.

There is no per se rule decreeing that confusion is likely whenever food items are sold under the same or similar marks; on the contrary, each case must be decided on its own facts. Interstate Brands Corp. v. Celestial Seasonings, Inc., 576 F.2d 926, 927, 198 U.S.P.Q. (BNA) 151, 152 (C.C.P.A. 1978). As explained below, and despite Balance Bar's assertions, an evaluation of the *facts of this case* and the relevant DuPont factors proves that confusion is unlikely to occur. Because Balance Bar has not offered persuasive evidence to the contrary, let alone a preponderance of the evidence, this Proceeding should be dismissed. GFA Brands' application should be allowed to proceed to registration.

B. Factor 1: The marks are dissimilar.

Allowing GFA Brands to register EARTH BALANCE for "nut and seed-based snack bars" will not create a likelihood of confusion because, when viewed in their entireties, the term EARTH is dominant and transformative to the GFA Brands mark as a whole, creating a readily discernible mark from Balance Bar's BALANCE, BALANCE BAR, BALANCE GOLD, BALANCE BAR GOLD, and BALANCE BARE (the "Balance Bar Marks") trademarks. EARTH is the dominant portion of Applicant's mark. Additionally, the weakness of "Balance"

as a source indicator further obviates any chance of confusion between the parties' marks. In short, EARTH BALANCE and the Balance Bar Marks create distinct commercial impressions. As the Federal Circuit explained, "one DuPont factor may be dispositive in a likelihood of confusion analysis, *especially when that single factor is the dissimilarity of the marks*." Champagne Louis Roederer, S.A. v. Delicato Vineyards, 148 F.3d 1373, 1375, 47 U.S.P.Q.2d (BNA) 1459, 1460–61 (Fed. Cir. 1998) (affirming dismissal of opposition based *solely* on dissimilarity of CRISTAL and CRYSTAL CREEK) (emphasis added). In this case, dissimilarity of the marks alone is an appropriate factor upon which to rule in GFA Brands' favor.

1. The marks must be viewed in their entireties.

Pursuant to the "anti-dissection rule," the parties' marks must be compared as a whole, rather than by their component parts. Frank Mint Corp. v. Master Mfg. Co., 667 F.2d 1005, 1007, 212 U.S.P.Q. (BNA) 233, 234 (Fed. Cir. 1981). Because a mark must be considered as a whole, the mere fact that marks share elements does not compel a conclusion of likely confusion. General Mills, Inc. v. Kellogg Co., 824 F.2d 622, 627, 3 U.S.P.Q.2d (BNA) 1442, 1445 (8th Cir. 1987) ("[t]he use of identical, even dominant, words in common does not automatically mean that the two marks are similar."). In fact, the Board has repeatedly held there is no likelihood of confusion between marks used with identical goods that share a common element (even when that common element is the entire asserted mark) when the marks as a whole are dissimilar:

- **NORTON MCNAUGHTON ESSENTIALS** allowed over **ESSENTIALS** (both for clothing) in Knight Textile Corp. v. Jones Inv. Co., 75 U.S.P.Q.2d (BNA) 1313 (T.T.A.B. 2005);
- **BENCHMARK RELIANCE** allowed over **RELIANCE STANDARD** (both for insurance-related services) in Reliance Standard Life Ins. Co. v. Am. Nat'l Ins. Co., No. 91178996, 2012 WL 1881493 (T.T.A.B. Apr. 30, 2012) (unpublished, non-precedential);
- **FIRSTCAROLINACARE** allowed over **CAREFIRST** (both for health care plans) in In re Carefirst of Md., Inc. Firsthealth of the Carolinas, Inc., 77 U.S.P.Q.2d (BNA) 1492, 1514, 2005 WL 2451671, *28 (T.T.A.B. 2005); and

- **ZU ELEMENTS & design** allowed over **ELEMENTS** (both for clothing) in Rocket Trademarks Pty Ltd. v. Phard S.p.A., 98 U.S.P.Q.2d (BNA) 1066 (T.T.A.B. 2011); and
- **CRYSTAL CREEK** allowed over **CRISTAL** (for wine and champagne, respectively) in Champagne Louis Roederer, 148 F.3d at 1375, 47 U.S.P.Q.2d (BNA) at 1460.

This is especially true where, as here, the common portion of the two marks is weak, or where the marks in their entireties convey different meanings. See Rocket Trademarks, 98 U.S.P.Q.2d (BNA) at 1076; see also Knight Textile, 75 U.S.P.Q.2d (BNA) at 1315.

The parties' marks are different. Balance Bar does not sell any products or feature any sub-brands or products under a trademark featuring EARTH. ('477 Lifeso Tr. at 40:17–20.) Conversely, GFA Brands has testified that it does not use the term "Balance" as a standalone mark for any product. ('954 Hooper Tr., GFA 8th NOR, Ex. H-1 at 28:8–10.) Moreover, the additional terms GOLD, BAR, GOLD BAR, and BARE in Balance Bar's marks further differentiate those marks from EARTH BALANCE. Marks using shared terms in different orders, or combined with additional terms, engender different overall commercial impressions. In re Carefirst of Md., 77 U.S.P.Q.2d (BNA) at 1508, 2005 WL 2451671 at *19; citing In re Bed & Breakfast Registry, 791 F.2d 157, 159, 229 U.S.P.Q. (BNA) 818, 819 (Fed. Cir. 1986). Here, while the marks at issue share use of "Balance," the parties use the term in a different order: GFA Brands uses Balance second, whereas Balance Bar always uses it first. And unlike in Carefirst of Maryland (where the challenged mark shared both "first" and "care" with the opposer's mark), GFA Brands' mark shares only "Balance," and also features an additional term: EARTH (which, again, is not found in any of the asserted Balance Bar Marks). The GFA Brands and Balance Bar Marks, featuring shared terms in different orders and/or combined with different terms, therefore create distinct commercial impressions.

2. "EARTH" is transformative and the dominant portion of Applicant's EARTH BALANCE mark.

While both the Balance Bar and GFA Brands marks contain the term "Balance," the inquiry about the similarity of the marks cannot end there. EARTH has trademark and market significance, resulting in a mark that, when taken as a whole, has a different appearance, sound, connotation, and commercial impression than the Balance Bar Marks. See Shen Mfg. Co. v. Ritz Hotel, Ltd., 393 F.3d 1238, 1245, 73 U.S.P.Q.2d (BNA) 1350, 1356–57 (Fed. Cir. 2004); see also Reliance Standard, No. 91178996, 2012 WL 1881493 at *24–25 (finding differences in appearance and sound of BENCHMARK RELIANCE and RELIANCE STANDARD, both for use with insurance annuities, sufficient to outweigh similarities in meaning and commercial impression to dismiss claim: "While the marks are similar in appearance because they share the word "Reliance," *they look different because applicant's mark begins with the word "Benchmark."* (emphasis added)).

At a minimum, on a purely sensory level, the addition of EARTH to GFA Brands' mark makes GFA Brands' mark visually and phonetically distinct from the Balance Bar Marks. EARTH BALANCE simply looks and sounds different than BALANCE, BALANCE BAR, BALANCE GOLD, BALANCE BAR GOLD, and BALANCE BARE. However, beyond these basic visual and phonetic differences, EARTH also appears first in Applicant's mark. This, coupled with the trademark and market significance accompanying EARTH, make it the dominant portion of Applicant's mark.

EARTH in GFA Brands' mark appears first, and dominates the mark. As a *general* rule, consumers are more inclined to focus on the *first* word, prefix or syllable in any trademark. Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772, 396 F.3d 1369, 1372, 73 U.S.P.Q.2d (BNA) 1689, 1692 (Fed. Cir. 2005). The first word is especially dominant

when the word appearing first in the mark creates a strong commercial impression, or, in other words, has trademark significance of its own. Id. at 1372–73.

Both common sense and Board precedent recognize the trademark significance of "EARTH." To consumers, EARTH calls to mind something natural or organic, or a good that springs naturally from Mother Nature. The Board has recognized this as well. In Fruit of the Loom, Inc. v. Fruit of the Earth, Inc., the Board discussed the dissimilarities of the marks FRUIT OF THE LOOM and FRUIT OF THE EARTH stemming from the different connotations created by LOOM and EARTH in the parties' respective marks. 3 U.S.P.Q.2d (BNA) 1531, 1533 (T.T.A.B. 1987). When discussing the commercial impression created by EARTH, the Board explained it "has the connotation of natural products or ingredients derived from the earth." Id. Consumers encountering Applicant's mark in the marketplace will thus be reminded of Mother Nature and "natural products or ingredients," and make the mental leap that Applicant's goods are natural or derived from nature.

3. BALANCE is a weak mark.

Furthermore, that the term "Balance" is both suggestive (or even descriptive) and extensively used by third parties means that the term is weak and must be given less weight in the trademark analysis.

(a) Balance is highly suggestive or descriptive of Balance Bar's goods.

It has been repeatedly held that highly suggestive marks are entitled only to a limited scope of protection. In re Hunke & Jochheim, 185 U.S.P.Q. (BNA) 188, 189 (T.T.A.B. 1975) (citation omitted) ("it is well established that the scope of protection afforded a merely descriptive or even a highly suggestive term is less than that accorded an arbitrary or coined mark."). Thus, if a weak and/or suggestive term is used, the user cannot complain of the use by

another of a weak and/or suggestive expression of similar connotation. Id. ("unlike in the case of an arbitrary or unique designation, *the addition of other matter to a highly suggestive or descriptive designation, whether such matter be equally suggestive or even descriptive, or possibly nothing more than a variant of the term, may be sufficient to distinguish between them so as to avoid confusion in trade*." (emphasis added)).

Balance Bar has admitted that "Balance" as used in the Balance Bar Marks is descriptive of its goods. Specifically, Ms. Lifeso, Balance Bar's Senior Director of Marketing, testified that "Balance" when used in the Balance Bar Marks is referencing a balanced lifestyle. ('477 Lifeso Tr. at 45:20–23.) Ms. Lifeso further testified that "Balance" is Balance Bar's core trademark, and is intended to communicate that the goods will provide "*balance* to the consumer on their busy on-the-go lives." (Id.) (emphasis added). Additionally, advertising for Balance Bar's goods on its website proclaims that "[a]s a small company, we've never lost sight of our original purpose: to help create *balance*." (BB 2d NOR, Ex. B1) (emphasis in original).

(b) The third party registrations containing "BALANCE" are probative of the weakness of "BALANCE."

Any significance of the shared term "Balance" is minimal for the additional reason that "Balance" has been registered by many third parties as an element of a larger trademark, or on its own, in the consumer packaged goods industry. Third party registrations are probative of weakness of a mark, or a portion of a mark. Knight Textile, 75 U.S.P.Q.2d (BNA) at 1317; 2 J. Thomas McCarthy, Trademarks and Unfair Competition, § 11:90 (4th ed.). Such registrations provide evidentiary value by showing the manner in which a word in a mark is used in ordinary parlance, like a dictionary definition. Id.; Knight Textile, 75 U.S.P.Q.2d (BNA) at 1317. Relatedly, the existence of third party registrations are relevant to prove that the shared portion of parties' marks has a well understood and recognized suggestive or descriptive meaning,

resulting in a finding of weakness of the shared portion. Id. These registrations also demonstrate that the U.S. Patent and Trademark Office, by allowing so many marks featuring the shared portion, recognize that the parts of a mark, other than the shared portion, are sufficient to differentiate the marks as a whole and make confusion unlikely. Id.

For example, in Knight Textile, the Board allowed NORTON MCNAUGHTON ESSENTIALS over ESSENTIALS. Id. In so doing, the Board looked to the dictionary definition of the shared portion of the parties' marks, ESSENTIALS, and explained that the word "connotes that the clothing items sold under the marks are basic and indispensable components of, or 'essentials' of, one's wardrobe. Id. The Board found ESSENTIALS "to be highly suggestive of the parties' goods." Id. The Board then explained that the highly suggestive nature of ESSENTIALS was corroborated by numerous third party registrations featuring the term. Id. The Board recognized that the existence of the registrations indicated the highly suggestive or descriptive nature of the term in the minds of those in the trade, and of the PTO. Id.

Here, like ESSENTIALS for clothing, the term BALANCE for food-related products as one element of a trademark is not truly distinctive or source signifying. Judicial notice can be taken that "balance" is defined as a "[g]eneral harmony between the parts of anything, springing from the observance of just proportion and relation." THE COMPACT OXFORD ENGLISH DICTIONARY 894 (2d ed. 1991); see Knight Textile, 75 U.S.P.Q.2d (BNA) at 1317 (taking judicial notice of "essential(s)."). As Balance Bar points out, the parties' marks communicate a sense of "balance" to the public. (BB Br. at 17.) The parties' consumers are seeking balance, or a general harmony springing from observance of just proportions among the various parts of their lives.

The numerous registrations containing BALANCE affirms the highly suggestive or descriptive nature of BALANCE when used with goods related to those with which the parties are using their respective marks, *i.e.* food, beverage and nutrition products. (GFA 5th NOR, Exs. 1–34.) In its fifth Notice of Reliance, GFA Brands has included thirty-four third party registrations, owned by twenty-five different owners, for marks containing BALANCE for use with food, beverage and nutrition-related products. (Id.) These registrations make clear that those in the trade consider BALANCE to have suggestive or descriptive significance when applied to food, beverage and nutrition-related goods. The registrations also show that the PTO has recognized the suggestive significance of BALANCE when applied to food, beverage and nutrition-related items. See Knight Textile, 75 U.S.P.Q.2d (BNA) at 1317 (finding the inclusion of twenty-three registrations owned by twenty owners for clothing-related goods to be probative of the weakness of ESSENTIALS when used with clothing).

Given the weakness of BALANCE, the addition of EARTH to GFA Brands' EARTH BALANCE mark is sufficient to differentiate the parties' marks, making confusion between the marks unlikely. In re Hunke & Jochheim, 185 U.S.P.Q. (BNA) at 189. The common use of such a ubiquitous term can form no reasonable basis for contending that the parties' marks as a whole are likely to be viewed as closely similar or as coming from the same or a related source.

4. The marks create distinct commercial impressions.

Finally, the marks at issue here are distinct because they provide consumers with different commercial impressions. When two conflicting marks each have an aura of suggestion, but each suggests something different, this tends to indicate a lack of confusion. For example, the Board has previously found that despite the undisputed similarity of two marks and their use on identical goods (women's clothing), the marks can still possess different meanings and create distinct commercial impressions. Knight Textile, 75 U.S.P.Q.2d (BNA) at 1315. In allowing the

applicant's NORTON MCNAUGHTON ESSENTIALS mark over the opposer's ESSENTIALS mark, the Board explained that the parties marks' created distinct commercial impressions, because "the word ESSENTIALS is highly suggestive as applied to the parties' clothing items and as it appears in both parties marks, especially in applicant's mark." Id.

As in Knight Textile, the Balance Bar Marks and EARTH BALANCE have different meanings and create distinct commercial impressions, which minimize the likelihood of confusion. The term EARTH in GFA Brands' mark informs consumers that the underlying product is organic and originates from nature. Ms. Little from GFA Brands testified consumers seek GFA Brands' goods sold under the EARTH BALANCE trademark because they "connote [] natural and organic product[s]. [The goods] appeal[] to consumers who are looking for simple ingredients and products that are made with natural ingredients." ('477 Little Tr. at 8:9–15.) Additionally, in response to an inquiry into the message behind the EARTH BALANCE mark, Mr. Hooper, a member of GFA Brands' Board of Directors and a senior advisor to GFA Brands' senior marketing teams, testified that the mark "has been primarily directed into the natural channels." ('954 Hooper Tr., GFA 8th NOR, Ex. H-1 at 53:21–24.) GFA Brands' consumers agree with this assessment. Recent consumer research has confirmed that GFA Brands' consumers differentiate the EARTH BALANCE brand as "natural, earthy, and outdoorsy." ('477 Little Tr. at 38:8–39:22, Ex. 34.) Conversely, Ms. Lifeso of Balance Bar testified that Balance Bar does not have any marks or advertisements featuring "EARTH." ('477 Lifeso Tr. at 40:17–20.) In fact, none of the Balance Bar Marks feature any word that calls to mind the "natural and organic" products communicated by the EARTH BALANCE mark. Like in Knight Textile, despite GFA Brands' and Balance Bar's goods being identical, and the marks sharing a

common element, the inclusion of EARTH at the forefront of Applicant's mark creates a distinct commercial impression which obviates any likelihood of confusion.

5. The marks' dissimilarities make confusion unlikely.

It is what the mark as a whole communicates to the consumer that is germane here. General Mills, 824 F.2d at 627, 3 U.S.P.Q.2d (BNA) at 1445. When viewed in its entirety, the EARTH portion of GFA Brands' mark is transformative to the message communicated to consumers by the mark as a whole. None of the Balance Bar Marks conveys this message. ('477 Lifeso Tr. at 40:17–20.) Thus, given the differences in sound, look, and connotation, the overall commercial impressions of EARTH BALANCE and the Balance Bar Marks are markedly different. This factor weighs heavily in favor of no likelihood of confusion.

C. Factor 6: Extensive third party use has weakened the BALANCE mark.

The number and nature of similar marks in use on similar goods makes confusion further unlikely. In re E.I. DuPont, 476 F.2d at 1361, 177 U.S.P.Q. (BNA) at 567. In attempting to minimize GFA Brands' evidence of third party usage of BALANCE-formative marks, Balance Bar misunderstands the law, arguing that GFA Brands failed to show use by a third party with snack bars. (BB Br. at 19.) As a preliminary matter, this is incorrect. (GFA 2d NOR, Ex. B-21; 3d NOR, Exs. C-27–C-29; Shanks Aff., Exs. F, H; Flemmings Aff., Ex. B; Rodermond Aff., Ex. D.) The standard is not the number and nature of similar marks on *identical* goods, but the number and nature of similar marks on *similar* goods. In re E.I. DuPont, 476 F.2d at 1361, 177 U.S.P.Q. (BNA) at 567. GFA Brands has provided extensive evidence detailing third party use of BALANCE-formative marks with similar goods.

The probative value of third party trademarks depends upon their usage. Palm Bay Imports, 396 F.3d at 1373, 73 U.S.P.Q.2d (BNA) at 1693. Evidence of such third party use of similar marks on similar goods is relevant to show that a mark is relatively weak and entitled to

only a narrow scope of protection. Tektronix, Inc. v. Daktronics, Inc., 534 F.2d 915, 917, 189 U.S.P.Q. (BNA) 693, 695 (C.C.P.A. 1976); Full Speed Ahead, Inc. v. SRAM Corp., No. 91171889, 2008 WL 5256412, *9 (T.T.A.B. Dec. 10, 2008) (unpublished, non-precedential). "[T]he purpose of a defendant introducing third party uses is to show that customers have become so conditioned by a plethora of such similar marks that customers have been educated to distinguish between different such marks on the bases of minute distinctions." Zillow, Inc. v. Super T Fin. DBA Loanzilla, No. 91203730, 2014 WL 3752422, *7 (T.T.A.B. Jul. 22, 2014) (unpublished, non-precedential); quoting *Palm Bay Imports,* 396 F.3d at 1374, 73 U.S.P.Q.2d (BNA) at 1693–94; see also Syndicat Des Proprietaires Viticulteurs De Chateauneuf-Du-Pape v. Pasquier Desvignes, No. 91179408, 2013 WL 5407284, *11 (June 14, 2013) (unpublished, non-precedential).

Previous decisions by the Board make clear that the extensive evidence of third party use of BALANCE marks provided by GFA Brands is more than enough to support a finding that the number and nature of similar marks in use on similar goods and services weighs against a finding of likely confusion in this case. See Zillow, Inc., No. 91203730, 2014 WL 3752422, *7; see also Pasquier Desvignes, No. 91179408, 2013 WL 5407284, *11. For example, in Zillow, the applicant presented only third party registrations and internet evidence showing use of the shared component of the parties' marks, ZILL. Zillow, Inc., No. 91203730, 2014 WL 3752422. The Board found this evidence sufficient to find that DuPont factor 6 weighed in the applicant's favor.

Here, GFA Brands went above and beyond the effort of the applicant in Zillow to present the Board evidence of third party use of BALANCE. In addition to the thirty-four third party registrations featuring BALANCE, GFA Brands provided numerous examples showing actual

third party use of BALANCE on food, beverage and nutrition-related products in the marketplace. Such evidence of third party use is indicative of the extent of use of marks containing BALANCE in the marketplace. Evidence provided by GFA Brands showing actual use of BALANCE marks include: photographs of product packaging for food, beverage and nutrition-related products (GFA 2nd NOR); websites where customers can purchase food, beverage and nutrition-related products featuring marks containing BALANCE (GFA 3rd NOR); food, beverage and nutrition-related books featuring BALANCE in the title (GFA 4th NOR); and affidavits of four different private investigators who purchased various food, beverage and nutrition-related products containing the term BALANCE in stores located throughout the county and then photographed those products. (Shanks Aff. at ¶¶ 1–76, Ex. A–J; Van Horne Aff. at ¶¶ 1–12, Ex. A; Flemmings Aff. at ¶¶ 1–13, Exs. A–B; Rodermond Aff. at ¶¶ 1–25, Exs. A–E.) GFA Brands sent private investigators to a variety of stores in California, North Carolina, Connecticut, and Illinois to gauge the extent of use of marks containing BALANCE on food, beverage and nutrition-related products in various locations throughout the United States. (Id.) The affidavits contain the dates and locations of purchases to confirm use in commerce as of that date and region. (Id.) Moreover, beyond just listing examples of third party use on websites, GFA Brands' private investigators provided photographic evidence of third parties using BALANCE on a shelf directly adjacent to Balance Bar's bars. (Shanks Aff., Exs. B, I.)

GFA Brands went to great lengths to provide the Board evidence of third party use of BALANCE on food, beverage and nutrition products. The combination of third party registrations, websites, product packaging, and private investigations all showing use of BALANCE with goods related to the goods of the parties suggests that there is plethora of marks

featuring BALANCE in the marketplace. Customers can therefore distinguish between parties' use of BALANCE due to the addition of EARTH in GFA Brands' mark.

This factor weighs heavily in favor of no likelihood of confusion.

D. Factors 7 and 8: There is no evidence of actual confusion.

Factors 7 and 8, the nature and extent of actual confusion and the length of time during and conditions under which there has been concurrent use without confusion, strongly favor a finding that confusion is not likely. GFA Brands began using its EARTH BALANCE mark in 1998. ('477 Little Tr. at 9:6–10:19.) Balance Bar began using its BALANCE mark in 1992. (BB 1st NOR, Ex. A3.) In over fifteen years of co-existence in the same channels of trade, there have been no reported instances of actual confusion to either Balance Bar or GFA Brands. ('477 Cornacchiulo Tr. at 40:16–41:18; '477 Lifeso Tr. at 56:25–57:24; '954 Kraft Tr., GFA 8th NOR, Ex. H-2 at 17:2–9; '954 Hooper, GFA 8th NOR, Ex. H-1, at 21:21–22:7; '477 Little Tr. at 71:18–72:11; 73:18–75:1.)

Where, as here, the parties' marks have coexisted in the market for many years, the absence of a single instance of actual confusion strongly indicates that confusion is unlikely. King Candy Co. v. Eunice King's Kitchen, Inc., 182 U.S.P.Q. (BNA) 108, 110 (C.C.P.A. 1974) (absence of confusion for over twenty years supports a finding that confusion is not likely); G.H. Mumm & Cie v. Desnoes & Geddes, Ltd., 16 U.S.P.Q.2d (BNA) 1635, 1638 (Fed. Cir. 1990) (affirming dismissal of opposition and noting despite over a decade of marketing in the United States, opposing party was unable to offer any evidence of actual confusion); Mr. Hero Sandwich Sys., Inc. v. Roman Meal Co., 781 F.2d 884, 889, 228 U.S.P.Q. (BNA) 364, 367 (Fed. Cir. 1986) (concurrent use of the marks for approximately twenty years with no reported instances of confusion suggests that the marks are not likely to cause confusion).

The conditions under which the parties' respective marks have coexisted in the marketplace make the lack of actual confusion especially relevant here. Given that both parties have spent tens of millions of dollars advertising their respective marks for goods sold within the same channels of trade, if GFA Brands' use of the EARTH BALANCE mark was likely to cause confusion, confusion likely would have manifested at some point in the past fifteen (plus) years. Moreover, if confusion was tied to the specific goods at issue, confusion would have been expected to manifest itself in the past eight years, when the EARTH BALANCE mark began to be used in connection with peanut butter, a widely recognized snack food. ('477 Little Tr. at 12:18–13:7; 14:1–15:11; GFA 7th NOR, Ex. G-1.) Or at minimum, it would have occurred when GFA Brands expanded its snack food offerings to include popcorn, peanut butter covered popcorn, cheese puffs, cheddar squares, and potato chips in January 2013. ('477 Little Tr. at 19:11–26:8; 77:8–21; GFA 7th NOR, Ex. G-2.) This is especially true given how well GFA Brands' EARTH BALANCE snacks have been received. ('477 Little Tr. at 19:11–26:8.)

Balance Bar admits that it views snack foods like peanut butter and trail mix as competitive products. ('477 Cornacchiulo Tr. at 32:14–33:13.) A report prepared by a consulting firm on behalf of Balance Bar identified the company Nut Butters as being part of Balance Bar's competitive set, and Balance Bar confirmed the report's contents. ('477 Cornacchiulo Tr. at 32:14–33:13, Ex. 6.) In other words, Nut Butters sells peanut butter and almond butter in the same channels of trade as Balance Bar, and Balance Bar views Nut Butters as a competitor. ('477 Cornacchiulo Tr. at 34:10–19.) As previously mentioned, GFA Brands has been selling peanut butter and almond butter under the EARTH BALANCE mark for the past eight years. ('477 Little Tr. at 12:18–13:7; 14:1–15:11.) GFA Brands has therefore been selling and spending tens of millions of dollars advertising a product that is a member of Balance

Bar's competitive set under the EARTH BALANCE mark for eight years without any confusion. Since there has been no confusion, Balance Bar's consumer research suggests that consumers are conditioned to see and distinguish between BALANCE products in the stores since they have been purchasing the parties' goods in the same competitive set under BALANCE marks and are not having any problem doing so. ('477 Cornacchiulo Tr. at 32:14–33:13, Ex. 6.)

Finally, despite GFA Brands' use of SMART BALANCE and EARTH BALANCE, two trademarks that contain the term "balance" on identical goods including buttery spreads, peanut butter, and popcorn, consumers have not been confused. In fact, GFA Brands' SMART BALANCE and EARTH BALANCE marks have coexisted on identical goods (buttery spreads) since 1998 without any confusion. ('477 Little Tr. at 10:17–19; 73:24–75:1.)

The fact that no confusion has been reported (neither between EARTH BALANCE and the Balance Bar Marks, nor between EARTH BALANCE and SMART BALANCE) strongly favors a finding that confusion is unlikely to occur as GFA Brands further expands the product line sold under its EARTH BALANCE mark.

E. Factor 13: The parties' previous discussions regarding the use of BALANCE are irrelevant; and GFA's prior enforcement strategy is not an admission that confusion is likely, and regardless, it is inapposite today.

The prior dealings between the parties over the use of BALANCE have no probative value today. Additionally, any claim that GFA Brands' prior enforcement strategy amounts to an admission of likely confusion between the parties' respective marks is a misstatement of law and a gross mischaracterization of the probative value of GFA Brands' former enforcement policy to this proceeding. GFA Brands' enforcement strategy has evolved significantly since its inception eighteen years ago. The position taken by GFA Brands all those years ago is no longer relevant today.

1. The parties' prior dealings over use of BALANCE are irrelevant.

The parties exchanged correspondence on separate occasions in the early 2000s regarding the other's use of BALANCE. Neither exchange is particularly relevant for today's likelihood of confusion analysis. In 2005 GFA began testing a line of fruit and vegetable bars under the EARTH BALANCE and FRUIT BALANCE marks. ('477 Seiferas Tr. at 11:6–23.) As a test launch, distribution was limited to one distributor in the western region of the United States. (Id. at 13–23.) Howard Seiferas, GFA's vice-president of operations in 2005, explained that both sales and consumer reception of the bars were poor. (Id. at 7:3–7.) As a result, production of the bars discontinued, and the bars never went to full production. (Id. at 12:8–13:15.) Yet Balance Bar implies that its objection to GFA's use of the marks, and not dismal sales, led to GFA's decision to stop selling its fruit and vegetable bars under the marks. However, such a conclusion belies common business sense. It was a test launch. (Id. at 11:13–23.) The bars did not perform well enough to warrant a full production rollout. (Id. at 12:14–18.) As a result, according to Mr. Seiferas, GFA made a business decision and ceased production of the fruit and vegetable bars, and therefore no longer had any use for the marks. (Id. at 13:16–23.) Mr. Seiferas, as vice-president of operations, was involved in the discussions involving the fruit and vegetable bars. (Id. at 7:3–7, 12: 3–7.) GFA employed less than fifteen people in 2005. (Id. at 7:8–11.) As a ranking officer in such a small entity, who was involved in the discussions leading to discontinuation of the bars, Mr. Seiferas' testimony that the decision to discontinue use of the marks was due to poor sales, and not Balance Bar's objection, is persuasive.

GFA's request that Balance Bar cease use of BALANCE in 2000 is also irrelevant for the likelihood of confusion analysis. As explained below, because of present market realities, GFA would not have voiced the same objection to Balance Bar's use of BALANCE today.

2. GFA Brands' prior enforcement strategy is not an admission.

Balance Bar's assertion that GFA Brands' previous enforcement strategy is an admission is a misstatement of law. In the Federal Circuit, whether there exists a likelihood of confusion between two trademarks is a question of law. In re Hair Masters Serv., Inc., 907 F.2d 157, 17 U.S.P.Q.2d (BNA) 1335 (Fed. Cir. 1990). As a result, Balance Bar's argument that GFA Brands' cease and desist letters are an admission is a simply incorrect: "because 'that confusion is []likely to occur' is a legal conclusion, it cannot be an 'admission.'" Interstate Brands, 576 F.2d at 929, 198 U.S.P.Q. (BNA) at 153 (citation omitted). "Facts alone may be 'admitted.'" Id. A party's previously proffered opinion regarding an ultimate legal conclusion therefore cannot be an admission. Id. Moreover, a party's prior proffered opinion regarding likely confusion is a fact that "may be received in evidence *as merely illuminative of shade and tone in the total picture* confronting the decision maker." Id. (emphasis added); see also Domino's Pizza Inc. v. Little Caesar Enters., Inc., 7 U.S.P.Q.2d (BNA) 1359, 1365 (T.T.A.B. 1988) (explaining a prior stance is "one fact to be considered together with all of the other facts of record."). Importantly, "*[u]nder no circumstances, may a party's opinion, earlier or current, relieve the decision maker of the burden of reaching his [or her] own ultimate conclusion*." Interstate Brands, 576 F.2d at 929, 198 U.S.P.Q. (BNA) at 154 (emphasis added). GFA Brands' prior actions and statements do not amount to an admission. At most, its prior actions and statements merely illuminate the rapid proliferation of the use of "Balance" in the marketplace, and the evolution of GFA Brands' enforcement strategy in response.

3. GFA Brands' past enforcement strategy is irrelevant for purposes of a likelihood of confusion analysis today.

Balance Bar would have the Board believe that an enforcement strategy that was implemented nearly two decades ago is probative of a likelihood of confusion analysis today.

For the Board to do so would be an error. The evidence makes clear that GFA Brands has long since abandoned the strategy Balance Bar complains of in response to changes in the marketplace.

Eighteen years ago, as a new company with a new mark, GFA Brands implemented a very aggressive trademark enforcement strategy. ('954 Kraft Tr., GFA 8th NOR, Ex. H-2 at 6:9–11; 11:21–23.) Originally, the enforcement strategy was concerned with third parties' use of individual components of its marks. (Id. at 11:23–25.) However, as GFA Brands grew to better understand the marketplace, its enforcement strategy evolved dramatically. (Id., at 11:25–12:11.) In the words of GFA Brands' in-house counsel, Mr. Kraft:

> [at the outset] the company had a very aggressive enforcement strategy. The company was very active against . . . Balance marks broadly. As the brand has grown and become more well known, our strategy has changed. Further, the realities of the marketplace have evolved, as well . . . You see a lot of Balance marks in the food space; Balanced Diet, Balanced Nutrition . . . I mean, you can think of quite a few marks. So as our brand has become more well known and established, our trademark enforcement strategy has evolved, as well. So in the early years we may have pursued any . . . Balance mark. Now, as I described earlier, we apply additional rigor to our analysis.

(Id. at 11:21–12:11.) GFA Brands' enforcement strategy has evolved along with "the realities of the marketplace." (Id. at 12:2–3.) Today, GFA Brands' enforcement of its marks is a great deal more targeted than the approach employed when the company was still working to establish its EARTH BALANCE mark. Without more, the presence of the term "Balance" in a mark with similar goods is no longer sufficient to trigger GFA Brands' enforcement strategy. (Id. at 20:22–25.) For evidence of this shift in strategy, the Board need look no further than the cease and desist letters cited by Balance Bar. (BB Br. at 25–26, n. 69.) The last such letter is dated December 1, 2006, or over *eight* years ago. (Id.)

GFA Brands is not seeking to register its mark eight years ago, but today. Its dramatic evolution in enforcement strategy did not occur in a vacuum, but came about as a result of a change in the marketplace. ('954 Kraft Tr., GFA 8th NOR, Ex. H-2 at 20:22–21:9.) The number of marks containing "Balance" had reached such a volume that it became impractical (if not impossible) for GFA Brands to continue going after a third party based solely on the presence of "Balance" in the party's mark. (See id., 21:7–9 ("[t]herefore our position is 'Balance' in isolation is not a term that can be owned in today's marketplace.")). GFA Brands' change in enforcement policy speaks to *today's* marketplace, or, the marketplace relevant to the present likelihood of confusion analysis. Had Balance Bar brought this opposition before the marketplace changed (and GFA Brands was forced to alter its enforcement strategy in response), GFA Brands' past guidelines for enforcing EARTH BALANCE may have been probative. However, *today's* enforcement guidelines require either "E BALANCE" or "EARTH B" marks to trigger GFA Brands' enforcement strategy, making the change pertinent. (See id., 7:18–25.)

GFA Brands' prior statements and actions with regards to enforcement of its marks are not admissions of likely confusion. Moreover, rather than being probative that registration of its mark would cause confusion with the Balance Bar Marks, the evolution of GFA Brands' enforcement strategy is reflective of the fact that "Balance," by itself, has become a weak due to the proliferation of "Balance" marks in the consumer packaged goods industry.

II. THE PHILIP JOHNSON SURVEY IS PROOF OF NO LIKELIHOOD OF CONFUSION.

A. The Philip Johnson Eveready Format Survey.

Philip Johnson, a nationally recognized expert with over four decades of experience, designed and implemented a survey to study the issue to be decided by the Board: whether Balance Bar has carried its burden of proving that GFA Brands' proposed use of EARTH

BALANCE is likely to cause confusion as to source affiliation or sponsorship. His survey report is Exhibit 1 to his October 20, 2014 Trial Affidavit. The Johnson survey followed the standard Eveready format. Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366, 188 U.S.P.Q. (BNA) 623 (7th Cir. 1976), cert. denied 429 U.S. 830 (1976).

Under Mr. Johnson's direction, trained interviewers handed 210 qualified respondents a 5" x 7" card bearing the name EARTH BALANCE in all capital letters, told that it is the name of an all natural snack bar, let them look at the card as long as they wanted and then asked three questions to discern possible confusion: Question 2(a): "Based on what you just saw, who or what company do you believe makes the snack bar with the name that I showed you OR do you not have a belief?"; Question 3(a): "What other products or brands, if any, do you believe come from the same company who makes the snack bar with the name that I showed you OR do you not have a belief?"; Question 4(a): "What other brand or company, if any, do you believe it is related to, associated with, or has a licensing agreement with whoever makes the snack bar with the name that I showed you OR do you not have a belief?" (See Johnson Aff., Ex. 1 at 10–11, ¶ 24, emphasis in original.) Probing questions ("What makes you say that?), followed each of the three confusion questions. (Id. at 4–6 of Appendix B Questionnaire.)

Johnson followed standard survey protocols. The responses were recorded verbatim, "double blind" conditions were maintained, an experimental control was used, and the results were independently verified.[7]

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[7] Double blind conditions mitigate potential bias by insuring that both the interviewer and the respondent are blind to the sponsor of the survey and its purpose. MANUAL FOR COMPLEX LITIGATION (Third) §21.493 (1995) (copy attached to Appendix C); Shari Seidman Diamond, "Reference Guide on Survey Research," Reference Manual on Scientific Evidence 411 (3d ed. 2011), Federal Judicial Counsel (copy attached to Appendix C). An experimental control filters out survey "noise" by removing from the survey stimulus elements claimed to cause confusion. The Johnson survey used as a control cell stimulus an exhibit card bearing the words EARTH

Every one of the 417 total respondents in the test and control groups (or "cells") answered "yes" to questions asking whether they had personally purchased natural snack bars in the past four weeks or planned to purchase them in the next four weeks. Any person who answered "no" to both questions was excluded from the survey sample, assuring that all respondents were aware of the product category and were within the relevant consuming population.

Only eight of the 210 respondents in the test cell exhibited a belief that Balance Bar Company is the source or a related source when shown the EARTH BALANCE name in connection with natural snack bars. That amounts to 4% of test cell respondents, far below any recognized threshold for likely confusion. (Johnson Aff., Ex. 1 at 17, ¶ 34 and Ex. 2 at 35:20–36:5.)

B. Jacoby's and Balance Bar's Principal Criticism.

Balance Bar retained an adverse expert, Jacob Jacoby, to critique the Johnson survey. Jacoby was conspicuously not asked to conduct his own survey. He confirmed that he has no opinion on the key issue that Balance Bar must prove to win this case, that there is a reasonable likelihood of confusion. (Jacoby Aff., Ex. 1 at ¶ 5 and Ex. 2 at 51:12–21.)

What Jacoby described as his "principal criticism," and the one that Balance Bar devoted attention to in its trial brief (BB Br. at 21), is Jacoby's view that an Eveready survey is meaningless to prove lack of confusion and should not be considered unless a significant number of survey respondents have unaided awareness of the senior mark. (Jacoby Aff., Ex. 2 at 14:3–11; 14:18–15:19; 17:22–18:21.) Jacoby's criticism is based on a 2008 article by a lawyer with

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BAR in capital letters. Using this control helped to sort out whether any confusion was derived from a particular stimulus, the common element BALANCE, or from other influences. Id. at 397–400. Two hundred and seven qualified respondents were randomly assigned to the "control cell." (Johnson Aff., Ex. 1 at 5, ¶ 10.)

no training as a social scientist, Jerre Swann, entitled "Likelihood of Confusion Studies and the Straitened Scope of Squirt," 98 Trademark Reporter 739 (2008). (Id. at 100:8–101:14.) Balance Bar's allegations of strength and fame notwithstanding, Balance Bar and Jacoby also criticize the Johnson survey for failing to include an "independent test" to confirm that Balance Bar's marks are strong enough for an Eveready survey. (BB Br. at 22; Jacoby Aff., Ex. 2 at 21:4–25.)

Apart from faulting Johnson's choice of an Eveready format, Jacoby offered no other meaningful criticism of the Johnson survey. Jacoby admitted that the Johnson survey satisfies standard criteria for admissibility listed in the Federal Judicial Center's Manual for Complex Litigation and Manual on Scientific Evidence (Third) (1995), namely: Jacoby agreed that Johnson is an "accomplished survey expert;" that he surveyed the appropriate universe; that double blind conditions were maintained; that an appropriate sample size was used; that the data was accurately recorded; and that the survey was independently validated. (Jacoby Aff., Ex. 2 at 54:10–62:4.)

C. Awareness of the Balance Bar Mark Among the Relevant Consuming Public.

Philip Johnson's opinion, based on his experience and in conformity with decades of literature and case law endorsing the Eveready format, is that Eveready is a proper format where, as here, there is some market awareness of the senior mark. (Johnson Aff., Ex. 2 at 44:15–49:18.)

Balance Bar argues that its marks are too weak for an Eveready survey. However, in its Notice of Opposition, Balance Bar claims that is "has developed a family of BALANCE marks having substantial goodwill and recognition in the marketplace." (9/14/2013 Not. of Opp. at ¶ 13.) Internal Balance Bar studies reflect between 57% and 63% aided plus unaided brand awareness among category users. (Johnson Aff., Ex. 2 at 46:20–49:6 and at Ex. 27 at

BB0000173–74.) Jacoby conceded that Balance Bar's studies showed that it has "a strong brand" in the energy and nutrition bar category. (Jacoby Aff., Ex. 2 at 102:2–19.)

Balance Bar's contention that its brand awareness studies were "never provided to Mr. Johnson" is not true: he testified about them during his trial testimony. (Johnson Aff., Ex. 2 at 47:14–49:18.) Balance Bar perhaps meant to say that Mr. Johnson initially relied on Balance Bar's allegations about the strength of its marks, not any studies. Relying on such allegations, however, has been held to be an appropriate basis for deciding to use the Eveready format. E&J Gallo Winery v. Proximo Spirits, 103 U.S.P.Q. 2d (BNA) 1640, 1654 (E.D. Cal. 2012). The Balance Bar studies, which Mr. Johnson saw later, confirmed his opinion that there was sufficient market awareness to use the Eveready format. (Johnson Aff., Ex. 2 at 45:21–49:9, Exs. 27 and 28.)

D. The Eveready Survey has been the industry standard for over 35 years.

Nearly 40 years ago, the Seventh Circuit established the Eveready format as the industry standard for testing potential consumer confusion. Professor McCarthy explains that where, as here, the senior user makes some products which the junior user does not, the Eveready format is a "now standard survey format."[8] 6 J. Thomas McCarthy, Trademarks and Unfair Competition, § 32:174 (4th ed.) (copy attached to Appendix C). McCarthy has also written that the Eveready format "has become a standard and widely accepted format to prove the likelihood *or no likelihood* of confusion." Id. (emphasis added)

Other authorities agree that Eveready has been widely accepted. E.g., Robert H. Thornburg, Trademark Surveys: Development of Computer Based Survey Methods, 4 J. Marshall Rev. Intell. Prop. L. 91, 105 (2005) (copy attached to Appendix C) ("the Eveready

[8] GFA does not sell energy drinks, but Balance Bar Company has sold a nutritional beverage under one of its BALANCE marks. ('954 Lifeso Tr. at 16:12–20.)

Format has quickly become one of the most popular and well accepted forms of trademark survey"). Joseph N. Welch II, Use of Experts, Trademark Trial and Appeal Board Practice 267 (ABA Section of Intell. Prop. L., 2d ed. 2012) (copy attached to Appendix D) (Eveready survey format is "the one most used in TTAB proceedings for assessing likelihood of confusion.")

The original Eveready survey did not involve any "independent tests" of strength of the senior mark and no test for "unaided awareness," the very specific type of strength that Jacoby now says is required. That survey did not ask a single question regarding respondents' aided or unaided awareness of Eveready for batteries, the senior mark. The Seventh Circuit nonetheless credited the survey, reversing the court below. Today, courts around the country consistently endorse the Eveready format used by Philip Johnson in this proceeding. The Board has similarly endorsed Eveready trademark surveys with no independent proof required of strength generally or unaided or aided awareness specifically. See, e.g., Carl Karcher Enters., Inc. v. Stars Rests. Corp., 35 U.S.P.Q.2d (BNA) 1125, 1132 (T.T.A.B. 1995); Miles Labs. Inc. v. Naturally Vitamin Supplements, Inc., 1 U.S.P.Q.2d (BNA) 1445 (T.T.A.B. 1986); Starbucks U.S. Brands LLC v. Ruben, 78 U.S.P.Q.2d (BNA) 1741, (T.T.A.B. 2006) ("given the way in which the survey format carefully follows the Eveready likelihood of confusion survey format, we find that it is reliable and therefore of probative value on the issue of likelihood of confusion herein").

E. Jacoby's critique is not supported by case law and lacks empirical foundation.

Jacoby admits that his critique of the Eveready format is based on no empirical data.[9] Rather, Jacoby relies on his own say-so and a 2008 article written by Attorney Jerre B. Swann.

[9] Jacoby's attempt to upend decades of case law was not even part of Jacoby's first report in the two oppositions where he has been retained by Balance Bar to critique Mr. Johnson's survey. (Jacoby Aff., Ex. 2 at Ex. 51:6–17.) His second report, which raised this particular critique was, as Jacoby admitted, an "after-thought." (Id. at 52:10–54:4.) He has never provided a satisfactory explanation why this, now his main attack on the Johnson survey, did not occur to

As Jacoby observed, Swann's article is itself based on no empirical data. It is, in Jacoby's words, "a conceptual piece." (Jacoby Aff., Ex. 2 at 101:5–14.)

Jacoby's claim that the Swann critique of Eveready has been adopted by courts and has supposedly "changed the ways courts have appraised surveys" (Jacoby Aff., Ex. 2 at 18:2–23; 45:12–23.) is not true. The one case Jacoby and Balance Bar cite as supposedly adopting or endorsing Swann's critique, Akiro LLC v. House of Cheatham, 946 F. Supp. 2d 324 (S.D.N.Y. 2013) (copy attached to Appendix C), does no such thing. (Jacoby Aff., Ex. 2 at 14:18–15:19.)

Akiro was a Distinct Court decision addressing the weight to be given an Eveready survey. That survey had been conducted on behalf of the accused infringer by the survey expert Dr. Bruce Isaacson, who followed the Eveready format. As the Johnson survey does here, it too proved no likelihood of confusion. The plaintiff and senior user, Akiro, claimed that the Eveready format consistently understates instances of confusion among marks that are not iconically strong, citing the Swann article as support. Id. at 338. The court did not endorse the Swann article, as Jacoby and Balance Bar imply. (BB Br. at 22.) Instead, the court merely restated each side's argument about the validity of the Isaacson survey, denied summary judgment to both parties, and said that the weight given to the Isaacson survey was a matter within the jury's discretion. Id. at 339.[10]

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him when he wrote his initial report. The article Jacoby relied upon for this critique was published in 2008, so the source of this criticism has been available to Jacoby, had he thought it significant, at the time he wrote his first report.

[10] Although the Swann article has been cited in other cases, it has typically been cited for the proposition that the Squirt format has been justifiably criticized for informing respondents of the senior user's mark and being highly suggestive to respondents of a likelihood of confusion. (Jacob Aff., Ex. 2 at 42:8–23.) The references to Swann's article in McCarthy are either along those same lines or to note Swann's critique of Eveready without further comment. McCarthy § 32:173.50 notes 4 and 8.

In a case that Balance Bar did not cite, but which is cited in McCarthy, the same criticism Jacoby levels here based on the Swann article was thoroughly analyzed and explicitly rejected. 6 J. Thomas McCarthy, Trademarks and Unfair Competition, § 32:173.50 n.8 (4th ed.) (copy attached to Appendix C). In that case, two federal judges held that the Eveready survey at issue "has high probative value," E&J Gallo Winery v. Proximo Spirits, Inc., 2011 WL5922090, *8 (E.D. Cal. Nov. 28, 2011) (copy attached to Appendix C), and was "highly probative" of the absence of likelihood of confusion. E&J Gallo Winery, 103 U.S.P.Q. 2d (BNA) at 1654. A nationally known survey expert, Dr. Gerald Ford, had conducted an Eveready survey for Gallo that concluded that Gallo's trade dress was not likely to cause confusion with the trade dress for tequila bottles used by its competitor and senior user Proximo Spirits. Id., 2011 WL5922090 at *2. Citing the Swann critique, Proximo asked the court to exclude Dr. Ford's survey for failing to determine the awareness level among the respondents of the senior mark.

In denying Proximo's motion, Magistrate Judge Jennifer Thurston explained that Swann, as a lawyer, lacked qualifications as an expert in surveying techniques and that Swann's article appeared not to have been "reviewed by his peers such that the court can accept it as authoritative." Id. After thoroughly considering each side's arguments about the Swann article and Proximo's critique of the Ford survey, the court found that Ford's survey was "conducted according to accepted principles" and denied Proximo's motion. Id. at *7. The court noted the absence of empirical support for Swann's article, explaining that it "has no basis for determining whether because Mr. Swann says it's so that, indeed, it is so." Id. Magistrate Judge Thurston concluded that Ford's survey was not only conducted "according to accepted principles," but that it "has high probative value" on the issue of no likely confusion, the opposite of what Balance Bar and Jacoby contend. Id. at *7–8.

Proximo's infringement claim was ultimately dismissed in favor of Gallo on summary judgment. District Judge Lawrence O'Neill also rejected Proximo's attack on the Ford survey, finding that the survey was "highly probative" of the absence of confusion. Id. at * 17. Judge O'Neill specifically dismissed the criticism Balance Bar and Jacoby assert here, that there is allegedly some requirement that independent assessment of the strength of the senior mark be made before employing an Eveready survey. The court held there were no such requirements and explained that even if there were, the senior user's mere allegations of a mark's strength, similar to Balance Bar's allegations in its Notices of Opposition, would suffice. Id.

F. Jacoby's opinion based on the Swann article ignores that the goal of a survey is to reflect market realities.

One reason for these E&J Gallo decisions and for the Swann critique's lack of traction in the case law, is that its premise that the Eveready format requires significant awareness of the senior mark to yield a valid confusion survey turns logic on its head. The purpose of studying likelihood of confusion is to ascertain the level, if any, of potential confusion among the relevant consumers. Consumers' awareness or lack of awareness is, therefore, inherently a part of the confusion assessment. (Jacoby Aff., Ex at 89:7–17.) The relevant consumers in this case are, as Jacoby also testified, potential purchasers of nutritional or energy bars. (Id. at 61:15–62:4.) Those are also the qualified respondents that were studied in the Johnson survey. (Id.) If those consumers have no or relatively low awareness of the senior mark, they will of course be less likely to be confused regarding the source, affiliation or sponsorship of the junior mark.

Jacoby's criticism of the Eveready format as allegedly measuring confusion only among those with aided brand awareness (Jacoby Aff., Ex. 2 at 49:18–50:5) is also unfounded. As Phillip Johnson explained, unaided awareness alone is not important in the confusion analysis. (Johnson Aff., Ex. 2 at 49:10–18.) And the Eveready format measures confusion among

consumers with aided or unaided awareness of the senior mark, because if the junior mark is too close to the senior mark, it will stimulate confusion among respondents that have only aided awareness. (Id. at 45:16–46:19; 59:13–60:21.) Swann made the same point at footnote 40 of his article. Swann, supra, 98 TMR 745, n. 40 (BB 8th NOR, Ex. H). Although Jacoby's testimony was not particularly clear nor consistent, he also agreed that junior marks may cause confusion among consumers with only aided awareness of the senior mark, and that confusion based on aided and unaided awareness should be measured in a survey. (Jacoby Aff., Ex. 2 at 99:21–100:7; 110:13–111:19.)

It follows that the Eveready survey format more accurately reflects market realities than the Squirt survey format Jacoby advocates. As Jacoby conceded, surveys are to measure as closely as possible market realities, and one of the criticisms of the Squirt format is that it artificially tells respondents about the senior mark. (Jacoby Aff., Ex. 2 at 112:19–113:10.) A distinguishing feature of the Eveready format, on the other hand, is that it accurately assesses the effect of consumers' market awareness of the senior mark on confusion "in the marketplace that actually exists" (Johnson Aff., Ex. 2 at 43:6–44:14) and does not alter market reality by making respondents aware of the senior mark when they otherwise were not.

That is one reason Eveready has consistently been ruled superior to the Squirt format. For example, in Nat'l Distillers Prods. Co., LLC v. Refreshment Brands, Inc., 198 F. Supp. 2d 474, 484 (S.D.N.Y. 2002) (copy attached to Appendix C), the court praised the Eveready format and criticized a modified Squirt format for this reason. The court explained that the Squirt format may acquaint respondents with a product they may otherwise not have known, thereby artificially increasing the apparent strength of the senior mark. Id. Similarly, in a case where one of Jacoby's surveys was excluded, the court did so because he did not follow the standard

Eveready format and instead adopted the type of survey he advocates here, a version of the Squirt format where the respondents are made "artificially aware" of the senior mark. Kargo Global, Inc. v. Advance Magazine Publishers, Inc., 2007 WL2258688, *8–11 (S.D.N.Y. Aug. 6, 2007) (copy attached to Appendix C).[11]

G. Jacoby's and Balance Bar Company's other criticisms of the Johnson Survey have no Merit.

Jacoby's remaining criticisms of the Johnson survey are unsupported or of the sort that have long split survey experts into opposing camps in an academic debate. Jacoby admits that his criticism about Johnson's use of "believe" rather than "think" in the confusion questions is minor and has no empirical support. (Jacoby Aff., Ex. 2 at 80:2–20.) As Johnson explained, his use of "believe" is consistent with his long-standing practice and the practice of other survey experts. (Johnson Aff., Ex. 2 at 37:20–38:21.) See e.g., Carl Karcher Enters., 35 U.S.P.Q.2d (BNA) at 1125; Clinique Labs., LLC v. Absolute Dental, LLC, No. 91181263, 2011 WL 1652171, *11 (T.T.A.B. 2011) (unpublished, non-precedential) (copy attached to Appendix C) (copy attached to Appendix C); Dr. John P. Liefeld, "How Surveys Overestimate the Likelihood of Consumer Confusion," 93 TMR 939, 946 (2003) (copy attached to Appendix C).

Jacoby conceded that his disagreement about Johnson's placement of "or do you not have a belief" at the end rather than the beginning of questions is minor and part of the ongoing debate about primacy versus recency. (Jacoby Aff., Ex. 2 at 81:10–82:25.) Jacoby's criticism of the geographic distribution of the respondents is also immaterial, because Johnson had determined that there was no difference between the responses among the locations surveyed. (Id. at 83:3–

[11] Jacoby, unlike Johnson, has had surveys excluded entirely from evidence. (Jacoby Aff., Ex. 2 at 116:11–24.) In fact, Jacoby's methods have been subject to severe criticism. One court noted that, "Jacoby apparently has not learned from his mistakes which, contrary to plaintiffs' assertions that Jacoby's surveys 'have been universally relied upon' and have never been rejected by a court, seem to be numerous." Nat'l Football League Props., Inc. v. Pro Style, Inc., 16 F. Supp. 2d 1012, 1018-19 (E.D. Wis. 1998) (copy attached to Appendix C).

13.) Jacoby also admitted that his criticism of the control used by Johnson as allegedly being "weak" is minor and, if anything, a stronger control would actually skew the survey results in Balance Bar's favor. (Id. at 88:8–89:6.)

Jacoby's contention that Johnson should have left the stimulus card in front of the respondents while they were answering the confusion questions is, as Jacoby admitted, also part of an ongoing academic debate over the desirability of a "reading test or a memory test." (Id. at 72:17–73:3.) Jacoby himself has expressed conflicting views on this issue, writing as recently as 2013 that removing the stimulus is preferred when, as here, respondents are being questioned about something as prominent and simple as a brand name, but leaving the stimulus in front of the respondent is preferred when the survey involves complex analysis of trade dress or product packaging, as in the Eveready case. (Id. at 73:22–79:15; see also Johnson Aff., Ex. 2 at 39:14–43:5.) Jacoby's concern that respondents who were shown the stimulus card in the Johnson survey would somehow misperceive or misremember the only two words they were shown and had looked at for as long as they wanted is far-fetched and has no empirical support. (Jacoby Aff., Ex. 2 at 64:3–70:16.) Even the modified Squirt protocol that Jacoby advocates relies on respondents' memory, just as the Eveready format used here. (Id. at 114:8–115:23.)

It follows that none of Jacoby's or Balance Bar's criticisms of the Johnson survey are valid. The Johnson survey showing no likelihood of confusion should therefore be given considerable weight.

CONCLUSION

For the forgoing reasons, GFA Brands respectfully submits that Balance Bar has failed to carry its burden of proving a likelihood of confusion. The opposition should be dismissed with prejudice and GFA Brands' EARTH BALANCE mark should be registered.

Dated this 26th day of February, 2015.

/s/ Johanna M. Wilbert
David R. Cross
Marta S. Levine
Johanna M. Wilbert
QUARLES & BRADY LLP
411 East Wisconsin Avenue
Suite 2040
Milwaukee, Wisconsin 53202-4497
Telephone: (414) 277-5495
Facsimile: (414) 978-8942
Email: DRC@quarles.com
Email: marta.levine@quarles.com
Email: johanna.wilbert@quarles.com
Attorneys for Applicant GFA Brands, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on February 26, 2015, I served upon counsel of record the foregoing by causing the same to be delivered by U.S. mail and email to:

R. Glenn Schroeder
Schroeder Law PC
110 Cooper Street #605
Babylon, New York 11702
gschroeder@schroederlawpc.com

Dated this 26th day of February, 2015.

/s/ Johanna M. Wilbert
Johanna M. Wilbert
QUARLES & BRADY LLP
411 E. Wisconsin Avenue
Suite 2350
Milwaukee, WI 53202-4497
Phone: (414) 277-5000
Facsimile: (414) 978-8669
johanna.wilbert@quarles.com

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APPENDIX A

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Application Serial No. 85/751,520: EARTH BALANCE
Published for Opposition March 19, 2013

BALANCE BAR COMPANY,

Opposer,

Opposition No. 91212477

v.

GFA BRANDS, INC.,

Applicant.

APPLICANT'S EVIDENCE OF RECORD

I. APPLICANT'S TESTIMONY DEPOSITIONS

A. Howard Seiferas, Senior Vice President, Sales Services and Logistics of GFA Brands, taken on September 19, 2014, and filed with the Board on January 23, 2015, including Applicant's Exhibits 13–15.

Public Exhibits:

App's Exhibit 13	Earth Balance Bar Artwork (GFA_EB000008)
App's Exhibit 14	Earth Balance Bar Ad (GFA_EB000002)

Confidential Exhibits:

App's Exhibit 15	Joint Venture Agreement between Gorge Delights and GFA (GFA_EB000617-GFA_EB000618)

B. Adriane Little, Category Manager Earth Balance of Boulder Brands, taken on October 15, 2014, and filed with the Board on January 23, 2015 (including public and confidential portions), including Applicant's Exhibits 16–49.

Public Exhibits:

App's Exhibit 16	Products offered in connection with EARTH BALANCE trademark
App's Exhibit 17	EARTH BALANCE Reg. No. 2237867 for Snack Food Dips and Vegetable Oils
App's Exhibit 18	EARTH BALANCE banner created for digital marketing purposes (GFA_EB000721)
App's Exhibit 19	EARTH BALANCE Reg. No. 3708400 for Peanut Butter
App's Exhibit 20	Photo of Smart Balance Peanut Butter (GFA_EB002321)
App's Exhibit 21	EARTH BALANCE Reg. No. 3967828 for Soy Milk
App's Exhibit 22	EARTH BALANCE Reg. No. 4029650 for Mayonnaise
App's Exhibit 23	Screen shot of product page on EARTH BALANCE's website (GFA_EB000036)
App's Exhibit 24	Photo of EARTH BALANCE vegan aged white cheddar popcorn (GFA_EB002354)
App's Exhibit 25	Photo of EARTH BALANCE vegan aged white cheddar puffs (GFA_EB002360)
App's Exhibit 26	Screen shot of Made Just Right.com website
App's Exhibit 27	Photo of EARTH BALANCE vegan cheddar squares (GFA_EB002361)
App's Exhibit 28	Photo of EARTH BALANCE kettle chips on the shelf at Whole Foods (GFA_EB002370-2371)
App's Exhibit 30	Outline of the bar products offered by EB's Udi's Gluten Free and Glutino brands (GFA_EB000665-666)
App's Exhibit 38	Picture of EARTH BALANCE dollar-off coupons for different product categories (GFA_EB000661-664)
App's Exhibit 39	Picture of free EARTH BALANCE coupons (GFA_EB000652-658)
App's Exhibit 40	Picture of Canadian Whole Deal EARTH BALANCE coupon (GFA_EB000646)
App's Exhibit 42	Digital display ad that would appear on the side of a website (GFA_EB000023)
App's Exhibit 43	Trade Advertisement (GFA_EB002474)
App's Exhibit 44	Ad promoting EARTH BALANCE holiday bake-off in 2011 (GFA_EB000017)

App's Exhibit 45	Screen shot of the home page of the Made Just Right.com website
App's Exhibit 46	Screen shot of the gluten-free magical seven-layer bar recipe on the Made Just Right.com website
App's Exhibit 47	Screen shot of the home page of the Earth Balance website (GFA_EB000032)
App's Exhibit 48	Photo of a bag of Simply Balanced popcorn (GFA_EB002323)
App's Exhibit 49	Photo of Simply Balanced nut & seed bars (GFA_EB002322)

Confidential Exhibits:

App's Exhibit 29	Sales Presentation to promote new vegan Mac & Cheese (GFA_EB002458-2470)
App's Exhibit 31	EARTH BALANCE Gross Sales (GFA_EB002498)
App's Exhibit 32	Gross Sales by customer (GFA_EB002499-2502)
App's Exhibit 33	EARTH BALANCE Gross Revenue (GFA_EB025704)
App's Exhibit 34	EB Baseline Tracking Summary (GFA_EB001071-1113)
App's Exhibit 35	Historical FEB Total Awareness Trends (GFA_EB000293-295)
App's Exhibit 36	EB Brand Health Measures (GFA_EB000296)
App's Exhibit 37	EB: Customer analysis (GFA_EB001043-1070)
App's Exhibit 41	EARTH BALANCE Amounts spent on Marketing (GFA_EB002497)

II. GFA'S STIPULATED EVIDENCE

On August 14, 2014, the Board granted a Stipulation for Introducing Evidence at Trial, filed by the parties on August 6, 2014, which introduced the following testimony from a previous opposition proceeding captioned Balance Bar Company v. GFA Brands, Inc., Nos. 91196954 and 91197748, of the following witnesses:

A. William E. Hooper, Senior Advisor to the Marketing Groups and Board Member of GFA Brands, taken on July 15, 2014, and filed with the Board on October 20, 2014 (including public and confidential portions), including Applicant's Exhibits 4-24.

Public Exhibits:

App's Exhibit 4	File wrapper for SMART BALANCE trademark at issue, Serial No. 77/864206
App's Exhibit 5	File wrapper for SMART BALANCE trademark at issue, Serial No. 77/864268
App's Exhibit 6	U.S. Registration No. 2,200,663 for SMART BALANCE, and TSDR Status Info
App's Exhibit 7	Photos of SMART BALANCE historical product packaging, GFASB018090
App's Exhibit 8	U.S. Registration No. 3,649,833 for SMART BALANCE, and TSDR Status Info
App's Exhibit 9	Label showing GFA's use of the SMART BALANCE trademark on peanut butter products
App's Exhibit 10	U.S. Registration No. 2,952,127 for SMART BALANCE, and TSDR Status Info
App's Exhibit 11	Product packaging showing GFA's use of the SMART BALANCE trademark on popcorn products
App's Exhibit 17	Advertisement circulars for SMART BALANCE products, GFASB014873-GFASB014879
App's Exhibit 18	Store coupon for SMART BALANCE product, GFASB000196
App's Exhibit 21	Excerpt from *Men's Health* magazine listing SMART BALANCE popcorn as one of the "125 Best Foods for Men" GFASB005438-GFASB005442
App's Exhibit 22	Screen shot from SMART BALANCE website showing new packaging, GFASB025945-GFASB025947

Confidential Exhibits:

App's Exhibit 12	Licensing Agreement between GFA and American Pop Corn, GFASB022140-GFASB022172
App's Exhibit 13	List of Smart Balance customers for the years 2010, 2011 and 2012 GFASB022173-GFASB022176
App's Exhibit 14	Gross Sales, Total Marketing and Total Trade Spend for SMART BALANCE mark GFASB022353
App's Exhibit 15	Spreadsheet illustrating breakdown of media, mass media spent for the years 2007 through 2011 GFASB019167-GFASB019168
App's Exhibit 16	GFA's total marketing expenditures GFASB022354
App's Exhibit 19	Report on SMART BALANCE product samples distributed during a running festival in Baltimore that GFA sponsored GFASB0009740-GFASB0009749

App's Exhibit 20	Report detailing public relations, publicity efforts, and activities for Smart Balance during 2009 GFASB0005356-GFASB0005433
App's Exhibit 23	May 2013 tracker study measuring brand awareness GFASB025185-GFASB025202
App's Exhibit 24	October 2012 report regarding SMART BALANCE brand awareness, attributes and personality

B. Timothy Kraft, Senior Vice-President, Associate General Counsel at GFA Brands, taken on July 23, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits 41-44.

Public Exhibits:

App's Exhibit 41	Photos of Simply Balanced bars, GFA_EB001754-GFA_EB001763
App's Exhibit 43	August 25, 2000 cease and desist letter regarding SMART BALANCE, GFASB019328-GFASB019329
App's Exhibit 44	July 12, 2006 cease and desist letter regarding BALANCE, GFASB019326-GFASB019327

Confidential Exhibits:

App's Exhibit 42	May 2013 tracker study measuring brand awareness GFASB025185-GFASB025202

On October 17, 2014, the parties filed Joint Stipulation Regarding Testimony Evidence, which introduced the following testimony by affidavit in lieu of live deposition, for the following witnesses:

A. William Shanks, Investigations Manager and Designated Lead Investigator at Marksmen, Inc., dated October 13, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits A–J.

Public Exhibits:

Exhibit A	Photos of purchased consumable items, taken by investigator Michael Suskind, that contained the term "Balance" on the packaging: • Balance Bar GFASB025778 • Balanced B-100 Complex GFASB025784; • Ensure Nutrition Shake GFASB025785; • Natural Balance Ultra Colon Clenz GFASB025787; • Balanced B-100 Complex GFASB025802; • Boost Balanced Nutritional Drink GFASB025803; • Ensure Nutrition Shake GFASB025806; • Balanced B-150 GFASB025807; and • Balanced B-50 GFASB025809; and • Balance Bar GFASB025810
Exhibit B	Photos of purchased consumable items, taken by investigator William Shanks, that contained the term "Balance" on the packaging: • September 28, 2012 Marksmen Investigation Report GFASB025816-GFASB025823
Exhibit C	Photos of purchased consumable items, taken by investigator William Shanks, that contained the term "Balance" on the packaging: • Balance Bar Chocolate Craze GFASB025841; • Ensure Plus Nutrition Shake GFASB025845; • GoodSense Nutritional Drink Balanced Nutritional Drink GFASB025850; • Balance Bar Mocha Chip GFASB025851; • Female Balance Dietary Supplement GFASB025854; • PharmAssure Balanced B Complex GFASB025855; • Behavior Balance-DMG GFASB025858; • Balanced B100 GFASB025859; • Immune Balance Compound GFASB025860; • Balanced B-100 Complex GFASB025861; • Balanced B-50 B-Complex GFASB025865; • Ensure Nutrition Shake GFASB025866; • Balanced B Complex GFASB025867; • Boost Balanced Nutritional Drink GFASB025869-GFASB025870; • Women's Nourish-Balance-Energy GFASB025871; • Ensure Complete, Balanced Nutrition Powder GFASB025873; • Super B-50 Balanced B-Complex GFASB025874; • Balance Bar Yogurt Honey Peanut GFASB025875; • B-100 Balanced B-Complex GFASB025876; and • UltraFlora Balance GFASB025878.
Exhibit D	September 28, 2012 Marksmen Investigation Report, conducted by investigator Kiersten Van Horne, GFASB025904-GFASB025913.
Exhibit E	May 30, 2014 Marksmen Investigation Report, conducted by investigator Marie Flemmings, GFA_EB002278- GFA_EB002280.

Exhibit F	Photos of purchased consumable items from Whole Foods Market and Target, taken on May 21 and May 27, 2014, respectively, by investigator Marie Flemmings, that contained the term "Balance" on the packaging: • Simply Balanced Dried Montmorency Cherries GFA_EB002312; • Simply Balanced Cherry Almond Greek Yogurt Granola Bars GFA_EB002313; • Simply Balanced Fruit Twists Blueberry Pomegranate GFA_EB002314; • Smart Balance Non-Stick Cooking Spray GFA_EB002315; • Simply Balanced Gluten Free Multi-Seek Brown Rick Crackers GFA_EB002316; • Simply Balanced Twisted Fruit Ropes Strawberry Banana GFA_EB002317; • Simply Balanced Strawberry Slices Freeze Dried Fruit GFA_EB002318; • Simply Balanced Organic Hot Cereal Multigrain Blend GFA_EB002319; • Simply Balanced Organic Green Tea Soothing Ginger GFA_EB002320; • Smart Balance Creamy Peanut Butter GFA_EB002321; • Simply Balanced Nut & Seed Bars GFA_EB002322; • Simply Balanced Whole Grain Popcorn Lightly Salted GFA_EB002323; • Simply Balanced Fruit Strips Strawberry GFA_EB002324; • Simply Balanced High Protein Cinnamon Crisp Cereal GFA_EB002325; • Simply Balanced Gluten Free Multigrain with Flax Brown Rice Crackers GFA_EB002327; • Simply Balanced Organic Black Tea Traditional Chai GFA_EB002328; • Simply Balanced Organic All Purpose Unbleached Flour GFA_EB002329; • Simply Balanced Organic Maple Syrup GFA_EB002330; • Simply Balanced Organic Peach Slices Freeze Dried Fruit GFA_EB002331; • Simply Balanced Organic Tortilla Chips Yellow Corn GFA_EB002332; • Earth Balance Vegan Aged White Cheddar Flavor Popcorn GFA_EB002354; • Balance Bar Cookie Dough GFA_EB002356; • Ayurvedic Balanced Tea Bednite GFA_EB002357; • MegaFood Balanced B Complex GFA_EB002358; • Balancing Act Half Caffeinated City Roast Coffee Beans GFA_EB002359; • Earth Balance Vegan Aged White Cheddar Flavor Puffs GFA_EB002360; • Earth Balance Vegan Cheddar Flavor Squares GFA_EB002361; • Triple Leaf Tea Sugar Balance GFA_EB002362; and • Earth Balance Kettle Chips GFA_EB002367.
Exhibit G	May 30, 2014 Marksmen Investigation Report, conducted by investigator Chris Rodermond, GFA_EB002145- GFA_EB002148.

Exhibit H	Photos of purchased consumable items from Lowes Foods Store, Harris Teeter, and Rite Aid Pharmacy, taken on May 22, and from Target and Food Lion, taken on May 27, by investigator Chris Rodermond, that contained the term "Balance" on the packaging: • Healthy Balance Apple Cranberry Juice Cocktail GFA_EB002210; • Lowes Foods Naturally B-Complex 50 GFA_EB002212; • Ensure Plus Nutrition Shake GFA_EB002213; • Rainbow Light Food-Based B-Complete GFA_EB002218; • Healthy Balance Grape Juice Cocktail GFA_EB002196; • NatureMade Balanced B-100 Complex GFA_EB002204; • Mission Carb Balance Whole Wheat Tortillas GFA_EB002205; • Ensure Plus Nutrition Shake GFA_EB002206; • Ensure Nutrition Powder GFA_EB002228; • PharmAssure Balanced B Complex GFA_EB002229; • Boost Glucose Control Nutritional Drink Balanced Nutrition for People with Diabetes GFA_EB002247; • Simply Balanced Whole Grain Popcorn Vanilla Caramel GFA_EB002250; • Simply Balanced Nut & Seed Bars GFA_EB002252; • Simply Balanced Peach Slices Freeze Dried Fruit GFA_EB002254; • Simply Balanced Essence Water Coconut Pineapple GFA_EB002257; • Simply Balanced Vanilla Bean Granola GFA_EB002261; • NatureMade Balanced B-100 Complex GFA_EB002267; • Simply Balanced Organic White Grape Juice GFA_EB002269; • Ensure Nutrition Shake GFA_EB002271; • Simply Balanced Fruit Strips Wild Berry GFA_EB002272; • Fiber One Meal Bar Balanced Nutrition for a Healthy Lifestyle™ GFA_EB002274; • Ensure Plus Nutrition Shake GFA_EB002180; • Healthy Accents Nutritional Drink Plus Balanced Nutritional Supplement GFA_EB002181; • Healthy Balance Grape Cherry Cocktail GFA_EB002182; • Balance Bar Peanut Butter GFA_EB002187; • Smart Balance Light Mayonnaise Dressing GFA_EB002194; • Earth Balance Coconut & Peanut Spread GFA_EB002195; • Smart Balance Butter & Canola and Extra Virgin Olive Oil Blend GFA_EB002198; • Earth Balance Natural Buttery Spread GFA_EB002200; • Smart Balance Natural Chunky Peanut Butter GFA_EB002202; • Balance Bar Honey Peanut and Balance Bar Gold S'mores GFA_EB002203; • Earth Balance Coconut & Peanut Spread GFA_EB002216; • Balance Bar Yogurt Honey Peanut and Balance Bar Gold S'mores GFA_EB002219; • Balance Bar Yogurt Honey Peanut GFA_EB002219; and • Balance Bar Dark Chocolate Crunch GFA_EB002276.

Exhibit I	May 30, 2014 Marksmen Investigation Report, conducted by investigator William Shanks, GFA_EB001952- GFA_EB001960.
Exhibit J	Photos of purchased consumable items from Organic Market, Whole Foods and Stop & Shop, taken on May 21, by investigator William Shanks, that contained the term "Balance" on the packaging: • Ensure Plus Nutrition Shake GFA_EB001981; • NatureMade Balanced B-100 Complex GFA_EB001983; • Boost Balanced Nutritional Drink GFA_EB001986; • Balance Bar Yogurt Honey Peanut GFA_EB001988; • Pedia Sure Complete, Balanced Nutrition Shake GFA_EB001992; • CVS/pharmacy Balanced B-50 GFA_EB001993; • ProBalance Protein Shot XL GFA_EB001995; • Smart Balance Natural Chunky Peanut Butter & Natural Oil Blend GFA_EB002021; • NatureMade Balanced B-100 Complex GFA_EB002030; • Nutrition ®D Balanced Nutrition Bar GFA_EB002031; • Earth Balance P.B. Popps Popcorn GFA_EB002034; • Earth Balance Natural Peanut Butter and Flaxseed GFA_EB002037; • Nutrition Balanced Nutrition Shake GFA_EB002042; • Earth Balance Vegan Aged White Cheddar Flavor Popcorn GFA_EB002044; • Boost Balanced Nutritional Drink GFA_EB002045; • Balance Bar Gold S'mores GFA_EB002050; • Earth Balance Natural Buttery Spread GFA_EB002075; • Balance Bar Peanut Butter GFA_EB002077; • Triple Leaf Tea Sugar Balance GFA_EB002080; • Natural Balance Ultra Diet Pep GFA_EB002082; • Enzymatic Therapy Estrobalance GFA_EB002084; • Kyo Dophilus Digestion & Immune Health Restore Balance Protect GFA_EB002085; • Nature's Plus Mega B-100 Balanced B-Complex GFA_EB002087; • Natural Vitality Natural Calm Plus Calcium Premium Balanced Magnesium-Calcium Drink GFA_EB002089; • MegaFood Balanced B Complex GFA_EB002104; • Balance Bar Peanut Butter GFA_EB002105; • Whole Foods B Daily Essentials Balanced B-Complex GFA_EB002107; • Earth Balance Vegan Aged White Cheddar Flavor Puffs GFA_EB002108; • MegaFood Women's One Daily Nourish Balance Protect GFA_EB002117; • Woodstock Herbal Products BP Balance Formula GFA_EB002119; • Rainbow Light Women's Nutritional System Bio-Balanced Systems GFA_EB002122; • Rainbow Light Energy B-Complex Bio-Balanced Systems GFA_EB002123; and • Earth Balance Coconut & Peanut Spread GFA_EB002124.

B. **Kiersten Van Horne**, Licensed Private Investigator at Marksmen, Inc., dated October 14, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibit A.

Public Exhibit:

Exhibit A	September 28, 2012 Marksmen Investigation Report, conducted by investigator Kiersten Van Horne, GFASB025904-GFASB025913.

C. **Marie Flemmings**, Licensed Private Investigator at Marksmen, Inc., dated October 20, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits A–B.

Public Exhibits:

Exhibit A	Photos of purchased consumable items from Whole Foods, taken on May 21, 2014, by investigator Marie Flemmings, that contained the term "Balance" on the packaging: • Earth Balance Vegan Aged White Cheddar Flavor Popcorn GFA_EB002354; • Balance Bar Cookie Dough GFA_EB002356; • Ayurvedic Balanced Tea Bednite GFA_EB002357; • MegaFood Balanced B Complex GFA_EB002358; • Balancing Act Half Caffeinated City Roast Coffee Beans GFA_EB002359; • Earth Balance Vegan Aged White Cheddar Flavor Puffs GFA_EB002360; • Earth Balance Vegan Cheddar Flavor Squares GFA_EB002361; • Triple Leaf Tea Sugar Balance GFA_EB002362; and • Earth Balance Kettle Chips GFA_EB002367.

Exhibit B	Photos of purchased consumable items from Target, taken on May 27, 2014, by investigator Marie Flemmings, that contained the term "Balance" on the packaging: • Simply Balanced Dried Montmorency Cherries GFA_EB002312; • Simply Balanced Cherry Almond Greek Yogurt Granola Bars GFA_EB002313; • Simply Balanced Fruit Twists Blueberry Pomegranate GFA_EB002314; • Smart Balance Non-Stick Cooking Spray GFA_EB002315; • Simply Balanced Gluten Free Multi-Seek Brown Rick Crackers GFA_EB002316; • Simply Balanced Twisted Fruit Ropes Strawberry Banana GFA_EB002317; • Simply Balanced Strawberry Slices Freeze Dried Fruit GFA_EB002318; • Simply Balanced Organic Hot Cereal Multigrain Blend GFA_EB002319; • Simply Balanced Organic Green Tea Soothing Ginger GFA_EB002320; • Smart Balance Creamy Peanut Butter GFA_EB002321; • Simply Balanced Nut & Seed Bars GFA_EB002322; • Simply Balanced Whole Grain Popcorn Lightly Salted GFA_EB002323; • Simply Balanced Fruit Strips Strawberry GFA_EB002324; • Simply Balanced High Protein Cinnamon Crisp Cereal GFA_EB002325; • Simply Balanced Gluten Free Multigrain with Flax Brown Rice Crackers GFA_EB002327; • Simply Balanced Organic Black Tea Traditional Chai GFA_EB002328; • Simply Balanced Organic All Purpose Unbleached Flour GFA_EB002329; • Simply Balanced Organic Maple Syrup GFA_EB002330; • Simply Balanced Organic Peach Slices Freeze Dried Fruit GFA_EB002331; • Simply Balanced Organic Tortilla Chips Yellow Corn GFA_EB002332; and • Boxes of Balance Bar on grocery shelf GFA_EB002333.

D. Chris Rodermond, Licensed Private Investigator at Marksmen, Inc., dated October 17, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits A–E.

Public Exhibit:

Exhibit A	Photos of purchased consumable items from Lowes Foods Store, taken on May 22, by investigator Chris Rodermond, that contained the term "Balance" on the packaging: • Healthy Balance Apple Cranberry Juice Cocktail GFA_EB002210; • Lowes Foods Naturally B-Complex 50 GFA_EB002212; • Ensure Plus Nutrition Shake GFA_EB002213; • Earth Balance Coconut & Peanut Spread GFA_EB002216; • Rainbow Light Food-Based B-Complete GFA_EB002218; and • Balance Bar Yogurt Honey Peanut and Balance Bar Gold S'mores GFA_EB002219.

Exhibit B	Photos of purchased consumable items from Kramers, taken on May 22, by investigator Chris Rodermond, that contained the term "Balance" on the packaging: • Smart Balance Light Mayonnaise Dressing GFA_EB002194; • Earth Balance Coconut & Peanut Spread GFA_EB002195; • Healthy Balance Grape Juice Cocktail GFA_EB002196; • Smart Balance Butter & Canola and Extra Virgin Olive Oil Blend GFA_EB002198; • Earth Balance Natural Buttery Spread GFA_EB002200; • Smart Balance Natural Chunky Peanut Butter GFA_EB002202; • Balance Bar Honey Peanut and Balance Bar Gold S'mores GFA_EB002203; • NatureMade Balanced B-100 Complex GFA_EB002204; • Mission Carb Balance Whole Wheat Tortillas GFA_EB002205; and • Ensure Plus Nutrition Shake GFA_EB002206.
Exhibit C	Photos of purchased consumable items from Rite Aid Pharmacy, taken on May 22, by investigator Chris Rodermond, that contained the term "Balance" on the packaging: • Balance Bar Yogurt Honey Peanut GFA_EB002226; • Ensure Nutrition Powder GFA_EB002228; and • PharmAssure Balanced B Complex GFA_EB002229.
Exhibit D	Photos of purchased consumable items from Target, taken on May 27, by investigator Chris Rodermond, that contained the term "Balance" on the packaging: • Boost Glucose Control Nutritional Drink Balanced Nutrition for People with Diabetes GFA_EB002247; • Simply Balanced Whole Grain Popcorn Vanilla Caramel GFA_EB002250; • Simply Balanced Nut & Seed Bars GFA_EB002252; • Simply Balanced Peach Slices Freeze Dried Fruit GFA_EB002254; • Simply Balanced Essence Water Coconut Pineapple GFA_EB002257; • Simply Balanced Vanilla Bean Granola GFA_EB002261; • NatureMade Balanced B-100 Complex GFA_EB002267; • Simply Balanced Organic White Grape Juice GFA_EB002269; • Ensure Nutrition Shake GFA_EB002271; • Simply Balanced Fruit Strips Wild Berry GFA_EB002272; • Fiber One Meal Bar Balanced Nutrition for a Healthy Lifestyle™ GFA_EB002274; and • Balance Bar Dark Chocolate Crunch GFA_EB002276.
Exhibit E	Photos of purchased consumable items from Food Lion, taken on May 27, by investigator Chris Rodermond, that contained the term "Balance" on the packaging: • Ensure Plus Nutrition Shake GFA_EB002180; • Healthy Accents Nutritional Drink Plus Balanced Nutritional Supplement GFA_EB002181; • Healthy Balance Grape Cherry Cocktail GFA_EB002182; and • Balance Bar Peanut Butter GFA_EB002187.

E. Philip Johnson, formerly Chief Executive Officer of Leo J. Shapiro & Associates and GFA Brands' survey expert, dated October 17, 2014, and filed with the Board on October 20, 2014, including Applicant's Exhibits 1-2.

Confidential Exhibits:

Exhibit 1	April 2014 "A Study of Likelihood of Confusion."
Exhibit 2	July 21, 2014 Trial Testimony Deposition Transcript from Opposition Nos. 91196954 and 91197748.

III. GFA'S NOTICES OF RELIANCE

A. GFA's First Notice of Reliance, Applicant's registrations of the marks SMART BALANCE and EARTH BALANCE obtained from the USPTO's Trademark Status and Document Retrieval ("TSDR") system.

App's Not. of Rel. Ex. A-1	Registration No. 2, 200,663 for the mark SMART BALANCE in Class 29 for butter substitutes, cheese, lowfat and nonfat cheese substitutes, margarine, lowfat and nonfat margarine substitutes, shortening, lowfat and nonfat shortening, snack food dips and vegetable oils. Status: renewed Status date: May 9, 2009 Current Owner: Applicant (printed September 30, 2014)
App's Not. of Rel. Ex. A-2	Registration No. 2,237,867 for the mark EARTH BALANCE in Class 29 for butter substitutes, cheese, lowfat and nonfat cheese substitutes, margarine lowfat and nonfat margarine substitutes, shortening, lowfat and nonfat shortening, snack food dips and vegetable oils. Status: Renewed Status date: April 11, 2009 Current Owner: Applicant (printed September 30, 2014)
App's Not. of Rel. Ex. A-3	Registration No. 2,276,285 for the mark SMART BALANCE in Class 30 for mayonnaise, lowfat and nonfat mayonnaise substitutes, mayonnaise style dressings and salad dressings. Status: renewed Status date: September 16, 2009 Current Owner: Applicant (printed September 30, 2014)
App's Not. of Rel. Ex. A-4	Registration No. 2,952,127 for the mark SMART BALANCE in Class 30 for popped and processed popcorn. Status: Sections 8 and 15 combined declaration has been accepted and acknowledged Status date: July 13, 2010 Current Owner: Applicant (printed September 30, 2014)

App's Not. of Rel. Ex. A-5	Registration No. 2,958,216 for the mark SMART BALANCE OMEGA in Class 29 for butter substitutes, cheese, lowfat and nonfat cheese substitutes, margarine, lowfat and nonfat margarine substitutes, shortening, lowfat and nonfat shortening, snack food dips and vegetable oils. Status: Sections 8 and 15 combined declaration has been accepted and acknowledged Status date: March 27, 2011 Current Owner: Applicant (printed September 30, 2014)
App's Not. of Rel. Ex. A-6	Registration No. 3,649,833 for the mark SMART BALANCE in Class 29 for peanut butter. Status: Registered Status date: July 7, 2009 Current Owner: Applicant (printed September 30, 2014)
App's Not. of Rel. Ex. A-7	Registration No. 3,708,400 for the mark EARTH BALANCE in Class 29 for peanut butter. Status: Registered Status date: November 10, 2009 Current Owner: Applicant (printed September 30, 2014)
App's Not. of Rel. Ex. A-8	Registration No. 3,747,526 for the mark SMART BALANCE in Class 29 for eggs. Status: Registered Status date: February 9, 2010 Current Owner: Applicant (printed October 1, 2014)
App's Not. of Rel. Ex. A-9	Registration No. 3,865,917 for the mark SMART BALANCE in Class 29 for milk. Status: Registered Status date: October 19, 2010 Current Owner: Applicant (printed October 1, 2014)
App's Not. of Rel. Ex. A-10	Registration No. 3,958,463 for the mark SMART BALANCE in Class 29 for olive oil. Status: Registered Status date: May 10, 2011 Current Owner: Applicant (printed October 1, 2014)
App's Not. of Rel. Ex. A-11	Registration No. 3,967,828 for the mark EARTH BALANCE in Class 29 for soy milk. Status: Registered Status date: May 24, 2011 Current Owner: Applicant (printed October 1, 2014)
App's Not. of Rel. Ex. A-12	Registration No. 4,029,021 for the mark EARTH BALANCE in Class 29 for milk. Status: Registered Status date: September 20, 2011 Current Owner: Applicant (printed October 1, 2014)

App's Not. of Rel. Ex. A-13	Registration No. 4,029,650 for the mark EARTH BALANCE in Class 30 for mayonnaise; soy mayonnaise. Status: Registered Status date: September 20, 2011 Current Owner: Applicant (printed October 1, 2014)
App's Not. of Rel. Ex. A-14	Registration No. 4,112,473 for the mark EARTH BALANCE in Class 29 for soy eggnog. Status: Registered Status date: March 13, 2012 Current Owner: Applicant (printed October 1, 2014)
App's Not. of Rel. Ex. A-15	Registration No. 4,203,379 for the mark EARTH BALANCE in Class 29 for vegetable-based spreads. Status: Registered Status date: September 4, 2012 Current Owner: Applicant (printed October 1, 2014)

B. GFA's Second Notice of Reliance, health or nutritionally branded product packaging available in retail stores employing the term BALANCE.

App's Not. of Rel. Ex. B-1	Photo of Nestle Nutrition BOOST "Balanced Nutritional Drink™" product packaging
App's Not. of Rel. Ex. B-2	Photo of Triple Leaf Tea SUGAR BALANCE herbal dietary supplement product packaging
App's Not. of Rel. Ex. B-3	Photo of Enzymatic Therapy ESTROBALANCE dietary supplement product packaging
App's Not. of Rel. Ex. B-4	Photo of Nature's Plus MEGA B-100 BALANCED B-COMPLEX dietary supplement product packaging
App's Not. of Rel. Ex. B-5	Photo of Zand "bring balance to your body™" Tropical Soother Lozenges-Dietary Supplement product packaging
App's Not. of Rel. Ex. B-6	Photo of Whole Foods B DAILY ESSENTIALS BALANCED B-COMPLEX dietary supplement product packaging
App's Not. of Rel. Ex. B-7	Photo of Woodstock Herbal Products BP BLANCE FORMULA dietary supplement product packaging
App's Not. of Rel. Ex. B-8	Photo of MegaFood BALANCED B COMPLEX whole food multivitamin dietary supplement product packaging
App's Not. of Rel. Ex. B-9	Photo of CVS/pharmacy BALANCED B-50 dietary supplement product packaging
App's Not. of Rel. Ex. B-10	Photo of Nature Made BALANCED B-100 COMPLEX dietary supplement product packaging
App's Not. of Rel. Ex. B-11	Photo of Abbott ENSURE "COMPLETE, BALANCED NUTRITION" nutrition shake product packaging

App's Not. of Rel. Ex. B-12	Photo of Old Orchard HEALTHY BALANCE juice cocktail blend product packaging
App's Not. of Rel. Ex. B-13	Photo of Lowes Foods B-COMPLEX 50 BALANCED B-COMPLEX dietary supplement product packaging
App's Not. of Rel. Ex. B-14	Photo of Gruma Corporation MISSION CARB BALANCE whole wheat tortillas product packaging
App's Not. of Rel. Ex. B-15	Photo of PharmAssure BALANCED B COMPLEX dietary supplement product packaging
App's Not. of Rel. Ex. B-16	Photo of General Mills FIBER ONE MEAL BAR "balanced nutrition for a healthy lifestyle™" product packaging
App's Not. of Rel. Ex. B-17	Photo of SIMPLY BALANCED peach slices freeze dried fruit product packaging
App's Not. of Rel. Ex. B-18	Photo of SIMPLY BALANCED whole grain popcorn product packaging
App's Not. of Rel. Ex. B-19	Photo of SIMPLY BALANCED vanilla bean granola product packaging
App's Not. of Rel. Ex. B-20	Photo of SIMPLY BALANCED fruit strips product packaging
App's Not. of Rel. Ex. B-21	Photo of SIMPLY BALANCED nut & seed bars product packaging
App's Not. of Rel. Ex. B-22	Photo of SIMPLY BALANCED organic white grape juice product packaging
App's Not. of Rel. Ex. B-23	Photo of SIMPLY BALANCED essence water coconut pineapple product packaging
App's Not. of Rel. Ex. B-24	Photo of PROBALANCE™ Protein Shot XL dietary supplement product packaging

C. GFA's Third Notice of Reliance, printouts of websites showing evidence of third-party use of products containing the term BALANCE in the title.

App's Not. of Rel. Ex. C-1	Mission Carb Balance Small Fajita Tortillas, http://www.amazon.com/Mission-Balance-Small-Fajita-Tortillas/dp/B00E04FLWY/ref=sr_1_63?s=grocery&ie=UTF8&qid=1400783871&sr=1-63&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-2	Jarrow Formulas, Inc. EPA-DHA Balance, http://www.swansonvitamins.com/jarrow-formulas-inc-epa-dha-balance-odorless-240-sgels?SourceCode=INTL405&CAWELAID=624507304&mkwid=RU7gXEGF&pcrid=54347462407&gclid=CO_ateTS3r8CFQsz (accessed and printed on October 8, 2014)

App's Not. of Rel. Ex. C-3	Jarrow Formulas, Inc. Mineral Balance, http://www.vitacost.com/jarrow-formulas-mineral-balance?csrc=GPF-PA-Vitamins%20%26%20Supplements-790011130048&ci_gpa=pla&ci_kw=&ci_src=17588969&ci_sku=790011130048&gclid=CJv1q-3T3r8CF (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-4	Jarrow Formulas, Inc. Zinc Balance, http://www.hihealth.com/jarrow-zinc-balance-15mg-100cap.html?utm_source=google.com&utm_campaign=June2014&utm_medium=cse&gclid=COeR09fU3r8CFQeIaQod27cArg (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-5	Morton International Salt Balance, http://www.walmart.com/ip/Morton-Salt-Balance-Blend-26-oz-Pack-of-12/17340578 (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-6	Harrison Burnet Balance Water, http://www.amazon.com/Balance-Water-Mind-Ounce-Bottles/dp/B002CX50DU (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-7	Doctor Wilson's Thyro-Balance, http://www.drwilsons.com/thyro-balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-8	Nature's Plus - Super B-50 Balanced B Complex - 180 Vegetarian Capsules, http://www.luckyvitamin.com/buy/products/30968-natures-plus-super-b-50-balanced-b-complex-180-vegetarian-capsules.html (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-9	Solaray Nutritionally Balanced B-Stress 100 Capsules, http://www.sears.com/solaray-nutritionally-balanced-b-stress-100-capsules/p-SPM3284733702?prdNo=1&blockNo=1&blockT (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-10	Triple Leaf Tea Sugar Balance Womens Tonic Tea, http://www.walmart.com/ip/Triple-Leaf-Tea-29272-3pack-Triple-Leaf-Tea-Sugar-Balance-Womens-Tonic-Tea-3x20-bag/28645552 (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-11	Health Concerns Skin Balance Herbal Supplement 90 Tablets, http://www.ovitaminpro.com/hcskinbalance.html (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-12	Balanced Naturals™ - A-Systenz (previously Anti-Inflammatory Formula), http://www.windhawk.com/index.php/products/anti-inflammatory-formula (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-13	Gaia Herbs Women's Balance 60 Vegetarian Capsules, http://www.mynatural market.com/Gaia-Herbs-Women-s-Balance.html (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-14	Balance FX™, https://www.youngevity.net/product/20686.html (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-15	Metabalance 44®, http://www.amazon.com/Metabalance-Soft-Gel-Caps-700mg-Each/dp/B006T4OFD4 (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-16	ZAND Herbalozenge Organic Lozenges, with Zinc & Vitamin C, Blue-Berries Blend, http://www.wegmans.com/webapp/wcs/stores/servlet/ProductDisplay?productId=387410&storeId=10052&langId=-1 (accessed and printed on October 8, 2014)

App's Not. of Rel. Ex. C-17	SGN Nutrition Emerald Balance, http://www.amazon.com/Spirit-Garden-Nutrition-10-Ounce-Canister/dp/B0013P3L5M/ref=sr_1_7?s=grocery&ie=UTF8&qid=1400777276&sr=1-7&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-18	Celestial Seasonings Wellness Tea, Metabo Balance, http://www.amazon.com/Celestial-Seasonings-Wellness-Balance-20-Count/dp/B005JEX4K0/ref=sr_1_30?s=grocery&ie=UTF8&qid=1400778184&sr=1-30&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-19	NOW Foods Stevia Balance Packets, http://www.amazon.com/Foods-Stevia-Balance-Packets-Count/dp/B001EO68DO/ref=sr_1_38?s=grocery&ie=UTF8&qid=1400782934&sr=1-38&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-20	futurebiotics Cholesterol Balance, http://www.futurebioticsstore.com/2502/cholesterolbalance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-21	Slim Balance, http://www.amazon.com/Balance-Support-Weight-Health-Herbal/dp/B00AUAP7UI/ref=sr_1_49?s=grocery&ie=UTF8&qid=1400783464&sr=1-49&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-22	Familia All Natural Swiss Balance Blueberries & Quinoa Cereal http://www.amazon.com/Familia-Natural-Balance-Blueberries-21-Ounce/dp/B000FBM4BM/ref=sr_1_86?s=grocery&ie=UTF8&qid=1400784256&sr=1-86&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-23	Nochtli Emerald Body Balance, http://www.amazon.com/Nochtli-Emerald-Body-Balance-Ounce/dp/B00BP47RZG/ref=sr_1_75?s=grocery&ie=UTF8&qid=1400785491&sr=1-75&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-24	Ideal Balance, http://www.amazon.com/Esutras-Organics-Ideal-Balance-Ounce/dp/B00G7M85K2/ref=sr_1_128?s=grocery&ie=UTF8&qid=1400785864&sr=1-128&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-25	Better Balance Protein Chips, http://www.amazon.com/Kays-Naturals-Better-Balance-Protein/dp/B001R1S7HY/ref=sr_1_266?s=grocery&ie=UTF8&qid=1400786783&sr=1-266&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-26	Healthy Balance Apple Cranberry Juice with Splenda, http://www.amazon.com/Healthy-Balance-Apple-Cranberry-Splenda/dp/B0042IYP0C/ref=sr_1_200?s=grocery&ie=UTF8&qid=1400786507&sr=1-200&keywords=balance (accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-27	Simply Balanced granola bars, http://www.target.com/p/simply-balanced-coconut-granola-bars-with-ancient-grains-5-ct/-/A-14576141(accessed and printed on October 8, 2014)
App's Not. of Rel. Ex. C-28	Simply Balanced fruit and nut bars, http://www.target.com/p/simply-balanced-date-raisin-and-soybean-fruit-nut-bars-5-ct/-/A-14576068 (accessed and printed on October 8, 2014)

App's Not. of Rel. Ex. C-29	Simply Balanced cherry almond Greek yogurt granola bars, http://www.target.com /p/simply-balanced-cherry-almond-greek-yogurt-granola-bars-5-pk/-/A-14575659 (accessed and printed on October 8, 2014)

D. GFA's Fourth Notice of Reliance, printouts of websites showing evidence of third-party use of cookbooks containing the term BALANCE in the title.

App's Not. of Rel. Ex. D-1	Neil Perry, *Balance and Harmony: Asian Food*, 2008, http://www.amazon.com/ Balance-Harmony-Neil-Perry/dp/1740459083/ref=sr_1_7?s=boo (accessed and printed on October 9, 2014)
App's Not. of Rel. Ex. D-2	Edward A. Tabu, M.D., *Balance Your Body, Balance Your Life*, 2000, http://www.barnesandnoble.com/w/balance-your-body-balance-your-life-edward-a-taub/1004150257?ean=9780743412599 (accessed and printed on October 9, 2014)
App's Not. of Rel. Ex. D-3	Amber Walker, *Balance Your Diet: Eat Well, Eat Healthy*, 2012, http://www. barnesandnoble.com/w/balance-your-diet-amber-walker/1112936809?ean=978 (accessed and printed on October 9, 2014)
App's Not. of Rel. Ex. D-4	Jennifer Tuma-Young, *Balance Your Life, Balance the Scale: Ditch Dieting, Amp Up Your Energy, Feel Amazing, and Release the Weight*, 2012, http://www.barnes andnoble.com/w/balance-your-life-balance-the-scale-jennifer-tuma-young/1112037995?ean=9780062117007 (accessed and printed on October 9, 2014)
App's Not. of Rel. Ex. D-5	Marcelle Pick, *The Core Balance Diet*, 2011, http://www.barnesandnoble.com/ w/core-balance-diet-marcelle-pick/1100318587?ean=978 (accessed and printed on October 10, 2014)
App's Not. of Rel. Ex. D-6	Carol Maglio and Dr. Ken Grey, *HEALTH in Balance Summer Cuisine*, 2012, http://www.amazon.com/HEALTH-Balance-Summer-Cuisine-ebook/dp/ B00876CM0K/ref (accessed and printed on October 10, 2014)
App's Not. of Rel. Ex. D-7	Carol Maglio and Dr. Ken Grey, *HEALTH in Balance Autumn Cuisine*, 2012, http://www.barnesandnoble.com/w/health-in-balance-autumn-cuisine-carol-maglio/1112713510?ean=2940015056518 (accessed and printed on October 10, 2014)
App's Not. of Rel. Ex. D-8	Meg Wolff, *A Life in Balance: Delicious Plant-based Recipes for Optimal Health*, 2010, http://www.amazon.com/Life-Balance-Delicious-Plant-based-Recipes/dp/0892729066/ref= (accessed and printed on October 10, 2014)
App's Not. of Rel. Ex. D-9	Judy Barnes Baker, *Nourished; A Cookbook for Health, Weight Loss, and Metabolic Balance*, 2012, http://www.barnesandnoble.com/w/nourished-a-cookbook-for-health-weight-loss-and-metabolic-balance-judy-barnes-baker/1110271351?ean=2940014528054 (accessed and printed on October 10, 2014)
App's Not. of Rel. Ex. D-10	Oz Garcia, *The Balance*, 2000, http://www.barnesandnoble.com/w/the-balance-oz-garcia/1111674937?ean=97800619144 (accessed and printed on October 10, 2014)

App's Not. of Rel. Ex. D-11	Tom Monte and Joshua Rosenthal, *The Energy Balance Diet: Lose Weight, Control Your Cravings and Even Out Your Energy*, 2005, http://www.amazon.com/Energy-Balance-Diet-Control-Cravings/dp/0028643585/ref=sr_1 (accessed and printed on October 10, 2014)
App's Not. of Rel. Ex. D-12	Lorraine Allard and Judy Hamza, *The Perfect Balance*, 2000, http://www.amazon.com/Perfect-Balance-Lorraine-Allard/dp/0968721907/ref=sr_1_39?s= (accessed and printed on October 10, 2014)

E. GFA's Fifth Notice of Reliance, printouts of third party registrations of marks containing the term BALANCE, obtained from the USPTO's Trademark Electronic Search System ("TESS") system.

App's Not. of Rel. Ex. E-1	Registration No. 3,038,361 for the mark CARB BALANCE
App's Not. of Rel. Ex. E-2	Registration No. 3,345,420 for the mark EPA-DHA BALANCE
App's Not. of Rel. Ex. E-3	Registration No. 2,468,897 for the mark MINERAL BALANCE
App's Not. of Rel. Ex. E-4	Registration No. 2,507,231 for the mark ZINC BALANCE
App's Not. of Rel. Ex. E-5	Registration No. 2,615,417 for the mark OMEGA BALANCE
App's Not. of Rel. Ex. E-6	Registration No. 2,578,776 for the mark BIFIDUS BALANCE
App's Not. of Rel. Ex. E-7	Registration No. 2,445,383 for the mark GLYCEMIC BALANCE
App's Not. of Rel. Ex. E-8	Registration No. 3,403,538 for the mark SALT BALANCE
App's Not. of Rel. Ex. E-9	Registration No. 2,058,099 for the mark ESSENTIAL BALANCE
App's Not. of Rel. Ex. E-10	Registration No. 2,171,979 for the mark BALANCE
App's Not. of Rel. Ex. E-11	Registration No. 3,296,020 for the mark BALANCE
App's Not. of Rel. Ex. E-12	Registration No. 3,574,732 for the mark BALANCED NATURALS
App's Not. of Rel. Ex. E-13	Registration No. 3,925,693 for the mark CHOLESTEROL BALANCE
App's Not. of Rel. Ex. E-14	Registration No. 3,167,953 for the mark EMERALD BALANCE NUTRITIONAL SUPPORT

App's Not. of Rel. Ex. E-15	Registration No. 3,849,379 for the mark HEALTHY BALANCE
App's Not. of Rel. Ex. E-16	Registration No. 3,833,070 for the mark SIMPLY BALANCED
App's Not. of Rel. Ex. E-17	Registration No. 3,865,915 for the mark SIMPLY BALANCED
App's Not. of Rel. Ex. E-18	Registration No. 4,023,084 for the mark SIMPLY BALANCED
App's Not. of Rel. Ex. E-19	Registration No. 4,115,211 for the mark SIMPLY BALANCED
App's Not. of Rel. Ex. E-20	Registration No. 4,175,696 for the mark SLIM BALANCE
App's Not. of Rel. Ex. E-21	Registration No. 3,823,699 for the mark THYRO-BALANCE
App's Not. of Rel. Ex. E-22	Registration No. 4,434,063 for the mark BALANCE 74
App's Not. of Rel. Ex. E-23	Registration No. 4,356,355 for the mark BALANCED WOMAN
App's Not. of Rel. Ex. E-24	Registration No. 4,090,745 for the mark BALANCE FACTOR
App's Not. of Rel. Ex. E-25	Registration No. 4,090,736 for the mark BALANCE FACTOR
App's Not. of Rel. Ex. E-26	Registration No. 3,559,685 for the mark BALANCE
App's Not. of Rel. Ex. E-27	Registration No. 2,831,479 for the mark BALANCE3
App's Not. of Rel. Ex. E-28	Registration No. 2,840,590 for the mark ESTROBALANCE
App's Not. of Rel. Ex. E-29	Registration No. 2,082,582 for the mark COMPLETE, BALANCED NUTRITION
App's Not. of Rel. Ex. E-30	Registration No. 1,393,763 for the mark METABALANCE 44
App's Not. of Rel. Ex. E-31	Registration No. 4,427,797 for the mark METABO BALANCE
App's Not. of Rel. Ex. E-32	Registration No. 3,904,906 for the mark SWISS BALANCE
App's Not. of Rel. Ex. E-33	Registration No. 2,361,008 for the mark BODY BALANCE

App's Not. of Rel. Ex. E-34	Registration No. 2,916,468 for the mark BETTER BALANCE

F. GFA's Sixth Notice of Reliance, excerpts from Opposer Balance Bar Company's Objections and Responses to GFA Brands, Inc.'s Interrogatories.

App's Not. of Rel. Ex. F-1	Opposer Balance Bar Company's Objections and Responses to GFA Brands, Inc.'s First Set of Interrogatories Nos. 7-8, 12, 16-17
App's Not. of Rel. Ex. F-2	Opposer Balance Bar Company's Objections and Responses to GFA Brands, Inc.'s Second Set of Interrogatories No. 26

G. GFA's Seventh Notice of Reliance, excerpts from Applicant's Smart Balance and Earth Balance websites, and select pages from the Made Just Right by Earth Balance website.

App's Not. of Rel. Ex. G-1	Excerpts of the Smart Balance website
App's Not. of Rel. Ex. G-2	Excerpts of the Earth Balance website
App's Not. of Rel. Ex. G-3	Excerpts of the Made Just Right by Earth Balance website

H. GFA's Eighth Notice of Reliance, the trial testimony examination of William Hooper, taken July 15, 2014, and all exhibits annexed thereto, and the trial testimony examination of Timothy Kraft, taken July 23, 2014, and all exhibits annexed thereto.

App's Not. of Rel. Ex. H-1	July 15, 2014 trial testimony transcript of William Hooper and Applicant's Exhibit Nos. 4-24 annexed thereto
App's Not. of Rel. Ex. H-2	July 23, 2014 trial testimony transcript of Timothy Kraft and Applicant's Exhibit Nos. 41-44 annexed thereto

I. GFA's Ninth Notice of Reliance, excerpts from the June 19, 2014 discovery deposition and accompanying exhibits of Patrick Cornacchiulo, who testified as a Rule 30(b)(6) witness on behalf of Opposer, Balance Bar Company

App's Not. of Rel. Ex. I-1	Pages 34-93 and Applicant's Exhibit Nos. 4-6 and Opposer's Exhibit No. 33 of the June 19, 2014 discovery deposition Patrick Cornacchiulo, who testified as a Rule 30(b)(6) witness on behalf of Opposer, Balance Bar Company

Dated this 26th day of February, 2015.

/s/ Johanna M. Wilbert
David R. Cross
Marta S. Levine
Johanna M. Wilbert
QUARLES & BRADY LLP
411 East Wisconsin Avenue
Suite 2040
Milwaukee, Wisconsin 53202-4497
Telephone: (414) 277-5495
Facsimile: (414) 978-8942
Email: DRC@quarles.com
Email: marta.levine@quarles.com
Email: johanna.wilbert@quarles.com
Attorneys for Applicant GFA Brands, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on February 26, 2015, I served upon counsel of record the foregoing by causing the same to be delivered by U.S. mail and email to:

R. Glenn Schroeder
Schroeder Law PC
110 Cooper Street #605
Babylon, New York 11702
gschroeder@schroederlawpc.com

Dated this 26th day of February, 2015.

/s/ Johanna M. Wilbert _____

Johanna M. Wilbert
QUARLES & BRADY LLP
411 E. Wisconsin Avenue
Suite 2350
Milwaukee, WI 53202-4497
Phone: (414) 277-5000
Facsimile: (414) 978-8669
johanna.wilbert@quarles.com

APPENDIX B

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Application Serial No. 85/751,520: EARTH BALANCE
Published for Opposition March 19, 2013

BALANCE BAR COMPANY,

Opposer,

Opposition No. 91212477

v.

GFA BRANDS, INC.,

Applicant.

APPLICANT'S EVIDENTIARY OBJECTIONS

Applicant GFA Brands, Inc. ("GFA") hereby submits its objections to certain documents and testimony that are sought to be introduced in this proceeding by Opposer Balance Bar Company ("Balance Bar"). Specifically, GFA objects to the May 1, 2014 testimony of Patrick Cornacchiulo regarding purported facts and documents of which he has no personal knowledge. GFA further objects to the introduction of the documents about which Mr. Cornacchiulo improperly testified. GFA respectfully requests that the Board strike and exclude the challenged evidence (or, in the alternative, give it no weight).

I. FACTUAL BACKGROUND

Balance Bar is attempting to use the testimony of Mr. Cornacchiulo to introduce evidence about Balance Bar Company even though Mr. Cornacchiulo was never a Balance Bar Company employee and has no personal knowledge of Balance Bar Company records. Mr. Cornacchiulo is the current Vice-President of Marketing for Active Nutrition at NBTY. ('954 Cornacchiulo Tr. at 11:2–9.) In November 2012, NBTY purchased the Balance Bar Company. (Id. at 11:15-

18.) Mr. Cornacchiulo was never an employee of Balance Bar Company; rather, he has worked for NBTY for over nine years. (Id. at 10:21–23.) During his May 1, 2014 deposition, Balance Bar's counsel marked as exhibits a number of documents that pre-date Mr. Cornacchiulo's involvement with Balance Bar Company. These documents included prior agreements and other documents that NBTY received when NBTY purchased Balance Bar Company. (Id. at 7:9-11.) These documents, numbered Opposer's Exhibits 33 through 48, all bear dates before NBTY's November 2012 acquisition of Balance Bar Company and appear to be documents from Balance Bar Company. Mr. Cornacchiulo was not an employee at Balance Bar Company at any time before November 2012 and, thus, was not an employee at Balance Bar Company when these documents were created. The documents were all prepared prior to NBTY's purchase of Balance Bar Company and Mr. Cornacchiulo, by his own admission, does not know who prepared the documents. (Id. at 47:19-25.) In fact, Mr. Cornacchiulo did "not have any firsthand involvement with the preparation and execution" of documents contained in Opposer's Exhibits 33 through 44, nor any personal involvement in preparing any of the documents that were marked as Exhibits 45–48. (Id. at 50:13-17; 45:9-13.)

Even though Mr. Cornacchiulo had no personal factual knowledge of Exhibits 33 through 44 documents, Balance Bar's counsel asked Mr. Cornacchiulo to "identify" each of the documents. (E.g., id. at 15:14–18.) Balance Bar's counsel even helped Mr. Cornacchiulo in his endeavor to "identify" the documents by limiting his questions to information that Mr. Cornacchiulo could read directly off or infer from the documents themselves. (E.g., *id.* at 15:19-23 ("Q. Is it a letter from one of the prior law firms that worked for the Balance Bar Company? A. Yes, yes. Q. Thank you.").)

In addition to asking Mr. Cornacchiulo to testify about documents about which he did not have personal knowledge, Balance Bar's counsel questioned Mr. Cornacchiulo about policing activities that took place before NBTY acquired Balance Bar Company, and before Mr. Cornacchiulo developed any personal knowledge about Balance Bar Company. This testimony was elicited absent any personal factual knowledge about such activities. (E.g., id. at 17:7-15.)

GFA objected to Mr. Cornacchiulo's testimony regarding the documents and information about the Balance Bar Company prior to its purchase by NBTY on multiple occasions. (Id. at 6:16–20; 15:9–10.) In an attempt to cure Mr. Cornacchiulo's improper testimony, counsel for Opposer led Mr. Cornacchiulo to testify that Exhibits 33–44 and 45–48 constitute "business records." (Id. at 50:18–22; 51:9–18.)

II. ARGUMENT

A. Mr. Cornacchiulo's Testimony Should Be Stricken Because He Has No Personal Knowledge and the Testimony is not a Business Record.

Mr. Cornacchiulo's testimony regarding Balance Bar Company's pre-2012 documents and activities constitutes inadmissible hearsay that does not fall under any recognized exception. His testimony about documents and events of which he has no personal knowledge is pure speculation and conjecture. Since Mr. Cornacchiulo has no personal knowledge regarding any Balance Bar Company documents dated before November 2012, nor any personal knowledge regarding Balance Bar Company's trademark practices before November 2012, the Board should strike this testimony or, in the alternative, give this testimony no weight.

Pursuant to Federal Rule of Evidence 602 "[a] witness may testify to a matter only if evidence is introduced sufficient to support a finding that the witness has personal knowledge of the matter." The Board has adopted the Federal Rules of Evidence and thus must comply with Rule 602. See 37 C.F.R. § 2.122. For example, the T.T.A.B. has excluded the majority of a

witness's proffered testimony under Rules 602 when the testimony was based on the review of company records, not the personal knowledge of the witness. Sky Climber, LLC v. Kabushiki Kaisha Aichi Corp., No. 91193904, 2014 WL 295251 (T.T.A.B. Jan. 10, 2014) (unpublished, non-precedential).

Here, Mr. Cornacchiulo *did not work for the Balance Bar Company* prior to 2012 and did not have any personal knowledge of any documents or licensing positions taken by the company prior to its acquisition by NBTY. Due to this undeniable fact, all of Mr. Cornacchiulo's testimony regarding Balance Bar Company documents and Balance Bar Company trademark strategies is inadmissible under Federal Rule of Evidence 602.

In an effort to rehabilitate Mr. Cornacchiulo's testimony, Balance Bar tried to lay the groundwork for a "business record" exception, but testimony about trademark enforcement strategies and substantive comments about documents does not properly fall within any hearsay exception. To the extent Mr. Cornacchiulo "educated" himself regarding these issues by reviewing Balance Bar Company documents and speaking to individuals who were actually employed by Balance Bar Company prior to 2012, that testimony is hearsay without any exception.

Federal Rule of Evidence 802 states the general rule that "[h]earsay is not admissible." Federal Rule of Evidence 801 defines "hearsay" as "a statement that: (1) the declarant does not make while testifying at the current trial or hearing; and (2) a party offers in evidence to prove the truth of the matter asserted in the statement." Here, Mr. Cornacchiulo serves as no more than a ventriloquist's dummy regurgitating information he has been fed in an attempt to offer into evidence statements of other purportedly knowledgeable individuals or found in documents.

Mr. Cornacchiulo's testimony does not fall within "business record hearsay exception." The "business record hearsay exception" requires that a qualified witness or custodian testifies that the evidence meets the requirements of 803(6)(A)–(C). Fed. R. Evid. 803(6)(D). Here, no one has testified as to when these documents were made, who they were made by, whether they were kept in the ordinary course of business, nor whether making such records was a regular practice. Furthermore, the Trademark Trial and Appeal Board ("TTAB") has already rejected the argument that the "business record hearsay exception" applies in cases such as this:

> [T]he [business record hearsay exception] rule does not provide for the admission into evidence of the testimony of a person who lacks personal knowledge of the facts, who is unable to testify to the fulfillment of the conditions specified within the rule, and who is testifying only about what he has read or has been allowed to review.

Olin Corp. v. Hydrotreat, Inc., 210 U.S.P.Q. (BNA) 63, 67 (T.T.A.B. 1981); see also BB Online UK Ltd. v. 101domain, No. 91193054, at *23, 2014 WL 788342, at *11 (T.T.A.B. Feb. 14, 2014) (unpublished, non-precedential) ("It is clear that [the deponent's] testimony . . . is based not on his own independent knowledge, but on the text of the e-mails themselves. . . They are accordingly hearsay, have been given no consideration. . . .") Since Mr. Cornacchiulo has no personal knowledge regarding documents or policies of the Balance Bar Company prior to its merger with NBTY, this testimony should be stricken or given no weight.

B. Settlement Agreements (Opposer's Exhibits 33–44) and Attorney Letters (Opposer's Exhibits 45–48) Should Be Stricken or Given No Weight.

In addition to the hearsay problems with Mr. Cornacchiulo's testimony, the documents marked as Opposer's Exhibits 33 through 44 themselves should be struck or given no weight because Balance Bar did not properly authenticate them and even if they were properly authenticated, the documents themselves constitute impermissible hearsay.

1. The Exhibits Should be Stricken or Given No Weight Because Mr. Cornacchiulo Failed to Authenticate Them.

Balance Bar has failed to authenticate Opposer's Exhibits 33 through 48. Under Federal Rule of Evidence 901, the "proponent must produce evidence sufficient to support a finding that the item is what the proponent claims it is." Fed. R. Evid. 901(a). To authenticate evidence based on witness testimony, there must be "testimony that an item is what it is claimed to be" by a "witness with knowledge." Fed. R. Evid. 901(b)(1). Here, Balance Bar has submitted no such testimony.

As detailed above, Mr. Cornacchiulo has no personal knowledge regarding the documents at issue. ('954 Cornacchiulo Tr. at 50:13–17; 45:9–13.) As a result, he is not a "witness with knowledge" as required by Rule 901 and cannot authenticate these documents. For this reason, GFA asks the court to strike Opposer's Exhibits 33–48 or, alternatively, give them no weight.

2. Statements Within the Exhibits Constitute Hearsay and Should be Stricken or Given No Weight.

In addition to not being authenticated, Opposer's Exhibits 33 through 48 contain inadmissible hearsay. Federal Rule of Evidence 802 states the general rule that "[h]earsay is not admissible." Federal Rule of Evidence 801 defines "hearsay" as "a statement that: (1) the declarant does not make while testifying at the current trial or hearing; and (2) a party offers in evidence to prove the truth of the matter asserted in the statement."

The Board routinely strikes or gives no consideration to hearsay. See e.g., Cavern City Tours Ltd. v. Hard Rock Cafe Int'l., No. 92044795, at *5, 2011 WL 5014033, at *2 (T.T.A.B. Sept. 29, 2011) (unpublished, non-precedential); Rocket Trademarks Pty Ltd. v. Phard S.p.A., 98 U.S.P.Q.2d (BNA) 1066, 1072, 2011 WL 810221, at *5 (T.T.A.B. Feb. 25, 2011) ("Accordingly, we strike as hearsay and give no consideration to any purported statements made by employees

of the retail websites to Ms. Fuchs, and we also give no consideration to any handwritten notes to this effect made by Ms. Fuchs on the exhibits."); Mag Instrument v. The Brinkmann Corp., 96 U.S.P.Q.2d (BNA) 1701, 1708, 2010 WL 3253200, at *4 (T.T.A.B. July 28, 2010) ("As to Brinkmann's objection that Exhibits M135-M140 contain hearsay, we sustain this objection to the extent that applicant is offering these articles for the truth of the matters asserted therein."). Opposer's Exhibits 33 through 48 here should likewise be stricken or given no consideration because they are being used to prove the truth of any matter asserted therein, namely the substance of Balance Bar's historical enforcement and licensing policies.

The business records hearsay objection does not apply to Opposer's Exhibits 33 through 48. During the deposition, counsel for Opposer elicited foundationless and conclusory testimony that these documents constituted "business records." ('954 Cornacchiulo Tr. at 50:18–22; 51:9–18.) This type of baseless conclusion from an unknowledgeable deponent is insufficient to establish that these documents satisfy the business record hearsay exception.

Under Rule 803, "Records of a Regularly Conducted Activity" are only admitted as an exception to hearsay where there is testimony by a "custodian or another qualified witness" that the requirements of Rule 803(6)(A)-(C) have been satisfied. Fed. R. Evid. 803(6)(D). That is not the case here.

Mr. Cornacchiulo is not the custodian of Exhibits 33 through 48; nor is he a qualified witness to testify to any of the requirements of Rule 803(6). For example, Mr. Cornacchiulo has no personal knowledge regarding when these documents were made; who made them (Rule 803(6)(A)); whether the records were kept in the course of regularly conducted activity (Rule 803(6)(B)); nor whether making these documents was a regular practice (Rule 803(6)(C)). Further, the Board has explicitly rejected this type of "business record" before.

In BB Online UK, No. 91193054, at *22, 2014 WL 788342, at *11, the applicant attempted to introduce a number of emails through a witness who did not work at the company when the emails were created. Id. The applicant claimed that the emails were "business records" and should be considered. Id., No. 91193054, at *23, 2014 WL 788342, at 11. The Board rejected that argument because the record did not contain sufficient evidence to establish that the exception applied. Specifically, the Board explained that under Fed. R. Evid. 803(6)(A)-(C), the exception only applies where "the record was made at or near the time by—or from information transmitted by—someone with knowledge," the record "was kept in the course of a regularly conducted activity of a business . . ." and "making the record was a regular practice of that activity." The Board stated "the Rule is clear that "*all these conditions*" must be "shown by the testimony of the custodian or another qualified witness." Id., No. 91193054, at *23, 2014 WL 788342, at 11 (emphasis in original); see also City Nat'l Bank v. OPGI Mgmt. GP Inc./Gestion OPGI Inc., 106 U.S.P.Q.2d 1668, 1673 (T.T.A.B. 2013) ("the Board has held that a witness may not offer testimony regarding company history unless said witness has personal knowledge thereof"); see also, Dan Foam ApS v. Sleep Innovations Inc., 106 U.S.P.Q.2d (BNA) 1939, 1943 (T.T.A.B. 2013); Olin Corp., 210 U.S.P.Q. (BNA) at 67.

Similarly, here Mr. Cornacchiulo has no personal knowledge and the requirements of Federal Rule of Evidence 803(6)(D) have not been shown by the custodian or another qualified witness. As a result, the Exhibits at issue here should likewise be stricken or given no consideration by the board.

Dated this 26th day of February, 2015.

/s/ Johanna M. Wilbert
David R. Cross
Marta S. Levine
Johanna M. Wilbert
QUARLES & BRADY LLP
411 East Wisconsin Avenue
Suite 2040
Milwaukee, Wisconsin 53202-4497
Telephone: (414) 277-5495
Facsimile: (414) 978-8942
Email: DRC@quarles.com
Email: marta.levine@quarles.com
Email: johanna.wilbert@quarles.com
Attorneys for Applicant GFA Brands, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on February 26, 2015, I served upon counsel of record the foregoing by causing the same to be delivered by U.S. mail and email to:

R. Glenn Schroeder
Schroeder Law PC
110 Cooper Street #605
Babylon, New York 11702
gschroeder@schroederlawpc.com

Dated this 26th day of February, 2015.

/s/ Johanna M. Wilbert _____

Johanna M. Wilbert
QUARLES & BRADY LLP
411 E. Wisconsin Avenue
Suite 2350
Milwaukee, WI 53202-4497
Phone: (414) 277-5000
Facsimile: (414) 978-8669
johanna.wilbert@quarles.com

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APPENDIX C

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Application Serial No. 85/751,520: EARTH BALANCE
Published for Opposition March 19, 2013

BALANCE BAR COMPANY,

Opposer,

Opposition No. 91212477

v.

GFA BRANDS, INC.,

Applicant.

APPENDIX OF AUTHORITIES THAT DO NOT APPEAR IN THE U.S.P.Q.

Akiro LLC v. House of Cheatham,
946 F. Supp. 2d 324 (S.D.N.Y. 2013)

Clinique Labs., LLC v. Absolute Dental, LLC,
No. 91181263, 2011 WL 1652171 (T.T.A.B. 2011) (unpublished, non-precedential)

E&J Gallo Winery v. Proximo Spirits, Inc.,
2011 WL5922090 (E.D. Cal. Nov. 28, 2011)

Full Speed Ahead, Inc. v. SRAM Corp.,
No. 91171889, 2008 WL 5256412 (T.T.A.B. Dec. 10, 2008) (unpublished, non-precedential)

Farm Fleet Supplies, Inc. v. Blain Supply Inc.,
No. 91196469, 2013 WL 4635992 (T.T.A.B. 2013) (unpublished, non-precedential)

Kargo Global, Inc. v. Advance Magazine Publishers, Inc.,
2007 WL2258688 (S.D.N.Y. Aug. 6, 2007)

Nat'l Distillers Prods. Co., LLC v. Refreshment Brands, Inc.,
198 F. Supp.2d 474 (S.D. N.Y. 2002)

Nat'l Football League Properties, Inc. v. Pro Style, Inc.,
16 F.Supp.2d 1012 (E.D. Wis. 1998)

Reliance Standard Life Ins. Co. v. Am. Nat'l Ins. Co.,
No. 91178996, 2012 WL 1881493 (T.T.A.B. Apr. 30, 2012) (unpublished, non-precedential)

Syndicat Des Proprietaires Viticulteurs De Chateauneuf-Du-Pape v. Pasquier Desvignes,
No. 91179408, 2013 WL 5407284 (June 14, 2013) (unpublished, non-precedential)

Zillow, Inc. v. Super T Fin. DBA Loanzilla,
No. 91203730, 2014 WL 3752422 (T.T.A.B. Jul. 22, 2014) (unpublished, non-precedential)

Dr. John P. Liefeld, "How Surveys Overestimate the Likelihood of Consumer Confusion," 93 TMR 939 (2003)

MANUAL FOR COMPLEX LITIGATION (Third) §21.493 (1995)

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Shari Seidman Diamond, "Reference Guide on Survey Research," Reference Manual on Scientific Evidence 411 (3d ed. 2011), Federal Judicial Counsel

6 J. Thomas McCarthy, Trademarks and Unfair Competition,
§ 11:90 (4th ed.)

6 J. Thomas McCarthy, Trademarks and Unfair Competition,
§ 32:173.50 (4th ed.)

6 J. Thomas McCarthy, Trademarks and Unfair Competition,
§ 32:174 (4th ed.)

946 F.Supp.2d 324
United States District Court,
S.D. New York.

AKIRO LLC, Plaintiff,
v.
HOUSE OF CHEATHAM, INC.
and Robert H. Bell, Defendants.

No. 12 Civ. 5775 (JSR). | May 17, 2013.

Synopsis

Background: Hair care product manufacturer brought claims for trademark infringement and false designation of origin under the Lanham Act, and for unfair competition and trademark dilution under New York law against competitor alleging that competitor's Aunt Jackie's brand of hair care products infringed on manufacturer's Miss Jessie's brand. Both parties moved for summary judgment.

Holdings: The District Court, Jed S. Rakoff, J., held that:

[1] the first *Polaroid* factor, the strength of the mark, supported a finding of a likelihood of consumer confusion;

[2] the third *Polaroid* factor, the proximity of the products and the fourth *Polaroid* factor, the possibility of the senior user bringing the gap and entering the junior user's market supported a finding of a likelihood of consumer confusion;

[3] the fifth *Polaroid* factor, actual consumer confusion, weakly supported a finding of a likelihood of confusion;

[4] genuine issue of material fact existed as to whether competitor adopted its mark with the intention of capitalizing on hair care product manufacturer's reputation and good will;

[5] genuine issue of material fact existed as to whether competitor's products were inferior to manufacturer's;

[6] the eighth *Polaroid* factor, the sophistication of the purchasers in the relevant market, supported a finding of noninfringement;

[7] manufacturer's Miss Jessie's trademark was not sufficiently similar to competitor's Aunt Jackie's trademark to support a claim of trademark dilution.

Competitor's motion granted in part and denied in part.

West Headnotes (29)

[1] Federal Civil Procedure
Admissibility

170A Federal Civil Procedure
170AXVII Judgment
170AXVII(C) Summary Judgment
170AXVII(C)3 Proceedings
170Ak2542 Evidence
170Ak2545 Admissibility

Report of competitor's purported expert in brand identity, strategy, and design would only be considered as attorney argument, and not as evidence on motion for summary judgment in hair product manufacturer's trademark infringement action against competitor, where a comparison of products and store appearances was something the average trier of fact could perform without the assistance of a marketing consultant, the expert employed no discernible technique or methodology, and there were no other indicators of reliability. Fed.Rules Evid.Rule 702, 28 U.S.C.A.

Cases that cite this headnote

[2] Evidence
Necessity and sufficiency

157 Evidence
157XII Opinion Evidence
157XII(D) Examination of Experts
157k555 Basis of Opinion
157k555.2 Necessity and sufficiency

Daubert sets forth a list of five nonexclusive factors for trial courts to consider in determining whether an expert's reasoning and methodology are sufficiently reliable to merit admission: (1) whether the methodology has or can be tested, (2) whether it has been subject to peer review or publication, (3) the known or potential rate of error, (4) the existence and maintenance of internal controls and standards, and (5) general acceptance in the expert community. Fed.Rules Evid.Rule 702, 28 U.S.C.A.

Cases that cite this headnote

[3] Trademarks

Infringement

382T Trademarks
382TVIII Violations of Rights
382TVIII(A) In General
382Tk1418 Practices or Conduct Prohibited in General; Elements
382Tk1421 Infringement

To prevail on a claim of trademark infringement, a plaintiff must show that the defendant (1) without permission, copied, reproduced, or imitated the plaintiff's (2) registered trademark in commerce (3) as part of the sale or distribution of goods or services (4) and that such use is likely to cause confusion between the two marks. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[4] Trademarks

Factors considered in general

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1081 Factors considered in general

In determining whether there is a likelihood of consumer confusion, as required to support a claim of trademark infringement, courts consider: (1) strength of the trademark; (2) similarity of the marks; (3) proximity of the products and their competitiveness with one another; (4) evidence that the senior user may bridge the gap by developing a product for sale in the market of the alleged infringer's product; (5) evidence of actual consumer confusion; (6) evidence that the imitative mark was adopted in bad faith; (7) respective quality of the products; and (8) sophistication of consumers in the relevant market. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[5] Trademarks

Strength or fame of marks; degree of distinctiveness

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1090 Nature of Marks
382Tk1092 Strength or fame of marks; degree of distinctiveness

The first *Polaroid* factor, the strength of the mark, supported a finding of a likelihood of consumer confusion in hair care product manufacturer's trademark infringement action against competitor, where the trademark was registered with the United States Patent and Trademark Office (PTO) without proof of secondary meaning, the trademark was inherently distinctive, and the trademark was well-known and strong in the hair care product market. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[6] Trademarks

Strength or fame of marks; degree of distinctiveness

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1090 Nature of Marks
382Tk1092 Strength or fame of marks; degree of distinctiveness

The first factor in determining the likelihood of consumer confusion for a claim of trademark infringement, the strength of the mark, measures a mark's tendency to identify the goods sold under the mark as emanating from a particular, although possibly anonymous, source. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[7] Trademarks

Strength or fame of marks; degree of distinctiveness

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1090 Nature of Marks
382Tk1092 Strength or fame of marks; degree of distinctiveness

When determining a mark's strength, as part of assessing the likelihood of consumer confusion

for a claim of trademark infringement, courts consider both the mark's inherent distinctiveness, based on the characteristics of the mark itself, and its acquired distinctiveness, based on associations the mark has gained through use in commerce. Lanham Act, § 32, 15 U.S.C.A. § 1114.

1 Cases that cite this headnote

[8] Trademarks

Levels or categories of distinctiveness in general; strength of marks in general

382T Trademarks
382TII Marks Protected
382Tk1033 Levels or categories of distinctiveness in general; strength of marks in general

As to inherent distinctiveness of a trademark, courts classify a mark in one of four categories in increasing order of inherent distinctiveness: generic, descriptive, suggestive, and arbitrary.

Cases that cite this headnote

[9] Trademarks

Nature or type of mark; distinctiveness and strength

382T Trademarks
382TVII Registration
382TVII(C) Effect of Federal Registration
382Tk1358 Particular Effects; Rights Acquired
382Tk1363 Nature or type of mark; distinctiveness and strength

Registration by the United States Patent and Trademark Office (PTO) without proof of secondary meaning creates the presumption that the mark is more than merely descriptive, and that the mark is inherently distinctive.

Cases that cite this headnote

[10] Federal Civil Procedure

Copyright, trademark, and unfair competition cases

170A Federal Civil Procedure
170AXVII Judgment
170AXVII(C) Summary Judgment
170AXVII(C)2 Particular Cases
170Ak2493 Copyright, trademark, and unfair competition cases

The second *Polaroid* factor, the similarity of the trademarks, cut against granting summary judgment to either hair care product manufacturer and competitor in trademark infringement action; whether the factor favored either party was a function of whether one took the evidence in the light most favorable to the competitor on manufacturer's motion or to the manufacturer on competitor's motion. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[11] Trademarks

Examination and comparison; construction as entirety

Trademarks

Appearance, sound, and meaning

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1093 Relationship Between Marks
382Tk1097 Examination and comparison; construction as entirety
382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1093 Relationship Between Marks
382Tk1098 Appearance, sound, and meaning

Similarity, as a factor in assessing the likelihood of consumer confusion in a trademark infringement action, is a holistic consideration that turns on the marks' sight, sound, and overall commercial impression under the totality of the circumstances. Lanham Act, § 32, 15 U.S.C.A. § 1114.

1 Cases that cite this headnote

[12] Trademarks

Examination and comparison; construction as entirety

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1093 Relationship Between Marks
382Tk1097 Examination and comparison; construction as entirety

Side by side comparison is not the appropriate test for assessing the similarity of two products as part of an analysis of the likelihood of consumer confusion in a trademark infringement action; the correct test is whether a consumer who is somewhat familiar with the plaintiff's mark would likely be confused when presented with defendant's mark alone.

1 Cases that cite this headnote

[13] Trademarks

Markets and territories; competition

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1100 Relationship Between Goods or Services Underlying Marks
382Tk1104 Markets and territories; competition

The third *Polaroid* factor, the proximity of the products, and the fourth *Polaroid* factor, the possibility of the senior user bringing the gap and entering the junior user's market, supported a finding of a likelihood of consumer confusion in hair care product manufacturer's trademark infringement action against competitor, even though there was a price difference between the brands and the brands' distribution channels were not coextensive, where the price difference would represent a small gap for manufacturer to bridge, the brands' distribution channels overlapped, and competitor had repeatedly identified itself as competing with manufacturer. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[14] Trademarks

Markets and territories; competition

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1100 Relationship Between Goods or Services Underlying Marks
382Tk1104 Markets and territories; competition

The third *Polaroid* factor, the proximity of the products, and the fourth *Polaroid* factor, the possibility of the senior user bringing the gap and entering the junior user's market, focus on the degree to which the products currently compete with each other or are likely to compete with each other in the future; in examining this factor, the courts compare all aspects of the products, including price, style, intended use, target clientele, typical distribution channels, and others.

Cases that cite this headnote

[15] Federal Civil Procedure

Copyright, trademark, and unfair competition cases

170A Federal Civil Procedure
170AXVII Judgment
170AXVII(C) Summary Judgment
170AXVII(C)2 Particular Cases
170Ak2493 Copyright, trademark, and unfair competition cases

The fifth *Polaroid* factor, actual consumer confusion, supported at least weakly a finding of a likelihood of confusion in competitor's motion for summary judgment in trademark infringement case, even though hair care product manufacturer had raised several objections to competitor's marketing survey and manufacturer had cited evidence of several incidents of actual confusion, where the marketing report followed a standard, generally accepted survey format, the objections to the survey could only discount the report to some degree, and some of the purported incidents of confusion were actually comparisons. Lanham Act, § 32, 15 U.S.C.A. § 1114.

1 Cases that cite this headnote

[16] Trademarks

Actual confusion

Trademarks

Actual confusion

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1083 Nature of Confusion
382Tk1086 Actual confusion
382T Trademarks
382TIX Actions and Proceedings
382TIX(C) Evidence

382Tk1620 Weight and Sufficiency
382Tk1629 Similarity; Likelihood of Confusion
382Tk1629(2) Actual confusion

The fifth *Polaroid* factor for assessing the likelihood of confusion in a trademark infringement action, actual consumer confusion, is not necessary to establish a likelihood of confusion but can often provide highly probative evidence of this likelihood. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[17] Federal Civil Procedure
Copyright, trademark, and unfair competition cases

170A Federal Civil Procedure
170AXVII Judgment
170AXVII(C) Summary Judgment
170AXVII(C)2 Particular Cases
170Ak2493 Copyright, trademark, and unfair competition cases

Genuine issue of material fact existed as to whether competitor adopted its mark with the intention of capitalizing on hair care product manufacturer's reputation and good will, precluding summary judgment on the sixth *Polaroid* factor for assessing the likelihood of customer confusion in a trademark infringement case. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[18] Trademarks
Intent; knowledge of confusion or similarity

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1111 Intent; knowledge of confusion or similarity

The sixth *Polaroid* factor for assessing the likelihood of consumer confusion in a trademark infringement case is bad faith, which concerns whether the defendant adopted its mark with the intention of capitalizing on plaintiff's reputation and goodwill and any confusion between his and the senior user's product. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[19] Federal Civil Procedure
Copyright, trademark, and unfair competition cases

170A Federal Civil Procedure
170AXVII Judgment
170AXVII(C) Summary Judgment
170AXVII(C)2 Particular Cases
170Ak2493 Copyright, trademark, and unfair competition cases

Genuine issue of material fact existed as to whether competitor's products were inferior to manufacturer's, thereby tarnishing manufacturer's reputation if consumers confused the two, or whether the products were similar creating confusion as to source, precluding summary judgment on the seventh *Polaroid* fact, the quality of the parties' products. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[20] Trademarks
Persons confused; circumstances of sale

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1112 Persons confused; circumstances of sale

The eighth *Polaroid* factor, the sophistication of the purchasers in the relevant market, supported a finding of noninfringement in hair product manufacturer's trademark infringement action against competitor, where consumers in the natural and curly hair product market were sophisticated in that they tend to read product labels and research available products and styles. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[21] Trademarks
Persons confused; circumstances of sale

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion

382Tk1112 Persons confused; circumstances of sale

The eighth *Polaroid* factor for assessing the likelihood of confusion in a trademark infringement action, the sophistication of the purchasers in the relevant market, usually militates against a finding of a likelihood of confusion, though it might on occasion increase the likelihood of confusion, depending upon the circumstances of the market and the products. Lanham Act, § 32, 15 U.S.C.A. § 1114.

Cases that cite this headnote

[22] Federal Civil Procedure

Copyright, trademark, and unfair competition cases

170A Federal Civil Procedure
170AXVII Judgment
170AXVII(C) Summary Judgment
170AXVII(C)2 Particular Cases
170Ak2493 Copyright, trademark, and unfair competition cases

Genuine issue of material fact existed as to whether competitor adopted hair care product manufacturer's trademark in bad faith, precluding summary judgment on manufacturer's claim of unfair competition under New York law.

Cases that cite this headnote

[23] Antitrust and Trade Regulation

Passing Off or Palming Off

Antitrust and Trade Regulation

Misappropriation

29T Antitrust and Trade Regulation
29TII Unfair Competition
29TII(A) In General
29Tk40 Passing Off or Palming Off
29Tk41 In general
29T Antitrust and Trade Regulation
29TII Unfair Competition
29TII(A) In General
29Tk43 Misappropriation

To prevail on a claim of unfair competition under New York law under either a misappropriation or a palming off theory, a plaintiff must show a likelihood of confusion or deception of the consuming public as to the source of the allegedly infringing product or service and bad faith on the part of defendants.

Cases that cite this headnote

[24] Trademarks

Nature and extent of harm; similarity, competition, and confusion

382T Trademarks
382TVIII Violations of Rights
382TVIII(B) Dilution
382Tk1461 Nature and extent of harm; similarity, competition, and confusion

Hair care product manufacturer's Miss Jessie's trademark was not sufficiently similar to competitor's Aunt Jackie's trademark such that consumers would view the marks as essentially the same, as required to support a claim of trademark dilution under New York law. N.Y.McKinney's General Business Law § 360–*l*.

Cases that cite this headnote

[25] Trademarks

Nature and Elements in General

382T Trademarks
382TVIII Violations of Rights
382TVIII(B) Dilution
382Tk1458 Nature and Elements in General
382Tk1459 In general

To prevail on a claim of trademark dilution under New York law, a plaintiff must show: (1) a distinctive mark capable of being diluted, and (2) a likelihood of dilution. N.Y.McKinney's General Business Law § 360–*l*.

1 Cases that cite this headnote

[26] Trademarks

Nature and extent of harm; similarity, competition, and confusion

382T Trademarks
382TVIII Violations of Rights
382TVIII(B) Dilution
382Tk1461 Nature and extent of harm; similarity, competition, and confusion

In showing a likelihood of dilution, as required to support a claim of trademark dilution under New

York law, the plaintiff must show that the marks are not just similar, but substantially similar. N.Y.McKinney's General Business Law § 360–*l*.

1 Cases that cite this headnote

[27] Trademarks

Nature and extent of harm; similarity, competition, and confusion

382T Trademarks
382TVIII Violations of Rights
382TVIII(B) Dilution
382Tk1461 Nature and extent of harm; similarity, competition, and confusion

The substantial similarity test for a claim of trademark dilution under New York law requires more than the familiar test of similarity used in the traditional infringement context; marks must at least be similar enough that a substantial segment of the target group of customers sees the two marks as essentially the same. N.Y.McKinney's General Business Law § 360–*l*.

Cases that cite this headnote

[28] Trademarks

Alphabetical listing

382T Trademarks
382TXI Trademarks and Trade Names Adjudicated
382Tk1800 Alphabetical listing

Aunt Jackie's.

Cases that cite this headnote

[29] Trademarks

Alphabetical listing

382T Trademarks
382TXI Trademarks and Trade Names Adjudicated
382Tk1800 Alphabetical listing

Miss Jessie's.

Cases that cite this headnote

Attorneys and Law Firms

***328** Matthew Adam Pek, Guzov Ofsink, New York, NY, D. Reeves Carter, McDermott, Will & Emery, New York, NY, for Plaintiff.

Mercedes Colwin, Gordon & Rees, LLP, Michael John Vollbrecht, Gorlick, Kravitz & Listhaus, P.C., Ryan James Sestack, Wilson Elser Moskowitz Edelman & Dicker LLP, New York, NY, for Defendants.

329 *MEMORANDUM

JED S. RAKOFF, District Judge.

Plaintiff Akiro LLC ("Akiro") filed this action against defendants House of Cheatham, Inc. ("HOC") and Robert H. Bell, asserting claims for trademark infringement and false designation of origin under the Lanham Act, and for unfair competition and trademark dilution under New York law. By stipulation and order signed by the Court on March 4, 2013, the claims against defendant Bell have been dismissed with prejudice. The parties then cross-moved for summary judgment on all claims against defendant HOC. On April 12, 2013, the Court issued a "bottom-line" order granting HOC's motion in part and denying it in part, and denying Akiro's motion in full. Specifically, the Court denied both parties' motions with respect to the claims for trademark infringement, false designation of origin, and state-law unfair competition. As to the claim for trademark dilution, the Court denied Akiro's motion and granted HOC's motion, and thus dismissed the claim. This Memorandum explains the reasons for those rulings.

On summary judgment, the Court "constru[es] the evidence in the light most favorable to the nonmoving party and draw[s] all reasonable inferences in that party's favor." *Scottsdale Ins. Co. v. R.I. Pools Inc.*, 710 F.3d 488, 491 (2d Cir.2013). Summary judgment is appropriate "only if the moving party shows that there are no genuine issues of material fact and that the moving party is entitled to judgment as a matter of law." *Id.* Where the parties cross-move for summary judgment, the Court analyzes each motion separately, "in each case construing the evidence in the light most favorable to the non-moving party." *Novella v. Westchester Cnty.*, 661 F.3d 128, 139 (2d Cir.2011).

The following facts are undisputed unless otherwise noted. Akiro is the owner of a valid registration for the trademark MISS JESSIE'S, under which it sells a number of products in the so-called "natural and curly" hair product market. Pl.'s Statement of Undisputed Facts Pursuant to Local Civ. Rule 56.1(a) ("Pl.'s 56.1") ¶¶ 1, 4, 13.[1] This market primarily serves the growing number of African American women who choose not to chemically alter or "relax" their hair, instead allowing it to remain "natural" and curly. *Id.* ¶ 2.

Akiro has sold hair care products under the MISS JESSIE'S mark continuously and without interruption since at least 2003. *Id.* ¶¶ 4, 6. Over the last ten years, Akiro has expended considerable financial and other resources towards marketing and promoting goods under the MISS JESSIE'S mark. *Id.* ¶ 7. Akiro has participated in hair product trade shows, purchased advertising placements in a number of popular national magazines, placed ads on billboards and radio broadcasts, and hired publicists and public relations firms to promote products under the MISS JESSIE'S mark. *Id.* ¶ 8–9. Recently, MISS JESSIE'S was the official U.S. hair care product partner of the movie *Sparkle,* starring Jordin Sparks and Whitney Houston. *Id.* ¶ 10.

HOC is the owner of a valid registration for the trademark AUNT JACKIE'S, under which it sells its own line of products in the natural and curly hair product market. Def.'s Local Rule 56.1(a) Statement of Undisputed Material Facts ("Def.'s 56.1") ¶¶ 36, 41. HOC began exploring the possibility of entering this market in 2010. *Id.* ¶¶ 1–2. Between January 2010 and ***330** April 2012, HOC extensively researched this market, including interviewing retailers, visiting hair shows and salons, assessing existing products, reviewing industry data, and hiring a market researcher to conduct quantitative a survey of consumers at shopping malls. *Id.* ¶¶ 1–3. HOC's research showed that natural hair products associated with a personality or a person's name were most successful and popular, and that consumers in this market were relatively sophisticated in that they read product labels and research available products and styles. *Id.* ¶¶ 4–5.[2]

In December 2011, HOC determined that an opportunity existed in this market for products priced at an intermediate point between the so-called "premium" and "value" levels, and began developing a brand for this portion of the market. *Id.* ¶¶ 6–7.[3] As part of that development, according to Dwan White, HOC's Director of Marketing and Product Development, HOC conducted a number of product formula trials in a salon. *Id.* ¶ 8. According to White, the colors used in the test formulas, including the purple color that was eventually used in HOC's AUNT JACKIE'S "curl la la" product, came from the formulas of other existing HOC products. *Id.* ¶ 10.

On January 24, 2012, White forwarded a list of potential brand names to HOC's trademark counsel, Nathan Belzer, Esq., and asked his firm to search for conflicts with registered trademarks. *Id.* ¶ 11. The potential marks White forwarded all took the form "Ms. [name]'s True Natural Hair Therapies," with five names inserted: Carol, Betty, Chelsea, Jenny, and Carter. *Id.* ¶ 12. White also forwarded potential product names to be searched for conflicts as well. *Id.* ¶ 13. One week later, White forwarded two additional potential brand names to Belzer—Lady Chelsea's True Natural Hair Therapies and Aunt Jenny's True Natural Hair Therapies. *Id.* ¶ 15.

On February 1, 2012, Belzer sent White a chart summarizing the results of the trademark searches and noting any issues with the proposed names. *Id.* ¶ 17. On February 3, 2012, White forwarded Belzer another two more potential names to search: Miss Jackie's (or Jacqui's) Coils and Curls and Miss Leslie's Coils and Curls, and on February 6, 2012, Belzer sent White an updated chart noting any issues for the new names. *Id.* ¶¶ 19–21. In that email, Belzer stated that, "[o]f the two [most recently proposed names], Leslie's was clearer than Miss Jackie's/Jacqui's." Aff. of Tit Branch ("Branch Aff."), ex. K, at DEF16. A week later, at Belzer's recommendation, White directed Belzer to apply to register the following trademarks on behalf of HOC: Miss Jackie's Curls and Coils, Oh So Clean!, La Creme, Curl La La, and Knot On My Watch, which Belzer proceeded to do. *Id.* ¶¶ 24–26.

White now states in her declaration that she "did not look at or review the Miss Jessie's brand and did not use Miss Jessie's as a model or template at any point in the development of Aunt Jackie's." Decl. of Dwan White, ¶ 10. On February 22, 2012, however, White forwarded to Belzer photos of proposed Miss Jackie's Curls & ***331** Coils product packaging, as well as photos of existing MISS JESSIE'S product packaging. White explained:

> The images attached are of our new Miss Jackie's Curls & Coils brand and another competitor. A few brands in this natural hair category have trade dress that conveys a premium, old fashioned look and feel. That is the direction we have chosen too. We

> would like your opinion on whether there could be a high risk or strong argument for Miss Jackie's trade dress and the attached competitor's trade dress being confusingly similar.

Decl. of Mercedes Colwin, ex. C, at DEF56–58. Belzer responded:

> We may need to discuss this a bit. When I ran the search names, I did not know that you had specific competitors['] products in mind. The searches can't really be done in a vacuum. At the very least, the script of MISS JACKIE'S absolutely needs to change. I am also now concerned about the use of LA CREME. While Miss Jessie's was unsuccessful in getting a registration for CREME DE LA CREME, and there are other CREME marks out there, you really need to stay away from anything that Miss Jennie's [sic] is using.
>
> I think there is a risk that Miss Jennie's [sic] will complain about the trade dress overall and the MISS JACKIE'S mark specifically. I think you would have good arguments in defense of such a claim. But the having to defend the claim could be the problem. Taken individually, the elements are not confusingly similar. When taken as a whole (as Miss Jennie's [sic] would argue), they get a bit closer.

Id. at DEF59. White and Belzer state that during a subsequent phone conversation involving White, Belzer, and two other HOC officials, Belzer recommended that HOC should consider changing the name "Miss" to something else. Def.'s 56.1 ¶ 29; Decl. of Nathan Belzer, ¶ 13. When White offered "Aunt," "Lady," and "Madam," Belzer recommended "Aunt." Def.'s 56.1 ¶ 30. During the conversation, however, Belzer reiterated his belief that the MISS JACKIE'S mark was not confusingly similar to the MISS JESSIE'S mark. *Id.* ¶ 31. [4]

Belzer then conducted further investigation into the AUNT JACKIE'S mark, concluded that it was not likely to be confused with any preexisting mark, and filed a new trademark application for that mark on March 2, 2012. *Id.* ¶¶ 32–33. [5] In an examiner's amendment issued on May 29, 2012, the assigned trademark examiner noted that "[t]he trademark examining attorney has searched the USPTO's database of registered and pending marks and has found no conflicting marks that would bar registration." *Id.* ¶ 35. HOC was later granted registration for the AUNT JACKIE'S mark, and began selling products under it in late June 2012. *Id.* ¶ 36, 41. AUNT JACKIE'S products are now available at beauty supply stores, retail outlets, big box chains, grocery stores, and pharmacies. *Id.* ¶ 38.

[1] HOC also presents expert evidence in the form of two expert reports. The first is by Rob Wallace, managing partner ***332** of a brand strategy consultancy and a purported expert in brand identity, strategy, and design. Expert Report of Rob Wallace ("Wallace Report"), ex. F to Colwin Decl., at 11. Wallace's report analyzes various aspects of the MISS JESSIE'S and AUNT JACKIE'S brands—including product names, fonts, color schemes, logo elements, and package structures—to determine whether consumers are likely to be confused between the two brands. Wallace concludes that consumers are "highly unlikely" to confuse or associate the two marks, and opines "that the Aunt Jackie's brand does not infringe on the M[i]ss Jessie's brand trademark." *Id.*

[2] Akiro argues that the Wallace Report should be excluded from the summary judgment record because it is inadmissible under Federal Rule of Evidence 702 and the standards announced in *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579, 113 S.Ct. 2786, 125 L.Ed.2d 469 (1993), and its progeny. *Daubert* sets forth a list of five nonexclusive factors for trial courts to consider in determining whether an expert's reasoning and methodology are sufficiently reliable to merit admission: (1) whether the methodology has or can be tested, (2) whether it has been subject to peer review or publication, (3) the known or potential rate of error, (4) the existence and maintenance of internal controls and standards, and (5) general acceptance in the expert community. *Id.* at 593–94, 113 S.Ct. 2786. These are now substantially codified in Rule 702.

Akiro contends that the Wallace Report does not meet a single one of these factors and contains no other indicator of reliability, because it employs no discernible technique or methodology at all; rather, Wallace merely compares the elements of the two brands in the same manner as would an ordinary lay juror. The Court is compelled to agree. Indeed, HOC does not argue that the Wallace Report meets any of the *Daubert* factors or possesses any other indicator of reliability, and instead simply asserts that Wallace "possesses specialized knowledge from his personal experience and training that will assist the trier of fact to understand the evidence [and] to determine a fact in issue." Reply Mem. of Law in Supp. of Def.'s Mot. for Summ. J. at 3 (internal quotation marks omitted). But "[c]omparing products and store appearances is something the average trier

of fact can perform without the assistance of" a marketing consultant. *Trouble v. Wet Seal, Inc.,* 179 F.Supp.2d 291, 303 (S.D.N.Y.2001) (excluding a similar expert report). As it simply dresses up HOC's view of the underlying factual evidence in expert garb, the Wallace Report must be excluded. The Court will therefore consider it on this motion only as attorney argument, and not as evidence.

HOC's second expert report is by Dr. Bruce Isaacson, president of a marketing research and consulting firm and a purported expert in "research, surveys, and marketing." Expert Report Submitted by Dr. Bruce Isaacson ("Isaacson Report"), ex. G to Colwin Decl., ¶ 9. Isaacson performed a consumer confusion survey using the so-called "Eveready" format, a standard survey format in which respondents are shown the defendant's products and asked questions to elicit whether they associate them with plaintiff's mark. *Id.* ¶ 3. Isaacson found that "only 1.8% of respondents were confused between Aunt Jackie's Curl La La [product] and Miss Jessie's," and "only 0.9% of respondents were confused between Aunt Jackie's Knot On My Watch [product] and Miss Jessie's." *Id.* ¶ 7. Isaacson found these percentages to fall "below levels that are typically considered significant." *Id.* ¶ 71.

Lanham Act Claims

[3] Counts 1 and 2 of Akiro's complaint assert claims for trademark infringement ***333** and false designation of origin under the Lanham Act, 15 U.S.C. §§ 1114, 1125. "To prevail on a claim of trademark infringement, a plaintiff must show that the defendant (1) without permission, copied, reproduced, or imitated the plaintiff's (2) registered trademark in commerce (3) as part of the sale or distribution of goods or services (4) and that such use is likely to cause confusion between the two marks." *Streetwise Maps, Inc. v. VanDam, Inc.,* 159 F.3d 739, 742 (2d Cir.1998). Here, HOC concedes that MISS JESSIE'S is a valid registered mark and that HOC has used the AUNT JACKIE'S mark in connection with the sale of goods without Akiro's consent. As in the typical trademark infringement case, Akiro's claim thus turns on whether HOC's use of the AUNT JACKIE'S mark is likely to cause consumer confusion with the MISS JESSIE'S mark. Such consumer confusion is also the crux of Akiro's false designation of origin claim. *See Thompson Med. Co., Inc. v. Pfizer Inc.,* 753 F.2d 208, 213 (2d Cir.1985).

[4] In determining whether there is a likelihood of consumer confusion, courts consider the eight factors announced in *Polaroid Corp. v. Polarad Elecs. Corp.,* 287 F.2d 492, 493 (2d Cir.1961). Those factors are:

> (1) strength of the trademark; (2) similarity of the marks; (3) proximity of the products and their competitiveness with one another; (4) evidence that the senior user may "bridge the gap" by developing a product for sale in the market of the alleged infringer's product; (5) evidence of actual consumer confusion; (6) evidence that the imitative mark was adopted in bad faith; (7) respective quality of the products; and (8) sophistication of consumers in the relevant market.

Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 588 F.3d 97, 115 (2d Cir.2009). The Court accordingly takes up each of these factors in turn.

[5] **[6]** **[7]** The first factor, the strength of the mark, measures a mark's "tendency to identify the goods sold under the mark as emanating from a particular, although possibly anonymous, source." *The Sports Auth., Inc. v. Prime Hospitality Corp.,* 89 F.3d 955, 960 (2d Cir.1996). When determining a mark's strength, courts consider both the mark's inherent distinctiveness, based on the characteristics of the mark itself, and its acquired distinctiveness, based on associations the mark has gained through use in commerce. *Streetwise Maps,* 159 F.3d at 743–44.

[8] **[9]** As to inherent distinctiveness, "courts classify a mark in one of four categories in increasing order of inherent distinctiveness: generic, descriptive, suggestive, and arbitrary." *Id.* at 744. Importantly, "[r]egistration by the PTO without proof of secondary meaning creates the presumption that the mark is more than merely descriptive, and, thus, that the mark is inherently distinctive." *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.,* 192 F.3d 337, 345 (2d Cir.1999). Here, HOC does not dispute Akiro's assertion that MISS JESSIE'S was registered without proof of secondary meaning, nor does it present any evidence or argument to rebut the resulting presumption that the mark is inherently distinctive.

As to acquired distinctiveness, Akiro contends, based on advertising expenditures, press coverage, industry awards, and the length and exclusivity of the mark's use, that MISS JESSIE'S is a recognized leader in the natural hair product

market. For its part, HOC concedes that the MISS JESSIE'S mark has acquired so-called "secondary meaning"—that is, ***334** that consumers associate all goods sold under the mark with a single source. *See Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.,* 696 F.3d 206, 216 (2d Cir.2012).

In addition to the mark's undisputed inherent and acquired distinctiveness, HOC's own survey expert, Prof. Isaacson, describes the MISS JESSIE'S as "well-known" and "strong." Isaacson Report at 5–6. Indeed, Isaacson's expert report, on which HOC heavily relies, is based on a survey whose methodology, the Eveready format, is only valid and reliable when applied to widely recognized, commercially strong marks. The Court thus easily concludes for purposes of this motion that MISS JESSIE'S is a strong mark.

[10] **[11]** **[12]** The second *Polaroid* factor concerns the similarity of MISS JESSIE'S and AUNT JACKIE'S. Similarity is a holistic consideration that turns on the marks' sight, sound, and overall commercial impression under the totality of the circumstances. *See Malletier v. Burlington Coat Factory Warehouse Corp.,* 426 F.3d 532, 538 (2d Cir.2005); *see also Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons,* 523 F.2d 1331, 1340 (2d Cir.1975) ("The examination of the similarity of the trademarks, however, does not end with a visual comparison of the marks. Trademarks, like small children, are not only seen but heard."). Moreover, "[s]ide by side comparison is not the appropriate test." *Clinique Laboratories, Inc. v. Dep Corp.,* 945 F.Supp. 547, 552 (S.D.N.Y.1996). Rather, "the correct test is whether a consumer who is somewhat familiar with the plaintiff's mark would likely be confused when presented with defendant's mark alone." *Id.*

Here, Akiro contends that the two marks and their attendant trade dress are extremely similar. Both marks consist of two words, a one-syllable honorific followed by the possessive form of a two-syllable female first name. Akiro further argues that "Jessie's" and "Jackie's" look and sound similar—visually, both begin with "J" and end in "ie's," and aurally, both begin with a soft "j" sound and end with a hard "eez" sound. Akiro acknowledges that "Miss" and "Aunt" look and sound different, but contends that these initial honorifics are not the dominant element of the marks, and are easily interchangeable. Akiro further argues that the label design and overall commercial impression of the two brands are very similar, and that this is no accident—as HOC's marketing director told its trademark counsel, "a few of the brands in the natural hair category have trade dress that conveys a premium, old fashioned look and feel. That is the direction we have chosen too." Colwin Decl., ex. C, at DEF56–58. Akiro finally argues that one of HOC's AUNT JACKIE'S products is the same distinctive lavender color as MISS JESSIE'S Curly Pudding, its most well-recognized and best-selling product.

HOC argues to the contrary that the two marks and their trade dress are in fact markedly different. HOC notes that while Akiro separately dissects each element of the two marks, the Second Circuit has held that "[i]n order to determine if confusion is likely, each trademark must be compared in its entirety; juxtaposing fragments of each mark does not demonstrate whether the marks as a whole are confusingly similar." *Universal City Studios, Inc. v. Nintendo Co., Ltd.,* 746 F.2d 112, 117 (2d Cir.1984); *see also San Fernando Electric Mfg. Co. v. JFD Electronics Components Corp.,* 565 F.2d 683, 685 (C.C.P.A.1977) ("Each syllable of each mark generates an 'impact,' but the only impact to be considered is that of the whole."). HOC also faults Akiro for conflating similarity with good or bad faith, and notes that there is a ***335** "difference between an attempt to trade off the good will of another and the legitimate imitation of an admittedly effective marketing technique." *Haagen–Dazs, Inc. v. Frusen Gladje Ltd.,* 493 F.Supp. 73, 75 (S.D.N.Y.1980). HOC further points out that, after consulting with counsel, HOC took affirmative steps to distinguish its new brand from MISS JESSIE'S, including by changing the proposed name from "Miss Jackie's" to "Aunt Jackie's" and by changing the font of its logo. HOC also points to the Wallace Report, which details the different product names, fonts, color schemes, logo elements, and package structures employed by the two brands.

Finally, as to the color of MISS JESSIE'S Curly Pudding, HOC notes that the colors correspond to different numbers on the Pantone Matching System, and thus, while similar, are discernibly different. HOC also notes that this color pertains to only one of a dozen different MISS JESSIE'S products, and points to the uncontradicted declaration of HOC's marketing director stating that the colors used in all of the AUNT JACKIE'S product formulas, including the lavender color Akiro complains of, came from colors that HOC had used in existing formulas for other products. Def.'s 56.1 ¶ 10.

The Court finds merit in both parties' arguments on this factor. While much of Akiro's argument proceeds by analyzing the constituent parts of the two marks, this is not a case of a Lanham Act plaintiff seizing upon a single element

shared between otherwise dissimilar marks. *Cf. Universal City Studios,* 746 F.2d at 117. Rather, Akiro's analysis serves to illuminate an overall resemblance between MISS JESSIE'S and AUNT JACKIE'S and their attendant trade dress. Viewing the evidence in Akiro's favor, as the Court must on HOC's motion for summary judgment, the Court finds that a reasonable juror could view the marks and their trade dress as at least moderately similar. At the same time, HOC points to a number of obvious differences between the two marks and their trade dress. When viewing the evidence in HOC's favor, as required on Akiro's motion for summary judgment, the Court finds that a reasonable juror also could find the marks to be quite dissimilar. The Court thus concludes that this factor cuts against both parties' summary judgment motions, because whether the factor favors plaintiff or defendant is a function of whether one takes the evidence in the light most favorable to the defendant on plaintiff's motion or to the plaintiff on defendant's motion.

[13] **[14]** The third and fourth *Polaroid* factors address the proximity of the products and the possibility of the senior user "bringing the gap" and entering the junior user's market. Put another way, these two factors "focus on the degree to which the products currently compete with each other or are likely to compete with each other in the future." *Mobileye, Inc. v. Picitup Corp.,* No. 12 Civ. 1994(JSR), 928 F.Supp.2d 759, 780, 2013 WL 830837 at *17 (S.D.N.Y. Mar. 5, 2013). "In examining this factor, the courts compare all aspects of the products, including price, style, intended use, target clientele, typical distribution channels, and others." *Paco Sport, Ltd. v. Paco Rabanne Parfums,* 86 F.Supp.2d 305, 316 (S.D.N.Y.2000) *aff'd sub nom. Paco Sport, Ltd. v. Paco Rabanne Perfumes,* 234 F.3d 1262, 2000 WL 1721126 (2d Cir.2000). Akiro argues that the goods sold under the two marks in this case currently compete because they are both natural and curly hair products and are both available at beauty supply stores. *See* Def.'s 56.1 ¶¶ 38–39. Akiro also points out that an email from HOC's marketing director, as well as HOC's Rule 56.1(a) Statement in this very case, describe ***336** MISS JESSIE'S as a "competitor" of AUNT JACKIE'S. Colwin Decl., ex. C, at DEF000056; Def.'s 56.1 ¶ 27. Akiro acknowledges that the products occupy different price points, but contends that this is, at most, a very small gap to bridge.

For its part, HOC concedes that MISS JESSIE'S and AUNT JACKIE'S products compete "to some degree," Def.'s Mem. of Law in Supp. of Def.'s Mot. for Summ. J. ("HOC Moving Br.") at 14, but argues that the two brands' main channels of distribution differ, since AUNT JACKIE'S products are primarily distributed through beauty supply stores, while MISS JESSIE'S products are mainly distributed through beauty salons and Target stores. HOC also notes that the two brands are consciously priced differently, with MISS JESSIE'S in the "premium" portion of market and AUNT JACKIE'S situated between "premium" and "value." *See Paco Sport, Ltd. v. Paco Rabanne Parfums,* 86 F.Supp.2d 305, 318 (S.D.N.Y.2000) ("[T]he courts have defined the junior user's market narrowly, using such parameters as price range, target clientele, and distribution channels."). HOC further claims that there is no evidence that MISS JESSIE'S intends to move downmarket towards the price point AUNT JACKIE'S now occupies.

The Court concludes that Akiro has shown that these two *Polaroid* factors tip in its favor as a matter of law. Both brands sell goods in the natural and curly hair care product market, HOC itself has repeatedly described MISS JESSIE'S as a competitor, and while the brands' distribution channels are not coextensive, HOC does not dispute that they overlap. As for the price differences between the two brands' products, HOC points to no evidence in the record showing how large these price differences actually are. HOC represents in its moving brief that AUNT JACKIE'S products sell for a suggested retail price of $9.99 and that MISS JESSIE'S products sell for between $16.99 and $65.99, HOC Moving Br. at 1, but provides no citations for these facts, and its Rule 56.1 Statement does not mention these prices. In any event, even if these unsupported statements are accurate, such price differences would represent a small gap for Akiro to bridge given the other similarities between the products. *Cf. Scarves by Vera, Inc. v. Todo Imports Ltd. (Inc.),* 544 F.2d 1167, 1174 (2d Cir.1976) (holding that scarf designer could properly prevent use of her tradename on cosmetics); *see also Paco Sport,* 86 F.Supp.2d at 318 (noting that the bridging-the-gap factor "weighs in the senior user's favor either if bridging the gap is actually probable or if an average consumer perceives it as probable"). Whether the Court views the record evidence in Akiro's favor or HOC's, these two factors favor Akiro.

[15] **[16]** The fifth *Polaroid* factor, actual consumer confusion, "is not necessary to establish a likelihood of confusion but can often provide highly probative evidence of this likelihood." *Henegan Const. Co., Inc. v. Heneghan Contracting Corp.,* No. 00 Civ. 9077(JGK), 2002 WL 1300252, at *7 (S.D.N.Y. June 12, 2002). Here, both parties claim to have uncovered such highly probative evidence in their favor.

Akiro begins by arguing that a lack of consumer confusion would not be surprising or fatal to its infringement claims in this case, given that AUNT JACKIE'S products have been on the market for less than a year. *See Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.,* 799 F.2d 867, 875 (2d Cir.1986) (holding that where "[t]here has been little chance for actual confusion," it "would be unfair to penalize appellee for acting to protect its trademark rights before serious damage has occurred"). Nevertheless, Akiro claims to ***337** have identified the following instances of actual consumer confusion between MISS JESSIE'S and AUNT JACKIE'S, collected from Internet postings and documents produced by HOC in discovery:

> When I first saw this product I was actually convinced that it was a Miss Jessie's product. (Anyone familiar with this line will know why when you see it.) It wasn't until I got home that I realized it was something completely different. I am confident that there are some copyright issues going on there.

Branch Aff., ex. L, at 1.

> I saw aunt Jackie's products in my local beauty supply store (in durham, nc). They had it right beside the miss Jessie's and if you weren't paying attention, you'd mistake the two. The labels look JUST alike lol! My sister said since she can't afford Jessie's, Jackie's will do! Lol.

Id. at DEF100.

> No worries, I thought the same things. Plus I hate the name, I am tired of companies trying to relate to 'us' with names like Aunt Jackie, Miss Jessie's, As I Am, Kinky Kuly, etc. What happened to brands like KeraCare, Mizani, Design Essentials, LustraSilk, etc.

Id.

> FYI: There is a debate going on [Facebook] that some beauty bloggers don't want to try your products cause it resembles miss Jessie's.

Id.

> I love aunt Jackie's it was one of the first products I purchased when going natural and especially after I looked at the price of miss Jessie's and I decided to go with this product I love it and the smell is heavenly!

Id.

> "No shade to the products but why can't these new companies come out with more original packaging. This is the 2nd or 3rd new hair care line I have seen and the packaging resembles another line."
>
> Because it is all about marketing and buyer impulse. They are giving the illusion of another established product in the marketplace and thus capitalizing on the established reputation of that product. Maybe if the buyer doesn't notice, he/she will buy? ? In my legal opinion it looks like trademark infringement and they are opening themselves up to a lawsuit.

Id. at DEF100–01 (quoting a comment from another user on the same comment thread).

> I stumbled across this product by Aunt Jackie['s] called "Curl La La" which claims to define curls. For only $7.99 I decided to try it. I assume Aunt Jackie['s] is a cheaper brand to Miss Jessie['s].

Id. at DEF101.

> Just purchased Aunt Jackie's almost like Miss Jessie's please let me know if you have tried it? ?

Id.

HOC argues in response that in all but one of these quotes, the speaker is merely comparing two different products recognized to be from different companies, or is speculating that other inattentive consumers might be confused. But, according to HOC, by comparing different brands or speculating about confusion by others, these speakers have actually demonstrated that they themselves

were not confused. HOC concedes that the first quote above, in which a blogger states that she mistakenly believed that an AUNT JACKIE'S product was in fact a MISS JESSIE'S product until she returned home from the store, does show true actual confusion, but contends that one or two instances of actual ***338** confusion constitutes mere *de minimis* evidence insufficient to raise a genuine issue of fact. *See Mr. Water Heater Enterprises, Inc. v. 1–800–Hot Water Heater, LLC,* 648 F.Supp.2d 576, 588 (S.D.N.Y.2009); *C.L.A.S.S. Promotions, Inc. v. D.S. Magazines, Inc.,* 753 F.2d 14, 18 (2d Cir.1985).

In addition, HOC points to affirmative evidence of a lack of consumer confusion in the form of the Isaacson Report, which concluded that actual confusion between the two brands is negligible. That report is based on an Eveready format survey of 440 women who said they used hair curling or detangling products at least weekly and intended to purchase such products in the next 90 days. Isaacson Report, ¶¶ 26, 46. The survey was conducted at shopping malls spanning the United States, where respondents were stopped and interviewed by trained interviewers, who then typed the answers directly into an online form. *Id.* ¶¶ 29, 44. The survey was validated by an independent firm, and Isaacson personally reviewed all responses after they had been coded by his staff. *Id.* ¶ 44–45, 48. HOC thus contends that Isaacson's finding is admissible and reliable.

In response, Akiro argues that the Isaacson survey is flawed and untrustworthy, and therefore entitled to little or no evidentiary weight, for five reasons. First, Akiro contends that Isaacson's failed to confirm that survey respondents were familiar with the MISS JESSIE'S mark. *See Clinique Laboratories,* 945 F.Supp. at 552 ("[T]he correct test [for likelihood of confusion] is whether a consumer who is somewhat familiar with the plaintiff's mark would likely be confused when presented with defendant's mark alone."). Second, the survey respondents here were approached at shopping malls and were questioned in separate interviewing facilities, rather than at beauty supply stores, where both competing brands' products are sold. *See THOIP v. Walt Disney Co.,* 690 F.Supp.2d 218, 231 (S.D.N.Y.2010) ("The failure of a survey to approximate actual marketplace conditions can provide grounds for inadmissibility."). Third, survey respondents were only shown two out of Aunt Jackie's four products. *See* Isaacson Report, f 25. Fourth, Akiro contends that HOC has failed to show that the Eveready format was appropriate for this case. Akiro notes that a leading treatise has explained that this format is appropriate "in cases where plaintiff makes some products which defendant does not." 6 McCarthy on Trademarks & Unfair Competition § 32:174 (4th ed.). Here, however, Akiro contends that the plaintiff make the same, not different products.

Fifth and finally, Akiro claims that the Eveready format consistently underestimates instances of confusion among marks that, like MISS JESSIE'S, are not iconically strong. As one commentator has explained, this format "has become the gold standard in cases involving strong marks, i.e., in cases where the senior mark is highly accessible ... in memory, enhancing the likelihood that it will be cognitively cued by a junior user's mark." Jerre B. Swann, *Likelihood of Confusion Studies and the Straitened Scope of Squirt,* 98 Trademark Rep. 739, 739 (2008) (footnotes omitted). However, "[c]omparatively few [marks] have (or can hope to develop) sufficiently strong memory traces so as to be cued by pattern matching engendered by a monadic exposure to a similar junior use." *Id.* at 748. For that reason, "[t]he *internal search* of memory for a strong brand's schema that exists at the core of an Eveready study is thus hostile to the general run of marks. For weak marks, an Eveready format will consistently produce negligible estimates of likelihood of confusion." *Id.*

***339** The parties have thus presented conflicting evidence of actual consumer confusion, and ask the Court to draw conflicting inferences and give different degrees of weight to different pieces of that evidence. Once again, whether one view the evidence favorable to plaintiff or to defendant makes all the difference.

Viewing the evidence in HOC's favor, the Court finds that a reasonable juror could easily determine that there is no actual confusion and that this *Polaroid* factor strongly favors HOC. The Isaacson Report follows a standard, generally accepted survey format and presents a definitive finding that a negligible number of consumers were confused. Akiro's objections to the Isaacson Report at most diminish the weight of the survey evidence, and a reasonable juror would be well within his or her rights to dismiss those concerns, as well as Akiro's anecdotal evidence of actual confusion, as unpersuasive.

Viewing the evidence in Akiro's favor, however, a reasonable juror could discount HOC's survey evidence to some degree and find that this *Polaroid* factor favors HOC only weakly. While the Eveready format is generally accepted

and represents the "gold standard" for cases involving strong marks, by design it will underestimate confusion for marks that are not highly accessible in a consumer's memory. Although MISS JESSIE'S is inherently distinctive and has acquired secondary meaning, a reasonable juror could conclude that the mark is weak enough to diminish somewhat the evidentiary weight of the Isaacson survey. Moreover, while several of the quotations collected by Akiro show mere comparisons rather than confusion, others plausibly indicate true actual confusion. *See* Branch Aff., ex. L, at 1 ("When I first saw this product I was actually convinced that it was a Miss Jessie's product."); *id.* at DEF100 ("They had it right beside the miss jessie's and if you weren't paying attention, you'd mistake the two. The labels look JUST alike lol!"); *id.* at DEF101 ("In my legal opinion it looks like trademark infringement ...."); *id.* ("I assume Aunt Jackie['s] is a cheaper brand to Miss Jessie['s]."). On balance, the Court thus concludes that while this *Polaroid* factor may favor HOC as a matter of law, the degree to which it does so depends materially on how the trier of fact views the evidence.

[17] **[18]** The sixth *Polaroid* factor is bad faith, which concerns "whether the defendant adopted its mark with the intention of capitalizing on plaintiff's reputation and goodwill and any confusion between his and the senior user's product." *Lang v. Ret. Living Pub. Co., Inc.*, 949 F.2d 576, 583 (2d Cir.1991). On this factor, the parties rely on the same evidence, but ask the Court to draw radically different inferences.

Akiro views the facts as follows. After years of research in which HOC familiarized itself with all of the existing brands in the natural and curly hair product market, HOC considered a number of different names for its new product line, and eventually narrowed its choices to Miss Leslie's and Miss Jackie's. Even though HOC's trademark counsel advised that Miss Leslie's was the "clearer" mark, Branch Aff., ex. K, at DEF16, HOC chose Miss Jackie's. HOC's marketing director then sent an email to its trademark counsel explaining that it wanted its brand to evoke the same "a premium, old fashioned feel" as MISS JESSIE'S. Colwin Decl., ex. C, at DEF56–58. Counsel then advised HOC that the trademark searches he had previously run did not account for the fact that HOC had a specific competitor in mind, advised HOC to "stay away from anything Miss Je[ss]ie's is doing," and warned that "there is a risk that Miss Je[ss]ie's will ***340** complain about the trade dress overall and the MISS JACKIE'S mark specifically." *Id.* at DEF59. HOC then replaced "Miss" with "Aunt" and changed the font of its logo, but otherwise pressed ahead.

For its part, HOC stresses that it consulted with trademark counsel at each stage of the development of the AUNT JACKIE'S brand. *See Lang v. Ret. Living Pub. Co., Inc.*, 949 F.2d 576, 583 (2d Cir.1991) ("[A] request for a trademark search and reliance on the advice of counsel are factors that support a finding of good faith."). While HOC's counsel did advise HOC to "stay away from anything Miss Je[ss]ie's is doing," counsel's specific admonition was to change the proposed product name of "La Crème," given that Miss Jessie's already had a product named "Crème de la Crème." Colwin Decl., ex. C, at DEF59 ("While Miss Jessie's was unsuccessful in getting a registration for CRME DE LA CRME, and there are other CRME marks out there, you really need to stay away from anything that Miss Je[ss]ie's is using."). HOC then followed that advice, and changed that product name to In Control.

Moreover, while counsel did warn of potential litigation over the proposed Miss Jackie's (later AUNT JACKIE'S) trade name, counsel also advised that HOC would have good defenses to any infringement claim. And when counsel suggested that HOC alter the font of its logo and change "Miss" to a different honorific in order to more clearly differentiate its mark from MISS JESSIE'S, HOC did so. HOC thus contends that Akiro has shown only that HOC was aware of Akiro's mark and imitated certain successful features of its brand, both of which are permissible under the Lanham Act. *See Playtex Products, Inc. v. Georgia–Pac. Corp.*, 390 F.3d 158, 166 (2d Cir.2004) ("Prior knowledge of a senior user's mark does not, without more, create an inference of bad faith.... Absent confusion, imitation of certain successful features in another's product is not unlawful and to that extent a free ride is permitted.").

In the end, these arguments illustrate why "issues of good faith are generally ill-suited for disposition on summary judgment." *Lang v. Ret. Living Pub. Co., Inc.*, 949 F.2d 576, 583 (2d Cir.1991) (alterations omitted). HOC claims that it conscientiously consulted with trademark counsel and that it followed and relied upon the advice it received. Based on the same evidence, Akiro contends that HOC was determined to capitalize on the reputation of MISS JESSIE'S, belatedly informed counsel that it was using MISS JESSIE'S as a template, and then pressed ahead after changing its mark and trade dress in minimal ways that placated counsel but still enabled HOC to trade on its competitor's goodwill. Which of these stories to credit is for the jury to resolve at trial. For purposes of the instant motions for summary judgment, the

Court concludes that both sides have raised triable issues of fact on this *Polaroid* factor.

[19] The seventh *Polaroid* factor, the quality of the parties' products, directs courts to weigh cross-cutting considerations. On the one hand, the court must determine "whether defendant's products or services are inferior to plaintiff's, thereby tarnishing plaintiff's reputation if consumers confuse the two." *Morningside Grp. Ltd. v. Morningside Capital Grp., L.L.C.,* 182 F.3d 133, 142 (2d Cir.1999). On the other hand, if the products are roughly equal in quality, the court must also consider whether "that very similarity of quality" may tend to create confusion as to source by bringing the products into even closer proximity. *Id.* In this case, Akiro attempts to take both forks of this road, contending that its products are superior ***341** because they have garnered numerous industry awards and accolades, while also maintaining that, even if HOC's products were of equal quality, this factor would still tip in Akiro's favor. HOC responds that, given that AUNT JACKIE'S products have been on the market for less than a year, a lack of awards is not indicative of a lack of quality, and notes that it has gotten positive reviews from customers.

The Court concludes that this factor is neutral. The current record contains scant evidence as to whether AUNT JACKIE'S products are inferior to MISS JESSIE'S products, and even if there were sufficient facts for a reasonable juror to reach a conclusion on that question, the record also contains little evidence about the nature of the relevant market that might illuminate whether any similarity or difference in quality would make consumer confusion more or less likely.

[20] **[21]** The final *Polaroid* factor concerns the sophistication of the purchasers in the relevant market. This factor "usually militates against a finding of a likelihood of confusion, though it might on occasion *increase* the likelihood of confusion, depending upon the circumstances of the market and the products." *Centaur Commc'ns, Ltd. v. A/S/M Commc'ns, Inc.,* 830 F.2d 1217, 1228 (2d Cir.1987) (internal citation omitted). Here, Akiro does not dispute that consumers in the natural and curly hair product market are sophisticated in that they tend to read product labels and research available products and styles. Akiro notes, however, that the products at issue here are relatively inexpensive, and thus more likely to be purchased on impulse rather than after careful research. Akiro further asserts that to the extent sophistication is relevant in this case, it actually cuts in Akiro's favor. But Akiro fails to explain what aspects of the market and products at issue would support a reasonable counterintuitive inference that sophisticated consumers are more likely to be confused in this instance. *Cf. Lois Sportswear, U.S.A.,* 799 F.2d at 875 ("[W]e believe that it is a sophisticated jeans consumer who is most likely to assume that the presence of appellee's trademark stitching pattern on appellants' jeans indicates some sort of association between the two manufacturers. Presumably it is these sophisticated jeans buyers who pay the most attention to back pocket stitching patterns and their 'meanings.' "). The Court accordingly concludes that this factor favors HOC.

Upon review of all of the *Polaroid* factors, the Court is compelled to deny both parties' motions for summary judgment. When viewing the evidence in Akiro's favor, as the Court must on HOC's motion for summary judgment, five factors to varying degrees indicate a likelihood of consumer confusion—namely, strength of the mark, similarity of the marks, proximity, bridging the gap, and bad faith. Of the remaining three factors, two—actual confusion and consumer sophistication—favor noninfringement, and quality of the products is neutral. Thus, on HOC's motion, a clear majority of factors favor Akiro, including strength, similarity, and proximity, which the Second Circuit has described as the most important *Polaroid* factors in most cases. *See Mobil Oil Corp. v. Pegasus Petroleum Corp.,* 818 F.2d 254, 258 (2d Cir.1987). Moreover, viewing the evidence in Akiro's favor, actual confusion favors HOC only somewhat weakly, and consumer sophistication alone is not weighty enough to tip the balance.

As to Akiro's motion, however, on which the Court must view the evidence in the light most favorable to HOC, four factors tip strongly against a likelihood of consumer confusion—namely, similarity, actual ***342** confusion, good faith, and consumer sophistication. Of the remaining factors, quality of the products is neutral, and strength, proximity, and bridging the gap tip the other way. But Akiro's strong mark and the fact that the two brands' products compete with one another are not, on their own, sufficient to overcome the other factors and entitle Akiro to judgment as a matter of law.

Accordingly, the parties' cross-motions on counts 1 and 2 of the complaint thus are both denied.

New York Unfair Competition Claim

[22] **[23]** Count 3 of the Complaint asserts a cause of action for unfair competition under New York law. "To prevail on a claim of unfair competition under New York law under

either a misappropriation or a palming off theory, a plaintiff must show a likelihood of confusion or deception of the consuming public as to the source of the allegedly infringing product [or service] *and* bad faith on the part of Defendants." *Rockland Exposition, Inc. v. Alliance of Auto. Serv. Providers of New Jersey,* 894 F.Supp.2d 288, 326 (S.D.N.Y.2012). As explained above in reference to Akiro's Lanham Act claims, both parties have raised genuine issues of fact as to the likelihood of consumer confusion and as to HOC's good or bad faith. Accordingly, similar to the Lanham Act claims, the Court denies both parties' motions for summary judgment on this claim as well.

New York Trademark Dilution Claim

[24] **[25]** **[26]** **[27]** The final count of Akiro's complaint asserts a claim for trademark dilution under New York General Business Law section 360–*l*. To prevail on a claim under this provision, a plaintiff must show "(1) a distinctive mark capable of being diluted, and (2) a likelihood of dilution." *Mobileye,* 928 F.Supp.2d at 782, 2013 WL 830837, at *19. In showing a likelihood of dilution, however, the plaintiff must show that the marks are not just similar, but "substantially" similar. *Id.* As this Court recently had occasion to reiterate, "[t]he substantial similarity test requires more than the familiar test of similarity used in the traditional infringement context. Marks must at least be similar enough that a substantial segment of the target group of customers sees the two marks as essentially the same." *Id.; see also Miss Universe, L.P., LLLP v. Villegas,* 672 F.Supp.2d 575, 595–96 (S.D.N.Y.2009) (holding that " 'Miss Asia USA' is not similar enough to 'Miss USA' " to survive summary judgment under this standard).

Here, HOC contends that MISS JESSIE'S is not sufficiently similar to AUNT JACKIE'S to pass muster under this standard, and the Court agrees. Viewing the evidence in the light most favorable to Akiro, while the two marks may be similar enough for one to infringe the other, they are not so similar that consumers would view the marks as essentially the same. Accordingly, on this count of the Complaint, the Court denies Akiro's motion, grants HOC's motion, and dismisses the claim.

In sum, it was for the foregoing reasons that the Court, by Order dated April 12, 2013, denied Akiro's motion for summary judgment in full; denied HOC's motion for summary judgment as to the claims for federal trademark infringement, false designation of origin, and unfair competition under New York law; and granted HOC's motion for summary judgment as to the claim for trademark dilution under New York law. As previously ordered, trial on the remaining claims will commence on May 20, 2013 at 9:00 a.m.

SO ORDERED.

Footnotes

1 Where cited by the Court, the parties' Rule 56.1 Statements are in agreement as to the proposition for which a given such Statement is cited, unless otherwise noted.

2 Akiro disputes the statements in paragraphs 4 and 5 of Defendant's 56.1 on the ground that they mischaracterize the record, but Akiro offers no contrary citations to the record, and thus the Court, upon review of the underlying evidence cited by HOC, overrules Akiro's objections.

3 Akiro disputes the statements in paragraphs 6 and 7 of Defendant's 56.1 on the ground that they mischaracterize the record, but Akiro offers no contrary citations to the record, and thus the Court, upon review of the underlying evidence cited by HOC, overrules Akiro's objections.

4 Akiro disputes the statements in paragraphs 20, 30, and 31 of Defendant's 56.1 on the ground that there is no "independent evidence" supporting these statements. Because the statements are supported by the declarations of White and Belzer, to which HOC cites, these objections are overruled.

5 Akiro disputes the statement in paragraph 32 of Defendant's 56.1 on the ground that it is contradicted by the evidence cited by HOC. Upon review of that evidence, the Court overrules this objection.

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2011 WL 1652171 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

Clinique Laboratories LLC
v.
Absolute Dental, LLC

Opposition No. 91181263 against Serial No. 76663928
April 28, 2011

***1** Barbara A. Solomon and Jason D. Jones of Fross Zelnick Lehrman & Zissu, P.C. for Clinique Laboratories LLC
Jacque M. Ramos of J. Ramos Law Firm P.L.L.C. and Bradley L. Booke of Moriarity Badaruddin & Booke for Absolute Dental, LLC

Before Quinn, Bucher and Kuhlke
Administrative Trademark Judges
Opinion by Bucher
Administrative Trademark Judge:

Absolute Dental, LLC seeks registration on the Principal Register of the mark **CLINIQUE DENTIQUE** (*in standard character format*) for "restorative, cosmetic and family dentistry services" in International Class 44. [1]

Clinique Laboratories LLC (hereinafter Clinique or opposer) opposed this application on the grounds that, as applied to applicant's services, the mark so resembles opposer's previously used and registered famous **CLINIQUE** marks used on related goods and services, as to be likely to cause confusion, to cause mistake, or to deceive under Trademark Act Section 2(d), 15 U.S.C. § 1052(d). In addition, opposer alleges that applicant's mark dilutes and/or is likely to dilute the distinctive quality of opposer's marks under Trademark Act Section 43(c), 15 U.S.C. § 1125.

By its answer applicant denies the salient allegations.

EVIDENTIARY ISSUES

As a preliminary matter, we note that several of applicant's earlier motions to strike Internet documents [2] as being irrelevant, cumulative, misleading and hearsay, objections to two printed publications on hearsay grounds, and an objection to the testimony of Mr. Ortiz and the attached documents on hearsay grounds, have been deferred until final decision. [3] The parties fully briefed these substantive issues in earlier submissions. (See TTABVUE # #44-49, 52-54).

All of these submissions are relevant to *du Pont* factors assessing the nature of applicant's services and the relatedness of the parties' goods and services. As to any hearsay objections, we find that the involved documents are being offered for "what they show on their face," not for the truth of the statements contained therein. TBMP § 704.08 (2d ed. rev. 2004). As to the documents attached to Mr. Ortiz's declaration, these same documents have also been timely submitted pursuant to opposer's Notice of Reliance on Internet documents, filed on March 26, 2010. As to Mr. Ortiz's declaration, he certainly has knowledge of how he searched for the web pages and printed them out. He was not presented as an expert on exactly how the Google search engine produced his search results, and did not testify about the actual operations of the third-party, website owners. Hence, all of this evidence has been considered in making our final determination.

EVIDENCE OF RECORD

***2** The evidence of record consists of the pleadings herein and the file of the subject application. The parties stipulated that documents produced in discovery from their respective files should be deemed authentic business records, and that the parties could submit direct trial testimony by declaration, subject to the opposing party's right to take oral cross-examination. Accordingly, the combined trial record includes the following:
(1) The March 10, 2010, trial declaration of Agnes M. Landau, opposer's Senior Vice President for Global Marketing, with Exhibits PX 1- PX 26 as referenced therein;

(2) The March 8, 2010, trial declaration of Lesley Moradian, opposer's Vice President and Senior Trademark Counsel, with Exhibit PX 27 as referenced therein;

(3) The March 9, 2010, Trial Declaration of Mario Ortiz, a paralegal with the firm of Fross Zelnick Lehrman & Zissu, P.C., with Exhibits PX 28(a)-PX 28(o) and PX 29 as referenced therein;

(4) The March 4, 2010, Trial Declaration of Dr. Gerald L. Ford, a named partner in the marketing research firm of Ford Bubala & Associates, with Exhibits A-D referenced therein, and the June 30, 2010, Rebuttal Trial Declaration of Dr. Ford, with new Exhibits A-D as referenced therein;

(5) Opposer's March 26, 2010, Notice of Reliance on Applicant's deposition and discovery responses, printed publications, registrations, official records and Internet documents, as well as the May 3, 2010, Corrected Notice of Reliance of printed publications and Internet documents with Exhibits PX 30-46 as referenced therein;

(6) Opposer's July 13, 2010, Rebuttal Notices of Reliance on applicant's deposition and discovery responses, printed publications, official records, Internet documents, with Exhibit PX 47-52 as referenced therein;

(7) The May 15, 2010, Trial Declaration of Michael Alterman, DDS, applicant's co-owner and managing dentist, with applicant's Exhibits DX 8 as referenced therein;

(8) The May 15, 2010, Trial Declaration of Dr. Bruce Isaacson, owner and President of MMR Strategy Group, with his Exhibits 1-3 as referenced therein; and

(9) Applicant's May 31, 2010, Notices of Reliance on Official Records, Opposer's Deposition and Discovery Responses, and additional excerpts of applicant's depositions and discovery responses, with Exhibits DX 9-15 as referenced therein.

STANDING / PRIORITY

Opposer made of record its pleaded registrations, all of which are in full force and effect and owned by opposer. The most relevant registrations are summarized as follows:

for “cleansing cream” in International Class 3; [4]

for “facial soap” in International Class 3; [5]

for “cosmetic creams, lotions and oilsnamely, cleansing creams, lotions and oils; moisturizing lotions and creams; make-up-namely, face powder, foundation make-up bases; rouges; eye make-up preparations-namely, mascara, eye liner, eye shadow, eyebrow pencil, and eye makeup remover; lipsticks; antiperspirants; hair sprays” in International Classes 3 and 5; [6]

***3** for "astringent" in International Class 3; [7]

for "skin beauty consulting services" in International Class 42; [8]

chemistry

CLINIQUE

CLINIQUE SKIN SUPPLIES FOR MEN	for "face soap, skin lotions, shave cream, bronzers, face scrubs, blemish touch stick, shampoos and antiperspirant deodorants" in International Class 3; [9]
CLINIQUE WRAPPINGS	for "personal fragrances, namely, cologne and perfume" in International Class 3; [10]
CLINIQUE	for "cosmetics - namely, cleansers, moisturizers, face tonics, face masks, face powder, foundation, blushers, mascara, eyeshadow, eyeliner, eyemakeup remover, lipstick, lip pencil, nail enamel, nail treatment, sun block, after sun balm, hair spray, deodorant and anti-perspirant, perfume and cologne" in International Class 3; [11]

for "colognes" in International Class 3; [12]

clinique happy holiday.

CLINIQUE	for "retail stores featuring cosmetics, toiletries, perfumes, and beauty treatment" in International Class 35; "consultation in the selection and use of cosmetics,

	toiletries, perfumes, and beauty treatment" in International Class 42; [13]
CLINIQUE HAPPY	for "perfumes, perfume sprays, colognes" in International Class 3; [14]
CLINIQUE MOISTURE IN CONTROL	for "skin care lotions" in International Class 3; [15]
CLINIQUE BROW KEEPER	for "cosmetics, namely, brow pencil" in International Class 3; [16]
CLINIQUE MOISTURE SHEER	for "cosmetics" in International Class 3; [17]
CLINIQUE DEWY SMOOTH	for "cosmetics" in International Class 3; [18]
CLINIQUE HAPPY	for "toiletries, namely body creams, lotions, body washes and aftershave" in International Class 3; [19]
CLINIQUE HAPPY HEART	for "perfumery, namely cologne, *eau de parfum, eau de toilette*, essential oils for personal use and perfume; toiletries, namely, body cleansers, body creams, body exfoliating preparations, body lotions, body washes" in International Class 3; [20]
CLINIQUE CX	for "non-medicated skin care preparations" in International Class 3; "medicated skin care preparations" in International Class 5; [21]
CLINIQUE SUPERBALANCED	for: "cosmetics" in International Class 3; [22]
CLINIQUE HAPPY TO BE	for "perfumery, namely cologne, *eau de parfum, eau de toilette*, essential oils for personal use and perfume; toiletries namely, bath oils, bath powders, bath salts, body cleansers, body creams, body exfoliating preparations, body lotions, body washes, body powders, body scrubs, body toners, body washes, hair conditioners, hair revitalizing treatments, hair shampoos, hand creams, personal soaps, salt scrubs for the skin and shaving foams, creams, lotions and gels" in International Class 3; [23]
CLINIQUE SIMPLY	for "perfumery, namely, perfume, after shave lotions, gels, and balms, cologne, *eau de perfume, eau de toilette*, essential oils for personal use, fragranced body creams, gels and lotions; skin care preparations, namely, bath powders, body cleansers, body creams, body lotions, and body washes" in International Class 3; [24]
CLINIQUE QUICKLINER	for "color cosmetics, namely lip liners and eye liners" in International Class 3; [25]

***4** for "perfumery, namely cologne, *eau de parfum, eau de toilette*, essential oils for personal use and perfume" in International Class 3; [26]

CLINIQUE HAPPY IN BLOOM	for "perfumery, namely cologne, *eau de parfum, eau de toilette*, essential oils for personal use and perfume; toiletries namely, body creams, body exfoliating preparations, body lotions, body washes" in International Class 3; [27]
CLINIQUE DERMA WHITE	for "cosmetics, namely, compacts containing makeup, concealers, cover-up cream, face powder, foundation makeup, skin care preparations, namely cleansing lotions, cleansing creams, eye creams, eye gels, face creams, face lotions, face masks, facial cleansers, facial emulsions, facial exfoliating preparations, facial moisturizers, facial soaps, hand creams, skin brighteners, skin lighteners, cosmetic sun-protecting preparations" in International Class 3; [28] and
CLINIQUE	for "online retail store services offered via a global communication network featuring personal care products, cosmetics, toiletries, perfumery, bath and body products, skin care products and hair care products; retail store services featuring personal care products, cosmetics, toiletries, perfumery, bath and body products, skin care products, hair care products and beauty treatments; Mail order services featuring personal care products, cosmetics, cosmeceuticals, toiletries, perfumery, bath and body products, medicated and non-medicated skin care preparations and hair care products" in International Class 35; "beauty consultation services regarding the selection and use of personal care products, cosmetics, cosmeceuticals, toiletries, perfumery, bath and body products, medicated and non-medicated skin care preparations, hair care products and beauty treatments, color analysis and personal appearance; provision of beauty information concerning color analysis, personal care products, cosmetics, cosmeceuticals, toiletries, perfumery, bath and body products, medicated and non-medicated skin care preparations, hair care products, beauty treatments and personal appearance; online provision of beauty information via a global communication network regarding the selection and use of personal care products, cosmetics, cosmeceuticals, toiletries, perfumery, bath and body products, medicated and non-medicated skin care preparations, hair care products and beauty treatments, color analysis and personal appearance" in International Class 44; [29]

***5** Because opposer has made its registrations of record and has shown that the registrations are valid and subsisting and owned by opposer, opposer has established its standing to oppose registration of applicant's mark. *See Cunningham v. Laser Golf Corp.,* 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000).

Opposer's priority is not in issue as to the marks and goods and services covered by opposer's registrations made of record. *See King Candy Co., Inc. v. Eunice King's Kitchen, Inc.,* 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

Likelihood of Confusion

We turn then to the issue of likelihood of confusion. Our determination of likelihood of confusion must be based upon our analysis of all of the probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *See In re E. I. du Pont de Nemours & Co.,* 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). *See also, In re Majestic Distilling Co.,* Inc., 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003).

Opposer has presented argument and evidence on the *du Pont* factor involved with the fame of its marks, and we begin with this factor because fame "plays a 'dominant' role in the process of balancing the *du Pont* factors." *Recot Inc. v. Becton,* 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000). "[T]he fame of a mark may be measured indirectly, among other things, by the volume of sales and advertising expenditures of the goods traveling under the mark, and by the length of time those indicia of commercial awareness have been evident." *Bose Corp. v. QSC Audio Products, Inc.,* 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002). However, "[b]ecause of the extreme deference that we accord a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting that its mark is famous to clearly prove it." *Lacoste Alligator S.A. v. Maxoly Inc.,* 91 USPQ2d 1594, 1597 (TTAB 2009); *Leading Jewelers Guild Inc. v. LJOW Holdings LLC,* 82 USPQ2d 1901 (TTAB 2007).

The **CLINIQUE** marks have been used in the United States since 1968. Opposer has used this mark continuously on every product, advertisement, marketing and promotional item, press release, retail location that sells **CLINIQUE** branded products, point of purchase material at Clinique counters, and business card for Clinique employees. Landau Decl. ¶¶ 8-10. Opposer has used and registered its marks in connection with a wide variety of skin care products, make-up, color cosmetics, and fragrances for consumers of all ethnicities and skin types, including a line of **CLINIQUE** products for men. Id. ¶ 11. As shown through the testimony and other evidence, opposer has had and continues to have extensive sales under and advertising expenditures in connection with its **CLINIQUE** marks.[30] Suffice it to say that since 2005, **CLINIQUE** has been ranked #1 in sales in the prestige skin care market in terms of units and dollar sales - more than double the combined sales of #2 Estee Lauder and #3 Lancôme. *Id.* ¶¶ 11 and 21. Moreover, opposer's advertising and sales statistics are presented in the context of a broad, organized and aggressive marketing strategy that places its marks in front of consumers in a variety of ways (e.g., national magazines and newspapers with wide circulation, television and feature films, celebrity endorsements, celebrity photographs in magazines, on the Internet and outdoor media). *Id.* ¶¶ 46-56, 69-71. In addition, inasmuch as opposer's marks are the subject of significant "unsolicited placements, that create over [one] billion media impressions per year, the **CLINIQUE** mark receives even broader exposure and extremely high levels of commercial awareness." *Id.* ¶ 59. The record also includes a 2002 article published in "Women's Wear Daily" (WWD), the fashion industry trade magazine, which ranked **CLINIQUE** as the #1 brand in both categories of prestige makeup and prestige skin care products. *See* Exhibit PX 23.

***6** As part of its regular course of business activity, in 2008, opposer commissioned the Ipsos Marketing research firm to conduct a brand awareness survey relating to facial skin care and make-up products, including **CLINIQUE**. While the exact levels of unaided and aided awareness of the **CLINIQUE** brand on the part of relevant consumers were submitted under seal, both numbers are quite impressive. In its August 2009 publication, among a WWD survey of buyers in this prestige market, Clinique placed first with 14.3% of respondents having purchased **CLINIQUE** products during the first six months of 2009. *See* Exhibit PX 25. In fact, other than quibbling about whether opposer's made for litigation survey shows fame among dental patients (applicant's brief at 16-17), we note that applicant does not dispute or rebut opposer's evidence of fame as outlined above.

On this record, we find that opposer has more than fulfilled its duty to establish that its **CLINIQUE** marks are extremely famous and have been a fashion fixture for decades in the United States. Based upon this finding, we accord the **CLINIQUE** marks a very wide scope of protection.

We turn then, to consider the *du Pont* factors of the relatedness of the goods and services, channels of trade and classes of purchasers. We must make our determinations under these factors based on the goods and services as they are identified in the respective registrations and application. *See Octocom Systems Inc. v. Houston Computers Services, Inc.,* 918 F.2d 937, 16

USPQ2d 1783, 1787 (Fed. Cir. 1990) ["The authority is legion that the question of registrability of an applicant's mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant's goods, the particular channels of trade or the class of purchasers to which sales of the goods are directed."]

We agree with opposer that both parties are offering goods and services that are intended to enhance a person's appearance. Opposer's **CLINIQUE** mark is registered for a wide variety of goods and services relating to enhancing a person's appearance, namely cosmetics, lotions and soaps, and consultation services concerning beauty treatments and personal appearance. Undeniably, applicant's services of "restorative, cosmetic and family dentistry" to be offered under its **CLINIQUE DENTIQUE** mark, such as teeth whitening services, for example, have a "cosmetic" purpose.

Applicant is correct in noting that opposer is not a dental company, but that does not negate the fact that the parties are offering services and/or goods that can serve similar functions. In fact, opposer notes that it is offering a low-cost, competitive alternative to applicant's intended **CLINIQUE DENTIQUE** branded teeth whitening services. In 2008, opposer teamed up with a dentist to identify which of its existing lipstick shades had the effect of making teeth appear whiter. Since 2009, opposer has offered, under the **CLINIQUE** mark, its "Lip Collection for Whiter Teeth," a collection of lipsticks that are designed to enhance a person's smile by making the user's teeth appear whiter. To the extent that these lipsticks give the appearance of whiter teeth, **CLINIQUE** considers these lipsticks to be, or to be related to, a "dental service." (Landau Decl. ¶ 27). In fact, in the January 2010 issue of *In Style*, the magazine profiled opposer's Lip Collection for Whiter Teeth, stating: "Don't tell your *dentist*, but the secret to a gorgeous grin could be in your make-up bag." Exhibit PX 48. Clearly both parties are offering (or intend to offer) products or services under their respective **CLINIQUE** and **CLINIQUE DENTIQUE** marks that have the same end goal - enhancing a person's smile and enhancing a person's appearance.

***7** Furthermore, the record shows that cosmetic companies are branching out and partnering with medical and dental services, as opposer has done with its **CLINIQUE MEDICAL** product line. Other third-party evidence in the record shows that, for example, Elizabeth Arden has branched out to provide consumers with cosmetic medical treatments such as Botox, Restylane, and Juvéderm injections at its Red Door Spas. Exhibit PX 46(j). Medi-Spas offer one-stop shopping where consumers can, at a single facility, buy cosmetics and skin care products, receive skin care services (such as facials), and also receive cosmetic medical services ranging from Botox injections to cosmetic dental services such as teeth whitening. Landau Decl. ¶ 80. Various BriteSmile Brite Skin Med Spas advertise that patients can receive cosmetic dentistry and teeth whitening services, cosmetic medical services such as Botox and Restylane injections, cosmetic services such as facials and also purchase skin care products from the PRIORI skin care product line. Exhibit PX 46(d); and Ortiz Decl. ¶ 2(a). The Essence MediSpa in Highland, New York, advertises European facials, eye treatments, and massages, as well as teeth whitening services and Botox injections. Exhibit PX 46(e) and Ortiz Decl. ¶ 2(b). The Re:vive Salon & Spa in San Diego, California, advertises cosmetics from the prestige skin care and make-up brand BARE ESCENTUALS and dentist-performed cosmetic teeth whitening services. Exhibit PX 46(f) and Ortiz Decl. ¶ 2(c). According to advertisements for the Platinum Skin Care & Medi Spa in Chesterfield, Michigan, customers can get Botox injections, can get their teeth whitened using the Brite White system, can receive facials, and can purchase skin care products from the Platinum Skin Care line of cosmeceuticals. Exhibit PX 46(g) and Ortiz Decl. ¶ 2(d). The Spa at Monmouth Beach in Monmouth Beach, New Jersey, advertises that consumers can receive facials and skin care services, have make-up applications, and have their teeth whitened. Exhibit PX 46(g) and Ortiz Decl. ¶ 2(e). The New Image Med Spa in Columbus, Georgia, promotes in its ads both JANE IREDALE cosmetics, and Beyond WhiteSpa laser teeth whitening. Exhibit PX 46(h) and Ortiz Decl. ¶ 2(f).

We agree with opposer that the above evidence shows that consumers have come to expect that cosmetic companies such as Clinique will branch out into other fields and services that are complementary to their current product offerings. This logic is demonstrated by opposer's likelihood of confusion survey, when a respondent explained why she thought the **CLINIQUE DENTIQUE** mark was associated with opposer: "**Clinique** … That is the name of a cosmetics company [and] they are probably branching out."

Applicant's recitation of services does not limit its services to the high end of the market. In fact, its testimony emphasizes that its purchasers would include ordinary members of the general public. The applicable standard of care is that of the least sophisticated purchaser of the goods or services. *Giersch v. Scripps Networks Inc.,* 90 USPQ2d 1020 (TTAB 2009); *Alfacell Corp. v. Anticancer, Inc.,* 71 USPQ2d 1301 (TTAB 2004). Thus, the conditions of sale include less sophisticated consumers exercising a lower level of care. Additionally, the record shows that even some of opposer's prestige products are available online at fairly low price points.

***8** This compelling evidence of relatedness surpasses that found in many cases that appear before this Board. Hence, all of these related factors favor opposer.

Against this backdrop, specifically, the extreme fame of opposer's marks and the related nature of opposer's goods and/or services to applicant's services, we consider the similarities and dissimilarities of the marks. *Kenner Parker Toys Inc. v. Rose Art Industries Inc.,* 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992) ["A strong mark … casts a long shadow which competitors must avoid. … Thus, the Lanham Act's tolerance for similarity between competing marks varies inversely with the fame of the prior mark. As a mark's fame increases, the Act's tolerance for similarities in competing marks falls."]; *Nina Ricci S.A.R.L. v. E.T.F. Enterprises Inc.,* 889 F.2d 1070, 12 USPQ2d 1901, 1904 (Fed. Cir. 1989), quoting, *Planter's Nut & Chocolate Co. v. Crown Nut Co.,* Inc., 305 F.2d 916, 134 USPQ 504, 511 (CCPA 1962) ["… there is 'no excuse for even approaching the well-known trademark of a competitor"']].

We examine the similarities and dissimilarities of the marks in their appearance, sound, meaning, and commercial impression. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 772,* 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). The test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in their entireties that confusion as to the source of the goods or services offered under the respective marks is likely to result.

It is applicant's contention that the respective marks have radically different connotations and convey significantly different commercial impressions. Applicant argues that opposer overemphasizes the dominance of the word "Clinique" while underplaying the role of the word "Dentique." While the word "Clinique" in its mark merely describes a dental "clinic" location, and should be deemed descriptive or non-distinctive, applicant argues that the word "Dentique" is a fanciful element of the mark coined by Dr. Alterman because applicant's specialized dental services are offered in a "boutique environment." From this brief postulation, applicant concludes that **CLINIQUE DENTIQUE**
… conjures images of a mood lit, private, clinical atmosphere with ultra-comfortable dental chairs and stylish dentists aimed at providing relaxing and invigorating dental services. It evokes the image of a place where one doesn't clench in fright at the piercing sound of drilling or the stark white walls of a surgical suite, but rather, a welcoming place where anxiety melts away and a patient emerges with cleaner and whiter teeth from dental treatments and services.

***9** Applicant's two word mark, as filed, contains, as its first word opposer's famous and inherently distinctive **CLINIQUE** mark. While applicant has added the word "Dentique" to opposer's **CLINIQUE** mark, opposer contends that this does not create a sufficiently dissimilar mark so as to avoid a likelihood of confusion. Indeed, our case law states that "[i]f a junior user takes the entire arbitrary mark of another, addition of a suggestive or descriptive element is generally not sufficient to avoid confusion." 4 *McCarthy §* 23:50 at 23-214. Yet, here applicant has appropriated the inherently distinctive and famous **CLINIQUE** mark *in its entirety* and merely added the word **DENTIQUE** — a word that is certainly suggestive or descriptive of the *dental* services applicant intends to offer in a *boutique* environment. (Alterman Decl. ¶ 3). See *Palm Bay Imps.,* 73 USPQ2d at 1692 [**VEUVE ROYALE** likely to be confused with **VEUVE CLIQUOT** because the presence of the "strong distinctive term [**VEUVE**] as the first word in the parties marks renders the marks similar."]

Consistent with this black letter law, the survey results opposer has placed into the record (more about that later) make it clear that these marks are considered similar by prospective consumers, and that applicant's addition of the term **DENTIQUE** to the

end of opposer's **CLINIQUE** mark does *not* serve to alleviate confusion. In fact, these overwhelming survey results suggest that applicant's adopted mark may create *more* confusion by suggesting that opposer may have affiliated itself with a company that provides these cosmetic dentistry services. Accordingly, the *du Pont* factor involving the similarity of the marks weighs heavily in favor of opposer.

Moreover, as noted above, famous marks are "entitled to a broader scope of protection than one which is relatively unknown … because the issue in a trademark registration conflict such as this is the likelihood that, because of the marks used on the involved goods, there will be confusion, mistake or deception as to the source of those goods and confusion is more likely to occur where a mark is very well known or even famous because there is a propensity of consumers to associate a little-known mark with one which is familiar to them." *McDonald's Corp. v. McKinley*, 13 USPQ2d 1895, 1900 (TTAB 1989).

Although applicant has attempted to narrow the protection of opposer's mark based upon two third-party registrations,[31] we find no probative evidence supporting such a conclusion, and this *du Pont* factor is, at best for applicant, a neutral factor.

As to the factor of actual confusion, inasmuch as the record shows that there has not been a meaningful opportunity for such confusion to have occurred between opposer's and applicant's marks, we consider this factor, as well, to be neutral.

***10** Finally, in support of its case, opposer submitted a likelihood of confusion survey conducted for the **CLINIQUE DENTIQUE** mark for use in connection with restorative, cosmetic and family dentistry services. Based on the results of this survey, opposer asserts that it strongly supports a finding of likelihood of confusion.

We accept, and applicant has not disputed, the competence of opposer's survey expert, Dr. Gerald L. Ford, a recognized expert in the field of marketing and market research who has testified frequently in likelihood of confusion cases in federal district courts all across the nation. In this case, Dr. Ford designed a mall intercept survey involving interviews with four-hundred thirty-two respondents at shopping malls in eight geographically dispersed metropolitan areas. According to Dr. Ford, the survey indicates that "the net measured likelihood of confusion of approximately thirty-six percent (35.64%) is attributable solely to the presence of the **CLINIQUE** portion of Applicant's proposed **CLINIQUE DENTIQUE** mark." Ford Amended Test. Dep. ¶ 41.

In understanding the relevance of a particular percentage, courts and the Board find likelihood of confusion when a "substantial" or "appreciable" number of consumers are likely to be confused. In analyzing percentage numbers then, courts will extrapolate a percentage to the actual number of potentially confused consumers. In any case, thirty-six percent represents a substantial number of potential consumers, based on the class of consumers being those members of the public interested in enhancing their personal appearance, or even, based on opposer's annual sales. *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 192 USPQ 555, 565 (7th Cir. 1976) ["We cannot agree that 15% is 'small.' Though the percentage of likely confusion required may vary from case to case, we cannot consider 15 percent, in the context of this case, involving the entire restaurant-going community, to be *de minimis.* ") *See also Humble Oil & Refining Co. v. American Oil Co.*, 405 F.2d 803, 160 USPQ 289, 299 (8th Cir. 1969), cert. denied, 395 U.S. 905 (1969) ["Despite all this, the surveys, singly and as a group, do not dispel the existence of a percentage of confusion which we may not dismiss as *de minimis.* The percentage figure varies from 11% to as high as 49%. The lower figure itself is not an insignificant percentage. The record discloses that the number of motorists in the Midwest is in the millions. Eleven percent of a figure in the millions is a large number."]

Dr. Ford explains the significance of the survey results when compared to the results of the control group:

> Specifically, the survey results make clear that the causal nexus for likelihood of confusion is Applicant's use of **CLINIQUE** in Applicant's **CLINIQUE DENTIQUE** mark and is not due to any other alternative explanation. Because the control cell, using the **BOUTIQUE DENTIQUE** mark, also employed the same list of services (restorative, cosmetic and family dentistry services) and asked the same survey questions, and resulted in less than six percent (5.56%) likelihood of confusion with opposer's Clinique, it is certain that the measured likelihood of confusion is attributable solely to the presence of the **CLINIQUE** portion

> of Applicant's proposed **CLINIQUE DENTIQUE** mark. Conversely, the survey results also make clear that the use of a dissimilar mark in conjunction with the list of Applicant's specified services is not likely to cause confusion. Ford Amended Test. Dep. ¶ 13.

***11** Applicant has retained its own survey expert to attack the probative value of opposer's made-for-litigation survey, contending that Dr. Ford's work product suffers from several flaws in methodology and administration, including utilizing a suggestive and leading research design, numerous vague questions, a questionable control, and problematic coding methods.

However, we find that opposer's survey was carefully constructed to mirror the so-called *Ever-Ready*[32] survey format. See *Carl Karcher Enterprises Inc. v. Stars Restaurants Corp.*, 35 USPQ2d 1125, 1132 (TTAB 1995); and *Miles Laboratories, Inc. v. Naturally Vitamin Supplements, Inc.*, 1 USPQ2d 1445 (TTAB 1986). This survey is consistent with those accepted in our established precedent on *Ever-Ready* type trademark surveys.

Specifically, we find that Dr. Ford's 6- and 7-series of questions[33] parallels the precise formats approved in *Ever-Ready* and *Carl Karcher*. The survey was conducted well within the parameters of the likelihood of confusion survey formats previously accepted by this Board. *See Starbucks U.S. Brands LLC v. Ruben*, 78 USPQ2d 1741 (TTAB 2006). Thus, we find that it is reliable and has probative value on the issue of likelihood of confusion as to the **CLINIQUE DENTIQUE** mark used in connection with restorative, cosmetic and family dentistry services. *Id.* at 1753.

Although applicant criticizes Dr. Ford for making the word "cosmetic" continuously visible on the stimulus card to the interviewee, we note that opposer's survey expert merely adopted verbatim applicant's recitation of services. This is entirely consistent with Board practice and the progeny of the *Ever-Ready* decision over more than three decades.

The parties are also at odds over the question of whether the fictitious mark used on the control cell card, **BOUTIQUE DENTIQUE**, was an appropriate choice. While applicant's expert criticized Dr. Ford's choice, we find it an appropriate choice to eliminate any noise from the survey, and certainly find greater weaknesses in the alternatives thrown out by applicant's expert and counsel.

Next, we note that consistent with *Ever-Ready*, opposer's 8- and 9-series questions were designed to elicit responses concerning authorization/approval and affiliation/connection. While these types of questions were not expressly addressed in *Ever-Ready*, a leading commentator[34] suggests, and court opinions have found,[35] that authorization and affiliation queries are appropriate in light of the specific language of the Lanham Act.

***12** Additionally, each series of the survey questions contain the follow-up question: "Why do you say that?" (e.g., 6.1, 7.1, 8.2 and 9.2). The answers given to these follow-up questions persuade us that the respondents were not merely reading the stimulus card, guessing or trying to please the interviewer.

Rather, given the way in which this survey format carefully follows the *Ever-Ready* survey format, we find that it is reliable and therefore of probative value on the issue of likelihood of confusion herein.

Applicant also takes issue with opposer's classification of certain responses as belonging in the category of those indicating a clear connection to Clinique. While we do not agree with applicant's characterization, even if we were to subscribe to applicant's allegations that weak indicators of confusion were coded in opposer's favor, a somewhat reduced net percentage would still clearly be recognized by courts as supporting a finding of likelihood of confusion. *Grotian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 365 F. Supp. 707, 180 USPQ 506, 513 (S.D.N.Y. 1973), modified, 523 F.2d 1331, 186 USPQ 436 (2d Cir. 1975) [8.5% sufficient to show likely confusion between the marks **STEINWAY** and **STEINWEG** for piano consumers].

After carefully reviewing Dr. Ford's survey design and results, we find that the numerous "flaws" that applicant alleges weaken the survey's value are not flaws at all, or would cause only a minor diminution in the compelling showing of likelihood of confusion found in the results of this survey.

We note, in conclusion, that the survey serves to corroborate what the other evidence of record demonstrates. Thus, although we find the survey proper, probative, and even compelling, it should not be viewed in the context of this overall case as solely determinative of the outcome.

As to the factor of intent, opposer argues that applicant had a bad faith intent[36] to trade on the goodwill of Clinique. *J & J Snack Food Corp. v. McDonald's Corp.,* 932 F.2d 1460, 18 USPQ2d 1889, 1891 (Fed. Cir. 1991). Opposer contends that applicant's self-serving denial of any intent to copy opposer's **CLINIQUE** mark is not credible in light of the overwhelming fame of its **CLINIQUE** mark.

Bad faith, or intent to confuse, falls under the thirteenth *du Pont* factor "any other established fact probative of the effect of use." *L.C. Licensing Inc. v. Berman,* 86 USPQ2d 1883, 1890 (TTAB 2008). "[W]hen there is evidence of an applicant's intent to adopt a mark that suggests to purchasers a successful mark already in use by another, the Board may, and ought to, take into account that intent when resolving the issue of likelihood of confusion when that issue is not free from doubt." *First International Services Corp. v. Chuckles Inc.,* 5 USPQ2d 1628, 1633 (TTAB 1988). *See also Roger & Gallet S.A. v. Benice Trading Co. Inc.,* 1 USPQ2d 1829, 1832 (TTAB 1987).

***13** However, "an inference of 'bad faith' requires something more than mere knowledge of a prior similar mark." *Sweats Fashions, Inc. v. Pannill Knitting Co., Inc.,* 833 F.2d 1560, 1565, 4 USQP2d 1793 (Fed. Cir. 1987). *See also, TBC Corp. v. Holsa Inc.,* 126 F.3d 1470, 44 USPQ2d 1315 (Fed. Cir. 1997); *Action Temporary Services Inc. v. Labor Force Inc.,* 870 F.2d 1563, 10 USPQ2d 1307, 1310 (Fed. Cir. 1989); and *Ava Enterprises Inc. v. Audio Boss USA Inc.,* 77 USPQ2d 1783, 1787 (TTAB 2006).

This record does not establish that applicant intended to adopt its marks in bad faith. While it seems highly unlikely that applicant was unaware of opposer's **CLINIQUE** marks when applicant adopted its marks - and we appreciate that for opposer's counsel, this was enough to "raise an eyebrow" - we find that it is not sufficient to prove an *intent* to confuse. *Ava Enterprises,* 77 USPQ2d at 1789.

On balance, the relevant *du Pont* factors weigh in favor of a likelihood of confusion. In view of the fame of opposer's **CLINIQUE** marks, the relatedness of the goods and services, channels of trade and classes of customers, and the similarity of the marks, we conclude that there is a likelihood of confusion between applicant's mark and opposer's **CLINIQUE** marks.

Finally, it is well established that as a newcomer, applicant has both the opportunity and the obligation to avoid confusion, and one who adopts a mark similar to the mark of another for related goods or services does so at his own peril. *W.R. Grace & Co. v. Herbert J. Meyer Industries,* Inc., 190 USPQ 308 (TTAB 1976). This is especially relevant where the senior, established mark is one that is also famous. *Nina Ricci,* 12 USPQ2d at 1904.

Accordingly, opposer has proven its claims of likelihood of confusion under Section 2(d) of the Trademark Act as to the applied-for mark.

In view of our decision on likelihood of confusion, we do not reach the dilution claims brought under Section 43(c).

Decision: The notice of opposition is sustained and registration to applicant is hereby refused.

Footnotes

1 Application Serial No. 76663928 was filed on August 1, 2006 based upon applicant's allegation of a *bona fide* intention to use the mark in commerce under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b). The application as filed misidentified applicant as "Absolute Dental Cheyenne, Inc.," when it should have been simply "Absolute Dental, Inc." As a result of a subsequent reorganization (in 2008), applicant was reorganized by dissolution and merger into "Absolute Dental, LLC," the current applicant and party defendant in this proceeding.

2 The Board has already clarified that opposer's submission of Internet Documents is permitted under the Trademark Rule of Practice and *Safer Inc. v. OMS Invs., Inc.*, 94 USPQ2d 1031, 1039 (TTAB 2010).

3 See Board order of July 14, 2010 [TTABVUE #70] at 6-8.

4 Registration No. 0859445 issued on October 29, 1968; second renewal.

5 Registration No. 0878877 issued on October 14, 1969; second renewal.

6 Registration No. 0892987 issued on June 16, 1970; third renewal.

7 Registration No. 0904834 issued on December 22, 1970; third renewal.

8 Registration No. 1417809 issued on November 18, 1986; renewed. The word "Clinique" means "clinical" in French. The mark is registered under Section 2(f) of the Act.

9 Registration No. 1548810 issued on July 25, 1989; renewed. No claim is made to the exclusive right to use the words "skin supplies for men" apart from the mark as shown.

10 Registration No. 1589615 issued on April 3, 1990; second renewal.

11 Registration No. 1626589 issued on December 11, 1990; second renewal.

12 Registration No. 1921399 issued on September 26, 1995; renewed.

13 Registration No. 2165411 issued on June 16, 1998; renewed.

14 Registration No. 2191594 issued on September 22, 1998; renewed.

15 Registration No. 2203237 issued on November 10, 1998; renewed.

16 Registration No. 2307979 issued on January 11, 2000; renewed. No claim is made to the exclusive right to use the word "brow" apart from the mark as shown.

17 Registration No. 2650608 issued on November 12, 2002; Section 8 affidavit (six-year) accepted and Section 15 affidavit acknowledged.

18 Registration No. 2707917 issued on April 15, 2003; Section 8 affidavit (six-year) accepted and Section 15 affidavit acknowledged.

19 Registration No. 2734904 issued on July 8, 2003; Section 8 affidavit (six-year) accepted and Section 15 affidavit acknowledged.

20 Registration No. 2783299 issued on November 11, 2003; Section 8 affidavit (six-year) accepted and Section 15 affidavit acknowledged.

21 Registration No. 2886914 issued on September 21, 2004; Section 8 affidavit (six-year) accepted and Section 15 affidavit acknowledged.

22 Registration No. 2916548 issued on January 4, 2005; Section 8 affidavit (six-year) accepted and Section 15 affidavit acknowledged.

23 Registration No. 2979695 issued on July 26, 2005.

24 Registration No. 3071667 issued on March 21, 2006.

25 Registration No. 3156540 issued on October 17, 2006.

26 Registration No. 3225758 issued on April 3, 2007.

27 Registration No. 3259254 issued on July 3, 2007.

28 Registration No. 3276902 issued on August 7, 2007.

29 Registration No. 3415334 issued on April 22, 2008.

30 The exact figures were submitted under seal.

31 In addition to the fact that we cannot know whether either of these registered mark were actually in use or whether any consumers were exposed to them, Registration No. 2829861 for the mark **MK DENTAL CLINIQUE** registered in 2004 in connection with general and cosmetic dentistry, but has been cancelled under Section 8 of the Act. Registration No. 3212028 for the mark **CLINIQUE LA PRAIRIE**, which registered in 2007 in connection with real estate development and management services, has no relevance to the goods and services involved herein.

32 In *Union Carbide Corp. v. Ever-Ready. Inc.*, 531 F.2d 366, 188 USPQ 623 (7th Cir. 1976), cert. denied, 191 USPQ 416 (1976), the plaintiff conducted a survey to determine whether there was a likelihood of confusion between defendant's EVER-READY lamps and plaintiff Union Carbide's EVEREADY batteries, flashlights and bulbs. The survey asked: "Who do you think puts out the lamp shown here? [showing a picture of defendant's EVER-READY lamp and mark]," and "What makes you think so?" *Id.* at 640.

33 (Question 6.0) [On seeing the test cell card or control cell card]: "Who, or what company, do you believe owns or operates this business?"
(Question 6.1) "Why do you say that?"
(Question 6.2) "What, if anything, can you tell me about INSERT RESPONSE TO Q6.0?"

34 *See e.g.*, 6 J.Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 32:175 (4th ed. 2011).

35 *See e.g.*, *McDonald's Corp. v. McBagel's, Inc.*, 649 F.Supp. 1268, 1 USPQ2d 1761 (S.D.NY 1986); *James Burrough Limited v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 192 USPQ 555, 564 (7th Cir. 1976); *National Football League Properties, Inc. v. Wichita Falls Sportswear, Inc.*, 532 F.Supp. 651, 215 USPQ 175, 181-83 (W.D.Wash. 1982); *Pebble Beach Co. v. Tour 18 I. Ltd.*, 155 F.3d 526, 48 USPQ2d 1065, 1076-77 (5th Cir. 1998); *Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club Ltd. Partnership*, 34 F.3d 410, 31 USPQ2d 1811, 1816 (7th Cir. 1994); and *Anheuser-Busch. Inc. v. Balducci Publications*, 28 F.3d 769, 31 USPQ2d 1296 (8th Cir. 1994).

36 At points, applicant seems to confuse allegations of bad faith adoption by a junior party with the unrelated issue of whether applicant possessed a *bona fide* intention to use the mark in commerce, as required by Section 1 of the Lanham Act. Applicant's brief at 26-27.

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E & J GALLO WINERY, a
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v.
PROXIMO SPIRITS, INC. et al., Defendant.

No. 1:10–cv–00411 LJO JLT. | Nov. 28, 2011.

Attorneys and Law Firms

D. Greg Durbin, McCormick Barstow Sheppard Wayte and Carruth LLP, Fresno, CA, Douglas Peter Harvey, Donald Alexander Thompson, Matthew Alexander Stratton, Naomi Jane Gray, Harvey Siskind LLP, San Francisco, CA, for Plaintiff.

Anthony Coppola, Michael Aschen, Abelman, Frayne & Schwab, New York, NY, Mark D. Miller, Marcus Natale Dibuduo, Sierra IP Law, PC, Fresno, CA, for Defendant.

ORDER DENYING DEFENDANTS MOTION TO PRECLUDE THE TESTIMONY OF GERALD FORD

JENNIFER L. THURSTON, United States Magistrate Judge.

***1** Defendants /counterclaimants Proximo Spirts, Inc. and Agavera Camichines, S.A. de C.V.[1] filed a motion to preclude the testimony of Plaintiff/counterdefendants E. & J Gallo Winery, Tequila Supremo, S.A. de C.V. and Ecco Domani USA, Inc.[2] expert Gerald Ford. Gallo filed an opposition to the motion, and Proximo/Agavera filed a reply. The Court has carefully considered the parties' submitted papers and the parties' arguments made during hearing on this matter. For the reasons set forth below, the Court **DENIES** the motion.

I. BACKGROUND

Gallo filed this Declaratory Judgment Act, 28 U.S.C. §§ 2201–2202 ("DJA"), action seeking a declaration that Gallo's "Familia Camarena" tequila bottle and packaging does not infringe on the trademark or trade dress of "1800 Tequila." In response, defendants Proximo/Agavera filed a countercomplaint against Gallo alleging improprieties in Gallo's respective trademark applications for the design marks of the Familia Camarena tequila bottle and seeking a declaratory judgment that the applications were void.[3]

II. Proximo/Agavera's Motion to Exclude Expert Report of Gerald Ford

A. Dr. Ford survey and report

Proximo/Agavera moves to exclude Gallo's the expert testimony of Gerald Ford along with his report. Gallo asserts that its expert testimony is intended address the central issue in this case as to whether consumers were confused by the any alleged similarities between Gallo's and Proximo's bottle design. (See Doc. 152–1 at 5, Ford Decl., ¶ 2)

According to Dr. Ford's declaration, initial questions of the survey were patterned after questions similar to the surveys used and addressed in *Union Carbide Corp. v. Ever–Ready Inc.*, 531 F.2d 366 (7th Cir.1976). (Doc. 155 at 13, fn. 6) In that case, Union Carbide, which sold batteries under the EVEREADY trademark, sued Ever–Ready Inc., who manufactured light bulbs bearing the Ever–Ready name. *Id.* at 370–71. To determine whether consumers were likely to confuse the source of defendant's bulbs with Union Carbide's EVEREADY brand, participants (in one of the two surveys employed), were shown a picture of the Ever–Ready light bulbs with its mark and were asked who produced the bulbs and asked to name other products produced by the same company. *Id.* at 385–86. More than fifty percent of the interviewees indicated that the light bulbs shown to them were either made by Union Carbide or by the company that made the EVEREADY batteries. *Id.* The Seventh Circuit determined that the district court erred when it found that the surveys were entitled "to little, if any weight" and affirmed that the use of the surveys as valuable assistance when determining whether there exists a likelihood of confusion between the two products.[4] *Id.* at 387.

In the instant case, interviewers, who were directed by Ford Bubala and Associates but employed by independent interviewing organizations, surveyed 432 consumers who reported that were likely to purchase a 750–milliliter bottle of tequila with an approximate cost of twenty dollars within the next three months. (Doc. 152–1 at 11). Those who indicated that they would make such a purchase, were provided either the Familia Camarena tequila bottle (for those participating in the test group) or a different shaped tequila bottle with the Familia Camarena labeling (for those participating in the

control group) and instructed to view the bottle as if they had seen it in a store and was considering purchasing the product. (Doc. 152–1 at 13). Once each participant indicated that they were ready, the were asked a series of questions which included but was not limited to:

***2** 1. "Who or what company" did the participant believe "put out" the Familia Camarena bottle?

2. Assuming the participant identified a company, whether that company "put out" other brands and if they did, which other brand or brands? For each other brand named, participants were asked why they thought that the other brand was "put out by the company" that the participant believed produced the Familia Camarena product?;

3. Whether the product was "put out" with "the authorization or approval of any other company or companies" and if so, which other company or companies?

4. If participants indicated that they believed that the produce was put out with either the authorization or approval of any other company, the interviewer then asked the participant why they thought so.

(Doc. 155 at 12–16).

According to Dr. Ford, none of the survey participants who viewed the Familia Camarena tequila bottle indicated that they believed that the Familia Camerena tequila was either produced or distributed by the company that produced the 1800 tequilia. (Doc. 155 at 17). In addition, Dr. Ford reported that only three participants, who were shown the Familia Camarena tequila bottle, stated that they believed that the 1800 tequila was another brand of tequila "put out" by the company that "puts out" the Familia Camarena tequila. (*Id.* at 18). In light of these results, Dr. Ford concluded that there was no likelihood of confusion among consumers between the Familia Camarena product and the 1800 tequila brands based upon the design of the bottles. (*Id.* at 26).

B. Proximo/Agavera's Contentions

Proximo/Agavera urges the Court to exclude Dr. Ford's evidence on the grounds that it is inadmissible under the principles set forth in *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579, 113 S.Ct. 2786, 125 L.Ed.2d 469 (1993) and *Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 119 S.Ct. 1167, 143 L.Ed.2d 238, (1999). Proximo/Agavera argue that *Daubert* holds that scientific opinion testimony may not be admitted under Federal Rule of Evidence 702 unless it is relevant and based upon a reliable foundation and that *Kumho* extended *Daubert's* rule to nonscientific expert testimony and determined that the *Daubert* admissibility factors are not to be rigidly applied.

Specifically, Proximo/Agavera argue that Dr. Ford's survey, based on the Eveready format, was inappropriate to determine whether consumers were likely to be confused between 1800 tequila and Familia Camarena tequila. (Doc. 152 at 3, 8–9). Proximo/Agavera assert that the Eveready methodology is appropriate only where participants in the survey have an "immediate recall or unaided awareness of the senior trademark" (here the 1800 Tequila trade dress). [5] (*Id.* at 2). Proximo/Agavera argue that because consumers do not have a similar widespread recall or awareness of 1800 tequila, Dr. Ford's survey is so flawed as to be unreliable. (*Id.* at 8). In addition, Proximo/Agavera argue that the Ford survey should be excluded pursuant to Federal Rule of Evidence 403, because its probative value is substantially outweighed by its prejudicial effect. (*Id.* at 7).

C. Discussion

***3** Although the admissibility of survey evidence is governed by *Daubert*, the Ninth Circuit has held that "survey evidence should ordinarily be found sufficiently reliable under *Daubert.* Unlike novel scientific theories, a jury should be able to determine whether asserted technical deficiencies undermine a survey's probative value." *Southland Farms v. Stover Seed Co.*, 108 F.3d 1134, 1143 n. 8 (9th Cir.1997). The Ninth Circuit has explained that a survey may be admitted as long as it is conducted according to accepted principles and is relevant. *Wendt v. Host International, Inc.*, 125 F.3d 806, 814 (9th Cir.1997). Moreover, "[t]echnical unreliability goes to the weight accorded to a survey, not its admissibility," and that the better course is to "admit the survey and discount its probative value." *Prudential Insurance Co., v. Gibraltar Financial Corp.*, 694 F.2d 1150, 1156 (9th Cir.1982). Likewise, the Ninth Circuit has opined that the admissibility of a survey is a question of law:

> Treatment of surveys is a two-step process. First, is the survey admissible? That is, is there a proper foundation for admissibility, and is it relevant and conducted according to accepted principles? This threshold question may be

> determined by the judge. Once the survey is admitted, however, follow-on issues of methodology, survey design, reliability, the experience and reputation of the expert, critique of conclusions, and the like go to the weight of the survey rather than its admissibility. These are issues for a jury or, in a bench trial, the judge.

Clicks Billiards, Inc. v. Sixshooters, Inc., 251 F.3d 1252, 1263 (9th Cir.2001).

Despite *Clicks'* two-pronged approach, Proximo/Agavera do not directly challenge Dr. Ford's expertise and it appears that no challenge can seriously be mounted given Dr. Ford's extensive experience and training that spans 35 years. [6] (Doc. 152–1 at 5–6, 18–19) As to the relevance of the survey results, they conclude that because the survey is so flawed, it has no relevance to the issues. However, this combines *Clicks'* two-step process rather than analyzing the steps separately.

The Court finds that the survey has the tendency of proving that there is no likelihood of confusion between the marks at issue. Thus, it is relevant. Fed.R.Evid. 401. The tougher question is whether it was conducted according to accepted principles though the parties agree that the Eveready method or the "standard survey format" is the "gold standard" for determining whether there is a likelihood of confusion. The issue raised in this motion is whether this survey technique should have been used here where, Defendants contend, there is insufficient awareness of the 1800 brand.

Dr. Ford testified that he had no opinion as to the strength of the mark or the trade dress (Doc. 169–1 at 35) but noted that Defendants' pleadings claim that the 1800 brand is the "fifth best selling tequila in the United States. It's been on the market for 30 years. And then as I believe, if I am quoting your pleadings correctly, millions of dollars with of advertising promotion. So the survey design that was employed here is a standard survey design ." [7] , [8] *Id.* at 33. Dr. Ford clarified though, that in his opinion the strength of the trade mark doesn't impact the survey design. *Id.* at 41–44.

***4** Dr. Ford was asked whether it was ever necessary to show survey participants other products along with the junior product if these other produces "may be observed by the respondents at the same time or reasonably contemporaneous with observing the junior" product at the time of the purchase decision. (Doc. 169–1 at 46.) Dr. Ford, reported that he had never come across an instance when doing this was required but could not say it never would be required. *Id.* at 46–47. He clarified, "I don't know that I would go so far as to say never. It's not traditional. The vast majority of standard surveys that are done and offered as survey evidence are done in a manner the same as the one that we conducted here." *Id.* Indeed, Dr. Ford disputed that the Eveready methodology presumes that the survey respondents have a high level of awareness of the senior mark. *Id.* at 52. He stated, "I don't think the Eveready design presumes anything. It measures the reaction to stimulus ... It takes a snapshot of time whether or not particular stimulus and these questions that are posed to respondents who are purchase—potential purchasers of this class or good of services, whether that creates a mental association that is strong enough to indicate a likelihood of confusion." *Id.* at 52–53. Dr. Ford denied that the survey participants had to have "top-of-the-mind awareness" of the 1800 mark to obtain valid data in his survey and cited the fact that in *Eveready*, only a small percentage actually knew that Eveready was manufactured by Union Carbide. *Id* . at 55. Finally, Dr. Ford admitted that he did not ask survey respondents to name tequila brands but noted that no one he knew of had ever taken such an approach including Defendants' expert, Dr. Ostberg. *Id.*

In their challenge to Dr. Ford's report, Proximo/Agavera argue that Dr. Ford should have approximated real world conditions such that survey participants should have been shown the Familia Camarena bottle *and* the 1800 bottle. They assert that because this is how the two tequilas are displayed in liquor stores, failure to show both bottles guaranteed that Gallo's survey would result in a conclusion that there was no likelihood of confusion between the two because Dr. Ford's survey required participants to have immediate recall of the 1800 tequila trade dress or be determined to not be confused. (Doc. 152 at 2, 4) Proximo/Agavera argue that given these circumstances, where the mark is not well-known and the products are displayed together, the preferred survey method is not Eveready, but "Squirt." Toward this end, they criticize Dr. Ford who testified that he found the Squirt method to be inappropriate.

However, the journal article cited by Agavera/Proximo lends credence to Dr. Ford's rejection of the Squirt method. Indeed, in the article the Squirt method is derided and surveyors are warned, "the Squirt same-company/different-company question is not neutral, but 'strongly suggests a possibility that might not have occurred to the interviewees—the products

are made by the same company.' See also Shari S. Diamond, *Reference Guide on Survey Research, Reference Manual on Scientific Evidence* 251 (2000) (hereinafter Diamond, Guide) ('Closed-ended questions ... may remind respondents of options that they would not otherwise consider or which simply do not come to mind as easily.'); Richard J. Leighton, *Using Daubert–Kumho Gatekeeping to Admit and Exclude Surveys in Lanham Act Advertising and Trademark Cases,* 92 TMR 743, 781 (2002) (closed-ended questions 'often indicate to respondents areas of interest to the surveyor'). '[T]he mere putting of [the] question creates the impression of a relationship.' *Kargo Global, Inc. v. Advance Magazine Publishers, Inc.*, 2007 U.S. Dist. LEXIS 57320 *26 (S.D.N.Y.2007). The article continued,

> ***5** Over time, the Squirt format has come to be used in cases where the accessibility of the senior mark in consumers' memory is low to non-existent, so that it must be made externally available to respondents as part of the survey design. ***Because a Squirt test uses closed-ended questions, it has been historically criticized by pundits and the courts.***

Swann, Jerre B., "Likelihood of Confusion Studies and the Straitened Scope of SQUIRT*," *The Trademark Reporter,* emphasis added.

Despite reliance by Proximo/Agavera on the report of their retained expert, Dr. Henry Ostberg, to support their argument that Dr. Ford should have used the Squirt method, in his report Dr. Ostberg does not advocate this approach.[9] Instead, in his report he opines that the Ford survey is flawed because there was no attempt to determine the degree of familiarity with the 1800 brand among those surveyed. (Doc. 152–1 at 28–29) He reports, without any citation to authority, that a plaintiff who knows that the senior mark is not widely known and who wishes to skew survey results, will use the Eveready methodology because its results militate against a finding of likelihood of confusion.[10] *Id.*

Rather than suggesting that the 1800 bottle should have been shown the participants and closed-ended questions asked—as Squirt requires—Dr. Ostberg's report argues only that they should have been asked to name the tequila brands of which they were aware as a basis for determining whether they would be able to recall the 1800 mark. (Doc. 29–30) However, as the Swann article makes clear doing so would have imperiled the admissibility of Dr. Ford's survey.

> The analysis below confirms, as to strong marks, the gold standard status of Eveready. As to Squirt, it suggests that the use of closed-ended questions should not be the issue. Rather, the latter format should be sanctioned where it is limited to the conditions of its origin (directly competing or substantially overlapping goods), i.e., where the stimuli proximately tested in the format appear, in fact, proximately in the marketplace. ***Where brand strength is uncertain, or in a Circuit that stresses the similarity of marks as a confusion factor, [Footnote] a surveyor may consider "going both ways" [Footnote]—an as yet judicially untested, but intellectually intriguing alternative.***

Swann, at 470.

On the other hand, though the Court has thoroughly reviewed the Swann article, the Court has little information as to Swann's expertise or whether his article was thoroughly reviewed by his peers such that the Court can accept it as authoritative.[11] Certainly, neither Drs. Ford nor Ostberg vouch for it. Dr. Ford noted, in response to Defendants' question whether the Swann article was "widely known," stated,

I don't know if it's widely known. It's written by Jerre Swann.

Q. Right. Is Jerre Swann an expert in the field of likelihood-of-confusion surveys?

A. I think that's an unfair question. Jerre Swann is a lawyer.

***6** Q. Okay. Can you answer my question, though?

A. I don't know how to answer your question. I think Jerre has a lot of opinions. He has been active in the trademark bar. He writes viciously. He is a close personal friend. But we don't agree on everything together, so—

Q. Okay. With that, I will move on.

(Doc. 169–1 at 71) At his deposition, Dr. Ford disagreed with nearly every point taken from the Swann article. *Id.* at 72–77. Thus, though Mr. Swann asserts that the Eveready method is not the proper tool where the brand awareness is weak, the Court has no basis for determining whether because Mr. Swann says its so that, indeed, it is so. Likewise, though Dr. Ostberg asserts that the Eveready method should not be used when there is not a high mark awareness, he testified that he was unaware of any court that had so found and was unable to cite to any authoritative, peer-reviewed article that took this position and mentioned the Swann article only when counsel referred to it. (Doc. 160–3 at 4–5, 7) Instead, he asserted that this position was "common sense." *Id.* at 4–5.

Proximo/Agavera take issue with Plaintiff's assertion that there is high consumer awareness of 1800 Tequila. They argue that what is important for considerations of the " 'top-of-the-mind' awareness"—which would justify the use of the Eveready survey format—is not the awareness of the trade mark but the trade dress. (Doc. 168 at 9–10) Moreover, they discount their own expert's opinion, Mr. Frankss, that the 1800 Tequila is "ubiquitous" as irrelevant to the considerations (*Id.*), despite that Dr. Ostberg testified that in his earlier Jeep case, he used the Eveready method without testing for the level of unaided awareness because "you see [Jeep vehicles] on the road all the time. I thought and I was certainly given information that Jeep was widely driven and on the roads at that particular time." (Doc. 169–3 at 40–42)

However, even if the Court agrees with the argument that it is the level of unaided awareness of the trade dress, rather than the trade mark, that determines the appropriateness of using the Eveready method, still unexplained by Proximo/Agavera are the allegations of their counterclaim in which they assert that "1800 Tequila is currently one of the top five selling tequila brands in the United States," **"substantial sums have been expended** on promotion and advertising in order **to establish and maintain consumers' awareness and recognition of the 1800 Trade Dress** and **to create an association in their mind [sic] between the 1800 Trade Dress and its source and origin"** and "long before the acts of the counter-claim defendants complained of herein, and as the result of the promotion and sale of 1800 Tequila, **the 1800 Trade Dress has acquired a valuable reputation and distinctiveness and is now recognized by consumers as originating from and being associated with a single source."** (Doc. 85 at 8, emphasis added)

***7** After thoughtful consideration, the Court finds that Dr. Ford's survey was conducted according to accepted principles. *Clicks*, at 1263. Moreover, the Court finds that Proximo/Agavera's contentions regarding Dr. Ford's survey go to the weight of the evidence, not its admissibility. *Prudential Ins. Co. v. Gibraltar Fin. Corp.*, 694 F.2d 1150, 1156 (9th Cir.1982), cert. denied, 463 U.S. 1208, 103 S.Ct. 3538, 77 L.Ed.2d 1389 (1983). ("Technical unreliability goes to the weight accorded a survey, not its admissibility."). As in *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt.*, 618 F.3d 1025, 1037–1038 (9th Cir.Cal.2010), the defects raised by Proximo/Agavera have been determined by the Ninth Circuit not to impact the admissibility of the survey. In *Fortune*, the Court held,

> To be sure, as Victoria's Secret argues and as the district court noted, the Marylander survey has a number of shortcomings, including the fact that it was conducted over the internet (thereby failing to replicate real world conditions), may have been suggestive, and quite possibly produced counterintuitive results. But these criticisms, valid as they may be, go to "issues of methodology, survey design, reliability, ... [and] critique of conclusions," and therefore "go to the weight of the survey rather than its admissibility." *Clicks Billiards*, 251 F.3d at 1263; cf. *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 596, 113 S.Ct. 2786, 125 L.Ed.2d 469 (1993) ("Vigorous cross-examination, presentation of contrary evidence, and careful instruction on the burden of proof are the traditional and appropriate means of attacking shaky but admissible evidence.").

Additionally, the Court finds unpersuasive Proximo/Agavera's citations to the non-Ninth Circuit authorities, *Winning Ways, Inc. v. Holloway*, 913 F.Supp. 1454, 1465 (D.Kan.1996) (*"Winning Ways"*) and *NFL Props., Inc. v. Prostyle, Inc.*, 57 F.Supp.2d 665 (E.D.Wis.1999) (*"NFL Properties"*). Though both of these cases are offered as examples of cases where deficiencies in methodology warranted the survey's exclusion, the deficiencies noted in these cases are distinguishable from the deficiency claimed by Proximo/Agavera here. For example, in *Winning Ways* the court found "[m]ultiple flaws mar[ed] the value of the consumer survey evidence" including the order in which the product was provided responding consumer, an underinclusive definition of the consumer market, and an unrepresentative sample. *Winning Ways*, supra, 913 F.Supp. at 1466–1467. None of these defects were alleged here. Similarly in *NFL*, the court initially excluded the bulk of the expert's report because his survey asked an improperly

formulated question and because the survey's conclusion was stated in terms of what the public believed actually had happened as opposed to what they believed should have happened. *NFL* at 667. In excluding the report, the court held that "it will not 'accord trademark protection based upon the public's mistaken notion of the law." *Id.* Then in its later opinion, the court excluded the expert's reformulated report because it relied upon only the unobjectionable portion of the survey. *Id.* However, the court found that the edited survey was "seriously flawed" in that it asked only a single question and lacked the use of a control, which the expert had testified was "absolutely necessary." *NFL*, at 668–69. [12] Again, here, there are no complaints that these types of deficiencies existed in Dr. Ford's methodology.

***8** Finally, Proximo/Agavera urges the Court to exclude the survey as unduly prejudicial pursuant to Federal Rule of Evidence 403. Rule 403 requires the court to exclude relevant evidence "if its probative value is substantially outweighed by the danger of unfair prejudice." *Fed.R.Evid. 403*. Without doubt, the survey evidence is prejudicial to the position of Proximo/Agavera but the court finds that this is so *only* because it has high probative value. Because the Court finds that the probative value is not outweighed by its prejudicial effect, the Court does not find that Rule 403 requires exclusion of this evidence at this time. Instead, the jury will have to decide what weight, if any, to afford the survey after considering Defendant's evidence.

III. CONCLUSION

Accordingly, the Court **ORDERS** that Defendants' October 14, 2011 motion to preclude testimony of Gerald Ford (Doc. 144) is **DENIED.**

IT IS SO ORDERED.

Footnotes

1 Hereafter, referred collectively as "Proximo/Agavera"

2 Hereafter referred collectively as "Gallo"

3 More specifically, Proximo alleges that the application filed by E & J Gallo contained fraudulent representations so that the application filed by E & J Gallo as well as the application filed by Tequila Supremo, S.A. de C.V. are void. Proximo seeks an order directing the Commissioner of the United States Patent and Trademark Office to cancel those applications and registration because they fail to comply with one or more requirements of the registration.

4 According to at least one authority, the Eveready format is now a standard survey format and has been explicitly approved for use in a number of cases. 5 McCarthy on Trademarks and Unfair Competition, § 32:174 at 32–290, 291 (4th ed. 2002): *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266 (7th Cir.1976); *E. & J. Gallo Winery v. Gallo Cattle Co.*, 1989 WL 159628 (E.D.Cal.1989), modified, aff'd, 955 F.2d 1327 (9th Cir.1992), amended, 967 F.2d 1280 (9th Cir.1992).

5 Proximo/Agavera list "CocaCola," "Harley–Davidson," and "Eveready" as examples of products possessing about which consumers have sufficient recall or awareness to make the Eveready methodology appropriate. (Doc. 152 at 2).

6 In fact, Dr. Ostberg agreed that Dr. Ford "decidedly" has a high reputation and he has an "extremely high regard" Dr. Ford and stated that, "In general, it is my belief that Dr. Ford and his company does a very credible job." (Doc. 160–3 at 11)

7 Notably, Dr. Ostberg agreed that there is a relationship between the level of unaided awareness of the mark and each of the factors identified by Dr. Ford. (Doc. 169–3 at 15–19)

8 In fact, Defendants allege in their counterclaim that "1800 Tequila is currently one of the top five selling tequila brands in the United States," "substantial sums have been expended on promotion and advertising in order to establish and maintain consumers' awareness and recognition of the 1800 trade Dress and to create an association in their mind [sic] between the 1800 Trade Dress and its source and origin" and "long before the acts of the counter-claim defendants complained of herein, and as the result of the promotion and sale of 1800 Tequila, the 1800 Trade Dress has acquired a valuable reputation and distinctiveness and is not recognized by consumers as originating from and being associated with a single source." (Doc. 85 at 8)

9 At his deposition though, Mr. Swann testified that had he conducted a survey in this case, he would likely have used an array or Squirt method. (Doc. 169–3 at 14–15)

10 The court cannot square Dr. Ostberg's high regard for Dr. Ford with Dr. Ostberg's seeming assertion that Dr. Ford purposely skewed the survey toward Plaintiff's ends.

11 Moreover, the article itself contradicts other authors on the same topic, notes disagreement among authors on various survey questions and questions portions of the Eveready method. See e.g. Swann, at n. 11, 12, 13, 16, 40

12 Likewise, Proximo/Agavera citation to *Trouble v. Wet Seal, Inc.*, 179 F.Supp.2d 291 (S.D.N.Y.2001) (*"Trouble"*) is also unavailing as the *Trouble* Court also noted multiple deficiencies none of which are alleged by Proximo/Agavera here.

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2008 WL 5256412 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

Full Speed Ahead, Inc.
v.
SRAM Corp.

Opposition No. 91171889 to Application Serial No. 78589700 filed on 3/17/2005
December 10, 2008

***1** Robert J. Adolph and James R. Uhlir of Christensen O'Connor Johnson Kindness PLLC for Full Speed Ahead, Inc.
Richard B. Walsh, Jr. and Michael J. Hickey of Lewis, Rice & Finersh, L.C. for SRAM Corp.

Before Seeherman, Walsh and Wellington
Administrative Trademark Judges
Opinion by Walsh
Administrative Trademark Judge:

Full Speed Ahead, Inc. (opposer) has opposed the application by SRAM Corp. (applicant) to register SRAM FORCE in standard characters for goods identified as "bicycle parts, namely, gear shifting mechanisms, shifter grip covers, handlebar grips, derailleurs, brakes, brake levers, cranks, bottom brackets for frames, handlebars, stems, hubs, chains, cassette sprockets, control cables for use with gear shifting and brakes, control cable sealing mechanisms, control cable housing, seat posts, pedals, wheelsets, rims, headsets and quick release levers" in International Class 12 and "clothing, namely, t-shirts, sweatshirts, socks, jackets, aprons, hats, jerseys and short pants" in International Class 25. [1] Opposer filed the notice of opposition on July 7, 2006.

Opposer asserts priority and likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), as grounds for the opposition. Specifically, opposer asserts a likelihood of confusion between applicant's SRAM FORCE mark and opposer's K FORCE mark based on opposer's ownership of Registration No. 3198864 for the K FORCE mark [2] in standard characters for goods identified as "bicycles and parts, namely front forks, bicycle cranks, bicycle rims, seatpost, handlebar, bottom brackets, chainrings, headset bearings, bicycle hubs, bicycle spokes, brake device for bicycles, bicycle chain, handlebar stem, bicycle gears" in International Class 12. Opposer filed the underlying application for the K FORCE mark on March 21, 2006, and the registration issued on January 16, 2007, during the pendency of this proceeding. Opposer also claims common law rights in the K FORCE mark with respect to "bicycle parts" from at least as early as 2001. [3] Applicant has denied the essential allegations in the notice of opposition.

Opposer and applicant have filed briefs. We dismiss the opposition as to both classes of goods for the reasons stated below.

Before proceeding further we must address the status of a cancellation proceeding applicant filed with respect to opposer's pleaded Registration No. 3198864 for the K FORCE mark, Cancellation No. 92049613. Applicant filed the petition to cancel on June 16, 2008, the same day applicant filed its brief in this opposition proceeding, but applicant made no mention of the cancellation proceeding in its brief. Applicant filed the cancellation proceeding as a separate proceeding, not as a counterclaim in this proceeding. The only mention of the cancellation proceeding in this proceeding occurred in passing in opposer's reply brief. *See* Opposer's Amended Reply Brief at 4. Recently, both parties filed a consented motion to extend the dates for the discovery conference and initial disclosures in the cancellation proceeding, and the Board denied that motion. *See* Order of

October 28, 2008. In view of the advanced stage of this opposition proceeding, we will decide this proceeding without regard to the cancellation proceeding. [4]

The Record

***2** By rule the record includes the pleadings and the USPTO file for the opposed application. Trademark Rule 2.122, 37 C.F.R. § 2.122. The record in this proceeding also consists of testimonial depositions on behalf of opposer of John Van Enkevort and Eric Hjertberg, including numerous exhibits, and testimonial depositions on behalf of applicant of Milan Milosevic, John Olin and Ronald Ritzler, also including numerous exhibits.

Both parties have stated numerous and varied objections to both testimony and exhibits.

Opposer objects to applicant's Exhibits 22 and 23 which consist of applicant's own answers to certain of opposer's interrogatories. Applicant introduced these exhibits through its own witness during its testimony period. Although a party may not introduce its own answers to interrogatories under a notice of reliance, it may submit such responses as an exhibit to testimony if the witness testifies to the accuracy of the responses. Because the witness did so in this case, we overrule the objection.

Opposer also objects to exhibits 24-86 and 93-99 because, opposer argues, they "… were offered by Applicant without adequate foundation in that the witnesses through which these exhibits were offered did not have knowledge thereof adequate to authenticate them." Opposer's Brief at 2. In the absence of a more specific statement of objections as to the particular exhibits, we overrule these objections. We find no general defect with regard to the foundation or the authenticity of these exhibits.

These exhibits relate generally to third-party uses of "FORCE" marks. Mr. Milosevic testified as to the source of these exhibits and, to an extent, as to his familiarity with the products discussed or displayed in the exhibits. Milosevic Test. at 24-60. Mr. Ritzler also testified as to his familiarity with the third-party uses in these exhibits. Ritzler Test. at 25-30.

Applicant also objects to certain testimony and exhibits offered by opposer.

First, and most importantly, applicant objects to the admission into evidence of Exhibit 1, opposer's K FORCE registration. Opposer objects to this exhibit because applicant did not plead the *registration* in the notice of opposition. We overrule this objection. Although applicant did not plead this *registration* in its notice of opposition, opposer did plead the application from which the registration issued. Notice of Opposition ¶ 3. As we noted above, the registration issued while this proceeding was pending. As a result of the reference in the notice of opposition to the application, applicant had notice as to opposer's potential reliance on the K FORCE registration. Furthermore, at the time opposer introduced the status and title copy of the registration into evidence through the testimony of Mr. Van Enkevort, applicant did not object on the grounds applicant now asserts, nor on any other specific grounds. The only timely potential objection to this exhibit is applicant's objection at the conclusion of the Van Enkevort testimony to all exhibits without specifying any grounds. However, even if there had been a specific timely objection on the grounds now asserted, we would overrule it. Accordingly, we deem the pleadings amended to assert reliance on opposer's K FORCE registration and overrule applicant's objection.

***3** Applicant also objects to admission of exhibits 3-5 and 9 on the grounds that the exhibits are not relevant. The exhibits in question are: Exh. 3 - an invoice related to the development of the K FORCE mark by an Italian company; Exh. 4 - an article about the K FORCE products featured at a Taipei trade show; Exh. 5 - a photo of K FORCE products displayed at a Tokyo trade show; and Exh. 9 - copies of advertisements for the K FORCE products in an Italian magazine. We recognize that the exhibits relate to activities which took place outside the United States. Opposer argues that they nonetheless had an effect on relevant potential purchasers in the United States. While this "effect" may be limited, in terms of relevance and probative value, we decline to exclude these exhibits entirely, but have considered them for whatever probative value they may have. Accordingly, we overrule applicant's objections to these exhibits. We hasten to add that our decision in this case is not dependent on these exhibits.

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Applicant also notes 66 separate objections to opposer's testimony. Many of the objections relate to matters of form only. For example, applicant's objections as to opposer's questions include: “asked and answered,” “leading,” “compound,” “calls for speculation,” “vague” and “hypothetical.” Objections as to answers include: “narrative.” In a Board proceeding, these types of objections ultimately serve little purpose. In particular, at the point where the parties are briefing the case, maintaining and reiterating these types of objections serves little purpose. The Board is capable of weighing the testimony appropriately without ruling on these types of objections at trial. Accordingly, we overrule the objections by applicant related purely to form.

As to the other grounds applicant asserts here in objecting to testimony, such as, “relevance,” “hearsay,” and “lack of foundation,” we find it unnecessary to address each of those objections specifically. *Cf. Carefirst of Maryland Inc. v. FirstHealth of the Carolinas Inc.,* 77 USPQ2d 1492, 1494 (TTAB 2005). The objections relate principally to the weight to be accorded the testimony in question, and we have assigned weight to relevant testimony, as appropriate. TBMP § 707.03(c).

Lastly, certain of the testimony and exhibits in this case have been filed subject to claims of confidentiality. We find those claims generally reasonable. Therefore, we will respect those claims. This will limit our ability to discuss some matters in the detail we might otherwise provide.

Standing

Because opposer has pleaded and shown that it owns a registration for the K FORCE mark and that it has used the K FORCE mark in commerce, opposer has established standing. *See generally Jewelers Vigilance Committee Inc. v. Ullenberg Corp.,* 823 F.2d 490, 2 USPQ2d 2021, 2023 (Fed. Cir. 1987).

Priority

***4** Priority is not at issue in this proceeding, again because opposer has made of record a status and title copy of a valid and subsisting registrations for its K FORCE mark. *See King Candy Co. v. Eunice King's Kitchen, Inc.,* 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974). Furthermore, opposer has shown that it began using the K FORCE mark in late 2003, prior to the filing date of the SRAM FORCE application and prior to applicant's use of the SRAM FORCE mark. Van Enkevort Test. at 39. This use also serves to establish opposer's priority.

Findings of Fact

Opposer and applicant compete in the sale of bicycle parts. Both sell parts in bulk to original equipment manufacturers, that is, companies which sell fully assembled bicycles, and to aftermarket purchasers. The parts in question are principally for road bikes, to a somewhat lesser extent for mountain bikes and to a much lesser extent for other types of bikes, such as BMX bikes.

In the aftermarket, specialized retailers, staffed by knowledgeable personnel, may purchase parts and assemble a bicycle from a set of parts for general sale or to fill a custom order. Also, in the aftermarket, bicycle owners may purchase individual parts or sets of parts through specialized retailers. The bicycle owner may purchase parts to assemble a custom-made bicycle or to replace/upgrade specific parts. The bicycle owner may assemble the bike or install the parts himself or herself, or the owner may rely on a retailer or other specialist to do so.

The bicycle owners/purchasers themselves are typically serious bicycle enthusiasts who know a good deal about the parts they are purchasing. Virtually all purchasers, including those who purchase parts on behalf of bicycle manufactures and those who purchase parts in the aftermarket, are discriminating, sophisticated purchasers.

Bicycle parts range in cost and quality from the basic and less expensive to the high-tech/high-end and more expensive. An assembled bike may range in cost from $250 to $10,000. The parts opposer and applicant sell under the marks at issue here are generally for high-end, more expensive bikes.

Two leading parts manufacturers, Shimano and Campagnolo, have established a practice of selling sets of compatible parts, identified as a “group set” or “gruppo.” A group set ideally includes complete sets of drive-train components, not including the frame, that is, shifters, derailleurs, cranksets, bottom brackets, chains, cassettes, wheel hubs and brake components. Shimano and Campagnolo offer distinct group sets for different tiers ranging from lower-end to high-end sets. Both applicant and opposer aspire to emulate this model in the development and sale of their product lines.

Applicant is a leading designer, manufacturer and seller of bicycle parts. Applicant has used the SRAM mark as its house mark for bicycle parts since 1988. SRAM is the principal mark associated with applicant and its products. The purchasers of bicycle parts generally recognize the SRAM mark. Thus, the SRAM mark is a strong mark in the industry. Applicant began to use its SRAM FORCE mark in April 2006. Applicant has used the SRAM FORCE mark on shifters, controls, brakes, derailleurs, crank sets and bottom brackets. Applicant markets a set of parts under the SRAM FORCE mark as a group set for approximately $1,500 per set, at the upper end, but not at the top tier. Applicant's SRAM FORCE products are sold through normal trade channels for bicycle parts. Bikes using SRAM FORCE parts are in the higher price range for bikes generally, though the identification of goods in the SRAM FORCE application is not limited in this respect. Applicant is not aware of any instances of actual confusion between its SRAM FORCE mark and opposer's K FORCE mark.

***5** Opposer also designs, manufactures and sells bicycle parts. Opposer has focused its efforts on the design and production of high-tech, lightweight parts. Opposer targets its K FORCE products for use on bikes in the higher price range and the top tier, though the K FORCE registration does not limit the goods to this category. Although the K FORCE registration identifies “bicycles” among its goods, opposer does not make or sell bicycles, only bicycle parts. Furthermore, although the K FORCE registration includes an extensive list of parts in the identification, opposer has only used its K FORCE mark on a limited number of the parts identified. Those parts include handlebars, stems, cranksets, seatposts, saddles, wheel sets, and chain rings. Van Enkevort Test. at 16. Opposer first used the K FORCE mark in commerce at the end of 2003. *Id.* at 39. Although opposer plans to develop and sell a full group set under the K FORCE mark, opposer has not done so to date.

Several third parties use marks which include FORCE, the element common to the marks of opposer and applicant, in the sale of bicycles, bicycle parts or accessories. Those third-party uses include:
RITCHEY FORCE ROAD for bicycle stems (Exh. 41);

RITCHEY ROAD FORCE-K for bicycle tires (Exh. 41);

RITCHEY ORIGINAL FORCE DIRECTIONAL HANDLEBARS for handlebars (Exh. 64);

RITCHEY FORCELITE for stems (Exh. 64);

RITCHEY FORCE COMP for stems (Exh. 64);

FORCE 99 MTB for stems (Exh. 48);

DELTA FORCE for handlebars (Exh. 46);

WORLD FORCE for handlebars (Exh. 44);

AEROFORCE for handlebar clipons (Exh. 28);

PEDAL FORCE for bicycle frames (Exh. 64);

G FORCE for frames (Exh. 64);

GP FORCE for tires (Exh. 56);

CROSS FORCE for bicycles (Exh. 42);

IMMORTAL FORCE for bicycles (Exh. 47);

MOUNTAIN FORCE 24 for bicycles; (Exh. 52);

CIRCLOCROSS FORCE for bicycles (Exh. 64);

CYCLE FORCE SPORT GEL BIKE SADDLE for saddles (Exh. 50);

CYCLE FORCE for bicycle lights (Exh. 50); and

CYCLE FORCE for bicycle foot pumps (Exh. 59).

These examples include the most probative of those in the record related to bicycle parts, as well as examples of uses on bicycles and some types of bicycle accessories. The record also includes other examples of the registration or use of "FORCE" marks. This above list is limited to marks for which there is evidence and/or testimony, beyond registration listings in search reports, to support the use.

Likelihood of Confusion

Section 2(d) of the Trademark Act precludes registration of an applicant's mark "which so resembles a mark registered in the Patent and Trademark Office… as to be likely, when used on or in connection with the goods of the applicant, to cause confusion…" 15 U.S.C. § 1052(d). The opinion in *In re E. I. du Pont de Nemours & Co.,* 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1977), sets forth the factors to consider in determining likelihood of confusion. We will discuss below each factor which is relevant in this case below.

The Goods and Channels of Trade for the Goods

***6** In comparing the goods and the channels of trade for the goods we must consider the goods as identified in the application and any pleaded registration which is of record. *Paula Payne Products v. Johnson Publishing Co.,* 473 F.2d 901, 177 USPQ 76, 77 (CCPA 1973) ("Trademark cases involving the issue of likelihood of confusion must be decided on the basis of the respective descriptions of goods.").

In this case opposer relies both on its pleaded registration and on its common law use of the K FORCE mark on certain goods. Those goods include: handlebars, stems, cranksets, seatposts, saddles, wheel sets and chain rings. Opposer's K FORCE registration identifies the following list of goods which is somewhat broader: "bicycles and parts, namely front forks, bicycle cranks, bicycle rims, seatpost, handlebar, bottom brackets, chainrings, headset bearings, bicycle hubs, bicycle spokes, brake device for bicycles, bicycle chain, handlebar stem, bicycle gears."

Applicant identifies its goods as "bicycle parts, namely, gear shifting mechanisms, shifter grip covers, handlebar grips, derailleurs, brakes, brake levers, cranks, bottom brackets for frames, handlebars, stems, hubs, chains, cassette sprockets, control

cables for use with gear shifting and brakes, control cable sealing mechanisms, control cable housing, seat posts, pedals, wheelsets, rims, headsets and quick release levers."

The following parts are included in the identification in both the pleaded registration and the opposed application: cranks, rims, seat posts, handlebars, bottom brackets, hubs, brakes, chains, stems and gears. Furthermore, opposer's common law use extends to the following goods also identified in the opposed application: handlebars, stems, cranksets and seatposts. Thus, the respective goods are, at least in part, identical and otherwise closely related. In addition, because the goods are identical in part, it logically follows that the channels of trade for those goods are identical also. The parties do not dispute this conclusion.

Also, opposer argues that there is a likelihood of confusion here, in part, because opposer intends to use its K FORCE mark on a group set of high-end, top-tier parts, and that applicant's use of SRAM FORCE on parts, which opposer alleges to be of lower quality, will impair opposer's ability to do so. We find this argument unpersuasive.

Bicycle parts are sold as part of as well as apart from group sets. Both opposer and applicant sell parts apart from group sets. In fact, the evidence of opposer's use to date does not indicate use of the K FORCE mark to identify a group set. Van Enkevort Test. at 23, 42 and 164. Furthermore, Mr. Van Enkevort states that opposer had not yet used the K FORCE mark on front forks, headsets, hubs, spokes, brakes, chains, cassettes or derailleurs (gear components). *Id.* Nonetheless, we conclude that even if both parties were to use their respective mark on group sets, whether of the same or different tiers, we would not decide this case differently.

The Strength of Opposer's Mark

***7** Applicant argues, "Opposer's K Force mark is merely one of a crowd of 'FORCE' marks utilized in the bicycle industry." Applicant's Brief at 19. Applicant argues further that, as a result of third-party use, the FORCE component of opposer's mark, the component common to the two marks at issue, is weak. Applicant argues still further that FORCE is weak because it is either merely descriptive or highly suggestive of bicycle parts.

Opposer argues that the examples of third-party use are not relevant because applicant's goods are high end, and the goods in the examples are not sold in that market and that neither applicant nor opposer sells some of the products of these third parties, for example, tires. Opposer also argues that the examples which are based on registrations, without any evidence of use, should be discounted, and that other evidence of third-party use is otherwise lacking in probative value. Opposer also argues that FORCE is not merely descriptive or suggestive.

We concur with opposer in concluding that FORCE is not merely descriptive of the relevant goods. There is no evidence of record to support that position. However, we concur with applicant in concluding that FORCE is suggestive of both opposer's and applicant's goods in that it suggests strength, power and motion based on its dictionary meaning.[5] The evidence of third-party registration and use of "FORCE" marks in the bicycle field further supports the conclusion that FORCE, as used in the respective marks, is suggestive.

Applicant has provided evidence of the registration and use of FORCE as an element of marks in the bicycle industry, on bicycles, parts for bicycles and on bicycle accessories. We listed the most probative evidence of third-party use in the Findings of Fact above.

We decline to discount the evidence based on the assertion that it does not address the high-end market. The goods in opposer's registration are not restricted to the high-end market, nor are the goods in the application. Furthermore, the record shows that competitors in the industry, in fact, offer goods at different tiers, including higher and lower tiers. In general, we have accorded the evidence of third-party use appropriate weight based on the quality of the exhibit and related testimony.

We also reject opposer's argument that we totally discount the evidence related to goods neither party sells. Even though opposer or applicant may not sell certain goods, that does not necessarily compel the conclusion that the goods are not related for purposes of determining the strength or weakness of a term as used in the relevant field.

The examples of third-party marks noted in the Findings of Facts include bicycles, bicycle parts and bicycle accessories. The parts include parts identified in the opposed application, as well as parts identified in opposer's pleaded registration and as to which opposer has shown common law use. The third-party uses also include related parts, such as, frames and tires, and assembled bicycles. The marks used on parts, such as stems, handlebars and saddles, goods identified in opposer's K FORCE registration, are most probative, but marks used on other parts, such as tires and frames, are probative also, as are the marks used on bicycles. Finally, the marks used on accessories, such as pumps and lights, possess limited, but some probative value. When we view the evidence of third-party use as a whole, we conclude that FORCE is relatively weak in the bicycle field because it is suggestive and because of third-party use.

Purchaser Sophistication

***8** Applicant argues that the purchasers of bicycle parts are knowledgeable, sophisticated purchasers, and as such, less likely to be confused. Opposer disagrees and argues that even sophisticated purchasers may experience trademark confusion. The evidence shows that the goods at issue here are relatively expensive, and not impulse items. Furthermore, the evidence shows that all classes of purchasers at issue here, those who purchase for original equipment manufacturers, operators of retail and service shops, and bicycle owners/enthusiasts, are knowledgeable and sophisticated. Even opposer's own witnesses confirm this conclusion. Hjertberg Test. at 18 and 76. We find Mr. Van Enkevort's assertion in cross-examination that the purchasers are not sophisticated unconvincing. Van Enkevort Test. at 88-89. Thus, we conclude that the sophistication of the purchasers favors applicant in this case.

The Marks

To determine whether the marks are confusingly similar, we must consider the appearance, sound, connotation and commercial impression of each mark. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). In this case, we note, in particular, that it is appropriate to accord greater importance to the more distinctive elements in the marks than to the less distinctive elements in determining whether the marks are similar. The Court of Appeals for the Federal Circuit observed, "… in articulating reasons for reaching a conclusion on the issue of confusion, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on consideration of the marks in their entireties. Indeed, this type of analysis appears to be unavoidable." *In re National Data Corporation*, 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985).

Opposer argues that K FORCE and SRAM FORCE are very similar in sound, appearance and commercial impression because FORCE is the dominant portion of each of the marks. Opposer argues further that, "'K' in Opposer's K FORCE mark is understood to be a phonetic reference to 'carbon,' a principal manufacturing component of both Opposer's and Applicant's products…" Opposer's Brief at 13. Opposer also argues that the inclusion of SRAM, applicant's house mark, in applicant's mark is insufficient to distinguish the marks, but rather that the house mark suggests a connection between applicant and opposer, when there is no such connection.

On the other hand, applicant argues that K FORCE and SRAM FORCE differ when viewed in their entireties. Applicant also argues that FORCE, the term common to both marks, is weak, and that the K portion of opposer's mark is dominant, noting further that the marks begin with different elements, SRAM versus K. Most importantly, applicant argues that the presence of SRAM, its recognized house mark, in applicant's mark will preclude confusion.

***9** We concur with applicant and conclude that the marks are not similar when viewed in their entireties.

First, we note, as applicant argues, that the initial elements in the marks differ significantly. *Cf. Presto Products, Inc. v. Nice-Pak Products Inc.,* 9 USPQ2d 1895, 1897 (TTAB 1988) ("… [it is] a matter of some importance since it is often the first part of a mark which is most likely to be impressed upon the mind of a purchaser and remembered.").

Furthermore, and more importantly, the leading element in each of the marks is significant, if not dominant. In the case of opposer's K FORCE mark, K is at least as significant as FORCE. Although opposer argues that K would be relatively weak because it is a phonetic reference to carbon, we have no evidence that potential purchasers would perceive this reference. Furthermore, even if potential purchasers perceived such a reference, that connotation would not elevate FORCE to a dominant status. As we discussed above, FORCE is a suggestive and relatively weak term as applied to the relevant goods. See *Knight Textile Corp. v. Jones Investment Co.,* 75 USPQ2d 1313 (TTAB 2005).

Furthermore, we conclude that SRAM, applicant's recognized house mark, is the dominant portion of applicant's SRAM FORCE mark. *Id.* Again, we concluded above that FORCE is suggestive and relatively weak in the relevant field.

The decision in *Knight Textile* is instructive here. In *Knight Textile* the applicant sought to register NORTON MCNAUGHTON ESSENTIALS for various items of "ladies sportswear." *Knight Textile,* 75 USPQ2d at 1314. Knight Textile Corporation opposed registration based on its registration for the mark ESSENTIALS for various items of "women's clothing." *Id.* at 1314. In the opinion the Board found that the applicant's goods were "in part identical to and otherwise highly similar to the goods in opposer's pleaded registration." *Id.* at 1315. The Board then concluded, as follows, with regard to the comparison of the marks, "We find that the parties' marks are dissimilar rather than similar when viewed in their entireties in terms of appearance, sound, connotation and overall commercial impression." *Id.* at 1315. The Board explains,

The marks obviously are similar in terms of sight, sound and meaning to the extent they both consist of or include ESSENTIALS. Just as obviously the marks are dissimilar in sight, sound and meaning to the extent that applicant's mark, but not opposer's, includes and begins with the words NORTON MCNAUGHTON, which would be perceived to be applicant's house mark. In terms of overall commercial impression, we find that although the word ESSENTIALS is the entirety of the commercial impression created by opposer's mark, in applicant's mark it contributes relatively less to the commercial impression than does the house mark NORTON MCNAUGHTON. This is because… the word ESSENTIALS is highly suggestive as applied to the parties' clothing items and as it appears in both parties' marks, especially in applicant's mark. *See In re National Data Corporation,* 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985).

***10** *Id.* at 1315

The Board observed further that, in the *Knight Textile* case, the addition of the house mark was sufficient to distinguish the marks, citing *New England Fish Company v. The Hervin Company,* 511 F.2d 562, 184 USPQ 817 (CCPA 1974).

In *Knight Textile,* the critical factual issue was the strength or weakness of ESSENTIALS. In concluding that ESSENTIALS was highly suggestive the Board relied primarily on a dictionary definition for "essential-s" and "twenty-three extant ESSENTIAL registrations on the register in the clothing field registered to twenty-one different owners." *Knight Textile,* 75 USPQ2d at 1316.

In this case, as applicant argues, we begin from a significantly different starting point in our comparison of the marks. Opposer's mark is not FORCE alone but K FORCE. [6] Therefore, there is an additional basis to distinguish the marks, in addition to the inclusion of the SRAM house mark in applicant's mark.

As in the *Knight Textile* case, applicant here also provided evidence of several third-party uses, not merely registrations, which corroborate the suggestive meaning and weakness of FORCE in the relevant field. *See In re Red Carpet Corp. v. Johnstown American Enterprises Inc.,* 7 USPQ2d 1404, 1406 (TTAB 1988).

The record here shows that SRAM is recognized as applicant's house mark; opposer has not disagreed with this characterization. Thus, in this case SRAM functions like NORTON MCNAUGHTON in the *Knight Textile* case. Here too the house mark, SRAM, is dominant in forming the commercial impression of applicant's mark. As the Board said in *Knight Textile*, "Based on this evidence, we find that purchasers are able to distinguish among various ESSENTIALS marks by looking to other elements of the marks. In this case that other element is the presence of applicant's house mark NORTON MCNAUGHTON." *Knight Textile*, 75 USPQ2d at 1316 (footnote omitted). In the case before us, purchasers would look to SRAM to distinguish applicant's mark from K FORCE.

Accordingly, we conclude that the marks of applicant and registrant are not similar when viewed in their entireties.

Bad Faith

Opposer also argues that applicant is guilty of bad faith, asserting that applicant adopted its mark with knowledge of opposer's mark and with an intent to trade on opposer's good will. We must look to the record to see whether opposer has established bad faith. *See Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1899 (Fed. Cir. 2000).

***11** Opposer bases its claim of bad faith on evidence that certain employees of applicant were aware that opposer had adopted the K FORCE mark and that, although those employees had expressed some concern, applicant proceeded with its adoption of the SRAM FORCE mark with this knowledge.

Applicant argues that it acted in good faith in that it conducted a search for the mark FORCE, that it discovered a number of FORCE marks in the process, and that it adopted the SRAM FORCE mark, rather than FORCE alone, in view of the search results. Applicant denies any intent to trade on the good will of opposer. We find the evidence insufficient in this case to conclude that applicant acted in bad faith. *NASDAQ Stock Market Inc. v. Antartica S.r.l.*, 69 USPQ2d 1718, 1733 (TTAB 1998).

Therefore, we have not considered bad faith as a factor in reaching our conclusions with regard to likelihood of confusion in this case.

Other Factors

In its brief opposer refers to the K FORCE mark as a "famous trademark" at one point, although opposer does not specifically argue that fame is a factor in this case.

Opposer's Brief at 16. For completeness, we note that we have considered opposer's evidence of its use and promotion of the K FORCE mark and find it insufficient to establish that K FORCE is a famous mark. Accordingly, we do not regard fame as a relevant factor in this case.

Also, applicant asserts that there has been no actual confusion with respect to the marks in this case. In view of the evidence and circumstances in this case, including the length, nature and extent of use of the respective marks, we conclude that it is unclear whether there has been a significant opportunity for confusion to occur. Accordingly, we do not regard the lack of evidence of actual confusion as a relevant factor in this case. *In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003); *In re Kangaroos U.S.A.*, 223 USPQ 1025, 1026-27 (TTAB 1984).

Conclusion

Finally, after considering all relevant, competent evidence in this case bearing on the *du Pont* factors, we conclude that applicant's SRAM FORCE mark when used in connection with the identified goods in Class 12, namely, "bicycle parts, namely, gear shifting mechanisms, shifter grip covers, handlebar grips, derailleurs, brakes, brake levers, cranks, bottom brackets for frames, handlebars, stems, hubs, chains, cassette sprockets, control cables for use with gear shifting and brakes, control cable

sealing mechanisms, control cable housing, seat posts, pedals, wheelsets, rims, headsets and quick release levers," is not likely to cause confusion with opposer's K FORCE mark.

Although opposer also opposed registration in Class 25, opposer did not present any evidence or augment with respect to Class 25. Accordingly, for the same reasons we conclude that there would be no likelihood of confusion with respect to Class 12, and for the further reason that opposer has not established any similarity or relatedness of its goods with the goods in Class 25, we likewise conclude that there would be no likelihood of confusion between the respective marks with respect to Class 25.

***12 Decision**: We dismiss the opposition.

Footnotes

1 Application Serial No. 78589700, filed March 17, 2005, claiming a bona fide intention to use the mark in commerce under Trademark Act Section 1(b), 15 U.S.C. § 1051(b).

2 The registration displays the mark in standard characters, as follows: K Force.

3 Opposer also refers to dilution in the notice of opposition. However, opposer did not fully plead a dilution claim, nor did opposer argue the dilution claim in its brief. Therefore, we have given no consideration to a dilution claim in this case.

4 In particular, if applicant had wanted us to consider the outcome of the cancellation proceeding in rendering our decision herein, it should have filed a motion to suspend this opposition proceeding. As noted, applicant has not even mentioned the existence of the cancellation proceeding.

5 We take judicial notice of *Merriam-Webster's Collegiate Dictionary* (11th ed. 2003) which, in relevant part, defines "force" as "strength or energy exerted or brought to bear; cause of motion or change; … active power…" *University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co., Inc.*, 213 USPQ 594 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).

6 Although at various points opposer asserts that applicant uses FORCE alone, the evidence of such use is sparse. Moreover, the arguments based on the use of FORCE are not relevant because the mark in the opposed application is SRAM FORCE, not FORCE.

2008 WL 5256412 (Trademark Tr. & App. Bd.)

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2013 WL 4635992 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

FARM FLEET SUPPLIES, INC.
v.
BLAIN SUPPLY, INC.

Opposition No. 91196469
to Application Serial Nos. 77894710, 77894766 and 77894812
August 13, 2013

***1** Eric O. Haugen of Haugen Law Firm PLLP for Farm Fleet Supplies, Inc.
Nancy B. Johnson and George K. Steil, Jr. of Brennan Steil SC for Blain Supply, Inc.

Before Zervas, Wellington and Adlin
Administrative Trademark Judges
Opinion by Adlin
Administrative Trademark Judge:

Applicant Blain Supply, Inc. ("Blain Supply" or "applicant") seeks registration of the mark FARM & FLEET, in standard character format and with FARM disclaimed, for
On-line retail store services featuring animal supplies, farm supplies, agricultural products, automotive parts and supplies, hardware goods, home improvements, appliances, electronics, hand tools, power tools, housewares, lawn and garden supplies, outdoor power equipment, sporting goods, hunting equipment, camping equipment, toys, clothing, commercial cleaning supplies, food, furniture, and holiday decorations (the "Online Services"); [1] and

Retail store services featuring animal supplies, farm supplies, agricultural products, automotive parts and supplies, hardware goods, home improvements, appliances, electronics, hand tools, power tools, housewares, lawn and garden supplies, outdoor power equipment, sporting goods, hunting equipment, camping equipment, toys, clothing, commercial cleaning supplies, food, furniture, and holiday decorations (the "Retail Store Services"). [2]

Applicant also seeks registration of BLAIN'S FARM & FLEET, in standard character format and with FARM disclaimed, for its Online Services. [3] In each of the three involved applications, applicant claims ownership of prior registrations, including BLAIN'S FARM & FLEET in typed form, with a claim of acquired distinctiveness under Section 2(f) as to FARM & FLEET, but no disclaimer, [4] and

with a disclaimer of "'FARM' OR 'FLEET,"D' but no claim of acquired distinctiveness, [5] both for, *inter alia*, applicant's Retail Store Services.

In its notices of opposition,[6] opposer Farm Fleet Supplies, Inc. ("opposer") alleges that since 1962 it has used FARM FLEET and NORBY'S FARM FLEET for retail store services identical to applicant's Retail Store Services, that it "has a real commercial interest in fully and fairly utilizing the term "farm fleet', as well as the term[s] 'farm & fleet' and 'farm and fleet"' and that it will be damaged if FARM & FLEET is registered or if BLAIN'S FARM & FLEET is registered without a "full" disclaimer of FARM & FLEET. Notices of Opposition ¶¶ 2-3. As grounds for opposition, opposer alleges that FARM & FLEET is merely descriptive of and generic for applicant's services. In its answers, applicant "admits that FARM & FLEET is descriptive," Answers ¶ 3, but alleges that the term has acquired distinctiveness, and otherwise denies the salient allegations in the notices of opposition.

I. <u>The Record</u>

***2** The evidence of record consists of the pleadings, the files of the opposed applications and the following:
• opposer's notices of reliance ("NOR") Nos. 1-3, filed March 26, 2012 (TTABVue Docket #'s 12-14) and 4, filed November 29, 2012 (TTABVue Docket # 30), which include: corporate filings, trademark registrations and filings, newspaper articles, press releases, blog and Internet postings, website printouts, business listings and SEC filings;

• applicant's NOR Nos. 1-4, filed October 15, 2012 (TTABVue Docket #'s 25-29), which include opposer's responses to certain of applicant's interrogatories ("Opposer's Int. Resp.") and requests for admission ("Opposer's RFA Resp."), portions of the discovery depositions of Paula Norby, Constance Norby, Gregory Norby and Eric Haugen and certain exhibits thereto, printouts from Office records relating to certain of applicant's uninvolved registrations, website printouts and newspaper articles;

• opposer's testimonial depositions (TTABVue Docket # 31,) of Constance Norby, one of opposer's founders and currently a buyer and consultant for opposer ("C. Norby Tr.") and Paula Norby, who has financial, human resources, computer and general management responsibilities for opposer ("P. Norby Tr."), and the exhibits thereto;

• applicant's testimonial depositions (TTABVue Docket #'s 32-43 and 45-54) of Philip Johnson, applicant's expert witness ("Johnson Tr."), Richard R. Zeckmeister, Vice President of North America Marketing and Planning for Briggs and Stratton Corporation ("Zeckmeister Tr."), Stewart C. Mills, Jr. of Mills Fleet Farm ("Mills Tr."), Brian Ziegler, applicant's Vice President of Management Information Systems ("Ziegler Tr."), Renee Tarnutzer, who handles aspects of applicant's marketing and website operations ("Tarnutzer Tr."), William C. Schendt, applicant's Chief Financial Officer and secretary-treasurer ("Schendt Tr."), Robert Blain, applicant's President ("Blain Tr."), Jane Blain Gilbertson, applicant's Executive Vice President ("Gilbertson Tr.") and David Scott Schansberg, applicant's Vice President of Marketing ("Schansberg Tr.") and the exhibits thereto.

II. <u>The Parties</u>

Opposer is an Iowa corporation which was formed in 1962. At that time opposer operated a retail store known as "Norbys - Farm Fleet Supplies" which sold automotive, electrical and farm supplies, hardware and plumbing. C. Norby Tr. at 3-7; P. Norby Tr. at 4 and Ex. 11. The store is now known as Norbys Farm Fleet. *Id.* Opposer and its affiliates (hereinafter "opposer") currently operate 10 retail stores, nine in Iowa and one in Kentucky, which offer the same types of products as the original store. C. Norby Tr. at 4, 19-21.

***3** Like opposer, applicant and its affiliated corporations (hereinafter ""applicant") also operate a family-owned chain of retail stores, and, like opposer, applicant also initially offered automotive and farm supplies, and still does. Blain Tr. at 7-9; Schendt Tr. Exs. 67-68. Applicant's first store opened in 1955 in Janesville, Wisconsin and at that time began using the mark FARM & FLEET. Applicant currently operates 35 FARM & FLEET stores, all of which are in Wisconsin, Illinois or Iowa. *Id.* at 7-11; Gilbertson Tr. at 6 and Ex. 57. Like "big box" stores such as Walmart and Target, applicant's stores now offer an exceedingly wide variety of products, including sporting goods, apparel, housewares, lawn and garden equipment, furniture, toys, pet supplies, plumbing, hardware and other products. Blain Tr. at 12-21; Gilbertson Tr. at 7-10. While applicant's original customers were primarily members of the "farm community," applicant's customer base is now much broader, as applicant

has stores in urban and other areas which also serve general consumers, i.e. members of the general public. Gilbertson Tr. at 21-22; Blain Tr. at 20. Applicant began offering products for sale online in 2009 on a limited basis, and its online efforts were successful to the point that applicant now offers tens of thousands of products online, to customers throughout the country. Gilbertson Tr. at 33-34.

It is not coincidental that opposer and applicant both use marks including the word FLEET. Both are currently and have long been members of a buying cooperative known as Mid-States, which enables the parties to offer discounts to customers, something which was difficult at the time the parties went into business because of certain "fair trade" laws in place at the time. In order to offer discounts without violating these fair trade laws, opposer and applicant offered a similar program, under which owners of a "fleet" of vehicles, which could include automobiles, tractors or even lawnmowers or other tools with engines, were permitted to purchase at a discount if they had a "fleet card." As Mr. Blain testified:

> ... In Wisconsin they had fair trade laws that prevented retailers from selling at a discount unless they had a stipulated reason to do so, and thereby my father and uncle instituted a card system where a customer would register to get a card and there were certain questions that they had to fill out, and if they were given the answers that would allow my father and uncle to sell them at a discount based on the fair trade laws, they were given a card for a discount.

Blain Tr. at 30. As Ms. Blain Gilbertson testified:

> ... This was actually a card that allowed basically a membership card that allowed our customers at that time to shop at a discount. And if they could prove they had five engines, and it could be everything from a lawn mower to a composter to a tractor, they were allowed to receive this membership card and then shop at a discount. ... It was a state law that didn't allow retailers to sell at a discount directly to a consumer. The workaround was if you had five engines, presumably, you were more of a business, so that allowed people to buy at a discount.

***4** Gilbertson Tr. at 28-29; *see also*, Mills Tr. at 6-12. Opposer's Constance Norby gave similar testimony regarding opposer's program:

> We had a card and a customer would come in and they'd fill out this thing that said they had five engines so - and it could be a lawn mower included but I mean that would be - that would make - that would be fleet and so when they got that card, they could buy at a better price.

C. Norby Tr. at 21. *See also* Gilbertson Tr. at 22-23 and Ex. 61 (book entitled "Blain's Farm & Fleet® 50 Years of Keeping Family Values in a Family Business," produced in connection with applicant's 50th "anniversary").

III. Evidence on Genericness, Descriptiveness and Acquired Distinctiveness

A. Opposer

In support of its claims of genericness and descriptiveness, opposer relies upon corporate filings and Internet printouts revealing third party trade names, as well as statements incorporating "farm and fleet" or variations thereof in annual reports, news articles and promotional and other materials, as follows:

Business Name Revealed In Corporate Filing/Internet Printout	Citation
Highland Tire Farm & Fleet (Ohio)	Opposer's NOR Nos. 1, 3

Farm and Fleet Field Service, LLC (Missouri)	Opposer's NOR No. 1
Hilliard Auto Farm and Fleet, Inc. (Ohio)	Opposer's NOR Nos. 1, 3
Quality Farm & Fleet (Pennsylvania) (Michigan), (Ohio), (Indiana), (Virginia) (New York)	Opposer's NOR Nos. 1, 3
Dinsmore Farm and Fleet (Ohio)	Opposer's NOR Nos. 1, 3
Dave's Farm & Fleet Service (Michigan)	Opposer's NOR No. 3
Farm & Fleet (Indiana)	Opposer's NOR No. 3
Farm & Fleet Restoration (Indiana)	Opposer's NOR No. 3
Farm & Fleet Supply (Minnesota)	Opposer's NOR No. 3
G&A's Diesel, Farm & Fleet Services (Michigan)	Opposer's NOR No. 3
Mike's Farm & Fleet Repair (Ohio)	Opposer's NOR No. 3
Ok Farm and Fleet Store (North Dakota)	Opposer's NOR No. 3
Pete-Co Farm & Fleet (NY)	Opposer's NOR No. 3
Rossi's Tire & Auto Service, Farm & Fleet (California)	Opposer's NOR No. 3
Sedam Farm & Fleet Tire Service (New York)	Opposer's NOR No. 3
Steve's Farm & Fleet (Indiana)	Opposer's NOR No. 3
Wisner Farm Fleet, Inc. (Louisiana)	Opposer's NOR No. 3

***5** There is no evidence in the record regarding whether or how extensively these corporate names are currently in use, or regarding the extent to which consumers have been exposed to these trade names. In fact, opposer's attorney, who conducted the searches that revealed these business names, did not verify that any of the companies were still in existence or that the listings were accurate. Applicant's NOR No. 3 (Haugen Tr. at 12-13). Furthermore, Quality Farm & Fleet is no longer in existence. Zeckmeister Tr. at 24; Mills Tr. at 32-33.

Opposer also relies on the following statements in Securities and Exchange Commission and corporate filings:

Source and Statement	**Citation**
Doane Pet Care Company Annual Report for fiscal year ended January 1, 2005	Opposer's NOR No. 1
Part I, General: “Our private label customers primarily include mass merchandisers, grocery chains, farm and fleet companies and pet specialty stores. We refer to each of these customer types as a channel....A majority of our regional brand sales are to the grocery and farm and fleet channels.”	

Part I, Customers: "Our store brand customers in the United States include mass merchandisers such as WalMart, Inc., pet specialty stores such as PETSMART, grocery chains such as Food Lion, Kroger, Royal Ahold and Safeway, and farm and fleet stores such as Tractor Supply, Mid-States and Land O' Lakes Purina Feeds."	
Thermadyne Holdings Corp. Annual Report for fiscal year ended December 31, 2003 "U.S. sales are organized based upon our two channels, the industrial channel ... and the specialty markets channel, which includes mass merchandisers, automotive after-market, catalogs, farm and fleet, heating, ventilation and air conditioning, plumbing and medical home healthcare distributors."	Opposer's NOR No. 1
Mark IV Industries Inc. Annual Report for February 28, 1999 "Mark IV Automotive provides a vast array of automotive belts, hose and accessories to automotive warehouse distributors, oil companies, original equipment service centers, retail and auto parts chains, mass merchandisers, farm and fleet stores, and hardware distributors."	Opposer's NOR No. 1
Organic Sales & Marketing Inc. Quarterly Report for June 30, 2011 "On March 10, 2011 the Company entered into an NDA (Non-disclosure Agreement) with a large Farm and Fleet distributor to enter into a discussion concerning certain Company technologies ..." Revenue Projections: "The 2011 projections have been made on a product category basis with 82% of projected revenues coming from a combination national distributors in the Federal government, military, laboratory, commercial and industrial sectors, grocery, farm & fleet, private label, hotel & hospitality, and the remaining from a combination of website and radio ad sales ..."	Opposer's NOR Nos. 1, 4
Global Dynamics Corp. Form 8-K March 19, 2010 "The team was successful in placing products in many of the large retail outlets in the United States. These included, are not limited to, Big Box retailers, Warehouse Clubs, Hardware Chains, Farm and Fleet, and many others.	Opposer's NOR No. 1
Astec Sales Trade Name, Trademark Details recorded with Louisiana Secretary of State	Opposer's NOR No. 1

"Type of Business: Retail, Wholesale, Farm and Fleet, AG and Feed Coops, Hardware Sales	
Orchard Supply Hardware Stores Corp. Prospectus "The increase in Non-Dealer sales in 2011 is due to strong results in the sporting goods channel ($1.6 million) and the farm and fleet channel ($0.9 million) ... The farm and fleet channel increase is attributable to ..."	Opposer's NOR No. 4
TriMas Corp. Analyst Day printout from SEC website, May 13, 2010 "Focused on serving the retail market and the Do-It-Yourself consumer Retail channels served: Mass Merchants, Hardware/Home Centers, Farm/Fleet, Auto Retail ..."	Opposer's NOR No. 4
Land O' Lakes, Inc. 2008 Annual Report, printout from SEC website, September 26, 2012 "Feed continued its focus on building brand strength in 2008, successfully launching the Purina brand integration in lifestyle feed and leveraging a creative distribution strategy to penetrate new or expanded market spaces, including 64 new Farm and Fleet stores."	Gilbertson Tr. Ex. 66
Printout from "harmanstoves.com" website, September 24, 2012 "They can be purchased at hardware stores, farm and fleet stores, and in big box outlet stores."	Gilbertson Tr. Ex. 66
Printout from "realviewdigital.com" website, September 27, 2012 "Market Directions recently concluded a comprehensive analysis for an agribusiness client to better understand how large property owners influence the Farm and Fleet channel ..."	Gilbertson Tr. Ex. 66

***6** Again, there is no evidence in the record regarding the extent to which the relevant public has been exposed to these statements.

Opposer further relies on the following statements in news articles and promotional materials: [7]

Source and Statement	**Citation**
John Caulfield, "Big farm & fleet dealers merge," Home Channel News, April 19, 1999	Opposer's NOR No. 2

"Consolidation continues in farm and fleet retailing, as that sector's second-and-third largest dealers are merging to improve their position against a broad swatch of retail competitors nationwide. ... Farm and fleet stores have spruced up appearances and product assortments to compete for what has become a customer base that has changed dramatically, as more city dwellers move farther into exurbs and rural areas, but expect the same products and services they got in more populated markets. ..."	
Sean Sexton, "Farm & Fleet Stores Graze Home Improvement Pasture," Home Channel News, May 22, 2000	Opposer's NOR No. 2
"Incursions by home centers into smaller markets put pressure on these mostly rural dealers. Even as larger home improvement dealers encroach on their rural markets, farm and fleet retailers continue to resist adding substantially to their assortments of hardlines and building products. However, subtle concessions are being made by these dealers to accommodate the product and service expectations of suburbanites and city dwellers who are migrating to the country."	
"Orgill carves a spot in farm and fleet distribution," Home Channel News, August 2, 2007	Opposer's NOR No. 2
"The farm and ranch category by many accounts is a bright spot on the retailing landscape. On the recently published Home Channel News Top 500 Scoreboard, the farm and ranch segment - making its first appearance on the list as a stand-alone retail category - led all other segments in growth with a 10.2 percent jump over the previous year. ... 'So if you look at the locations, they all kind of point inward to the heart of our nation,' said Brake. 'This is prime farm and ranch territory."D'	
Bob Vereen, "Analyzing the Diversified American Hardware/Home Center Marketplace," IMEX Exchange, December 1, 2009	Opposer's NOR No. 2
"... One of the more interesting class of retailers in America these days is what is called 'Farm & Fleet' or farm/ranch stores - stores located either in suburbia or smaller towns and focusing on serving the needs of regular farmers or so-called 'gentlemen farmers,' who maintain small acreage for gardens and some crops. These retailers, headed by Tractor Supply, fared far better, on average, than most of the other kinds of retailers listed. They carry basic hardgoods, plus larger power equipment and other needs of the farm/ranch trade."	

"Western Leader Supports U.S. Veterans, Launches Wrangler® National Patriot™ Program," Wrangler Western Wear Press Release, December 12, 2009 "About Wrangler: Wrangler Western Wear apparel is available nationwide in specialty stores, including work apparel chains, farm & fleet, and western stores, as well as through on-line and catalog retailers."	Opposer's NOR No. 2
Iowa City Craigslist listing for boots, September 24, 2011 "All I know for sure is that if they fit you, you'll save almost $50 compared to buying a new pair in a farm and fleet store."	Opposer's NOR No. 2
Printout from "maplecrestfarmky.com" website, November 10, 2011 List of sponsors, including Purina Mills, the description of which states "Sold through an extensive network of independent dealers and farm and fleet retailers, there is a great chance that you are never far from a Purina Feed dealer."	Opposer's NOR No. 2
Printout of article from "homechannelnews.com" website, "Tractor Supply digs into expansion plans," June 11, 2008 "At an investors' conference Wednesday, Tractor Supply CEO Jim Wright described the company's growth plans and explained an expense management program designed to help the farm and fleet retailer succeed in tough times."	Opposer's NOR No. 2
Printout of article from "homechannelnews.com" website, "Same-store sales up 1.9 percent at Tractor Supply," October 31, 2007 "Farm and fleet retailer Tractor Supply saw third-quarter earnings of $17.5 million ...."	Opposer's NOR No. 2
Printout of article from "homechannelnews.com" website, "Tractor Supply names new board member," August 10, 2007 "Nashville, Tenn.-based farm and fleet retailer Tractor Supply ...."	Opposer's NOR No. 2
Ken Clark, "15 Points About the Top 500," Home Channel News, June 15, 2008	Opposer's NOR No. 2

"Farm and fleet stores fared even better. Combined sales increased 13.1 percent for the 31 farm and fleet companies on the Top 500."	
Printout of "Environmental Lubricants Manufacturing, Inc. Company Overview" from "businessweek.com" website, January 26, 2012 "Environmental Lubricants Manufacturing, Inc. provides biobased lubricants, greases, and metalworking fluids. It offers retail greases for retail, farm and fleet, and hardware stores ...."	Opposer's NOR No. 2
Printout of "Sencret Chemical Co., Inc. Company Overview" from "businessweek.com" website, January 26, 2012 "Its products are distributed through hardware, home center, mass merchant, food and drug, farm and fleet, and independent garden center retailers in the United States."	Opposer's NOR No. 2
Printout of "Doane Pet Care Company Company Overview" from "businessweek.com" website, January 26, 2012 "Doane Pet Care serves mass merchandisers, retailers, grocery chains, farm and fleet companies, and pet specialty stores."	Opposer's NOR No. 2
Printout from "researchandmarkets.com" website entitled "US top 10 farm and fleet retailers by 1999 sales in dollars, with number of stores for 1999 and sales for 1998"	Opposer's NOR No. 2
Printout of Prevue Pet Products, Inc. Company Profile from "petsglobal.com" website, January 26, 2012 "Customer base is thru wholesales Distributors (sic), major mass chains, pet specialty chains, Pet Catalogue and Internet Retailers and Farm and Fleet Retailers."	Opposer's NOR No. 2
Printout from "trimascorp.com" website concerning Cequent Consumer Products, January 26, 2012 "This market includes mass merchants, auto retailers, hardware stores and home centers, farm & fleet retailers, wholesale clubs, marine specialty and sporting goods retailers ...."	Opposer's NOR No. 2
Printout from "centrummarketing.com" website, January 26, 2012	Opposer's NOR No. 2

"Centrum marketing covers Indiana, Michigan, Kentucky, Ohio, Western Pennsylvania, and West Virginia calling on the following types of distribution: Hardware Co-Op's & Distributors, Automotive distributors, Mass Retailers, Building Material Retailers, Paint Distributors, Farm & Fleet Retailers ...."	
Printout from "pchassociates.com" website, January 26, 2012 "Special emphasis is given to large volume accounts, including: Mass Merchandisers/Retail Chains, Warehouse Distributors, Mail Order Marketers ... Farm & Fleet Retailers."	Opposer's NOR No. 2
Printout from "globalinstore.com" website, January 26, 2012 "...and the solid relationships we have developed with other leading pet information providers, pet and farm & fleet retailers, the book trade, supermarket & specialty and product manufacturers"	Opposer's NOR No. 2
Printout of Gardner-Gibson Inc. Company Information from "roofingcontractor.com" website, January 26, 2012 "... while Gardner and Black Jack brands are available through leading building material and home improvement stores, hardware, lumber, and farm & fleet retailers"	Opposer's NOR No. 2
Printout from "clean-rite.com" website, January 26, 2012 "Aiken's products can be found at automotive, hardware, farm and fleet retail stores and commercial companies serving both professional and do-it-yourself customers."	Opposer's NOR No. 2
Printout from "clc.com" website regarding Dri-Duck Apparel, January 27, 2012 "These outerwear items are available in farm and fleet, sporting goods, western, outdoor, specialty, and department stores."	Opposer's NOR No. 2
Undated Sweeney's press release "Sweeney's New Solar Powered Sonic Spikes Drives Moles & Gophers Away" "Sweeney's Mole & Gopher Sonic Spikes are available at leading hardware, home center, mass merchant, farm and fleet and independent garden center retailers nationwide."	Opposer's NOR No. 2

Undated article "Antler Attakk," Clearwater-West Sherburne Tribune, printed December 3, 2011 "Antler Attakk products are available at some big box stores, sporting goods stores, farm and fleet stores and some hardware stores."	Opposer's NOR Nos. 2, 4
Mari Harries, "The Little City that Would," printout from "nm2020.org" website, March 17, 2011 "Windom has clothing spots, a hardware store, flower and fit shops, farm and fleet suppliers, a general store, and even a place to buy antiques."	Opposer's NOR No. 2
Becky Ebenkamp, "Toy Fair 2004: Niche Toys," printout from "allbusiness.com," December 7, 2011 "ERTL's Racking Champions have cornered hobby and 'farm and fleet' marketing, with John Deere one of its biggest licenses ...."	Opposer's NOR No. 2
"RTA add at Depot: CrossRoads stores said to lay plans," printout from "thefreelibrary.com," December 7, 2011 "Taking a page from the old farm-and-fleet store concept, The Home Depot, the nation's largest home center chain, is testing mammoth superstores designed to sell rural America everything from lumber and lariats to tractors, tools and tires."	Opposer's NOR No. 2
Printout from "artzulu.com" website entitled "Licensing Opportunities," November 4, 2011 "Art Zulu helped Brand Sense Partners launch a rodeo inspired sportswear and workwear line for Dodge, to be sold in major farm and fleet stores and complete with brands such as Carhardt and Wrangler."	Opposer's NOR No. 2
Printout from "kjksales.com" website, entitled "Professional Sales Management," November 10, 2011 "KJK Sales specializes in sales management services to manufacturers of consumer packaged goods in the Sporting Goods, Hardware, Farm & Fleet, Automotive Aftermarket, C-Store and other retail chains in the U.S."	Opposer's NOR No. 2
Printout from "neagroup.com" website, October 26, 2011	Opposer's NOR No. 2

"Perhaps the best feature is that every 'wear part' like brakes, bearings, hydraulics, etc., can be purchased over-the-counter at a farm & fleet or automotive parts store."	
Printout from "warrenunilube.com" website, January 26, 2012 "We are specialists in designing automotive programs for convenience store distributors, wholesale grocers, mass merchandisers, drugstore chains, hardware wholesalers, farm and fleet, and traditional aftermarket."	Opposer's NOR No. 2
Printout from "nationjob.com" website, December 7, 2011 "Introduced in the fall of 2004, primarily in 'Big Box' farm-and-fleet retailers, Carhartt is now sold in approximately 2000 stores."	Opposer's NOR No. 2
Printout from "2exhibitions.com" website, November 4, 2011 Listed visitors to National Lawn and Garden Show include "Retail Chains, Department Stores, Big Box Stores, Wholesale Distributors, Buying Groups/Coops, Catalog and Direct Mail ... Farm & Fleet Stores ...."	Opposer's NOR Nos. 2, 4
Printout from "shareholder.com," describing Liberty Safe November 10, 2011 "The company's products are the market share leader and are sold in various sporting goods, farm and fleet, and home improvement retailers."	Opposer's NOR No. 2
Printout from "everything2.com" website describing Cloquet, Minnesota, January 24, 2005 "Of particular note are L&M a farm and fleet supply store, and the Super Wal-Mart. L&M sells all manner of farm and fleet supplies, as well as hunting equipment, replacement parts for trucks, tractors, cars, and major appliances, and home improvement items."	Opposer's NOR No. 4
Printout from "googleusercontent.com," author identified as BobPalma, July 9, 2008 "We also have a small 'Farm & Fleet' type store called Thrifty Supply. They do an excellent business with more of agricultural angle than the other stores."	Opposer's NOR No. 4
Printout from "igcshow.com" website, September 24, 2012	Opposer's NOR No. 4

"Senoret Chemical Co., Inc. (Senoret) is a manufacturer and marketer of insecticides, rodenticides and repellents for the consumer markets ... These products are sold primarily to Mass Merchandisers, Home Improvement Centers, Hardware Dealers, Grocery and Drug stores, Farm and Fleet centers and independent lawn and garden retailers."	
OurPet's Company Press Release, January 3, 2006	Opposer's NOR No. 4
"Pet Zone products are sold through pet specialty distributors and retailers, mass retailers, grocery chains, farm and fleet stores, E-commerce and catalogs."	

Opposer also relies on its own use of FARM FLEET for over 50 years. C. Norby Tr. at 6-9 and Exs. 1-3. According to Constance Norby, opposer uses FARM FLEET because it describes the types of products opposer sells. C. Norby TR. at 17-18.

Finally, opposer points out that the identification of goods in cancelled Registration No. 1193481 for the mark F & F in typed form included "sold in farm and fleet stores." Opposer's NOR No. 1.

B. Applicant

Applicant relies on its Registration No. 3009930, for the mark BLAIN'S FARM & FLEET for applicant's Retail Store Services, which includes a claim of acquired distinctiveness as to FARM & FLEET. Blain Tr. Ex. 25; Applicant's NOR No. 4. Applicant points out that its Online Services involve the retail sale of the same goods offered through applicant's Retail Store Services.

Applicant also relies on its extensive promotion of its mark and sales by its "brick and mortar" stores in Wisconsin, Iowa and Illinois. While the specific figures are confidential and will only be discussed generally here, suffice it to say that in 1989 applicant's gross advertising expenses were quite significant, and have increased substantially since that time. Similarly, applicant's sales have grown significantly from their already high level in 1977 to a much higher level today. Schendt Tr. Ex. 69. By any measure, applicant's gross sales and gross advertising expenses are extremely impressive, fast-growing and at the absolute highest end of the range seen in Board cases. All of applicant's 35 stores have always and continuously used FARM & FLEET. Blain Tr. at 27-28.

Mr. Zeckmeister of Briggs & Stratton, who is familiar with the parties' industry, testified that FARM & FLEET is not a generic term, and that it currently "means" applicant. He is aware that Quality Stores also used the mark at one time, but ceased to exist "10, 15 years ago." Zeckmeister Tr. at 19-25; Blain Tr. at 43-44. Mr. Schansberg testified that in front of the Clinton, Iowa Home Depot store was a sign stating: "We will beat Farm & Fleet by 10% on same or comparable portable power tools," referring to applicant. Schansberg Tr. at 40 and Ex. 89. Applicant's stores are also used as reference points, for example by other businesses which identify themselves to customers by saying "across the street from Farm & Fleet" or "next to farm and fleet," for example, in reference to applicant. Gilbertson Tr. at 43. Applicant offers a wide variety of "private label" products under the BLAIN'S FARM & FLEET mark, including candy, nuts, automotive products, batteries, Christmas lights, clothing, pet food, etc. *Id.* at 17-20 and Ex. 60.

Applicant commissioned a "jingle" or "theme song" in 1991 which prominently features applicant's mark ("It's everything that you need ... the hardest working people in America Find Value at Farm & Fleet. ... So many choices ... and we believe ... the hardest working people in America Find Value at Farm & Fleet."). Gilbertson Tr. at 35-37 and Ex. 62. The jingle has been used ""constantly" in applicant's radio and television commercials ever since. *Id.* In fact, applicant uses the jingle in approximately 300-350 radio commercials and 150 television commercials per year, and attempts to reach each person in its market areas twice with each commercial. Schansberg Tr. at 42-44. Applicant advertises on almost 90 different radio stations and

in over 70 different newspapers. *Id.* at 31 and Ex. 100. It advertises during telecasts of college and professional sporting events, including games featuring the Milwaukee Bucks and Brewers, Green Bay Packers, Marquette basketball, and the Chicago Bears, Blackhawks and Cubs. *Id.* at 83. Applicant's print advertising campaign is similarly extensive and substantial; for example, applicant distributed 39 “mass inserts” in 2012, delivered to over three million homes in all 35 markets where applicant has brick and mortar stores. *Id.* at 54-61, 66-69. Applicant promotes itself through celebrity endorsers, including NASCAR driver Matt Kenseth, whose racing suit bears applicant's FARM & FLEET logo and domain name, “farmandfleet.com;” Mr. Kenseth's racing car also bears the FARM & FLEET mark and “farmandfleet.com” domain name. Schansberg Tr. at 11-13; Gilbertson Tr. at 16-17 and Ex. 59. Applicant employs over 20 people in its marketing and advertising department. Schansberg Tr. at 13-14. Some of applicant's advertisements are distributed nationally. Schansberg Tr. at 56-57.

Applicant also relies on its fast-growing Internet presence and sales, which have extended use and recognition of the FARM & FLEET mark beyond the three states where applicant operates brick and mortar stores. When applicant started selling products online in October 2009, it offered tens of thousands of items, and now offers several times that many. *Id.* at 34, 38; Tarnutzer Tr. at 10. Within two months of beginning to sell products online, applicant had sold products to customers in all 50 states and continues to do so. Gilbertson Tr. at 38-39. Applicant's Internet sales have grown substantially, continuously and rapidly since 2009, but remain significantly less than sales by applicant's brick and mortar stores. Schendt Tr. Ex. 69. Applicant's “Internet market penetration” is particularly significant not only in the states where it has brick and mortar stores, but also in California, New York, Texas, Florida, Pennsylvania, Ohio, Minnesota and Michigan. Ziegler Tr. at 17-18. The domain name for applicant's website is “farmandfleet.com.” Blain Tr. at 60.

Like opposer, applicant also relies on news articles and other materials, but applicant does so in support of its claim of acquired distinctiveness. Applicant relies on the following:

Source and Statement	**Citation**
Gary Van Sickle, “Golf news, instruction, equipment, travel, courses, scores and more,” printout from “golf.com,” July 17, 2012 referencing a billboard for the John Deere Classic golf tournament: “The billboard's location - along the busy four-lane road that passes John Deere Co. headquarters and leads to TPC Deere Run - was perfect. Stricker's visage stands between two Midwestern icons - a towering market for Blain's Farm & Fleet store and a sprawling new Menards home center.	Applicant's NOR No. 4
Jo Anne Killeen, “Highway 16 Turn Lane Extension Planned for '12,” Courier Life News, November 11, 2011 Subtitled “Project will cut off access to Farm & Fleet” in reference to applicant “the city has not complied with terms of a grant to modify the westbound Highway 16 lanes in front of Farm and Fleet,” referencing applicant “According to the letter, the city will have to close the median opening providing access to Farm and Fleet because of deteriorating traffic conditions ...”	Applicant's NOR No. 4

Matt Liparota, "Rockton's Farm & Fleet Opens Doors for Business," Beloit Daily News, April 12, 2012 "The store employs 133 people, [Jane Blain] Gilbertson said, most of whom are area residents. Job fairs near the beginning of the year brought in close to 2,000 applicants, she said." "Gilbertson said the company chose to move into the Rockton market because many customers in their Rockford, Loves Park and Belvidere locations were coming in from the Rockton-Roscoe area."	Applicant's NOR No. 4
Cynthia Beaudette, "Wearing Their Hearts on Their Sleeve," The Muscataine Journal, November 1, 2011 "Pam bought her son the two Wrangler western-style shirts - including the blue one he was wearing when he died - at Farm and Fleet in Muscataine, for Christmas in 2009." "Pam returned several times to Farm and Fleet to purchase another shirt like the ones Derek had liked so well ... After learning why the shirt meant so much to Pam, the employee called Wrangler's national headquarters to see if the shirt was available elsewhere ... A few weeks later a package of custom-made, red and blue shirts arrived at Farm and Fleet for the Dallege family."	Tarnutzer Tr. Ex. 79
Barry Adams, "East Side Farm & Fleet to expand," printout from "Madison.com," September 29, 2010 "The Farm & Fleet store on Madison's East Side is getting more room for snowblowers, bird seed, Toyland and tires. ...The move comes two years after the company opened its second Dane County location, in Verona, and will increase the size of the Madison store at 2202 S. Stoughton Road to 108,000 feet. 'It's a testament of the high volume of sales it earns compared to its relative small size,' said Renee Tarnutzer, a spokeswoman for the company. ... Farm & Fleet has 34 stores in Wisconsin, Illinois and Iowa."	Tarnutzer Tr. Ex. 79
Kevin Murphy, "Blain's Farm & Fleet retains name rights," The Janesville Gazette, December 12, 2011 "Blain's Farm & Fleet retained exclusive rights to use its trade name in settling a legal dispute with a Minnesota retailer, which also uses the Farm and Fleet name for its stores."	Tarnutzer Tr. Ex. 79

"... Runnings Supply, the Marshall, Minn.,-based retailer agreed to: -- Drop any 'Farm & Fleet' reference on its website -- Restrict the use of the Runnings Farm & Fleet name to Minnesota, North Dakota, South Dakota, Montana, Colorado, Wyoming and Nebraska." --Not use 'Farm & Fleet' without it being preceded by 'Runnings' in those seven states. Blain's spokesperson Renee Tarnutzer said the Janesville-based corporation was pleased with the terms. 'We get to use the trademark nationwide. Runnings is restricted to using it in the seven states (they currently operated in),' she said." "Runnings' conceding the use of 'Farm & Fleet' on its website might be increasingly important in the future. Both companies used basically the same name for years as retailers in adjoining states, but Blain's filed suit in December 2009 as both chains turned to the Internet to gain sales. When the suit was filed, Blain's attorney George Steil confirmed that Internet sales were among the key reasons for the suit. 'It causes confusion among customers and conflicts when two companies using the same name start selling the same merchandise over the Internet,' Steil said. In 1955, Blain's began using 'Farm & Fleet' on its retail stores, which have since grown to number 34. In the 1980s, Claude and Bert Blain changed the name to Blain's Farm & Fleet to avoid confusion with Mills Fleet Farm, another Wisconsin retailer. In 1996, Runnings began using the name Runnings Fleet & Farm but changed in early 2002, when Runnings' new name was challenged by Mills Fleet Farm. That resulted in Runnings switching the last two words in its trade name to Runnings Farm & Fleet."	
Jane Burns, "Addition Planned for Farm & Fleet's Stoughton Road store," printout from "Madison.com," February 3, 2011	Tarnutzer Tr. Ex. 79
Seth Jovaag, "Verona native building new Farm and Fleet store," The Verona Press, May 18, 2008 "This will be the 34th Farm and Fleet location and the fourth built by Design Structures. The new store will be the company's most architecturally advanced, as Verona's Plan Commission put heavy demands on Blain's Supply when president Robert Blain brought the project for approval last spring. Many on the commission and the Common Council considered the development the 'gateway' to the city and therefore had higher visual standards for the 114,525-square-foot building - the biggest retail project Verona has had by far - than are normally seen at Farm and Fleet stores.	Tarnutzer Tr. Ex. 79

In the end, Blain's decided to have an architect design the façade, the first time it has done so with a retail store." 'You have to give credit to Farm and Fleet,' Zingg said. 'They were willing to work (with city officials), and this is the result."D' "'I think it really looks nice,' he said. 'It's going to be an asset to the city."D' "Anderson tipped his hat to Farm and Fleet, noting how the company spent extra money during construction to 'build green.' Those efforts included transplanting trees off site and recycling tons of materials from the foundation of the former Hometown Village assisted-living complex. 'A lot of big-box developers would just come in and trash the place and leave it that way,' Anderson said. They went out of their way to do a lot of environmentally sensitive things."D'	
Seth Jovaag, "Farm and Fleet brings big names to Verona for grand opening," The Verona Press, September 22, 2008 "Five weeks after Blain's Farm and Fleet opened on Verona's east side, the store is hosting a three-day party that will feature some big names and big crowds. The three-day grand opening from September 25-27 will include appearances by NASCAR driver and Cambridge native Matt Kennseth, University of Wisconsin athletic director Barry Alvarez, UW-Madison basketball coach Bo Ryan and former Green Bay Packers president Bob Harlan. The company is also giving away $25,000 in gift cards and shopping sprees, and entertainment will range from a 'horse whisperer' who will tame area stallions to a performance by 'Lenox Hackman' (yes, that's a stage name) who will cut a car in half for the audience's enjoyment, said company spokesperson Renee Tarnutzer. Blain's Supply always holds a grand opening party for new stores, though Verona's 114,525-square-foot store is the company's first new location since 2000. Tarnutzer expects the event to draw about 10,000 customers a day." "Keri Hall, general manager of the nearby Super 8 Hotel, said all 40 of her rooms are booked throughout the week because of the grand opening. For celebrity appearances, large crowds could prompt the company to issue tickets to visitors on a first-come, first-served basis to determine an order of who gets to meet and greet the famous guests, she said."	Tarnutzer Tr. Ex. 79
Neil Johnson, "Chest Pains? Don't Drive. Call 911," The Janesvile Gazette, December 1, 2011 Caption: "Janesville paramedics treat 'patient' Eugene Martin for a possible heart attack in the furniture section	Tarnutzer Tr. Ex. 79

of the Farm and Fleet store. The event was an exercise put on by Mercy with the city and the heart association to encourage the use of 911 in cardiac emergencies."	
"Kitties Dylan and Ebony are looking for love!," December 5, 2011 "You can meet them both at Farm and Fleet in Woodstock on Saturday December 10th and Sunday December 11th; we will have some of our adoptable kittens & cats near the Pet Department both days."	Tarnutzer Tr. Ex. 79
Brian D. Bridgeford, "Riverfront plan ready: Public input to be sought at meeting," News Republic September 8, 2011 "The analysis has generated new information about three areas from which Baraboo draws consumers - the nearby convenience trade area, the middle-distance destination trade area of people bound for Wal-Mart and Farm and Fleet, and tourists who can come to Baraboo from a very wide area, he said."	Tarnutzer Tr. Ex. 79
Sarah Millard, "Attorney General Announces Crime Alert Network Program and Waukesha Store," Menomonee Falls Patch, December 6, 2011 "A new program will allow community members, businesses and other organizations to receive up to date notifications about crime trends in the area and suspect descriptions in an effort to increase citizen participation with local law enforcement in solving crimes, Attorney General J.B. Van Hollen announced during a news conference Tuesday morning at Farm and Fleet in Waukesha."	Tarnutzer Tr. Ex. 79
Jenn Smith, "Farm & Fleet Toyland Opening," printout from "973rivercountry.com" website, October 17, 2011 "Todd Bryand got up early to broadcast from the opening of Toyland at Farm & Fleet in Morton!"	Tarnutzer Tr. Ex. 80
Printout from "asap-usa.org" website "ASAP will continue doing adoption events at the Woodstock, Illinois Farm and Fleet on Saturdays and Sundays between from 10am to 2pm."	Tarnutzer Tr. Ex. 80
Jay Furst, "Furst Draft," Post Bulletin, October 24, 2005 "Both Mills Fleet Farm and Blain's Farm & Fleet are celebrating their 50th anniversaries this year. In both stores,	Tarnutzer Tr. Ex. 80

the layout is virtually the same, as is the merchandise. Are they owned by the same company? - Peter "Though it's often rumored in farm country that the Mills and Blain's chains are the result of a family feud, they're not, says Blain's spokeswoman Renee Tarnutzer. 'In fact, we chuckle every time we hear the rumor that there was some sort of family dispute between two brothers,' she says. The Mills Cos. opened a farm merchandise store called Fleet Wholesale Supply in Marshfield, Wis. in 1955, and that piece of the Mills family empire morphed into Mills Fleet Farm in 1960. It has 30 stores in Minnesota, Wisconsin, North Dakota and Iowa. Blain's Farm & Fleet also dates from 1955 and was founded by brothers W.C. Blain and N.B. Blain. The chain has 33 stores in Wisconsin, Illinois and Iowa; the closest to Rochester is in LaCrosse, Wis. Unlike Fleet Farm, Blain's has a company song, recorded in Nashville by members of Eddie Rabbitt's band, with lyrics such as, 'We're making it easy to save you time ... we're bringing you quality ... the top of the line."	
"Farm and Fleet, Fleet Farm," Printout from "tommcmahon.net" website, June 30, 2005 "Completely separate companies running two competing chains of real he-man guy stores in Wisconsin ... I've been told they at one time they were a single company run by two brothers who got into a fight but I haven't found anything to support that bit of Local Wisconsin Folklore. ... If you are training to be a spy and your cover story is that you are from Wisconsin, this is a little bit of Wisconsin Culture you need to know."	Tarnutzer Tr. Ex. 80
Michelle K. Mellor, "Planting the Seeds of Prairie Renewal," Chicago Tribune, March 21, 2000 "With multi-lane traffic converging at U.S. Highway 14 and Lake Street in Woodstock, the vacant lot across from the Farm and Fleet store may seem an unlikely location for a prairie restoration project."	Tarnutzer Tr. Ex. 80

***7** Ms. Tarnutzer testified that she knows these references are to applicant's stores because "[t]hey are mentioning the Farm & Fleet in locations where we have our stores or they are specifically stating a store." Tarnutzer Tr. at 20-25.

Applicant further relies on its trademark enforcement efforts, which include sending "cease and desist" letter s to those it becomes aware are using FARM & FLEET without authorization, and if necessary filing lawsuits for trademark infringement. Schendt Tr. at 20-21; Tarnutzer Tr. at 37; Blain Tr. at 49-51 and 69-73 and Exs. 37-40; Gilbertson Tr. at 60-61. This includes publications which use FARM & FLEET incorrectly, such as Home Channel News, and according to Messrs. Schendt and Blain, Home Channel News stopped using "farm and fleet" generically after applicant requested that it do so. Schendt Tr. at 20-21; Blain Tr. at 70-72.[8] In fact, the Home Channel News articles upon which opposer relies all predate applicant's cease and desist letter.

Applicant filed a trademark infringement lawsuit against Running Supply of Minnesota over Running's use of FARM & FLEET, which was terminated when the parties entered into a Settlement Agreement. Blain Tr. at 62-67 and Ex. 36. Pursuant to the Settlement Agreement: [9]

• Runnings will "permanently remove from its website all references to ' 'Farm and/& Fleet' and will permanently refrain from search engine optimization regarding said website ...;"

• Runnings is permitted to use the name "Runnings Farm & Fleet" for its retail stores and advertising consistent with its current market practices, but only in certain states in which applicant does not have any retail stores;

• Runnings acknowledged applicant's exclusive ownership rights in its federally registered trademark "Blain's Farm & Fleet;" and

• Runnings "will withdraw all opposition to currently pending Blain trademark applications with the United States Patent and Trademark Office."

Blain Tr. at 62-67 and Ex. 36 ¶¶ 1-4.

While applicant concedes that there is an "obvious similarity" between FARM & FLEET and FLEET FARM, which is used by Mills Fleet Farm, Mr. Blain testified that Mills uses FLEET FARM pursuant to a "verbal agreement" allowing it to use FLEET FARM with applicant's permission. Blain Tr. at 73-74. The agreement between applicant and Mills is not surprising given their history, in that applicant and Mills together helped to form Mid-States and the concept of selling to farmers and others at a discount provided they had a "fleet card." Mills Tr. at 6-12. In fact, Mills Fleet Farm and the Mills family features prominently in the book written to celebrate applicant's 50th "anniversary":

> ***8** The Mills family had the same sense about the potential success of this concept and had spoken to the Blains at some length about the opportunity. Again, to avoid competing with their established dealerships in Minnesota, they opened up their first store operation, Valley Wholesale in Appleton, Wisconsin. The government however, felt it was misleading to call their consumer discount "wholesale" so they demanded the Mill's Valley Wholesale organization change their name. As the Blains had already taken the name Farm & Fleet, Stew Mills contacted the Blain brothers and asked if it would be a problem to use the name Fleet Farm. As the four had now become friends, it was eventually agreed that the name choice would be OK. Claude and Bert Blain remained close friends of the Mills family throughout the remainder of their lives.

Gilbertson Tr. Ex. 61.

Finally, applicant relies on a secondary meaning survey, report and testimony by its expert witness Philip Johnson, Chief Executive Officer of Leo J. Shapiro and Associates, Inc., a market research firm which conducts surveys for use in trademark litigation. Johnson Tr. Ex. 3 ¶ 1. Mr. Johnson, a graduate of Loyola University who received an M.B.A. from the University of Chicago Business School, has designed and supervised hundreds of consumer surveys in his over 40 year career, a number of which relate to secondary meaning. *Id.* ¶ 2; Johnson Tr. at 9. His surveys have always been accepted into evidence and he has always been admitted as an expert in the cases for which he has conducted surveys. Johnson Tr. at 10.

The purpose of the survey was to determine "whether FARM & FLEET has acquired secondary meaning within the geographic area where [applicant] operates its Farm & Fleet stores, such that the primary significance of the term FARM & FLEET is to identify a store that comes from a single, even if unknown, source." Johnson Tr. Ex. 3 ¶ 3. The survey was originally conducted in connection with another dispute, but Mr. Johnson believes its results "are applicable to the tri-state area (including Iowa), and would therefore, be useful in this dispute." *Id.* ¶ 4.

The survey was conducted between July 16-26, 2010 by telephone. In total, 404 consumers above the age of 18 "who are responsible for all or some of the shopping needs of the household" were interviewed. *Id.* ¶ 5. Interviewees were randomly selected from a sampling of both listed and unlisted numbers, "based on having a high probability of being within a 12 mile wide circle around one of 33 Farm & Fleet store locations that has been operating prior to 2003, the year when [applicant] applied for registration of the 'Blain's Farm Fleet' mark" with the Office. *Id.*

One half of the interviews (201) were in the "test cell," and were asked about the term FARM & FLEET, while the other half (203) were in the "control cell" and were asked about the term RANCH & MACHINERY, which has a "parallel construction" to FARM & FLEET but "is not believed to currently function as a name of an actual retailer." *Id.* ¶ 6. Each participant was first asked whether they had heard of the term used for their cell. If they had not, the interview terminated. *Id.* ¶ 9. If they had, they were asked "Who or what/what or who is FARM & FLEET [RANCH & MACHINERY]?" *Id.* ¶ 10. [10]

***9** Participants were next asked whether the term is owned or operated by one company or more than one company, and "What makes you say that?" *Id.* ¶ 11. Those who responded that the term is owned by one company were also asked where that store or company is located. *Id.* Interviews were "double-blind" and validated, and other standard survey techniques were used. *Id.* ¶¶ 9, 12, 14-16.

The survey revealed that "[v]irtually all of the test cell respondents (98%) are familiar with FARM & FLEET. By contrast, only 4% of control cell respondents report awareness of RANCH & MACHINERY." *Id.* ¶ 17. A majority of those asked how they would describe FARM & FLEET provided "a specific description that is consistent with [applicant's] stores (50% cite general store, 39% farm implement store) or describe goods and services found in these stores (45% cite clothing, 29% hardware, and 27% automotive goods). In contrast, control cell respondents do not describe a specific retailer, but give very general responses that are descriptive of the words 'ranch' and "machinery."' *Id.* ¶ 18. Furthermore, "a substantial majority of test cell respondents (59%) believe that FARM & FLEET is owned or operated by one company compared to just one control cell respondent (0.5%) who believes that RANCH & MACHINERY is owned or operated by one company." *Id.* ¶ 19. When asked why they believe that FARM & FLEET is owned by one company, those respondents state "that they are familiar with it (16%), it is a family company (15%), they specifically name Blain (11%), or say it is owned by one company (11%)," and 55% "correctly identify one of [applicant's] locations." *Id.* ¶¶ 20-21. Overall, "a majority of test cell respondents believe FARM & FLEET is operated by a single company (56%) and either spontaneously name Blain as the owner (12%) or identify a Blain Supply Farm & Fleet store location (55%) when describing FARM & FLEET." *Id.* ¶ 22. Mr. Johnson's conclusions include the following:

• "FARM & FLEET is known to virtually all of the population (98%) who reside in" Illinois, Wisconsin and Iowa in regions where applicant has operated its FARM & FLEET stores prior to 2003;

• "a majority of consumers believe FARM & FLEET is owned or operated by a single source (59%), which indicates that this name has acquired secondary meaning in its market area;" and

• "the primary significance of the term FARM & FLEET is to identify a store that comes from a single source."

Id. ¶¶ 23, 25, 27. In addition, based on the survey results, Mr. Johnson testified that "farm and fleet is not generic. It describes a specific source, not a general kind of source." Johnson Tr. at 32. However, he conceded that this "observation is based on the tri-state area where I conducted the survey." *Id.*

IV. <u>Analysis</u>

***10** Applicant concedes, and the evidence establishes, that FARM & FLEET is merely descriptive. *See, e.g.* Answer ¶ 3; Applicant's NOR No. 4 (Registration No. 3009930, in which applicant claimed that FARM & FLEET has acquired distinctiveness) and *Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 92 USPQ2d 1626, 1629 (Fed. Cir. 2009) ("Where an applicant seeks registration on the basis of Section 2(f), the mark's descriptiveness is a nonissue; an applicant's

reliance on Section 2(f) during prosecution presumes that the mark is descriptive."); Gilbertson Tr. at 51-52; Schansberg Tr. at 86-88. We are therefore left to determine, assuming that opposer has established its standing, first whether FARM & FLEET is generic, and, if it is not, whether it has acquired distinctiveness.

A. Standing

Opposer has established that it is engaged in the retail sale of goods such as those that applicant sells, including automotive, electrical and farm supplies, and hardware. C. Norby Tr. at 3-7, 19-21. This establishes opposer's standing to oppose the involved applications on the grounds of genericness and mere descriptiveness without acquired distinctiveness. *Books on Tape, Inc. v. Booktape Corp.*, 836 F.2d 519, 5 USPQ2d 1301, 1302 (Fed. Cir. 1987); *Kistner Concrete Products, Inc. v. Contech Arch Technologies, Inc.*, 97 USPQ2d 1912, 1918 (TTAB 2011); *Stuart Spector Designs, Ltd. V. Fender Musical Instruments Corp.*, 94 USPQ2d 1549, 1553 (TTAB 2009); *Saint-Gobain Corp. v. 3M Co.*, 90 USPQ2d 1425, 1428 (TTAB 2007); *Plyboo America Inc. v. Smith & Fong Co.*, 51 USPQ2d 1633, 1634 (TTAB 1999). Furthermore, opposer has introduced evidence, which applicant has not specifically contradicted, that it uses and desires to use FARM FLEET in connection with its retail stores. This also establishes opposer's standing. *See*, *Target Brands, Inc. v. Hughes*, 85 USPQ2d 1676, 1679 (TTAB 2007); *Nature's Way Products Inc. v. Nature's Herbs Inc.*, 9 USPQ2d 2077, 2080 (TTAB 1989) (standing established where petitioner "is in a position to use the designation sought to be cancelled in a descriptive manner").

B. Genericness

"Generic terms are common names that the relevant purchasing public understands primarily as describing the genus of goods or services being sold. They are by definition incapable of indicating a particular source of the goods or services." *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 57 USPQ2d 1807, 1810 (Fed. Cir. 2011) (citations omitted). The ultimate test for determining whether a term is generic is the primary significance of the term to the relevant public. *See* Section 14(3) of the Act. *See also*, *In re American Fertility Society*, 188 F.3d 1341, 51 USPQ2d 1832 (Fed. Cir. 1999); *Magic Wand Inc. v. RDB, Inc.*, 940 F.2d 638, 19 USPQ2d 1551 (Fed. Cir. 1991). Opposer bears the burden of proving, by a preponderance of the evidence, that applicant's mark is generic. *Magic Wand*, 940 F.2d 638, 19 USPQ2d at 1554; *Tea Board of India v. Republic of Tea, Inc.*, 80 USPQ2d 1881, 1887 (TTAB 2006).

***11** We must make a two-step inquiry to determine whether FARM & FLEET is generic: First, what is the genus (category or class) of goods or services at issue? Second, is the term sought to be registered understood by the relevant public primarily to refer to that genus of goods or services? *H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 228 USPQ 528, 530 (Fed. Cir. 1986).

Here, we find that the appropriate genus is adequately defined by applicant's identifications of services. *See*, *Magic Wand*, 940 F.2d at 638, 19 USPQ2d at 1552. In fact, the evidence establishes that applicant (and for that matter opposer) operates retail stores which sell the goods listed in the involved identifications of services; applicant's Online Services are effectively a subset of applicant's Retail Store Services, in that applicant sells the same goods online as it does in its brick and mortar stores. Blain Tr. at 12-21; Gilbertson Tr. at 7-10, 34. Opposer argues that "[t]he relevant genus of services is farm and fleet stores," Opposer's Trial Brief at 17, which is self-serving and begs the question, but nevertheless is effectively an admission that the relevant genus is adequately defined by applicant's Retail Store Services and Online Services.

Turning to how FARM & FLEET is understood by the "relevant public," we find that the "relevant public" is, as applicant proposes, the "general consumer." Applicant's Trial Brief at 42. Indeed, it cannot reasonably be argued that the relevant public is any more specific than that, given the exceedingly wide range of goods included in applicant's Retail Store Services and Online Services, and given that applicant (and opposer) now target not just the "farm community" but urban, suburban and rural communities comprising all types of consumers. Gilbertson Tr. at 21-22 ("So we really have to appeal to everybody truly"); Blain Tr. at 20 ("it's really opened up essentially to the general consuming public"). Opposer's customer base is similarly broad and "general." C. Norby Tr. at 12; P. Norby Tr. at 6-8.

Evidence of this relevant public's understanding of the term may be obtained from any competent source, including testimony, surveys, dictionaries, trade journals, newspapers, and other publications. *In re Northland Aluminum Products, Inc.*, 777 F.2d 1556, 227 USPQ 961, 963 (Fed. Cir. 1985). Furthermore, "evidence of competitors' use of particular words as the name of their goods or services is, of course, persuasive evidence that those words would be perceived by purchasers as a generic designation for the goods and services." *Continental Airlines, Inc. v. United Air Lines, Inc.*, 53 USPQ2d 1385, 1395 (TTAB 1999). Applicant's alleged mark is a phrase, and accordingly, we recognize that we may not "simply cite definitions and generic uses of the constituent terms" of the alleged mark "in lieu of conducting an inquiry into the meaning of the disputed phrase as a whole." *In re American Fertility*, 188 F.3d at 1341, 51 USPQ2d at 1836.

***12** Opposer's evidence of genericness is certainly voluminous, but on close inspection, it becomes clear that there is less there than meets the eye. Indeed, while opposer relies on Internet printouts which appear to reveal that 12 entities used FARM & FLEET in their trade names, and 5 additional entities used FARM AND FLEET (which is not the exact term in question), there is no testimony or other evidence regarding these entities, their names, when or how those names were used, what goods or services, if any, are offered under the names, general consumers' perception of those names or anything else. As applicant points out, the materials upon which opposer relies, which are merely printouts from Internet websites, including the websites of various secretaries of state, "have little probative value. They are admissible only to show what has been printed, not the truth of what has been printed." *Safer*, 94 USPQ2d at 1040; TBMP § 704.08(b) (3d ed. rev. 2012) ("The probative value of Internet documents is limited. They can be used to demonstrate what the documents show on their face; however, documents obtained through the Internet may not be used to demonstrate the truth of what has been printed."). More specifically and importantly, the mere existence of corporate filings or Internet listings of companies which apparently used FARM & FLEET in their names does not establish that FARM & FLEET is currently in use in commerce or that general consumers have been exposed to any such uses, let alone that general consumers perceive the term FARM & FLEET as referring to the Retail Store Services or the Online Services. *See e.g.*, *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En* 1772, 396 F.3d 1369, 73 USPQ2d 1689, 1693-94 (Fed. Cir. 2005); *In re Davey Products Pty Ltd.*, 92 USPQ2d 1198, 1204 (TTAB 2009); *In re Thor Tech, Inc.*, 90 USPQ2d 1634, 1639 (TTAB 2009). In fact, as indicated, opposer concedes that it did not verify that any of the companies listed are still in existence or that the listings are accurate. Applicant's NOR No. 3 (Haugen Tr. at 12-13). And the record makes clear that Quality Farm & Fleet, the only entity opposer relies upon which apparently had multiple locations, has been out of business for some time. Zeckmeister Tr. at 24; Mills Tr. at 32-33.

The SEC and other corporate filings upon which opposer relies are similarly unpersuasive standing alone, as they do. While the evidence reveals that eight companies have referred to "farm and fleet" (which, again, is not the term in question) or "farm & fleet" as a type of "retail channel" or "store," the statements were made only in SEC or other filings, and there is no evidence that consumers review such filings in general, much less that they reviewed the particular filings upon which opposer relies, nor is there any evidence regarding the size of these companies. In fact, it appears that these materials are directed not to general consumers, but instead primarily to investors, and there is no evidence whether or to what extent investors in these particular companies shop at retail stores or websites such as applicant's. This evidence also appears to be rather obscure, rather than an indication of how general consumers (as opposed to investors, lawyers or regulators) perceive the term FARM & FLEET. Indeed, while some of this evidence suggests that some have used ""farm & fleet" to refer to a type of retail channel, none of it suggests that general consumers perceive the term as referring to the Retail Store Services or the Online Services.

***13** The printouts of news articles and promotional materials, while voluminous, fare no better. At least seven of the articles are from Home Channel News, to which applicant sent a "cease and desist" letter on June 26, 2008, informing Home Channel News that BLAIN'S FARM & FLEET is a registered trademark. Blain Tr. Ex. 38. All seven of the articles predate the letter, and Home Channel News has apparently not used FARM & FLEET in a generic manner since receiving the letter. Opposer's NOR No. 2; Schendt Tr. at 20-21; Blain Tr. at 70-72. Of the remaining articles, most use "farm and fleet" or "farm-and-fleet," which are not the term in question, and at least two may be referring in part to applicant based on their use of capitalization, such as "what is called 'Farm & Fleet' or farm/ranch stores," and "a small 'Farm & Fleet' type store called Thrifty Supply." Most importantly, as with the other evidence upon which opposer relies, there is no indication whatsoever whether anyone, let

alone a substantial number of general consumers, has seen these materials, or whether general consumers perceive the term FARM & FLEET the way the authors of some of these materials apparently do. *See, In re Merrill Lynch, Pierce, Fenner, and Smith Inc.*, 828 F.2d 1567, 4 USPQ2d 1141, 1143 & n. 1 (Fed. Cir. 1987) (finding CASH MANAGEMENT ACCOUNT not generic for stock brokerage and related services, pointing out that "[t]he issue ... is how the consuming public views the mark," and stating that like the Internet, "[i]t is indeed remarkable to see the thoroughness with which NEXIS can regurgitate a [term] casually mentioned in the news"); *Baroness Small Estates, Inc. v. American Wine Trade, Inc.*, 104 USPQ2d 1224, 1228 (TTAB 2012) ("The mere fact that one can do a search on the Internet and find, for example, a photograph on the flickr website, does not mean that consumers will be aware of this photograph."). In short, while these articles may have been persuasive if accompanied by additional evidence showing that they are indicative of how general consumers perceive FARM & FLEET, they are unpersuasive standing alone, especially because they also appear to be from obscure or easily-manipulated Internet sources, and/or do not pertain to retail or online services targeted to general consumers. *See, In re Country Music Association Inc.*, 100 USPQ2d 1824, 1830 (TTAB 2011) (reversing finding that COUNTRY MUSIC ASSOCIATION is generic for "association services, namely, promoting country music, and promoting the interests of country music entertainers and the country music recording industry," based in part on finding "merit in applicant's argument that the examining attorney's Internet evidence of third-party usages are relatively obscure"); *see also, Carl Karcher Enterprises, Inc. v. Stars Restaurant Corp.*, 35 USPQ2d 1125, 1131 (TTAB 1995) ("applicant has not furnished any evidence regarding the extent of use of the marks by these third parties. The geographic locations of these restaurants, in many instances, are relatively obscure. Moreover, the pictures of these restaurants tend to indicate that the operations are small and local in nature.").

***14** To the extent that opposer uses FARM FLEET, that use may support our finding (and applicant's admission) that FARM & FLEET is merely descriptive, but it is not particularly relevant to opposer's claim of genericness. *American Fertility*, 188 F.3d at 1341, 51 USPQ2d at 1836 ("the Board erred in finding that the proven genericness of the words, 'society,' and 'reproductive medicine,' without more, rendered generic the phrase SOCIETY FOR REPRODUCTIVE MEDICINE"). Moreover, opposer's evidence of its own use of FARM FLEET is sparse at best, and provides no information which suggests, let alone establishes, how general consumers perceive FARM & FLEET. Similarly, while Mills Fleet Farm uses FLEET FARM, that is not the term in question, and in any event Mills uses this term pursuant to an oral license from applicant.

As for applicant, its fairly extensive efforts to protect and enforce FARM & FLEET weigh against a finding of genericness. *Plyboo America Inc. v. Smith & Fong Co.*, 51 USPQ2d 1633, 1640 (TTAB 1999) (applicant's "assertions of trademark rights in the term 'plyboo,' as evidenced for instance by its attempting to register such mark in the United States and its obtaining a correction notice with respect to an article in the *San Francisco Examiner* which used the mark generically, are relevant with respect to the issue of mere descriptiveness"). Applicant's prior Registration No. 3009330 for the mark BLAIN'S FARM & FLEET, which includes a claim of acquired distinctiveness as to FARM & FLEET, further suggests that FARM & FLEET is not generic. Perhaps more importantly, applicant's wide-ranging, pervasive and extended promotional efforts, which have met with considerable and increasing success given applicant's extraordinary level of sales, support a finding that FARM & FLEET identifies applicant, not applicant's Retail Store Services or Online Services. *See e.g.* Zeckmeister Tr. at 19-25; Schansberg Tr. at 42-44 and Ex. 89; Gilbertson Tr. at 43; Applicant's NOR No. 4; Tarnutzer Tr. at 20-25 and Exs. 79, 80. Applicant's successful and fast-growing Internet presence and extensive Internet sales throughout the country similarly weigh against a finding of genericness, and while there is no evidence of whether or to what extent general consumers have been exposed to opposer's Internet evidence, the record makes clear that general consumers have had a great deal of exposure to applicant's website. Mr. Johnson's survey and testimony, while focused on the issue of secondary meaning, also tend to support the conclusion that FARM & FLEET identifies applicant rather than the Retail Store Services or the Online Services. *See* 2 *McCarthy on Trademarks and Unfair Competition* § 12.46 (4th ed. 2013) (secondary meaning survey may support finding that mark is not generic); *see also, Trump v. Caesars World, Inc.*, 645 F.Supp. 1015, 230 USPQ 594, 599 (D.N.J. 1986), *aff'd*, 819 F.2d 1135, 2 USPQ2d 1806 (3d Cir. 1987) (where survey to determine the meaning of the word "palace" found that 45.8% of respondents mentioned Caesars and 11.4% cited Trump's casino, "[t]his survey tends to negate Trump's contention that 'palace' is a generic term for accommodation and tends to support the contention that in the context of gambling activity in general palace is indicative of a source of such services.").

***15** In short, while opposer has presented some evidence of genericness, it is of limited value because of its nature, because it is unexplained and unsupported by testimony or other evidence which would reveal how general consumers perceive FARM & FLEET, and because it is obscure. That evidence must be balanced against applicant's impressive showing that FARM & FLEET is heavily promoted, enforced when necessary and well-recognized as identifying applicant. The "mixed" evidence in this case is simply insufficient to meet opposer's burden of establishing that FARM & FLEET is generic. *See e.g.*, *In re Merrill Lynch*, 828 F.2d at 1567, 4 USPQ2d at 1143; *In re America Online Inc.*, 77 USPQ2d 1618, 1623 (TTAB 2006). Accordingly, opposer's claim of genericness is dismissed with prejudice.

C. Acquired Distinctiveness

While the involved applications were each published for opposition without claims that the marks have acquired distinctiveness under Section 2(f), applicant asserts acquired distinctiveness as an affirmative defense to opposer's claims of mere descriptiveness. Answers ¶¶ 3, 4, 6-8. Applicant bears the burden of establishing the defense of acquired distinctiveness. *Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 6 USPQ2d 1001, 1004-06 (Fed. Cir. 1988); *see also*, *In re Steelbuilding.com*, 415 F.3d 1293, 75 USPQ2d 1420, 1424 (Fed. Cir. 2005). In order to meet this burden, applicant "must show that, in the minds of the public, the primary significance of [FARM & FLEET] is to identify the source of the [service] rather than the [service] itself." *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 214 USPQ 1, 4 n.11 (1982). In determining whether applicant has met its burden, we "may examine copying, advertising expenditures, sales success, length and exclusivity of use, unsolicited media coverage, and consumer studies (linking the name to a source)," though "no single factor is determinative." *Steelbuilding.com*, 415 F.3d at 1293, 75 USPQ2d at 1424.

It is settled that "the applicant's burden of showing acquired distinctiveness increases with the level of descriptiveness; a more descriptive term requires more evidence of secondary meaning." *Id.* (citing *In re Bongrain Intern. (Am.) Corp.*, 894 F.2d 1316, 13 USPQ2d 1727 (Fed. Cir. 1990)). Here, the evidence establishes that applicant's mark is descriptive enough that applicant's burden of proving acquired distinctiveness is "concomitantly high." *Id.* Indeed, applicant has consistently disclaimed the term "farm" in its applications and registrations, with one exception, and has disclaimed ""'FARM' OR 'FLEET"D' in its Registration No. 2852826. During prosecution of the application which issued as Registration No. 3009930, applicant conceded in an Office action response that "'FARM may be used to refer to farm supplies and equipment which Applicant sells in its retail stores," and that "the term "FLEET' may broadly related (sic) to vehicle repair, maintenance and installation services, which Applicant also offers through its retail stores." Opposer's NOR No. 1. Applicant's witnesses and the book it published in connection with its 50th anniversary also make clear that both "farm" and ""fleet" are, at least individually, quite descriptive of applicant's Retail Store Services and Online Services. Mills Tr. at 11; Tarnutzer Tr. at 28; Gilbertson Tr. at 28-29, 52 and Ex. 61; Schansberg Tr. at 86-88.

***16** In other words, applicant must clear a high hurdle to prove acquired distinctiveness. We find that it has done so.

"In appropriate cases, ownership of one or more prior registrations on the Principal Register ... of the same mark may be accepted as prima facie evidence of distinctiveness." Trademark Rule 2.41(b). Here, applicant owns Principal Register Registration No. 3009930 for the mark BLAIN'S FARM & FLEET, in typed form, for applicant's Retail Store Services, with a claim of acquired distinctiveness as to FARM & FLEET. This is obviously the same mark as BLAIN'S FARM & FLEET, in standard characters, the mark in involved application Serial No. 77894710, because there is no substantive difference between "standard character" marks and marks in "typed" form. *In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1909 n.2 (Fed. Cir. 2012) ("until 2003, 'standard character' marks formerly were known as 'typed' marks, but the preferred nomenclature was changed in 2003 to conform to the Madrid Protocol ... we do not see anything in the 2003 amendments that substantively alters our interpretation of the scope of such marks"). We also have no difficulty finding that the mark in the prior registration is the "same mark" as FARM & FLEET, the mark in the remaining two involved application Serial Nos. 77894766 and 77894812. In fact, the only difference between the mark in the prior registration and FARM & FLEET is the surname BLAIN'S, which is not inherently distinctive. *See generally*, *Dial-A-Mattress*, 240 F.3d at 1341, 57 USPQ2d at 1813 ("As the 'same mark' or the 'legal equivalent' of '(212) M-A-T-T-R-E-S,' the '1-888-MA-T-R-E-S-S' mark is entitled to rely on the former as prima facie evidence of acquired

distinctiveness.”); *Am. Sec. Bank v. Am. Sec. Bank & Trust Co.*, 571 F.2d 564, 197 USPQ 65, 67 (CCPA 1978) (AMERICAN SECURITY is legally equivalent to AMERICAN SECURITY BANK). As for the services, they are identical with respect to involved application Serial No. 77894812, and with respect to involved application Serial Nos. 77894710 and 77894766, which are for applicant's Online Services, the difference is not meaningful, because as we have stated, applicant's Online Services are essentially a subset of applicant's Retail Store Services. *See Kellogg Co. v. General Mills, Inc.*, 82 USPQ2d 1766, (TTAB 2007) (CINNAMON TOAST CRUNCH for “cereal derived ready-to-eat food bar” legally equivalent to same mark for “breakfast cereal”). Accordingly, we find that applicant's prior registration of BLAIN'S FARM & FLEET, which includes a claim of acquired distinctiveness as to FARM & FLEET, is *prima facie* evidence that FARM & FLEET has acquired distinctiveness.

***17** Applicant's advertising expenses and gross sales, which are substantial to say the least, and have been growing quickly and steadily for many years, further support applicant's claim of acquired distinctiveness. Applicant's mark FARM & FLEET is so well-known that it is used as a reference point in giving driving directions, and is the key lyric in applicant's advertising jingle, which is played on hundreds of radio and television commercials each year, and which is heard by millions of people. Applicant's stores sell approximately 150,000 different items and are physically quite large - applicant's brick and mortar stores range from 65,000 to 155,000 square feet and average 115,000 square feet. Blain Tr. at 14-16. While applicant came to be widely-known as FARM & FLEET in Wisconsin, Iowa and Illinois many years ago through its traditional retail stores, it has recently become more well-known nationally as a result of its “farmandfleet.com” website, through which applicant now makes significant sales to customers in California, New York, Texas, Florida, Pennsylvania and other states beyond applicant's origins in Wisconsin, Iowa and Illinois.

Applicant has received substantial unsolicited media attention. Applicant's NOR No. 4; Tarnutzer Tr. Ex. 79. Many of the articles which reference applicant and its FARM & FLEET mark refer to how well-known applicant is, one refers to it as a “Midwestern icon,” some reference applicant's trademark enforcement efforts, one praises applicant's environmental sensitivity, others reference public-service events which take place in applicant's stores, some mention applicant's celebrity endorsers and several discuss the FARM & FLEET name itself. In short, these articles make clear that FARM & FLEET primarily means applicant, its chain of stores and its website.

Mr. Johnson's survey, to which opposer does not specifically object, further supports a finding of acquired distinctiveness. Mr. Johnson has extensive experience in conducting consumer surveys, and several of his surveys have been admitted into evidence in court and Board proceedings. Johnson Tr. Ex. 3; *Saint-Gobain Corp. v. 3M Co.*, 90 USPQ2d 1425 (TTAB 2007). The survey randomly selected general consumers who have a high probability of living within 12 miles of one of applicant's stores, divided the respondents into ““test” and “control” cells, and determined the ratio of respondents who associated FARM & FLEET with one source, even if anonymous. In short, the survey was consistent with accepted survey procedures, and its results are probative. *See e.g.*, *Tone Bros. Inc. v. Sysco Corp.*, 28 F.3d 1192, 31 USPQ2d 1321, 1328-30 (Fed. Cir. 1994); *Monsieur Henri Wines, Ltd. et al. v. Duran*, 204 USPQ 601 (TTAB 1979); *In re Raytheon Co.*, 202 USPQ 317 (TTAB 1979). Furthermore, while the survey was conducted by telephone, this does not significantly detract from its reliability, especially because the survey concerned only the words FARM & FLEET, rather than a color, design or other mark for which a visual inspection would be expected to increase the reliability of the survey's results. *See generally*, *Saint-Gobain*, 90 USPQ2d at 1438-40 (involving one of Mr. Johnson's surveys).

***18** We do have one concern with the survey, however, which is that its attempt to select consumers living within 12 miles of one of applicant's stores may have skewed the results. Mr. Ziegler testified that applicant considers consumers living in a zip code within 25 miles of the home zip code of one of applicant's stores to be “in market.” Ziegler Tr. at 16. Mr. Johnson's selection of a subset of applicant's “in market” consumers, those living within 12 miles of one of applicant's stores, may have increased the likelihood of respondents associating FARM & FLEET with a single source because consumers living closer to a BLAIN'S FARM & FLEET store will be more likely to be aware of the mark given the large size of applicant's stores and their prominence in their communities. Indeed, as indicated, the evidence reveals that applicant's stores are sometimes used as a reference point or gathering place. Nevertheless, considering the survey in its entirety, and Mr. Johnson's testimony, we find that the survey tends to support a finding that FARM & FLEET has acquired distinctiveness.

Finally, we find that applicant's long-term, continuous and substantially exclusive use of FARM & FLEET weighs in favor of finding that the mark has acquired distinctiveness. Applicant has now been using FARM & FLEET for 58 years, a significant amount of time by any measure. Perhaps more importantly, applicant's use of the mark has grown tremendously, from a single store in Janesville, Wisconsin to 35 highly successful brick and mortar stores and a fast-growing and increasingly national website accessible at ""farmandfleet.com." While opposer has introduced a great deal of evidence that applicant's use of FARM & FLEET has not been exclusive, we find that evidence unpersuasive for the reasons stated in connection with our finding on genericness. Moreover, it is settled that opposer's reliance on "*any* use by others" and *Levi Strauss & Co. v. Genesco, Inc.*, 742 F.2d 1401, 222 USPQ 939 (Fed. Cir. 1984) is misplaced under the facts of this case.
Section 2(f) declares that prima facie evidence of distinctiveness includes "proof of *substantially* exclusive and continuous use" of a mark for five years. 15 U.S.C.A. Section 1052(f) (West Supp. 1999) (emphasis added). As the Trademark Manual of Examining Procedure, Section 1212.05(b), recognizes: "The five years of use does not have to be exclusive, but may be ' 'substantially' exclusive. This makes allowance for use by others which may be inconsequential or infringing and which therefore does not necessarily invalidate the applicant's claim." *See generally In re International Flavors & Fragrances, Inc.*, 51 USPQ2d 1513, 1516 (Fed. Cir. 1999) ("Although the Manual does not have the force of law, it 'sets forth the guidelines and procedures followed by the examining attorneys at the PTO."' (quoting *West Fla. Seafood, Inc. v. Jet Restaurants, Inc.*, 31 F.3d 1122, 1127 n.8, 31 USPQ2d 1660, 1664 n.8 (Fed. Cir. 1994))). The district court, therefore, erred in suggesting that *any* use by others is sufficient to preclude an applicant's declaration of "substantially exclusive" use. *Cf. Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1583, 6 USPQ2d 1001, 1010 (Fed. Cir. 1988) (affirming board's rejection of section 2(f) opposition, in spite of evidence that four other companies made similar products prior to registration).

***19** *L.D. Kichler Co. v. Davoil, Inc.*, 192 F.3d 1349, 52 USPQ2d 1307, 1309 (Fed. Cir. 1999). In short, even if opposer's evidence establishes some generic use by others of FARM & FLEET, or use by others in connection with the Retail Store Services, Online Services or related services, when opposer's unsupported and mostly obscure evidence is weighed against applicant's extensive and impressive array, we find that applicant's use of FARM & FLEET has been extensive, continuous and substantially exclusive for 58 years.

Weighing all evidence of record, we find that applicant's prior registration, survey, and widespread, extensive, longstanding and fast-growing use of FARM & FLEET outweighs opposer's flawed and largely obscure evidence and establishes that FARM & FLEET has acquired distinctiveness. Accordingly, opposer's claim of mere descriptiveness is dismissed with prejudice.

V. Conclusion

Opposer has failed to meet its burden of proving that FARM & FLEET is generic. While FARM & FLEET is merely descriptive, applicant has established its defense that the mark has acquired distinctiveness. Accordingly applicant's involved applications are hereby deemed amended to each include a claim of acquired distinctiveness under Section 2(f) with respect to FARM & FLEET.

Decision: The consolidated opposition is dismissed with prejudice, and applicant's involved applications are amended to include claims of acquired distinctiveness under Section 2(f) as to FARM & FLEET.

Footnotes

1 Application Serial No. 77894766, filed December 16, 2009, alleging first use dates of October 27, 2009.

2 Application Serial No. 77894812, filed December 16, 2009, alleging first use dates of June 1, 1955.

3 Application Serial No. 77894710, filed December 16, 2009, alleging first use dates of October 27, 2009.

4 Registration No. 3009930, issued November 1, 2005 from an application filed January 28, 2003.

5 Registration No. 2852826, issued June 15, 2004 from an application filed January 28, 2003.

6 Although opposer filed a consolidated opposition against the three involved applications, its filing consisted of three separate notices of opposition, and applicant in turn filed three separate answers.

7 While some of opposer's evidence is of a type not generally permitted to be introduced by notice of reliance, much of that evidence was printed from the Internet and meets the requirements set forth in *Safer Inc. v. OMS Investments, Inc.*, 94 USPQ2d 1031 (TTAB 2010). It is therefore admissible and has been considered. However, a small number of articles and printouts opposer submitted fail to meet the requirements for submission by notice of reliance and are also not admissible under *Safer*, and have therefore been given no consideration. Certain duplicative evidence, such as materials indicating where Wrangler products may be purchased, which were apparently written by the same source, has only been listed once. One article describing an event in a foreign country has been given no consideration.

8 Mr. Schendt mistakenly referred to the recipient of the request as ““Home Shopping News.”

9 While the Settlement Agreement itself is designated as “confidential,” Mr. Blain's testimony concerning the Agreement is not.

10 “The order in which ‘who or what’ or ‘what or who’ was asked was rotated between respondents in both the test and control cells to eliminate any potential order bias.” *Id.* ¶ 9.

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KARGO GLOBAL, INC., Plaintiff,
v.
ADVANCE MAGAZINE
PUBLISHERS, INC., Defendant.

No. 06 Civ. 550(JFK). | Aug. 6, 2007.

Attorneys and Law Firms

Dangel & Mattchen, LLP, Edward T. Dangel, III, Esq., of Counsel, Boston, MA, for Plaintiff Kargo Global, Inc.

Fitzpatrick, Cella, Harper & Scinto, Edward E. Vassallo, Esq., Robert H. Fischer, Esq., of Counsel, New York, NY, for Defendant Advance Magazine Publishers, Inc.

OPINION & ORDER

JOHN F. KEENAN, United States District Judge.

BACKGROUND

***1** This action stems from the claim of Plaintiff Kargo Global, Inc. ("Kargo") that its "KARGO" trademark was infringed by Defendant Advance Magazine Publishers, Inc.'s ("Advance" 's) publication of the now-defunct *Cargo* magazine. This Opinion addresses (1) Advance's motion to preclude the consumer confusion survey and testimony of Kargo's expert, Dr. Jacob Jacoby; (2) Advance's motions to preclude the reports and accompanying testimony of Kargo's damages experts, Thomas Nelson and Gary Singer; (3) Advance's motion to preclude the "rebuttal" reports and accompanying testimony of Plaintiff's experts Russell Winer, who defends Jacoby's opinion, and Leon Kaplan, who defends Singer's opinion; (4) Advance's motion to preclude Kargo from introducing certain damages evidence as a sanction for Kargo's alleged discovery violations; and (5) Kargo's motion to preclude portions of the report and testimony of Advance's expert, Itamar Simonson, regarding the purported bias of Kargo's experts and the results of a study conducted by Advance that shows that there is no awareness of Kargo's brand among consumers.

For the following reasons, Advance's motion to preclude the consumer confusion survey and testimony of Dr. Jacoby is granted. Advance's motions to preclude the reports and testimony of Kargo's damages experts, Thomas Nelson and Gary Singer, are also granted. Advance's motion to preclude the reports and testimony of Kargo's "rebuttal" experts is dismissed as moot. Advance's motion to preclude Kargo from offering certain damages evidence is in part granted, in part denied, and in part dismissed as moot. Kargo's motion to preclude portions of the testimony of Advance's expert, Itamar Simonson, is in part dismissed as moot and in part denied.

Plaintiff Kargo is a distributor of online content to wireless devices. Kargo's direct customers are wireless carriers and publishers of online content who use Kargo's services and software to deliver wireless features, such as magazine text, ringtones, and video games, to cellphones, pagers, and other personal wireless electronic devices. Kargo's mark frequently appears alongside the brand of the wireless carrier or publisher (in the form, for example, of "[magazine title] POWERED BY KARGO") when an individual downloads content into his or her cellphone or other wireless device.

Defendant Advance (d/b/a Condé Nast) publishes numerous well-known print magazines. Advance launched *Cargo* magazine and its companion website, cargomag.com, in March 2004. *Cargo* was essentially a men's shopping magazine, targeted toward males aged 20–45. *Cargo* reviewed and promoted clothes, cars, electronic gadgets, and other luxury items which presumably were of interest to its target audience. Although *Cargo* occasionally reviewed or promoted wireless devices and features, the magazine devoted only a small percentage of its overall content to coverage of wireless goods and services. *Cargo* had a relatively short life span of twenty issues. The last issue (listed as the May 2006 issue)appeared in April 2006 and the website was shut down in July 2006.

***2** Kargo commenced this action on January 24, 2006, asserting causes of action for false designations of origin, false descriptions and representations, and trademark infringement in violation of the Trademark Act of 1946 ("Lanham Act"), 15 U.S.C. §§ 1114, 1125(a), and for related state and common law claims. In its Complaint, Kargo alleged that Advance's use of the "cargo" name in *Cargo* magazine and on the cargomag.com website infringed on Kargo's registered "KARGO" trademark. [1] Kargo sought injunctive relief, damages for corrective advertising, Advance's profits

from its infringement, compensatory damages (as treble damages pursuant to the Trademark Act), and punitive damages, and demanded a jury trial.

Pursuant to a stipulation between the parties, Advance ceased publication of *Cargo* after the appearance of the May 2006 issue and shut down the companion website in July 2006, thus rendering moot Kargo's claim for injunctive relief. In addition, Kargo evidently has relinquished its claim for Advance's profits, because, as Advance disclosed in discovery, Advance realized no profits but rather incurred losses of over $30 million in connection with the promotion and publication of *Cargo.*

Kargo's claims of liability are based on the theory of "reverse" confusion, in which a second comer, who is better known than the senior user, infringes on the senior user's mark, resulting in the mistaken belief among consumers that the senior user's goods or services are produced by the second comer. Thus, Kargo claims that the existence of *Cargo* magazine and its website caused prospective end users of products distributed by Kargo to believe that Kargo's offerings actually were produced by *Cargo* magazine. Although Kargo's Complaint alleged anecdotal confusion among Kargo's existing and prospective direct business-to-business customers, Kargo's claims now appear to be based solely on allegations of "reverse" confusion among individual end users. Kargo's theory of harm is that individuals who downloaded content into their personal wireless devices experienced "negative" confusion as a result of *Cargo* 's infringement; therefore, thouse end users were and will continue to be less likely to use Kargo's services in downloading wireless content. In turn, Kargo contends, Kargo's direct business-to-business customers will be less likely to partner with Kargo. The sole evidence of actual confusion among end users that Kargo has offered is the consumer confusion survey that was designed by Kargo's expert, Dr. Jacob Jacoby (the "Jacoby Survey"), the results of which are described and analyzed in Jacoby's expert report (the "Jacoby Report").

Kargo contends that, as a result of the confusion caused by the existence of the *Cargo* magazine and website during the magazine's twenty-issue run, Kargo's brand suffered a loss in value of $5.02 million and that an award of $8.17 million is required to fund an extensive corrective advertising campaign to repair the damage caused by the confusion. [2]

***3** The instant motions were fully briefed and filed with the Court on April 27, 2007, and the Court heard oral argument on June 5, 2007.

DISCUSSION

I. Advance's Motion to Preclude the Consumer Confusion Survey and Report of Dr. Jacob Jacoby

Advance has moved pursuant to Rules 702 and 403 of the Federal Rules of Evidence to preclude the Jacoby Survey and Jacoby's accompanying testimony. The Jacoby Survey purports to show the existence of "reverse" confusion among prospective end users of wireless features offered by Kargo. Advance contends that the survey's methodology is so flawed as to render the survey, and Jacoby's proposed testimony regarding the survey, inadmissible.

A. The Jacoby Survey

(i) Dr. Jacoby's Qualifications

Although Advance's memorandum of law cites a number of cases in which Jacoby's surveys were criticized, and although Kargo, in its opposition brief, hotly defends Jacoby's renown as a survey expert and cites numerous cases in which courts have praised Jacoby's surveys, there is no real dispute regarding Jacoby's qualifications as an expert witness. Since 1973, Jacoby has designed and administered over 500 consumer confusion surveys and has qualified as an expert on survey research in over 150 cases. Citations to his scholarship on consumer surveys are sprinkled liberally throughout *McCarthy on Trademarks and Unfair Competition,* a leading treatise on trademark law. Jacoby is clearly a qualified expert on consumer confusion surveys.

(ii) Survey Methodology and Results

Jacoby was retained by Kargo in April 2006. He conducted two surveys on the likelihood of "reverse" confusion resulting from Advance's use of the "cargo" mark in connection with the publication of *Cargo* magazine and its companion website. One survey consisted of participants from the defendant's universe of prospective consumers (that is, prospective readers of *Cargo* magazine), and one consisted of participants from the plaintiff's universe of prospective consumers (that is, prospective end users of wireless features offered by Kargo).

Here, because Kargo is claiming that "reverse" confusion exists, the relevant survey for purposes of demonstrating actual consumer confusion is that of Kargo's universe of prospective purchasers. When "the relevant issue is whether consumers mistakenly believe that the senior user's products actually originate with the junior user, it is appropriate to survey the senior user's customers." *Sterling Drug v. Bayer AG*, 14 F.3d 733, 741 (2d Cir.1994). Thus, only Jacoby's survey of Kargo's prospective universe of customers is relevant to show consumer confusion. [3]

The Jacoby Survey purports to show that 15.5% of prospective consumers of wireless features offered by Kargo were "confused" in their belief that Kargo is sourced by or related to *Cargo* magazine. The survey was conducted as follows.

At Jacoby's direction, an internet survey firm invited some of its panel members to participate in the survey. For the survey of Kargo's universe, participants were required to be males, aged 17 to 45, who resided in the United States. In addition, participants who worked in advertising, marketing, or for a company that offered wireless cell phone services were excluded. Participants who did not read or skim a magazine at least once per month or did not own a cell phone or plan to buy a cell phone within the next year were also excluded. Further, participants who did not currently have or would not consider obtaining within the next year various wireless products for their cell phones (for example, ringtones, video games, music videos, and magazine content) were also excluded.

***4** The qualifying participants were then permitted to take a multi-question internet survey, which took approximately seven minutes to complete. [4]

The initial phase of the survey consisted of showing the respondents materials from *Cargo* magazine. Each respondent was first informed that he would be shown a cover of a magazine and then a representative page of that magazine. The respondent was then shown the cover from the September 2005 issue of *Cargo*, which displayed, among other things, the "CARGO" logo, a picture of the tennis player Andy Roddick, and several large-font "headlines" that announced the issue's contents (for example, "THE TOP CARS OF 2006"). Included on the cover was a prominently displayed picture of a cell phone, to the side of which was printed the headline "World's Most Distinctive Cell Phone". (Def. Mem. in Support of Def. Mot. to Exclude the Testimony of Pl.'s Survey Expert Dr. Jacob Jacoby ("Def. Mem. Exclude Jacoby"), Ex. C.)

Each participant was then shown a page from the interior of the September 2005 issue of *Cargo* that contained promotional features relating to the magazine's companion website. The page included the "CARGO" logo and the "cargomag.com" logo, above which was printed the heading "MORE AMAZING FEATURES AND PRODUCT REVIEWS ONLINE." The page also contained a promotional paragraph entitled "Cargo–to–Go", which displayed a picture of a Blackberry cellphone, and advertised the website's "Instant Replay" feature, which allowed visitors tocargomag.com to download content from *Cargo*, such as product reviews, into their cellphones. (*Id.*, Ex. D.) Respondents were allowed to take as much time as they wished to examine the *Cargo* materials.

The next phase of the survey consisted of three short "distractor" questions, in which respondents were asked about their television viewing habits, attendance at sporting events, and the number of adults living in their households. According to Jacoby, the "distractor" questions were designed to be answered in 30 to 45 seconds.

The next phase consisted of showing the participants materials that contained the "KARGO" mark. Each participant was first informed that he would next be viewing a "magazine ad that appeared in *Premiere* magazine." (*Id.*, Ex. B at 26, ¶ 44.) The respondent was then shown an advertisement for "*Premiere* Mobile", a service which allows cellphone customers to download *Premiere* 's content onto their cellphones. The advertisement included the words "Powered by KARGO", with Kargo's logo prominently displayed in large font. (*Id.*, Ex. E.)

Each respondent was then informed that the "next ad you will see is for a service available for cell phone users." (*Id.*, Ex. B at 26, ¶ 45.) The respondent was then shown a blown-up picture of a Blackberry cellphone, with the "KARGO" logo displayed in large font above the picture. (*Id.*, Ex. F.) Respondents were given as much time as they wished to examine the Kargo materials.

***5** Each respondent then was asked a series of multiple choice questions designed to ascertain whether he believed there was any connection regarding source, business relationship, or sponsorship between the company that produced the materials for *Cargo* magazine and the company

that produced the "ads" that displayed the "KARGO" logo. First, each respondent was asked a question intended to detect "source confusion":

> Q4. If you have any thoughts about it, do you think these ads from Premiere Magazine and for the cell phone service you just saw ... ?
>
> *do* come from the same company that put out the magazine you looked at earlier in the survey
>
> *do not* come from the company that put out the magazine you looked at earlier in the survey
>
> Don't know. [5]

(*Id.*, Ex. B at 27, ¶ 47.)

Respondents who answered that they thought the "ads" came from the same company that produced the magazine (i.e., *Cargo*) were then asked to state "what makes you say that these ads come from the same company that put out the magazine you looked at earlier?" (*Id.*)

Respondents who did not answer that they believed that the *Cargo* and KARGO materials came from the same source were given the following "relationship confusion" question:

> If you have any thoughts about it, do you think the ad from Premiere Magazine and the cell phone service you just saw
>
> come from a company that *does* have a business connection or relationship with the company that put out the magazine you looked at earlier in this survey
>
> come from a company that does *not* have a business connection or relationship with the company that put out the magazine you looked at earlier in this survey
>
> Don't know. [6]

(*Id.*, Ex. B at 27, ¶ 48.)

Respondents who answered that they thought there was a connection between the company that produced the "ads" and the company that put out the magazine were then asked to state why they thought that a connection existed.

Respondents who answered that they did not believe there was a connection between the companies were then asked two "sponsorship confusion" questions. First, respondents were asked whether they thought that "the company that offers the cell phone service you just saw and placed the ad in Premiere Magazine" needed to get permission from another company in order to use the name that the "ad" companies used. (*Id.*, Ex. B at 28, ¶ 49.) Respondents who answered that they believed the company that put out the "ads" needed to get permission to use the name in the "ads" were then asked to state the name of the company from which permission was needed. Finally, the respondents were asked to state why they believed that permission was required from the company they had named. [7]

The survey also was administered to a group of "control" respondents. The "control" survey was identical to the survey described above, except that everywhere the word "CARGO" appeared on the cover page and interior magazine page, it was replaced by the word "CARRY".

***6** The Jacoby Survey utilized a two-pronged test to determine whether a respondent could be counted as "confused". In order to be counted as "confused", a respondent first had to answer one of the three initial multiple choice questions affirmatively, indicating that he believed that the Kargo "ads" either (1) came from the same source as the *Cargo* or *Carry* magazine that was displayed; (2) came from a company that had a business connection with *Cargo* or *Carry* magazine; or (3) came from a source that was required to obtain permission from *Cargo* or *Carry* magazine. Next, when asked to state the reason for his answer as to the initial multiple choice questions, the respondent "had to give an answer that referred to the names *Cargo* (*Carry*) and *Kargo* or the equivalent." (*Id.*, Ex. B at 33, ¶ 56(b)). Thus, a participant who indicated that he believed there was a connection as to source, relationship, or sponsorship between the *Cargo* (or *Carry*) materials and the Kargo materials, but who then did not refer to the similarity of the companies' names when asked why he thought there was a connection, would not be counted as "confused" in the final tally.

Of the 328 participants who took the test survey (i.e., who were shown the *Cargo* and Kargo materials), 17.7% were tallied as "confused". Of the 230 participants who took the control survey (i .e., who were shown the *Carry* and Kargo materials), 2.2% were tallied as "confused". The Jacoby Report states that the net confusion, calculated as the difference between the confusion among participants in the test survey minus the confusion of the participants in the control survey, was 15.5%. [8] In addition, although not stated in the Jacoby Report, 80% of respondents in the

control group answered one of the initial multiple choice questions affirmatively, thus demonstrating that they believed there was a connection as to source, business relationship, or sponsorship between the companies that produced the *Carry* and Kargo materials.

B. Analysis

Federal Rule of Evidence 702 provides that expert testimony concerning technical or specialized knowledge is admissible to assist the trier of fact if "(1) the testimony is based upon sufficient facts or data, (2) the testimony is the product of reliable principles and methods, and (3) the witness has applied the principles and methods reliably to the facts of the case." Fed.R.Evid. 702. To be admissible, expert testimony must be both relevant and reliable. *Daubert v. Merrell Dow Pharmaceuticals, Inc.,* 509 U.S. 579, 589 (1993).

Survey evidence is generally admissible to establish actual confusion in cases alleging violations of the Lanham Act. *Schering Corp. v. Pfizer Inc.,* 189 F.3d 218, 227–28 (2d Cir.1999). To be probative of confusion "the survey must ... have been fairly prepared and its results directed to the relevant issues ." *Universal City Studios, Inc. v. Nintendo Co.,* 746 F.2d 112, 118 (2d Cir.1984). Although defects in survey methodology usually go to weight of the evidence rather than its admissibility, a survey should be excluded under Federal Rule of Evidence 403 when its probative value is substantially outweighed by its prejudicial effect or potential to mislead the jury. *Schering,* 189 F.3d at 228; *see, e.g., Starter Corp. v. Converse, Inc.,* 170 F.3d 286, 297 (2d Cir.1999). "Expert evidence can be both powerful and quite misleading because of the difficulty in evaluating it. Because of this risk, the judge in weighing possible prejudice against probative force under Rule 403 ... exercises more control over experts than over lay witnesses." *Daubert,* 509 U.S. at 595; *see also Mastercard Int'l, Inc. v. First Nat'l Bank of Omaha, Inc.,* Nos. 02 Civ. 3691(DLC), 03 Civ. 7070(DLC), 2004 U.S. Dist. LEXIS 2485 (S.D.N.Y. Feb. 23, 2004). Courts have precluded surveys after finding that flaws in methodology are so severe that the survey's probative value is substantially outweighed by its potential for unfair prejudice and confusion. *See Vista Food Exch., Inc. v. Vistar Corp.,* No. 03 Civ. 5203, 2005 U.S. Dist. LEXIS 42541, at *13–15 (E.D.N.Y. Sept. 25, 2005) (collecting cases).

***7** The Jacoby Survey is so flawed that its probative value is substantially outweighed by its potential for unfair prejudice and the likelihood that it will confuse or mislead the jury. Two major defects strip the Jacoby Survey of probative value. Specifically, the survey (1) employed a format that failed to approximate real world conditions and was impermissibly leading, and (2) used improper stimuli.

The Jacoby Survey's failure to approximate real world conditions severely limits its probative value. "Germaine survey evidence should make some effort to compare the impressions the marks have on potential customers under marketplace conditions." *WE Media v. GE,* 218 F.Supp.2d 463, 474 (S.D.N.Y.2002); *see also Mattel, Inc. v. Azrak–Hamway Int'l, Inc.,* 724 F.2d 357, 361(2d Cir.1983); 3 McCarthy on Trademarks § 23:2.1, at 23–13 (4th ed. 2002) ("While survey evidence is sometimes said to be evidence of 'actual' confusion, it is so only to the extent that the survey mirrors the real world setting which can create an instance of actual confusion."). A survey's failure to approximate marketplace conditions can provide grounds for the survey's exclusion. *See, e .g., American Footwear Corp. v. General Footwear Co. Ltd.,* 609 F.2d 655, 660 (2d Cir.1979) (approving lower court's finding that survey was defective "for failure to conduct it under actual marketing conditions"); *Vista Food Exch., Inc. v. Vistar Corp.,* 2005 U.S. Dist. LEXIS 42541 (finding significant reduction in survey's probative value where survey failed to replicate actual marketing conditions).

Here, the back-to-back, or seriatim, display of the *Cargo* and Kargo marks did not approximate conditions that consumers would encounter in the marketplace. The products at issue (Kargo's wireless services and Advance's mens shopping magazine, respectively) were not competing. Although some overlap existed in the demographic makeup of both Kargo's and *Cargo* 's target audiences, the companies were engaged in different businesses. Kargo provides content-distribution services to publishers of online content and wireless carriers. Its customers are the businesses that choose to engage Kargo to help in the distribution of downloadable, wireless content. Advance published a mens' shopping magazine. Its customers were it sreaders and visitors to the cargomag.com website. As Advance points out, Kargo has offered no data or other evidence to support the proposition that prospective consumers were likely to encounter Kargo's trademark a short time after seeing *Cargo* magazine. Despite Jacoby's speculation at his deposition that "under some circumstances there is this opportunity for people to see the two [marks] in close temporal proximity," the Court doubts that a non-negligible number of prospective consumers of Kargo's products would see *Cargo* magazine, followed a minute or less later, by the KARGO logo. (Def. Mem. Preclude Jacoby,

Ex. A at 210–11.) The likelihood that a significant number of consumers would encounter the marks in close proximity is rendered even more remote by the fact that *Cargo* ran for only twenty issues and is no longer published.

***8** Although the Jacoby Survey's seriatim display of the non-competing marks does not alone render the survey inadmissible, it does substantially detract from the survey's capacity to prove a likelihood of consumer confusion. The back-to-back display of parties' products has been characterized as a "major flaw" in survey methodology. *Nat'l Distillers Prods. Co., LLC v. Refreshment Brands, Inc.,* 198 F.Supp.2d 474, 484 (S.D.N.Y.2002). As another court has stated, "The proper test for likelihood of confusion is not whether consumers would be confused in a side-by-side comparison of the products, but whether confusion is likely when a consumer, familiar to some extent with the one party's mark, is presented with the other party's goods alone." *Elizabeth Taylor Cosmetics Co. v. Annick Goutal, S.A.R.L.,* 673 F.Supp. 1238, 1248 (S.D.N.Y.1987). Here, where Kargo has alleged that "reverse" confusion has occurred because of the infringing use by the better-known *Cargo* magazine of the lesser-known senior user's (Kargo's) name, it would have been far more replicative of actual marketplace conditions tohave displayed only Kargo's materials and then asked there spondents open-ended questions regarding their beliefs about the source, business relationship, or sponsorship of the Kargo materials. This is known as the "Eveready" format. *See Union Carbide Corp. V. Ever–Ready, Inc.,* 531 F.2d 366 (7th Cir.1976); 5 McCarthy on Trademarks and Unfair Competition, § 32:174 at 32–290, 291(4th ed. 2002) ("A now-standard survey format used to prove likelihood of confusion in cases where plaintiff makes some products which defendant does not is the Eveready format."). A survey that utilizes the "Eveready" format, by displaying only a single party's mark and attempting to discern whether respondents are confused as to the source of the mark, "is much more reliable because it more accurately approximates actual market conditions" by ensuring that respondents are not made "artificially aware" of the other party's trademark. *Nat'l Distillers,* 198 F.Supp.2d at 484. Here, the Jacoby Survey's artificial, seriatim presentation of non-competing marks bears so little resemblance to the actual experience of consumers, that the confusion the survey purports to show has very little probative value.

In addition to failing to approximate actual marketplace conditions, the survey's back-to-back design was impermissibly leading. After viewing the seriatim display of non-competing products that few if any respondents actually would have encountered in close physical or temporal proximity in real life, the respondents were given multiple choice questions in which they were asked whether they believed a connection, as to source, business relationship, or sponsorship, existed between the companies whose marks the respondents had just seen. Rather than measure any actual confusion, however, these questions were far more likely to generate "demand effects" by suggesting the existence of a connection between the products that the respondents would not have made on their own. As one court has explained, "[t]he question about whether the two [non-competing] items are put out by the same or a related source is likely to generate so-called 'demand effects' that bias the survey by suggesting to respondents, at least implicitly, that they should believe there is at least some sort of relationship between the different items when the possibility might not even have occurred to the vast majority of consumers who see the items." *Simon Prop. Group L.P. v. mySimon, Inc.,* 104 F.Supp.2d 1033, 1048 (D.Ind.2000); *see also Gov't Employees Ins. Co. v. Google, Inc.,* No. 1:04 Civ 507, 2005 U.S. Dist. LEXIS 18642 (D.Va. Aug. 8, 2005) ("[D]emand effect results when the interviewer's questions or other elements of the survey design influence participants' responses by suggesting what the 'correct' answers might be or by implying associations that might not otherwise occur to participants ."). In other words, the mere putting of a question creates the impression of a relationship.

***9** Here, although the survey questions did not refer to the actual names "cargo" and "kargo", there exists a great likelihood that the back-to-back presentation of the parties' marks, followed by questions that asked respondents if they believed the marks were related, suggested to respondents that they *should* believe that a connection existed between the companies' marks. Certainly, in light of the non-competing nature of the products at issue, the multiple choice questions that immediately followed the display of the marks implied connections or associations that otherwise would not have occurred to the respondents. Under such circumstances, the respondents who later stated that they believed that there was a connection between *Cargo* and Kargo due to the similarity of the names, and thus were tallied as "confused", were demonstrating merely that they had read the names "cargo" and "kargo" in artificially close proximity. "Surveys which do nothing more than demonstrate the respondents ability to read are not always probative on the issue of likelihood of confusion." *Franklin Resources Inc. v. Franklin Credit Mgt. Corp.,* 988 F.Supp. 322, 335

(S.D.N.Y.1997); *see also Universal City Studios, Inc.*, 746 F.2d at 118; *Beneficial Corp. v. Beneficial Capital Corp.*, 529 F.Supp. 445, 450 (S.D.N.Y.1982) (finding that survey did not establish "meaningful evidence of actual confusion" because question asking respondents whether there was a business connection between companies with similar names "establishes no more than that the names are similar, a factor as to which there can be little genuine dispute in any event, and that portions of the general public will make the reasonable assumption, that, in the absence of any other information, two companies with similar names are likely to have a business connection").

The leading nature of the survey's design is clearly evidenced by the control group's response to the Jacoby Survey. In a consumer confusion survey, the control group is shown "a non-infringing product which is similar to the products at issue." *Nabisco v. Warner–Lambert Co.*, 32 F.Supp.2d 690, 700 (S.D.N.Y.1999). The Jacoby Survey's control group was shown pages of a magazine that replaced the name *Cargo* with the name *Carry*. Although the name "Carry" is obviously dissimilar from "Kargo" and thus clearly non-infringing, 80% of the control group respondents indicated in their responses to the initial multiple choice questions that they believed there was some connection involving source, business relationship, or sponsorship between Kargo's "ads" and the pages of *Carry* magazine. The only plausible explanation for this statistic, which Jacoby did not include in his report, is that the Jacoby Survey was designed(successfully) to lead its respondents to infer that a connection existed between the parties' products. As Advance's expert, Itamar Simonson, stated in his report with unassailable commonsense:

> ***10** It appears safe to assume that there should not be any marketplace confusion between a men's shopping magazine called 'Carry' and the plaintiff in this case, Kargo. Accordingly, unless the Jacoby Survey procedure and questions were flawed (e.g.leading) we would expect the 'confusion' estimate in the 'Carry' control group to be not much higher than 10%.... Thus, even though there was no reason to expect confusion between the 'Carry' men's magazine and the 'Kargo' service, 80[ ]% of the respondents in the Jacoby Survey control group said that Carry and Kargo came from the same source, had a business connection, or Kargo received permission from Carry. These results reflect the extremely leading survey methodology employed in the Jacoby Survey.

(Def. Mem. Preclude Jacoby Survey, Ex. P, at 50, ¶¶ 119–20.) [9] The Court agrees with Advance's expert that the control group's response to the initial multiple choice questions is strong if not dispositive proof that the survey was designed to lead respondents to conclude that the parties' products were related.

Kargo argues that the high incidence of "confused" responses to the multiple choice questions among test group respondents is irrelevant. Kargo contends that the only respondents who can be counted as "confused" are those who, first, answered one of the multiple choice questions affirmatively and, second, referred to the similarity between the names of the marks. Thus, Kargo argues, a respondent who merely answered one of the multiple choice questions in the affirmative cannot be counted as "confused" and the percentage of respondents who gave affirmative answers to the initial multiple choice questions has no relevance to the issue of whether consumer confusion exists as to the names "cargo" and "kargo".

Kargo misses the point. Although Advance uses the word "confusion" in connection with its discussion of the responses provided by 80% of the test group, Advance does not, and cannot, claim that the test group's response to the survey's initial multiple choice questions demonstrates a likelihood of consumer confusion sufficient to support a claim for monetary damagesunder the Lanham Act. In other words, Advance does not cite the 80% statistic insofar as it relates to *legal* confusion. Rather, Advance simply contends, and the Court agrees, that the 80% statistic demonstrates that the Jacoby Survey was effectively constructed to lead respondents to conclude that the marks that were displayed came from related sources.

The Jacoby Survey's use of improper and unrepresentative stimuli also detracts substantially from its probative value. "Typically, trademark infringement surveys use stimuli, such as pictures, advertisements or clothing, that directly expose potential consumers to the products or the marks in question." *Troublé v. Wet Seal*, 179 F.Supp.2d 291, 308 (S.D.N.Y.2001). To be probative of actual confusion, a survey must use stimuli

"that approximate what a potential customer would encounter in making" purchasing decisions. *WE Media,* 218 F.Supp.2d at 474. A survey that uses stimuli that differ from what a consumer is actually likely to see in the marketplace does not accurately test for actual consumer confusion and thus lacks probative value. *See Conopco, Inc. v. Cosmair, Inc.,* 49 F.Supp.2d 242, 253 (S.D.N.Y.1999).

***11** Here, the Jacoby Survey displayed to respondents a purported "ad" for Kargo, in the form of a blown-up photo of a Blackberry cellphone that prominently featured the KARGO logo. That "ad", however, was not an actual advertisement that a prospective user of Kargo's products would ever encounter but rather was a page prepared by Kargo as promotional material, designed for viewing by Kargo's direct, business-to-business customers. Advance points out that, in real life, an end user would see the KARGO mark only on the small screen of his wirelessdevice, in a size substantially smaller than the KARGO mark displayed in the "ad" used in the Jacoby Survey. Although Kargo insists that the "ad" was "an authentic page taken from Kargo's promotional materials," it is undisputed that the "ad" would never be encountered by Kargo's prospective end users, who were the respondents of the Jacoby Survey. (Pl. Opp. to Def. Mot. Exclude Jacoby Survey at 11.) Thus, because Kargo's "mark was not shown as it is used in commerce," *Vista Food Exch., Inc.,* 2005 U.S. Dist. LEXIS 42541 at *15, its use in the survey was improper and further detracts from the survey's probative value.

In addition, the pages of *Cargo* magazine were not sufficiently representative of *Cargo* 's product. Both the cover and interior page prominently displayed large photos of cellphones. In addition, the interior page was devoted entirely to promotional content relating to the cargomag.com website, and included a promotional paragraph about *Cargo* 's "Instant Replay" feature. The Court agrees with Advance that the content displayed on the cover and interior page "give[s] an unfair representation of the editorial content of the 20 issues of *Cargo* Magazine." (Def. Mem. Exclude Jacoby Survey at 9.) Although the pages were taken from an actual issue of *Cargo,* a respondent, viewing the *Cargo* cover and interior page, would be highly likely to believe that *Cargo* was involved in the same line of business as the company that produced the Kargo "ads", namely, providing wireless or web-related products and services, when in fact, *Cargo* devoted only a small percentage of its overall content to such products and services.

Because the seriatim display of the products did not approximate marketplace conditions and rendered the survey questions impermissibly leading, and because the survey used improper or unrepresentative stimuli, the Jacoby Survey has very limited probative value. In light of the severely diminished probative value of the Jacoby Survey,, the danger of unfair prejudice looms large. Trial courts are accorded "wide latitude in excluding evidence that possesses an undue risk of prejudice or confusion of the issues, or is found to be marginally relevant to the issues in the case." *Starter Corp.,* 170 F.3d at 296 (internal quotation marks and citation omitted). Where a trademark action contemplates a jury trial, rather than a bench trial, the court should scrutinize survey evidence with particular care. As one court has stated:

> ***12** The vast majority of reported cases dealing with problematic survey evidence have involved injunction hearings or bench trials. In such cases, the safest course for the trial judge is to admit the evidence and to treat the criticisms as going to the weight of the evidence.... This case is scheduled for a jury trial. The court has a responsibility to the jurors not to waste their time or to make their task unduly difficult by admitting evidence that is likely to be complex and time-consuming, as this survey evidence would be, when it offers essentially nothing of real probative value. Rule 403 was written for just this sort of case.

Simon Prop. Group L.P., 104 F.Supp.2d at 1040.

A jury trial, rather than a bench trial, is contemplated in this case. The live testimony of Kargo's highly seasoned and impressively credentialed consumer confusion expert, regarding the results of the deeply flawed Jacoby Survey, would prove to be "both powerful and quite misleading." *Daubert,* 509 U.S. at 595. The application of Rule 403 is clearly warranted in this case. *See Schering,* 189 F.3d at 228 (survey subject to "Rule 403's more general prohibition against evidence that is less probative than prejudicial or confusing"); *Starter Corp.,* 170 F.3d at 297 (finding that "district court did not abuse its discretion [in excluding survey] because it found the probativevalue of the survey so slight that it was easily outweighed, under a Rule 403 analysis, by the danger of confusion of the issues"); *see*

also *Universal City Studios,* 746 F.2d at 118 (finding survey "so badly flawed that it cannot be used to demonstrate the existence of a question of fact on the likelihood of consumer confusion"); *Vista Food Exch., Inc.,* 2005 U.S. Dist. LEXIS 42541, at *21–22 (excluding survey on Rule 403 grounds because it was "flawed to the point that its probative value is substantially outweighed by the survey's potential for unfair prejudice and confusion"); *Revlon Consumer Prods Corp. v. Jennifer Leather Broadway, Inc.,* 858 F.Supp. 1268, 1276 (S.D.N.Y.1994) (finding survey "so unreliable that it is entitled to no weight"); *Exxon Corp. v. Xoil Energy Resourcess, Inc.,* 552 F.Supp. 1008, 1021 (S.D.N.Y.1981) (affording survey no weight because survey, among other things, was not "taken under market conditions"). Accordingly, because the Jacoby Survey is so flawed that its probative value is substantially outweighed by the risk of unfair prejudice and the potential that the jury will be misled or confused, the Jacoby Survey and the accompanying testimony of Jacoby are excluded as inadmissible under Rule 403.

II. Advance's Motion to Preclude Reports and Testimony of Kargo's Damages Experts

Advance seeks to preclude the expert reports and testimony of Kargo's damages experts, Thomas Nelson ("Nelson")and Gary Singer ("Singer"). Nelson and Singer are employees of Interbrand, Inc., a brand valuation firm. Kargo engaged Nelson and Singer as experts on damages caused to Kargo's brand by Advance's allegedly infringing activities. Nelson designed five "bolt on" questions that were added to the end of the Jacoby Survey. The "bolt on" questions were intended "to assess the impacts of any proven confusion on *Kargo* 's current and future business outcomes and identify strategy elements for eliminating or mitigating that confusion through future *Kargo* brand-building efforts." (Def. Mem. Exclude Jacoby, Ex. B., at 12, ¶ 23.). Nelson's expert report (the "Nelson Report") describes and analyzes the answers given by respondents in the defendant's universe of prospective consumers the "bolt on" questions. In addition, the Nelson Report provides a brief and favorable review of the methodology of the Jacoby Survey.

***13** Singer's expert report (the "Singer Report") provides a calculation of the damage that was inflicted on Kargo's brand value by Advance's allegedly infringing conduct. The Singer Report also calculates the cost of the massive media campaign that Singer believes will be necessary to counteract the damage caused by the infringement. The Singer Report's damages calculations are based on the results of the Jacoby Survey, showing the existence of marketplace confusion among prospective end users of products offered by Kargo. The Singer Report also relies on the Nelson Report's findings regarding the extent to which consumer confusion impacted the value of Kargo's brand.

The findings of Kargo's damages experts relate only to proof of damages and are predicated entirely on the existence of consumer confusion as demonstrated by the Jacoby Survey. Because the Jacoby Survey and Jacoby's accompanying testimony have been held to be inadmissible under Rule 403, the Nelson Report and Singer Report have been rendered irrelevant and thus inadmissible. Accordingly, Advance's motions to preclude the reports and accompanying testimony of Nelson and Singer are granted.

III. Reports of Kargo's "Rebuttal" Experts

Advance seeks to preclude the "rebuttal" reports and accompanying testimony of Russell Winer and Leon Kaplan, which support the findings and opinions of, respectively, Kargo's experts Jacoby and Singer. Because the reports and accompanying testimony of Jacoby and Singer have been ruled to be inadmissible, Advance's motion to dismiss any "rebuttal" testimony regarding those reports is moot.

IV. Advance's Motion to Preclude Certain Damages Evidence as a Sanction for Kargo's Failure to Provide Timely Discovery

Advance has moved, pursuant to Federal Rules 37(b)(2)(B) and 37(c)(1), to preclude Kargo from offering the following categories of damages evidence: (i) damages evidence based upon factual assertions that are contained in the Singer Report but were not disclosed to Advance prior to the close of fact discovery; (ii) any evidence of damages in excess of $10,400, the value of Kargo's collective assets as stated in a December 2004 appraisal; (iii) any evidence relating to damages that were caused by Advance's ceasing to publish Cargo magazine; and (iv) any evidence that Kargo lost customers as a result of Advance's alleged infringement.

Under Federal Rule 26(a)(1), a party seeking damages must provide the opposing party with a computation of the damages sought and "the documents or other evidentiary material ... on which such computation is based ...." This requirement is effective even if the opposing party does not specifically request this material. *See* Fed.R.Civ.P. 26(a)(1). Further, under Rule 26(e), a party seeking damages is

required to provide supplementing responses to the other party's document demands and interrogatories.

Under Federal Rule 37, a court may impose sanctions against a party for failing to meet the obligations of Rule 26. Specifically, under Rule 37(b)(2), a court may impose sanctions for failure "to obey an order to provide or permit discovery ...." Fed.R.Civ.P. 37(b)(2). Sanctions may include an order prohibiting the sanctioned party "from introducing designated matters into evidence ." Rule 37(b)(2)(B). "Provided that there is a clearly articulated order of the court requiring specified discovery, the district court has the authority to impose Rule 37(b) sanctions for noncompliance with that order." *Daval Steel Products v. M/V Fakredine,* 951 F.2d 1357, 1363 (2d Cir.1991). In addition, Rule 37(c)(1) provides that "[a] party that without substantial justification fails to disclose information required by Rule 26(a) or 26(e)(1), or to amend a response to discovery as required by Rule 26(e)(2), is not, unless such failure is harmless, permitted to use as evidence at trial, at a hearing, or on a motion any witness or information not so disclosed." Fed.R.Civ.P. 37(c)(1). "The rules are designed to avoid surprise or trial by ambush." *American Stock Exchange, LLC v. Mopex, Inc.,* 215 F.R.D. 87, 93 (S.D.N.Y.2002) (internal quotation marks and citation omitted). Preclusion of evidence is considered to be a drastic remedy and "is generally a disfavored action." *American Stock Exchange, LLC,* 215 F.R.D. at 93.

(i) Preclusion of Damages Evidence Based on Assertions Contained in the Singer Report

***14** Advance seeks to preclude Kargo from introducing certain factual assertions that were contained in the Singer Report but that Kargo allegedly failed to provide to Advance prior to the close of fact discovery. Because the Singer Report and Singer's accompanying testimony are precluded, however, Advance's application to bar Kargo from offering assertions contained in the Singer Report has been rendered moot.

(ii) Preclusion of Evidence of Damages in Excess of $10,400

Advance argues that as a matter of law, a plaintiff cannot recover compensatory damages that are greater than the value of the allegedly damaged asset. Therefore, Advance contends that Kargo's claim for compensatory damages should be limited to $10,400, the value of Kargo's collective assets as stated in a December 2004 appraisal. The appraisal appears to have been conducted for tax purposes, when Kargo's assets were transferred from Kargo's predecessor to ACK Ventures, the company owned by the family of Kargo's CEO, Harry Kargman, and the licensor of the "KARGO" mark.

Kargo argues that the viability of Kargo's legal theory of damages does not present a discovery issue that may be resolved on a Rule 37 motion. The Court agrees. Advance has identified no relevant discovery violation and has cited no authority for the proposition that, under Rule 37, Kargo should be precluded from seeking damages in excess of the valuation of the company's assets as listed in a December 2004 appraisal that was conducted for tax purposes. Although Advance may ultimately prove to be correct in asserting that Kargo's claim for damages under its theory of "prospective corrective advertising" cannot survive as a matter of law, that issue is appropriately decided on a motion for summary judgment, not on a motion to precludeevidence as a sanction for discovery violations. Accordingly, Advance's application to preclude evidence of damages in excess of $10,400 is denied.

(iii) Preclusion of Evidence of Damages Based on Advance's Cessation of Publication of Cargo

Advance argues that Kargo should be precluded from arguing that Advance's shutting down of *Cargo* magazine and the cargomag.com website caused Kargo to suffer damages. Advance contends that there simply is no support in law for the proposition that the "cessation of an act of alleged infringement—i.e., compliance with plaintiff's prayer for relief—is itself grounds for monetary relief." (Def. Mem. Preclude at 10.)

Again, Advance has failed to identify any discovery violation that warrants preclusion of evidence under Rule 37. Whether *Cargo* 's cessation is a factor that may be considered in determining the extent of Kargo's damages may prove to be a contested issue at the summary judgment stage, but Advance has not shown that Kargo failed to make timely disclosure to Advance of any fact or set of facts relating to *Cargo* 's cessation. Advance's motion to preclude Kargo from offering evidence of *Cargo* 's cessation as a contributing factor to consumer confusion is therefore denied.

(iv) Preclusion of Evidence of Lost Customers as a Result of Advance's Infringement

***15** Advance seeks to preclude Kargo from offering any evidence of lost direct customers as a result of confusion caused by Advance's alleged trademark infringement.

According to Advance, Kargo has provided no discovery to show that Kargo lost any wireless carriers or any other direct customers as a result of Advance's alleged infringement. Rather, Kargo's damages claims are based on survey evidence showing confusion among "young males attracted to *Cargo Magazine* and its website's offerings and those interested in obtaining mobile content from magazines and websites through Kargo." (Pl. Further Opp. to Def. Mot. to Preclude, Ex. 1, at 5.) Kargo does not oppose Advance's application. Thus, because Kargo has not alleged the loss of direct business-to-busines customers, has provided no discovery regarding the loss of such customers, and does not oppose Advance's application, Kargo is precluded from offering at trial evidence of lost direct customers.

V. Kargo's Motion to Preclude Portions of the Report and Accompanying Testimony of Advance's Expert, Itamar Simonson

Kargo has moved, pursuant to Rules 403 and 702, to preclude Advance's expert Itamar Simonson ("Simonson") from testifying about (1) purported bias on the part of Kargo's experts as shown by internal documents exchanged between Kargo's experts, attorneys, and management; and (2) results of a research study that tend to show there is zero awareness of Kargo among both *Cargo* 's and Kargo's target audiences.

Kargo's application to preclude Simonson from testifying about the purported bias of Kargo's experts, as revealed in various documents exchanged among Kargo's experts, attorneys, and management, is moot, because the reports and accompanying testimony of the experts at issue (namely, Jacoby, Nelson, and Singer) have been ruled inadmissible.

Kargo also has moved to preclude Simonson from testifying that there is no awareness of Kargo's brand among consumers. Simonson's conclusion is based on a research survey conducted by the Opinion Research Center ("ORC", the "ORC Survey"). The OCR Survey was conducted over the telephone among two pools of respondents, who were varied in age, sex, employment status and other demographic attributes. In the first pool, 231 respondents were asked whether they associated the name "KARGO" (spoken as "Kargo" and then spelled out) with any products or services. Nineteen respondents replied "yes" to the question. The name "KARGO" was then spelled out again for those nineteen respondents, and they were asked to state with what products or services they associated the name "KARGO". None of the respondents replied that they associated KARGO with cellphones, wireless products, or any other service or product remotely associated with Kargo's business. [10]

The second pool consisted of 246 respondents. The respondents first were asked whether they associated the phrase "Powered by Kargo" with any products or services. Thirteen respondents replied affirmatively. The thirteen respondents were then asked to state with what products or services they associated the phrase "Powered by Kargo." Again, none of the respondents replied that they associated the phrase with cellphones, wireless products, or other services or products with which Kargo is involved. Based on the results of the ORC Survey, Simonson concluded that there was no awareness of Kargo among the population.

***16** Kargo argues that the survey's results are inadmissible because only eight of the respondents who initially replied that they associated the name "Kargo" or the phrase "Powered by Kargo" with particular products or services were members of Kargo's target audience of 18–44 year olds. Kargo contends that this number constitutes far too small a sample from which to form any meaningful conclusion about consumer awareness of the Kargo brand. Kargo concedes that questions about insufficient sample size generally goes to weight rather than admissibility. Nevertheless, Kargo maintains that "it makes a mockery of Rule 403 and Rule 702 to allow [Simonson] to opine that Kargo was unknown among its target demographic audience on such an exceedingly slim reed." (Pl. Mem. Exclude Simonson at 17.)

Advance counters that the two pools of respondents included a total of 255 respondents who were between the ages of 18 and 44, and that none of the 255 responded that they associated either "Kargo" or "Powered by Kargo" with products or services that Kargo actually offers. Advance claims that this sample size of the relevant demographic is more than sufficient for Simonson to conclude that there is zero consumer awareness of the Kargo brand.

There is no allegation that the survey questions were improperly designed, impermissibly leading, or that the methodology was otherwise flawed. As both parties concede, Kargo's sole objection, regarding sample size, is a matter of weight rather than admissibility. *See United States Info. Sys. v. Int'l Bortherhood of Electrical Workers,* 313 F.Supp.2d 213, 232 (S.D.N.Y.2004). In any event, the fact that more than 250 people aged 18–44 did not associate the name "Kargo" or the phrase "Powered by Kargo" with the goods or services that Kargo actually offers is clearly sufficient

for Simonson to draw conclusions regarding the extent of consumers' awareness of Kargo's brand.

Accordingly, Kargo's application to preclude Simonson from testifying about the results of the ORC Survey is denied.

CONCLUSION

For the foregoing reasons, Advance's motion to preclude the Jacoby Survey and accompanying testimony of Dr. Jacoby is GRANTED.

Advance's motions to preclude the reports and accompanying testimony of Nelson and Singer are GRANTED.

Advance's motion to preclude the testimony of Kargo's "rebuttal" experts, Winer and Kaplan, is DISMISSED AS MOOT.

Advance's motion to preclude Kargo from offering evidence of damages based on certain factual assertions contained in the Singer Report but not timely disclosed to Advance is DISMISSED AS MOOT. Advance's motion to preclude Kargo from offering evidence of damages in excess of $10,400 is DENIED. Advance's motion to preclude Kargo from offering evidence that the cessation of *Cargo* magazine contributed to Kargo's damages is DENIED. Advance's motion to preclude Kargo from offering damages evidence of lost direct customers is GRANTED.

Kargo's motion to preclude Simonson from testifying regarding the purported bias of Kargo's confusion and damages experts is DISMISSED AS MOOT. Kargo's motion to preclude simonson from testifying regarding the results of the ORC Survey is DENIED.

***17** The parties are directed to appear before the Court for a status conference on August 21, 2007, at 9:45 am.

SO ORDERED.

Footnotes

1 For purposes of the instant motions, it is undisputed that Kargo holds a valid, registered mark and is the senior user. The KARGO mark is actually owned by ACK Ventures, a company owned by Kargo's CEO, Harry Kargman. ACK Ventures licenses the exclusive use of the KARGO mark to Kargo. The license is renewed on a yearly basis.

2 Kargo's claim for compensatory damages of $8.17 million is based on the theory of "prospective corrective advertising". Under this legal theory, damages may be awarded to a plaintiff even absent any evidence that a plaintiff made corrective advertising expenditures to remedy the harm caused by a defendant's trademark infringement. To recover under a claim for "prospective corrective advertising", a plaintiff "must show that it was financially incapable of undertaking effective concurrent corrective advertising measures to counteract" the trademark infringement." *Playtex Prods. v. Procter & Gamble Co.*, No. 02 Civ. 8046(WHP), 2003 U.S. Dist. LEXIS 8913, at *23–24 (S.D.N.Y. May 28, 2003). The Southern District has characterized prospective corrective advertising as "an extraordinary remedy," *Lurzer GmbH v. American Showcase, Inc .*, 75 F.Supp.2d 98, 101 (S.D.N.Y.1998), and no court in this Circuit has ever awarded damages under that theory.

To place Kargo's multi-million dollar damages claim in perspective, it is worth noting that in 2005, Kargo's most profitable year, Kargo stated on its federal tax return that the company's collective assets were worth $435,931. (Mem. in Support of Def. Mot. to Exclude the Testimony of Pl.'s Expert Gary Singer, Ex. N.)

3 The survey of the defendant's universe of prospective consumers was conducted at the behest of Kargo's damages expert, Gary Singer. The results of that survey were incorporated in Singer's expert report to help prove damages but are not relevant to Kargo's attempt to prove actual consumer confusion.

4 Respondents who completed the survey were given a monetary reward.

5 The order of the "do" and "do not" answer choices was rotated from respondent to respondent.

6 As with the answers for the previous question involving "source confusion", the order of the answer choices for this question also was rotated from respondent to respondent.

7 The Jacoby Survey included an additional three questions which are not relevant to the instant motion.

8 The percentage of confusion occurring among participants in the control group is subtracted from the percentage of confused participants in the test group, pursuant to standard protocol, as "noise" that should be discarded. "In an experiment or statistical study, the 'noise' is the variation in the data being collected that is not believed to be caused by the variables being tested." *Nat'l Distillers Prods. Co., LLC v. Refreshment Brands, Inc.*, 198 F.Supp.2d 474, 483 n. 13 (S.D.N.Y.2002).

9 Although Kargo has filed a motion to preclude portions of Simonson's proposed testimony, Kargo has not challenged the admissibility of Simonson's conclusions regarding the statisical results of the Jacoby Survey.

10 Not surprisingly, the nineteen respondents tended to associate the name “KARGO” with clothing and shipping.

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198 F.Supp.2d 474
United States District Court,
S.D. New York.

NATIONAL DISTILLERS PRODUCTS CO., LLC, Plaintiff,
v.
REFRESHMENT BRANDS, INC., Wine Merchants/ Buff, Wine Merchants of Syracuse, Ltd., and Wine Merchants of Schenectady, Ltd. Defendant.

No. 00 CIV. 8418(NRB). | April 15, 2002.

Vodka manufacturer brought trademark infringement action against competitor for infringing its "Teton Glacier" mark associated with high quality vodka. The District Court, Reice Buchwald, J., held that: (1) likelihood of confusion between manufacturer's mark and competitor's "Glacier Bay" mark did not exist; (2) likelihood of confusion did not exist to support manufacturer's trade dress infringement claim; (3) likelihood of confusion did not exist between manufacturer's unregistered "glacier" and "glaciervodka.com" unregistered marks, and competitor's mark; (4) manufacturer's marks did not qualify as famous under Lanham Act's Trademark Dilution statute; (5) under New York law, manufacturer did not have claim against competitor for unfair competition and false advertising.

Ordered accordingly.

West Headnotes (22)

[1] Trademarks
Multiple Elements; Combinations
382T Trademarks
382TII Marks Protected
382Tk1050 Format or Components of Term or Mark
382Tk1058 Multiple Elements; Combinations
(Formerly 382k10 Trade Regulation)
It is proper, in trademark infringement analysis, to recognize that one feature of a mark is more significant than the other features and to give greater force and effect to that dominant feature.

Cases that cite this headnote

[2] Trademarks
Persons Confused; Circumstances of Sale
382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1112 Persons Confused; Circumstances of Sale
(Formerly 382k336 Trade Regulation)
To prove trademark infringement, plaintiff must show that an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question. Lanham Trade-Mark Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

Cases that cite this headnote

[3] Trademarks
Miscellaneous Particular Cases; Determinations Based on Multiple Factors
382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1082 Miscellaneous Particular Cases; Determinations Based on Multiple Factors
(Formerly 382Tk1096(3), 382k351 Trade Regulation)
Likelihood of confusion between "Teton Glacier" mark used in connection with high quality vodka, and competitor's "Glacier Bay" mark used in connection with vodka cooler did not exist; although manufacturer's mark had significant inherent strengths, it had little commercial strength, products did not compete with each other in the marketplace, since evidence did not show actual confusion, and competition adopted its mark in good faith. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[4] Trademarks

Levels or Categories of Distinctiveness in General; Strength of Marks in General

382T Trademarks
382TII Marks Protected
382Tk1033 Levels or Categories of Distinctiveness in General; Strength of Marks in General
(Formerly 382k478, 382k10 Trade Regulation)

Strength of mark, in trademark law, has two components, inherent strength, or distinctiveness, on the one hand, and commercial strength, or secondary meaning, on the other.

Cases that cite this headnote

[5] **Trademarks**
Levels or Categories of Distinctiveness in General; Strength of Marks in General

382T Trademarks
382TII Marks Protected
382Tk1033 Levels or Categories of Distinctiveness in General; Strength of Marks in General
(Formerly 382k25, 382k24, 382k23, 382k13 Trade Regulation)

To determine the inherent strength, court must classify plaintiff's mark as generic, descriptive, suggestive, or arbitrary/fanciful, listed in ascending order of strength.

Cases that cite this headnote

[6] **Trademarks**
Suggestive Terms or Marks

Trademarks
Arbitrary or Fanciful Terms or Marks

382T Trademarks
382TII Marks Protected
382Tk1038 Suggestive Terms or Marks
(Formerly 382k27 Trade Regulation)
382T Trademarks
382TII Marks Protected
382Tk1039 Arbitrary or Fanciful Terms or Marks
(Formerly 382k27 Trade Regulation)

"Teton Glacier" mark used in connection with vodka was suggestive rather than arbitrary, for purposes of likelihood of confusion analysis; it was not totally arbitrary, as "glacier" suggested the coolness of vodka, often served on ice, and "Teton" suggested the Grand Teton mountains of Wyoming, which were visible from the manufacturer's distillery, and as the mark required some imagination on the part of the purchaser to determine the nature of the product, it was suggestive. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[7] **Trademarks**
Acquired Distinctiveness; Secondary Meaning

Trademarks
Suggestive Terms or Marks

382T Trademarks
382TII Marks Protected
382Tk1035 Descriptive Terms or Marks
382Tk1037 Acquired Distinctiveness; Secondary Meaning
(Formerly 382k478 Trade Regulation)
382T Trademarks
382TII Marks Protected
382Tk1038 Suggestive Terms or Marks
(Formerly 382k478 Trade Regulation)

When determining whether either a suggestive or descriptive mark is a strong one, court looks to the secondary meaning that the mark has acquired, because the ultimate issue to be decided is the mark's origin-indicating quality in the eyes of the purchasing public. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[8] **Trademarks**
Acquired Distinctiveness and Secondary Meaning in General

Trademarks
Levels or Categories of Distinctiveness in General; Strength of Marks in General

382T Trademarks
382TII Marks Protected
382Tk1029 Capacity to Distinguish or Signify; Distinctiveness
382Tk1032 Acquired Distinctiveness and Secondary Meaning in General
(Formerly 382k478 Trade Regulation)
382T Trademarks

382TII Marks Protected
382Tk1033 Levels or Categories of Distinctiveness in General; Strength of Marks in General
(Formerly 382k478 Trade Regulation)

In examining the degree to which a mark has acquired secondary meaning, or commercial strength, court considers six factors: namely, advertising expenditures, consumer studies linking the mark to the source, unsolicited media coverage of the product, sales success, attempts to plagiarize the mark, and the length and exclusivity of the mark's use. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

2 Cases that cite this headnote

[9] Trademarks
Examination and Comparison; Construction as Entirety

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1093 Relationship Between Marks
382Tk1097 Examination and Comparison; Construction as Entirety
(Formerly 382k346 Trade Regulation)

Test for similarity of marks, for purposes of establishing likelihood of confusion is whether the marks convey the same general overall impression when viewed separately, considering all the aspects of each; it is improper to dissect fragments of the marks for this purpose. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[10] Trademarks
Consumer Data and Market Research; Tests and Surveys

382T Trademarks
382TIX Actions and Proceedings
382TIX(C) Evidence
382Tk1620 Weight and Sufficiency
382Tk1629 Similarity; Likelihood of Confusion
382Tk1629(4) Consumer Data and Market Research; Tests and Surveys
(Formerly 382k596 Trade Regulation)

Vodka manufacturer's two-room consumer survey failed to provide evidence of actual consumer confusion connected with competitor's use of "Glacier Bay" mark on vodka coolers that allegedly resembled manufacturer's "Teton Glacier" mark used on vodka bottles; universe of manufacturer's survey was not properly defined, since manufacturer did not choose cooler drinkers who might have purchased competitor's product, and participants were artificially exposed to manufacturer's product during survey, although they were almost probably not familiar with "Teton Glacier," due to its limited distribution network and weak sales. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

5 Cases that cite this headnote

[11] Trademarks
Consumer Data and Market Research; Tests and Surveys

382T Trademarks
382TIX Actions and Proceedings
382TIX(C) Evidence
382Tk1613 Admissibility
382Tk1619 Consumer Data and Market Research; Tests and Surveys
(Formerly 382k580 Trade Regulation)

While consumer surveys are generally admissible, they must have been fairly prepared and results must be directed to the relevant issues to be probative of a likelihood of trademark confusion.

Cases that cite this headnote

[12] Trademarks
Factors Considered in General

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1081 Factors Considered in General
(Formerly 382k334.1 Trade Regulation)

Factors to consider in determining existence of actual trademark confusion are whether: (1) the universe was properly defined, (2) a representative sample of that universe was selected, (3) the questions to be asked of interviewees were framed in a clear, precise and non-leading manner, (4) sound interview

procedures were followed by competent interviewers who had no knowledge of the litigation or the purpose for which the survey was conducted, (5) the data gathered was accurately reported, (6) the data was analyzed in accordance with accepted statistical principles and (7) the objectivity of the entire process was ensured. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

5 Cases that cite this headnote

[13] Trademarks

Consumer Data and Market Research; Tests and Surveys

382T Trademarks
382TIX Actions and Proceedings
382TIX(C) Evidence
382Tk1613 Admissibility
382Tk1619 Consumer Data and Market Research; Tests and Surveys
(Formerly 382k580 Trade Regulation)

The proper universe for consumer survey in a forward confusion case is the universe of potential purchasers of the junior user's product, for purposes of proving trademark likelihood of confusion. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

4 Cases that cite this headnote

[14] Trademarks

Particular Cases

382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1117 Trade Dress
382Tk1119 Particular Cases
(Formerly 382k349 Trade Regulation)

Likelihood of confusion did not exist to support vodka manufacturer's trade dress infringement claim against competitor; there was no similarity between manufacturer's vodka decanter and competitor's trade dresses, manufacturer did not show defendant copied its trade dress, and selection of competitor's trade dress took place without awareness of manufacturer's trade dress. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

2 Cases that cite this headnote

[15] Trademarks

Necessity of Registration

Trademarks

Practices or Conduct Prohibited in General; Elements

382T Trademarks
382TVII Registration
382TVII(A) In General
382Tk1241 Necessity of Registration
(Formerly 382k151 Trade Regulation)
382T Trademarks
382TVIII Violations of Rights
382TVIII(A) In General
382Tk1418 Practices or Conduct Prohibited in General; Elements
382Tk1419 In General
(Formerly 382k151 Trade Regulation)

An unregistered trademark may be protected against infringement under Lanham Act provision for unregistered marks, but only if a plaintiff can show that it has a valid mark entitled to protection and that the defendant's use of it is likely to cause confusion. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

1 Cases that cite this headnote

[16] Trademarks

Capacity to Distinguish or Signify; Distinctiveness

382T Trademarks
382TII Marks Protected
382Tk1029 Capacity to Distinguish or Signify; Distinctiveness
382Tk1030 In General
(Formerly 382k331 Trade Regulation)

In order to qualify for trademark protection, a mark must be distinctive, that is, it must be capable of distinguishing the user's goods from others. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[17] Trademarks

Capacity to Distinguish or Signify; Distinctiveness

Trademarks

Nature of Marks

382T Trademarks
382TII Marks Protected
382Tk1029 Capacity to Distinguish or Signify; Distinctiveness
382Tk1030 In General
(Formerly 382k351 Trade Regulation)
382T Trademarks
382TIII Similarity Between Marks; Likelihood of Confusion
382Tk1090 Nature of Marks
382Tk1091 In General
(Formerly 382k351 Trade Regulation)

Likelihood of confusion did not exist between vodka manufacturer's unregistered "glacier" and "glaciervodka.com" unregistered marks, and competitor's "Glacier Bay" mark used in connection with vodka coolers; numerous other registered trademarks for alcoholic beverages incorporated the name, "glacier," no likelihood of confusion existed with respect to manufacturer's registered "Teton Glacier" mark, and manufacturer did not establish that "glacier," standing alone, identified its product to an appreciable number of consumers. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[18] Trademarks

Marks Protected; Strength or Fame

382T Trademarks
382TVIII Violations of Rights
382TVIII(B) Dilution
382Tk1468 Marks Protected; Strength or Fame
(Formerly 382k366 Trade Regulation)

Lanham Act's trademark dilution provision is only intended to protect truly famous marks. Lanham Trade-Mark Act, § 43(c), 15 U.S.C.A. § 1125(c).

2 Cases that cite this headnote

[19] Trademarks

Marks Protected; Strength or Fame

382T Trademarks
382TVIII Violations of Rights
382TVIII(B) Dilution
382Tk1468 Marks Protected; Strength or Fame
(Formerly 382k366 Trade Regulation)

Vodka manufacturer's "Teton Glacier" family of marks used in connection with high quality vodka did not qualify as famous under Lanham Act's trademark dilution provision; vodka on which marks were used had low sales, and therefore, marks' strength in commerce was too low to suggest that marks were famous. Lanham Trade-Mark Act, § 43(c), 15 U.S.C.A. § 1125(c).

1 Cases that cite this headnote

[20] Trademarks

Marks Protected; Strength or Fame

382T Trademarks
382TVIII Violations of Rights
382TVIII(B) Dilution
382Tk1468 Marks Protected; Strength or Fame
(Formerly 382k366 Trade Regulation)

While the New York trademark dilution statute does not require that the allegedly diluted mark be famous, in order to merit protection, the plaintiff must possess a mark that truly has a distinctive quality or which has acquired a secondary meaning in the mind of the public. N.Y.McKinney's General Business Law § 360–I.

1 Cases that cite this headnote

[21] Trademarks

Infringement

Trademarks

Trade Dress

382T Trademarks
382TVIII Violations of Rights
382TVIII(A) In General
382Tk1418 Practices or Conduct Prohibited in General; Elements
382Tk1421 Infringement
(Formerly 382k462 Trade Regulation)
382T Trademarks
382TVIII Violations of Rights
382TVIII(A) In General
382Tk1436 Trade Dress
(Formerly 382k462 Trade Regulation)

Trademark or trade dress infringement claims are not cognizable under New York unfair

competition and false advertising laws unless there is a specific and substantial injury to the public interest over and above ordinary trademark infringement or dilution. N.Y.McKinney's General Business Law §§ 349, 350.

11 Cases that cite this headnote

[22] **Trademarks**
Unfair Competition in General

Trademarks
Advertising or Marketing

382T Trademarks
382TVIII Violations of Rights
382TVIII(A) In General
382Tk1423 Particular Cases, Practices, or Conduct
382Tk1425 Unfair Competition in General
(Formerly 382k473 Trade Regulation)
382T Trademarks
382TVIII Violations of Rights
382TVIII(A) In General
382Tk1423 Particular Cases, Practices, or Conduct
382Tk1427 Advertising or Marketing
(Formerly 382k473 Trade Regulation)

Under New York law, vodka manufacturer did not have claim against competitor for unfair competition and false advertising in connection with competitor's use of "Glacier Bay" mark in connection with vodka coolers, that allegedly infringed on manufacturer's "Teton Glacier" mark used in connection with high quality vodka; manufacturer made no showing on the issue of injury to the public interest. N.Y.McKinney's General Business Law §§ 349, 350.

Cases that cite this headnote

Attorneys and Law Firms

***477** Arlana S. Cohen, Esq., Michael G. Gabriel, Esq., St. Onge, Steward, Johnston & Reens, Stamford, CT, Counsel for Plaintiff.

Bruce R. Ewing, Esq., Marc S. Reiner, Esq., Dorsey & Whitney LLP, New York, Counsel for Defendants.

OPINION AND ORDER

BUCHWALD, District Judge.

National Distillers Products Co., LLC ("National") brought this trademark action against Refreshment Brands, Inc. ("RBI") and several other defendants. The parties consented to a bench trial which was held on February 5–8, 2002.[1] The following Opinion constitutes our findings of fact and conclusions of law. As discussed below, we find for the defendants on all counts.

BACKGROUND

A. Parties

[1] National was founded in 1996 by three partners in order to market and sell an 80–proof potato vodka. They named the vodka "Teton Glacier" and registered TETON GLACIER with the United States Patent and Trademark Office.[2] National does not own a distillery, but rather contracts with one located in Rigby, Idaho.[3] From the beginning, National wanted to market Teton Glacier as an "ultra-premium" vodka, in competition with brands such as Grey Goose and Belvedere. Accordingly, National instructed retailers to ***478** price Teton Glacier at the high levels commanded by ultra-premium vodkas and specifically refrained from offering price discounts. In addition, National sought to make Teton Glacier known to the most affluent members of society by sponsoring events such as polo matches, the Junior League Winter Ball, and sailing regattas, and by becoming the exclusive vodka offered at Royal Caribbean Cruise Lines's caviar bars.

Nevertheless, Teton Glacier has not been a successful product. One of National's partners, John Salisbury, testified that he hoped to sell 40,000–100,000 cases per year in order to make the Teton Glacier brand attractive enough to be purchased by a larger alcoholic beverage company. In its best year, however, Teton Glacier sold fewer than 8,000 cases, and has sold fewer than 30,000 cases in toto since its introduction. By way of comparison, Absolut vodka sells 4,000,000 cases per year, and Belvedere vodka sells 200,000 cases per year. Even Relska, the thirtieth-ranked domestic vodka, sold approximately 162,000 cases in 2000, and Three Olives vodka, a relatively obscure British vodka first introduced in 2000, sold 25,000 cases that year.

RBI, on the other hand, was founded by two partners in 1999 with the intent to market and sell a "vodka cooler" that they named "Glacier Bay."[4] A "cooler" is a broad term that encompasses many types of alcoholic beverages that combine small amounts of alcohol, such as wine, malt liquor, or spirits, with some type of "mixer," such as fruit juice or carbonated water. The result is a sweet-tasting beverage with the approximate alcohol content of a beer. Well-known cooler brands include Bartles & Jaymes and Smirnoff Ice. Coolers are most popular with women and ethnic minorities in urban ares. RBI has had significant success with their Glacier Bay product, selling 550,000 cases in 2001.

B. Facts

On May 6, 1997, the United States Patent and Trademark Office granted National a registration for their trademark TETON GLACIER: AMERICAN HANDCRAFTED VODKA and design. *See* Pl.'s Ex. 1. "Teton" is set out in script above a black box in which "Glacier" is written in white interlined Roman font lettering. Above these words are a sketch of two mountains with a "sun" rising between them, and the words "Hand Crafted American Vodka" in an arc above the mountains. National has made efforts to protect its trademark. They have, for example, written numerous "cease and desist" letters to entities who had plans to use the words "glacier" and "vodka" together for products other than Teton Glacier.[5] Many, but not all,[6] letter recipients ***479** did, in fact, abandon their plans upon learning of National's opposition.

In 1999, RBI placed a "teaser" advertisement in a trade magazine announcing its soon to be released Glacier Bay product. Upon becoming aware of this advertisement, National telephoned RBI and then sent a cease and desist letter on September 30, 1999. RBI consulted their attorney, Gregory Meath, for advice. Mr. Meath advised RBI that their use of the GLACIER BAY trademark in connection with their cooler product would not infringe National's rights in TETON GLACIER. Accordingly, RBI went ahead and launched their product in October of 1999. More than a year later, on November 2, 2000, National filed a complaint in this Court against RBI.

C. Claims

Although National's First Amended Complaint included twelve Counts, three of them were withdrawn either before or during trial.[7] The remaining Counts allege three distinct types of claims.

First, National claims that RBI has infringed their registered trademark, TETON GLACIER, as well as their "family" of unregistered trademarks, namely, GLACIER and GLACIERVODKA.COM, by marketing and selling their products under the registered trademarks GLACIER BAY VODKA REFRESHMENT and GLACIER BAY NIGHTS. National also claims that the trade dress used by RBI in connection with Glacier Bay infringes the unregistered trade dress used for Teton Glacier. These claims are brought under sections 2(d), 32(1), and 43(a)(1)(A) of the Lanham Act, as well as the common law.

Second, National asserts claims under New York law and the Lanham Act that RBI's production, marketing, and sale of their Glacier Bay product dilutes the value of the Teton Glacier family of marks. Finally, National claims that RBI has violated New York's unfair competition and ***480** false advertising statutes. For the reasons that follow, we find for the defendants on all counts.

DISCUSSION

A. Trademark Infringement

[2] **[3]** To prove its trademark infringement claims (Counts 1–3 and 5–7), National had to prove that it was probable that "an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question." *W.W.W. Pharm. Co., Inc. v. Gillette Co.,* 984 F.2d 567, 571 (2d Cir.1993). Specifically, National had to show a likelihood that consumers would mistakenly believe that the Glacier Bay vodka cooler product emanated from the producers of Teton Glacier. In analyzing this question, we are guided by the well-known *Polaroid* factors. We begin with National's claim that RBI infringed its registered trademark, TETON GLACIER.

1. Strength of the Mark

[4] **[5]** **[6]** The first factor we consider is the strength of the TETON GLACIER mark.[8] Strength, in trademark law, has two components, inherent strength, or distinctiveness, on the one hand, and commercial strength, or secondary meaning, on the other. To determine the inherent strength, we must classify plaintiff's mark as generic, descriptive, suggestive, or arbitrary/fanciful, listed in ascending order of

strength. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir.1976). It is clear that TETON GLACIER is suggestive. It is not totally arbitrary, as "glacier" suggests the coolness of vodka, often served on ice, and "Teton" suggests the famous Grand Teton mountains of Wyoming, which are visible from the plaintiff's distillery. As the mark requires some imagination on the part of the purchaser to determine the nature of the product, it is suggestive. *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 344 (2d Cir.1999). TETON GLACIER, thus, has significant inherent strength. *See id.*

[7] **[8]** "When determining whether either a suggestive or descriptive mark is a strong one for purposes of the Polaroid inquiry, we look to the secondary meaning that the mark has acquired, because the ultimate issue to be decided is the mark's origin-indicating quality in the eyes of the purchasing public." *The Sports Authority, Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 961 (2d Cir.1996) (internal quotations and citations omitted). In examining the degree to which a mark has acquired secondary meaning, or commercial strength, we consider the six factors laid down in *Centaur Communications, Ltd. v. A/S/M/ Communications*, 830 F.2d 1217, 1222 (2d Cir.1987), namely, advertising expenditures, consumer studies linking the mark to the source, unsolicited media coverage of the product, sales success, attempts to plagiarize the mark, and the length and exclusivity of the mark's use. Each will be discussed in turn.

First, National has spent a total of approximately $550,000 on advertising and marketing since its inception in 1996, for an average of about $100,000 annually. To put this in perspective, Absolut spends over $20,000,000, and Grey Goose over ***481** $4,000,000, per year on advertising. Furthermore, it was established at trial that National has published only four print ads aimed at consumers. Second, plaintiff has offered no consumer studies linking TETON GLACIER to its source, National. Third, while National has presented numerous instances of media coverage of TETON GLACIER vodka, it is clear that such coverage was, in large part, in response to the efforts of a public relations firm hired by National. Fourth, TETON GLACIER has had very little sales success. It is only available in about 2/3 of the states, and has sold fewer than 30,000 cases for about $3,500,000 since its launch. Indeed, it is one of the weakest selling of the hundreds of vodkas on the United States market. Fifth, plaintiff has offered no evidence of attempts to plagiarize the mark. Finally, TETON GLACIER has only been in use for six years and, moreover, it is only one of many alcoholic beverage marks that use word "Glacier." Defendant has produced, *inter alia*, specimens of GLACIER beer, GLACIER'S END wine, and even GLACIER BAY full-strength vodka. Considering all these factors, particularly the minimal sales figures, it is obvious that TETON GLACIER has very little commercial strength.

In sum, while TETON GLACIER has significant inherent strength, it has negligible commercial strength. Therefore, this factor favors neither party. *See Nora Beverages, Inc. v. Perrier Group of Am., Inc.*, 269 F.3d 114, 123 (2d Cir.2001) (because "[e]ven an inherently distinctive mark can, in its commercial context, lack strength as a mark," plaintiff's mark was weak due to "its low level of commercial success and small advertising budget relative to market competitors at the relevant time"); *Mondo, Inc. v. Sirco Int'l Corp.*, 1998 WL 849401, at *5–*6 (S.D.N.Y. Dec.7, 1998) (inherent strength of party's arbitrary mark was "seriously diminished" by its lack of commercial strength).

2. Similarity of the Marks

[9] Second, we consider the similarity between the TETON GLACIER and GLACIER BAY marks. The test is whether the marks convey the same general overall impression when viewed separately, considering all the aspects of each. *Universal City Studios, Inc. v. Nintendo Co., Ltd.*, 746 F.2d 112, 117 (2d Cir.1984). It is improper to dissect fragments of the marks for this purpose. *Id.* Thus, while both marks incorporate the word "Glacier," the entire look and feel of the two marks are far from identical. First, the names of the products are different. Second, while both marks incorporate a picture of mountains, the pictures look significantly different from one another. Nor can we ignore the significant differences in the manner in which the two products are bottled. TETON GLACIER is bottled in large single bottles of 750 ml. or more,[9] while GLACIER BAY is usually sold in cardboard four-packs of smaller bottles. In sum, we find that this factor favors neither party.

3. Proximity of the Products

The third *Polaroid* factor is whether and to what extent the TETON GLACIER and GLACIER BAY products compete against one another in the marketplace. Although both products are made from vodka, National has failed to convince us that they compete with one another in the market. Teton Glacier is an "ultra-premium" full-strength vodka marketed to the most affluent members of society, such as those who attend sailing regattas and polo matches, and

costs about $25 for a 750 ml. bottle. ***482** Glacier Bay, on the other hand, is a low-alcohol cooler popular with women and inner-city minorities, and is sold at retail for $3.99–$7.99 for a four-pack of twelve-ounce bottles or $2.99–$3.99 for a 750 ml. bottle. [10] Teton Glacier is frequently sold in bars, while Glacier Bay is sold in bars only rarely. Finally, Glacier Bay is sold in supermarkets, and is usually stored in a refrigerated case, while Teton Glacier is usually sold in liquor stores, and is almost never stored in a refrigerated case. In short, the two products are simply not in competition with one another, and this factor strongly favors RBI.

4. Likelihood That Plaintiff Will Bridge the Gap

While we have already determined that the two products are not presently in competition, this factor requires us to determine the likelihood that National will, in the future, enter GLACIER BAY's market. John Salisbury, one of National's partners, testified that there were no plans for National to produce a cooler product under the TETON GLACIER trademark that would compete with Glacier Bay. While Thomas Coppini, another partner, expressed a vague interest in selling a high-end, ready-to-drink cocktail sometime in the future, we are not persuaded that there is a significant likelihood that National will ever bridge the gap and produce a cooler, especially considering that it appears that no high-end or ultra-premium brand of spirits has produced a cooler. [11] This factor favors RBI.

5. Actual Confusion

[10] Plaintiff offered both anecdotal evidence and an expert survey in an attempt to prove actual confusion as to the source of Glacier Bay among consumers. The anecdotal evidence amounted to fewer than five instances in which wholesale purchasers or distributors of Teton Glacier asked employees of National whether they produced Glacier Bay. In each case, however, the confusion was dissipated before any purchases were made, because National's employees explained that there each product came from a different source. Moreover, despite their extensive contact with members of the alcoholic beverage industry, the owners of RBI have never encountered any confusion between the two brands. Other instances of actual confusion did not survive cross examination.

National offered a survey conducted by Michael Rappeport (the "Rappeport Survey") in an attempt to prove actual confusion. The Rappeport Survey was conducted in various shopping malls across the country, and is a so-called "two-room" survey. Subjects were chosen at random, but only those who indicated that they drink "[l]iquor, such as gin, rum, tequila, or vokda" on average at least once a month were selected to be interviewed. In the first "room," the interviewer showed the subject the TETON GLACIER label, without the bottle to which it is normally attached. Then, in the second room, the subject was shown seven or eight empty cooler bottles [12] and told, "Some, all, or none of these ***483** alcoholic beverages may come from the same maker or company as the product on the card I showed you [in the first room]. Which, if any, of these alcoholic beverages do you think come from the same maker or company as the product on the card I showed you [in the first room]?" Mr. Rappeport testified that, after controlling for "noise," [13] 38% of the subjects believed that Glacier Bay was affiliated with Teton Glacier.

RBI commissioned their own survey, which was conducted by George Mantis (the "Mantis Survey"). The subjects chosen were persons 21 years of age or older and who had purchased or consumed a cooler product within the previous ninety days, or who were likely to purchase such a product within the next ninety days. The Mantis Survey was not a "two-room" survey, but rather a "single exposure" design, similar to the well known *Ever–Ready* survey. *See Union Carbide Corp. v. Ever–Ready Inc.,* 531 F.2d 366, 385 n. 11 (7th Cir.1976). In the Mantis Survey, the subjects were shown either a bottle and four-pack of Glacier Bay, or a bottle and four-pack of a fictitious "Arctic Bay" product as a control. The Arctic Bay product was created by modifying the Glacier Bay product by changing the word "Glacier" to "Arctic," the abbreviation "GB" to "AB," and by removing the mountains from the Glacier Bay label. The subjects were shown either the Arctic Bay or Glacier Bay products and permitted to examine them for as long as they wished. The products were then taken away and the subjects were asked a series of questions, to wit: "What company or companies do you think makes or puts out this product?", "Whether you know the name of the company that makes this product, are you aware of any other products or brands put out by this company?", if yes, then, "What other products or brands do you think are put out by the company that makes this product?", and "If you have an opinion, do you think that the company that makes this product did or did not get approval or permission from any other company or companies in order to put out this product?" Not a single respondent out of the approximately 300 interviewed associated either Glacier Bay or Arctic Bay with Teton Glacier or National.

[11] **[12]** While surveys such as these are generally admissible, they must "have been fairly prepared and [their] results [must be] directed to the relevant issues" to be probative of a likelihood of confusion. *Nintendo,* 746 F.2d at 118 (internal quotation marks and citations omitted). Thus, we consider several factors in determining the weight a survey should be given. These factors are whether:

> (1) the "universe" was properly defined, (2) a representative sample of that universe was selected, (3) the questions to be asked of interviewees were framed in a clear, precise and non-leading manner, (4) sound interview procedures were followed by competent interviewers who had no knowledge of the litigation or the purpose for which the survey was conducted, (5) the data gathered was accurately reported, (6) the data was analyzed in accordance with accepted statistical principles and (7) the objectivity of the entire process was ensured.

Schering Corp. v. Pfizer Inc., 189 F.3d 218, 225 (2d Cir.1999).

***484** **[13]** We find two major flaws in the Rappeport survey that persuade us that it does not reliably indicate the existence of actual confusion. First, we find that the "universe" was not properly defined. The proper universe in a forward confusion case is the universe of potential purchasers of the junior user's product, here, the cooler drinkers who may purchase Glacier Bay. *Hutchinson v. Essence Communications, Inc.,* 769 F.Supp. 541, 559–60 (S.D.N.Y.1991). The Rappeport Survey, however, chose a universe of respondents who regularly consume "liquor, such as gin, rum, tequila, or vodka." We are not convinced that this definition would generate a universe of potential Glacier Bay purchasers because the evidence adduced at trial demonstrated that the liquor and cooler markets are not coextensive. *See* Part A.3, *supra.*

The second major flaw we discern in the Rappeport Survey is that every respondent was exposed to the Teton Glacier product in the first room, thus acquainting them with a product that they would almost certainly have been unfamiliar with otherwise, due to Teton Glacier's very limited distribution network and weak sales. Thus, the Rappeport Survey cannot be relied upon to establish that consumers would mistakenly believe that Glacier Bay was affiliated with Teton Glacier. *See Elizabeth Taylor Cosmetics Co. v. Annick Goutal, S.A.R.L.,* 673 F.Supp. 1238, 1248 (S.D.N.Y.1987) ("The proper test for likelihood of confusion is not whether consumers would be confused in a side-by-side comparison of the products, but whether confusion is likely when a consumer, familiar to some extent with the one party's mark, is presented with the other party's goods alone.").

Apart from these two glaring flaws in the Rappeport Survey, there were other methodological errors that prevented it from replicating actual market conditions. First, the respondents were shown the Teton Glacier label on a card, rather on a bottle,[14] as they would encounter the label in the marketplace. Second, while the cooler bottles would obviously be full when sold in the marketplace, they were empty when shown to the subjects of the Rappeport Survey. This may have been significant because many coolers, including Glacier Bay, are produced in various bright colors. In sum, the Rappeport Survey simply did not sufficiently replicate marketplace conditions to make it a reliable indicator of actual confusion in the marketplace.

The Mantis Survey, on the other hand, is much more reliable because it more accurately approximates actual market conditions. For example, subjects were not made artificially aware of Teton Glacier or the TETON GLACIER trademark. Most importantly, however, the Mantis Survey selected an appropriate universe of respondents, namely, cooler consumers. In short, we find the Mantis Survey to be more reliable than the Rappeport Survey and conclude that this important factor strongly favors RBI.

6. Defendant's Good Faith in Adopting the Mark

The founders and owners of RBI testified that they selected GLACIER BAY as their mark because they thought it would lead to the success of their product, and not with an intent to "cash in" on the reputation of Teton Glacier, a brand of which they were not aware. Considering ***485** the low sales and relative obscurity of Teton Glacier, as well as the lack of impeachment evidence, we credit their testimony. Furthermore, RBI began to use their GLACIER BAY mark only after consulting with their attorney who had ordered a full Thompson & Thompson trademark search and determined that they were free to use the GLACIER BAY mark. While National had sent them a cease and desist letter, it did not change the opinion of RBI's attorney that there was no

likelihood of confusion between the products. As the present discussion makes clear, we think this opinion was correct. In sum, we find no bad faith on the part of RBI, and, accordingly, this factor too favors the defendant.

7. Quality of Defendant's Product

RBI's partners testified that Glacier Bay is a high-quality cooler. Jason Kane, the majority shareholder of RBI, testified that Glacier Bay is made with citrus and grape vodka that is more expensive than a generic grain vodka. Furthermore, it has shown strong sales, which may indicate that the product is of a good quality. National offered no evidence to contradict this characterization. While it may not be as high-quality a product as the "ultra-premium" Teton Glacier, we have no reason to believe that Glacier Bay is of poor quality. Accordingly, this factor favors RBI.

8. Sophistication of the Relevant Consumers

The relevant consumers are the purchasers of Glacier Bay. No specific evidence was put forth by either side as to the sophistication of this group of consumers. Accordingly, we find that this factor favors neither party.

9. Conclusion

We have found that five *Polaroid* factors favor RBI and that three favor neither party. Balancing these factors, [15] it is our conclusion that National has not met their burden to prove a likelihood of confusion.

10. Trade Dress and Other Marks

[14] Next, we consider National's trade dress infringement claim. The only distinctive trade dress used in connection with the TETON GLACIER mark is the 750 ml. decanter. It is beyond purview, however, that there is no similarity between this decanter and any of the various trade dresses used in connection with the GLACIER BAY mark. Moreover, National introduced no evidence of copying, and, indeed, RBI's owners credibly described the creative process that led to their selection of trade dress as one that took place without any awareness of Teton Glacier's trade dress. Accordingly, there is no likelihood of confusion, and National's claim must fail.

[15] **[16]** **[17]** Finally, we consider National's claims with respect to the unregistered marks GLACIER and GLACIERVODKA.COM under § 43(a) of the Lanham Act. An unregistered trademark may be protected against infringement under § 43(a), but only if a plaintiff can show that "it has a valid [trade]mark entitled to protection and that the defendant's use of it is likely to cause confusion." *Genesee Brewing Co., Inc. v. Stroh Brewing Co.,* 124 F.3d 137, 142 (2d Cir.1997) (alteration in original) (internal quotation marks and citation omitted). "In order to qualify for trademark protection, a mark must be distinctive, ***486** that is, it must be capable of distinguishing the user's goods from others." *Supreme Wine Co., Inc. v. American Distilling Co.,* 310 F.2d 888, 889 (2d Cir.1962). As there are numerous other trademarks registered for alcoholic beverages that incorporate the word "Glacier," it is highly unlikely that GLACIER or GLACIERVODKA.COM are distinctive in this way. In addition, the above *Polaroid* analysis is fully applicable to the question of consumer confusion with respect to these unregistered marks. As we have previously found no likelihood of confusion with respect to TETON GLACIER, it follows that there is no likelihood of confusion with respect to GLACIER or GLACIERVODKA.COM. Hence, National has failed to demonstrate the infringement of a protected trademark right in either GLACIER or GLACIERVODKA.COM.

Moreover, it is well-settled that "when less than the whole of a plaintiff's mark is used by a defendant, in order to sustain a charge of infringement, 'it must appear that the part ... taken identifies the owner's product without the rest." ' *Caron Corp. v. Ollendorff,* 160 F.2d 444, 445 (2d Cir.1947) (quoting *Parfumerie Roger & Gallet v. M.C.M. Co., Inc.,* 24 F.2d 698, 699 (2d Cir.1928)). As the above discussion makes clear, we find that plaintiff has not established that GLACIER, standing alone and apart from TETON, identifies National's product to an appreciable number of consumers. Accordingly, National's claim for infringement of their unregistered trademarks fails. [16]

B. Trademark Dilution

[18] **[19]** To prevail on a federal dilution claim, National has the burden of proving, *inter alia,* that TETON GLACIER is a "famous" mark within the meaning of § 43(c) of the Lanham Act. The Second Circuit has recently made clear that § 43(c) is only intended to protect truly famous marks, such as DUPONT, BUICK, and KODAK. *See TCPIP Holding Co. v. Haar Communications Inc.,* 244 F.3d 88, 99 (2d Cir.2001). Considering the weakness of the TETON GLACIER family of marks, particularly with respect to the marks' strength in commerce, it is clear that none of the TETON GLACIER

family of marks qualify as famous under the stringent test laid down in *Haar*. Accordingly, we find for the defendant on the federal dilution claim.

[20] While the New York dilution statute does not require that the allegedly diluted mark be "famous," in order to merit protection, the plaintiff must possess a mark that "truly [has a] distinctive quality or which ha[s] acquired a secondary meaning in the mind of the public." *Allied Maintenance Corp. v. Allied Mechanical Trades, Inc.,* 42 N.Y.2d 538, 544–45, 399 N.Y.S.2d 628, 369 N.E.2d 1162 (1977). As the foregoing discussion makes plain, National has failed to convince us that TETON GLACIER is so distinctive and well-known to the public to pass the *Allied* test. Thus, we find for the defendant on the New York dilution claim.

C. New York Unfair Competition and False Advertising

[21] **[22]** Finally, National asserts a cause of action based on §§ 349 and 350 of the New York General Business Law. It is well settled, however, that trademark or trade dress infringement claims are not cognizable under these statutes unless there is a specific and substantial injury to ***487** the public interest over and above ordinary trademark infringement or dilution. *U–Neek, Inc., v. Wal–Mart Stores, Inc.,* 147 F.Supp.2d 158, 176 (S.D.N.Y.2001) (sections 349 and 350 "require the sort of offense to the public interest which would trigger FTC intervention under 15 U.S.C. § 45"); *Federal Trade Comm'n v. Royal Milling Co.,* 288 U.S. 212, 216, 53 S.Ct. 335, 77 L.Ed. 706 (1933) (mere misrepresentation and confusion on the part of purchasers or even that they have been deceived is not enough" to trigger 15 U.S.C. § 45). Plaintiff has made no showing on the issue of injury to the public interest. Accordingly, we find for RBI on this claim.

CONCLUSION

For the reasons stated above, we find for RBI on all counts.

IT IS SO ORDERED.

Footnotes

1 At trial, the following persons testified for the plaintiff: John Salisbury, partner and one of the founders of National, Martha Williams Morley, public-relations expert hired by National to promote Teton Glacier, Thomas Coppini, President and CEO of National, Raymond Foley, bartending expert, Carolyna Krause, vice-president of Niche Imports, a firm hired by National to market Teton Glacier, Donald Fanelli, another National partner, Michael Rappeport, trademark survey expert, and Christopher Spadea, financial expert; and these persons testified on behalf of the defense: Jason Kane, founder and majority shareholder of RBI, James Hazzard, general sales manager for Wine Merchants, Gregory Meath, trademark counsel for RBI, Larry Davenport, vice-president for sales for RBI, Joseph Aglione, intellectual property investigator, Robert Bernstein, vice-president of marketing for Seagram's, and George Mantis, trademark survey expert.

2 While it is true that National's registered trademark is for TETON GLACIER HAND CRAFTED AMERICAN VODKA and design, and not merely for TETON GLACIER, "it is proper to recognize that one feature of a mark is more significant than the other features and to give greater force and effect to that dominant feature." *Burger Chef Sys., Inc. v. Sandwich Chef, Inc.,* 608 F.2d 875, 878 (C.C.P.A.1979). There is no doubt that TETON GLACIER is the dominant part of the mark, as the font used for the words HAND CRAFTED AMERICAN VODKA is only one-quarter the size of the font used for the words TETON GLACIER. Moreover, HAND CRAFTED AMERICAN VODKA is merely a description of the product.

3 The Grand Tetons of Wyoming are visible from the distillery in Rigby.

4 RBI presently holds a federal trademark for GLACIER BAY.

5 We note, however, that National was not particularly energetic with respect to the claimed infringement at issue here. National first became aware in the summer of 1997 of RBI's intention to launch Glacier Bay, Tr. at 200–01, and Glacier Bay was subsequently launched that Fall. National did not file the instant complaint, however, until November 2, 2000, more than a year after RBI's launch, and did not serve the complaint until March 2, 2001, the final day it was permitted to do so before facing dismissal pursuant to Fed.R.Civ.P. 4(m).

6 Finlandia, for example, was apparently undaunted by National's efforts to prevent it from marketing a martini made with Finlandia vodka called the "Naked Glacier Martini." Although Mr. Salisbury testified that Finlandia abandoned its plan to market the Naked Glacier Martini, evidence adduced at trial indicated that Finlandia had indeed gone through with their intended promotion of the Naked Glacier Martini. In addition, Mr. Salisbury testified that he wrote a letter to Frank–Lin Distilled Products, Ltd. ("Frank–Lin"), requesting that it cease and desist from selling "Glacier Bay" full-strength vodka. This letter, dated October 21, 1996, was introduced

into evidence. Pl.'s Ex. 113. Mr. Salisbury further testified that Frank–Lin did, in fact, stop selling vodka under the name "Glacier Bay." RBI, however, introduced a receipt from a Save Mart Supermarket in Turlock, Cal., that indicated the purchase of "Glacier Bay" vodka on January 25, 2002. Def.'s Ex. 190.

Additionally, with respect to Frank–Lin's "Glacier Bay" vodka, evidence adduced at trial demonstrated that Frank–Lin had registered the "Glacier Bay" label with the BATF well before National registered its TETON GLACIER trademark. *Compare* Pl.'s Ex. 67 (BATF approved Frank–Lin's "Glacier Bay" label for "domestic vodka 80–90 proof" on October 24, 1995) *with* Pl.'s Ex. 1 (National received its federal trademark for TETON GLACIER on May 6, 1997). According to National partner John Salisbury, National was actually aware of Frank–Lin's product before it sought to register TETON GLACIER. Tr. at 135. Thus, National's claim that RBI's use of GLACIER BAY for a cooler has caused consumer confusion is undermined by its decision to adopt the TETON GLACIER mark knowing that Frank–Lin had used the name "Glacier Bay" for a full-strength vodka. In this regard, it should be remembered that National affirmed when it filed its trademark application that "no other person has the right to use the mark in commerce, either in the identical form or in such near resemblance as to be likely, when applied to the goods or services of the other person, to cause confusion or mistake." 37 C.F.R. § 2.33(b)(1).

7 In a Stipulation and Order dated November 28, 2001, Count 10, "Cancellation of BATF Approval," was dismissed with prejudice. At trial, the plaintiff withdrew Counts 8 and 9, both captioned, "False Advertising Under Section 43(a) of the Lanham Act." Tr. at 420. Furthermore, although the plaintiff discussed a theory of reverse confusion in its Proposed Findings of Fact and Conclusions of Law, it withdrew this theory from consideration midway through trial. *Id.* at 419.

8 We acknowledge that National has registered the TETON GLACIER trademark with the United States Patent and Trademark Office. This registration does not, however, "alter the breadth of infringement protection that a mark is accorded. As a general matter, registration creates no substantive trademark rights against infringement beyond the common law rights acquired through use of the mark." *Time, Inc. v. Petersen Publ'g Co. L.L.C.*, 173 F.3d 113, 118 (2d Cir.1999).

9 With the exception of the single-serving novelty size.

10 The variations in price are due to differences in state taxes, as well as different profit margins sought by the various distributors and retailers.

11 Indeed, to market a low-cost cooler would appear to be contrary to National's effort to obtain a cachet for Teton Glacier.

12 There were actually three different arrays presented to subjects, but all three included empty bottles of coolers such as Club Vodka Martini, Kahlua White Russian, Smirnoff Ice, and Jack Daniel's Country Cocktails. The first array was comprised of these cooler bottles as well as a small single-serving Teton Glacier bottle with the same label as that shown in the first room, the second array was comprised of the cooler bottles and the Glacier Bay bottle, and the third array was comprised of the cooler bottles as well as both the small Teton Glacier bottle and the Glacier Bay bottle.

13 In an experiment or statistical study, the "noise" is the variation in the data being collected that is not believed to be caused by the variables being tested.

14 This problem is exacerbated by the fact that Teton Glacier is often sold in a distinctive decanter. Furthermore, this problem rendered the Rappeport Survey wholly inapplicable to the issue of trade dress infringement.

15 While we took all the *Polaroid* factors into account in reaching this conclusion, we found the commercial weakness of Teton Glacier, the lack of competitive proximity between the products, and the lack of evidence of actual confusion to be especially probative.

16 As we have found no likelihood of confusion between National's and RBI's products, we refuse to cancel RBI's trademark registrations for GLACIER BAY VODKA REFRESHMENT and GLACIER BAY NIGHTS, as requested by National.

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KeyCite Yellow Flag - Negative Treatment
Distinguished by HBP, Inc. v. American Marine Holdings, Inc., M.D.Fla., October 10, 2003

16 F.Supp.2d 1012
United States District Court,
E.D. Wisconsin.

NATIONAL FOOTBALL LEAGUE PROPERTIES, INC. and Green Bay Packers, Inc., Plaintiffs,
v.
PROSTYLE, INC. and Sheri Tanner, Individually, Defendants.

No. 96–C–1404. | July 31, 1998.

Holders of rights to use name of professional football team sued for trademark infringement. Each side filed motions in limine. The District Court, Stadtmueller, Chief Judge, held that: (1) misuse of unregistered trademarks did not constitute unfair competition; (2) holders could amend interrogatory answer to provide that additional lines of apparel produced by alleged infringer violated registered trademarks, following trial court's decision that holders could not claim those lines violated unregistered trade marks; (3) consumer survey improperly asking consumers if they thought permission was required before alleged infringer could produce items containing team name would not be allowed into evidence in trial; (4) holders could not claim that contract between players on team in question and alleged infringer violated provision of contract between players and players' association governing use of players' images; and (5) alleged infringer could not introduce evidence at trial that third parties infringed trademarks that alleged infringer conceded were strong.

Order accordingly.

West Headnotes (6)

[1] Trademarks
Unfair competition in general

382T Trademarks
382TVIII Violations of Rights
382TVIII(A) In General
382Tk1423 Particular Cases, Practices, or Conduct
382Tk1425 Unfair competition in general
(Formerly 382k422 Trade Regulation)

Alleged misuse of unregistered trademarks on athletic apparel bearing name of professional football team did not constitute unfair competition, despite claim that presence of mark falsely suggested team's sponsorship of apparel.

Cases that cite this headnote

[2] Federal Civil Procedure
Answers; Failure to Answer

170A Federal Civil Procedure
170AX Depositions and Discovery
170AX(D) Written Interrogatories to Parties
170AX(D)3 Answers; Failure to Answer
170Ak1531 In general
(Formerly 382k547 Trade Regulation)

Trademark claimants could amend interrogatory answer, that only one line of athletic apparel produced by alleged infringer was infringement of registered trademarks, to express position that several other lines also infringed, after trial court made summary judgment ruling that claimants had no rights under unregistered marks; there was no prejudice to alleged infringer, as trial date was several months off.

Cases that cite this headnote

[3] Trademarks
Consumer data and market research; tests and surveys

382T Trademarks
382TIX Actions and Proceedings
382TIX(C) Evidence
382Tk1613 Admissibility
382Tk1619 Consumer data and market research; tests and surveys
(Formerly 382k580 Trade Regulation)

Preparer of consumer survey, in trademark infringement case involving athletic apparel bearing name of professional football team, improperly asked consumers if they thought that company putting out shirt needed to get permission before doing so; consumers were being asked to arrive at legal conclusion.

1 Cases that cite this headnote

[4] Trademarks

Consumer data and market research; tests and surveys

382T Trademarks
382TIX Actions and Proceedings
382TIX(C) Evidence
382Tk1613 Admissibility
382Tk1619 Consumer data and market research; tests and surveys
(Formerly 382k580 Trade Regulation)

Survey supporting claim that trademarks on athletic apparel and items bearing name of professional football team were infringed would not be allowed into evidence in infringement trial; one survey question, asking consumers if they believed permission was needed before shirts bearing team name could be distributed, impermissibly called for legal conclusion, and presence of question required that all conclusions of survey be excluded.

3 Cases that cite this headnote

[5] Trademarks

Persons entitled to sue

382T Trademarks
382TIX Actions and Proceedings
382TIX(A) In General
382Tk1563 Persons entitled to sue
(Formerly 382Tk1218, 382k114.1 Trade Regulation)

Claimants asserting trademark rights in clothing and merchandise bearing name of professional football team did not have standing to claim that contract between alleged infringer and players on team in question, under which images of players were used in alleged infringer's advertising, violated terms of contract between players and players' association governing use of players' images; claimants were not parties to contract in question.

Cases that cite this headnote

[6] Trademarks

Infringement in general

382T Trademarks
382TIX Actions and Proceedings
382TIX(C) Evidence
382Tk1613 Admissibility
382Tk1615 Infringement in general
(Formerly 382k577.1 Trade Regulation)

Alleged infringer of trademarks for athletic apparel and items was precluded from introducing at trial evidence that third parties infringed marks that alleged infringer had conceded were strong.

Cases that cite this headnote

Attorneys and Law Firms

***1013** Robert L. Raskopf, Carol A. Witschel, White & Case, L.L.P., New York, NY, Howard A. Pollack, Daniel T. Flaherty, Godfrey & Kahn, S.C. , Milwaukee, WI, for Plaintiffs.

John P. Fredrickson, Nilles & Nilles, S.C., Milwaukee, WI, for Defendants.

ORDER

STADTMUELLER, Chief Judge.

I. OVERVIEW

Plaintiffs National Football League Properties, Inc. and Green Bay Packers, Inc. accuse defendants ProStyle, Inc. and Sheri Tanner of unlawfully capitalizing on the Packers' recent success by selling unauthorized Packer-related merchandise. In their complaint, plaintiffs present six counts for which they claim relief: federal unfair competition under § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); federal trademark infringement under § 32(1) of the Lanham Act, 15 U.S.C. § 1114(1); federal dilution under § 43(c) of the Lanham Act, 15 U.S.C. § 1125(c); deceptive advertising law under Wis. Stat. § 100.18(1); common law unfair competition; common law trademark infringement; misappropriation of trade secrets under Wis. Stat. § 134.90; and common law misappropriation of trade secrets. Plaintiffs sought a temporary restraining order and preliminary and permanent injunctions restraining defendants' use of plaintiffs' marks and ordering destruction of infringing materials, as well as damages, including treble damages for willful and deliberate infringement under the Lanham Act, double damages under Wis. Stat. § 100.18(1), and punitive damages under Wis. Stat. § 134.90(4).

On December 30, 1996, the court held a hearing on the motion for a temporary restraining order, and on January 2, 1997, the court denied the motion. On July 25, 1997, ***1014** the court granted partial summary judgment for defendants on plaintiffs' claims of federal unfair competition, federal trademark infringement, state unfair competition, and state trademark infringement to the extent these claims were based upon unregistered common law trademarks.[1] The court denied summary judgment for defendants on these claims to the extent they were based upon plaintiffs' registered trademarks. The court also granted summary judgment for defendants on plaintiffs' deceptive advertising claim under Wis. Stat. § 100.18(1). On May 19, 1998, the court denied plaintiffs' motion for reconsideration of that decision.

Each side has filed motions in limine. Defendants move in limine for the exclusion of: (1) any evidence of allegedly infringing ProStyle merchandise other than apparel adorned with the phrase "GO PACK GO"; (2) the survey conducted by plaintiffs' expert Jacob Jacoby; (3) opinions by Jacob Jacoby regarding consumer perceptions of any ProStyle merchandise that remains at issue; and (4) evidence regarding paragraph 4(b) of the Standard NFL Player Contract. Plaintiffs move in limine for the exclusion of: (1) any evidence of defendant Sheri Tanner's sex discrimination action; (2) any evidence of third-party uses of Packer trademarks; and (3) argumentation or evidence regarding consumer motivation.

II. DISCUSSION

A. DEFENDANTS' MOTION IN LIMINE

1. "GO PACK GO" Evidence

Defendants argue that because the court dismissed plaintiffs' claims regarding plaintiffs' unregistered marks and because the only apparel that plaintiffs have maintained violates plaintiffs' registered marks is that bearing the phrase "GO PACK GO," evidence of all other ProStyle merchandise should be excluded from trial. Plaintiffs respond that they may still argue that the bulk of ProStyle merchandise (1) unfairly competes with plaintiffs' merchandise because of false suggestion of sponsorship, (2) dilutes the value of the registered marks, and (3) infringes plaintiffs' common law rights in the Packers' registered marks. Plaintiffs also respond that they have recently amended their responses to defendants' interrogatories to contend that the bulk of defendants' merchandise infringes[2] plaintiffs' registered marks.

[1] Plaintiffs' unfair competition claims regarding their unregistered marks already have been rejected by the court at the summary judgment stage, and plaintiffs may not argue at trial that defendants' alleged misuse of plaintiffs' unregistered marks is unfair competition because defendants' products falsely suggest sponsorship. As defendants correctly note, the same legal standards govern an unfair competition claim for confusion caused by false suggestion of sponsorship and a claim for trademark infringement, *see, e.g.*, *Smith Fiberglass Prods., Inc. v. Ameron, Inc.*, 7 F.3d 1327 (7th Cir.1993), and this court applied the same standard for unfair competition and trademark infringement in rejecting plaintiffs' claims regarding unregistered marks: "The court will analyze together plaintiffs' claims of federal unfair competition, ***1015** federal trademark infringement, state unfair competition, and state trademark infringement, because they all turn upon the same law and facts." July 25, 1997 Decision and Order at 8. Therefore, plaintiffs may not argue at trial that defendants' alleged misuse of plaintiffs' unregistered marks is unfair competition because defendants' products falsely suggest sponsorship.

[2] Plaintiffs' second attempt to avoid the effect of the court's prior summary judgment decision involves their recent amendment to their responses to defendants' interrogatories to contend that the bulk of defendants' merchandise infringes plaintiffs' registered marks. Previously, plaintiffs maintained that only the "GO PACK GO" merchandise infringed their registered trademarks, while other merchandise infringed their unregistered marks:

> Defendants' dark green sweatshirt featuring the words "GO PACK GO" in yellow block letters infringes the Packers' registered trademarks GREEN BAY PACKERS, PACKERS and AMERICA'S PACK GREEN BAY, USA and also infringes the Packers' trademark rights in the color combination of green and yellow used in a context indicative of professional football.
>
> Defendants' dark green sweatshirt featuring the words "DIVISION CHAMPIONS" in block letters with a large yellow stylized "G", depicted in Exhibit B to the Declaration of Sheri Tanner, infringes the Packers' trademark rights in the color combination of green and yellow used with the letter "G" in a context indicative of professional football.
>
> The following items from Defendants' catalog infringe the Packers' trademark rights in the combination, used in

a professional football context, of the colors green and yellow and the geographic mark designation "GREEN BAY" or the numerals worn by Packers' players: 2A, 2B, 2D, 2E, 3D, 5B, 5C, 6A, 6B, 6C, 6F, 6G, 7C, 7D, 8E, 9A, 9B, 9C, 9H, 9I, and 10D. To the extent that it is possible to ascertain the words imprinted on items 4A, 5A, 7A and 7B, these items are likely to infringe the Packers' trademark rights in the combination, used in a professional football context, of the colors green and yellow and the geographic mark designation "GREEN BAY."

NFLP, Inc.'s Responses to Defendants' First Set of Interrogatories at 9–10. [3] Defendants relied on this response to frame their motion for summary judgment, as shown by the major headings of that motion: "II. NFLP Has Not Established Rights In Any Unregistered 'Marks' or Trade Dress," and "III. No Rational Trier of Fact Could Conclude That ProStyle's 'GO PACK GO' Shirt Is Confusingly Similar to the Packers' Registered Marks." Memorandum In Support of Defendants' Motion for Summary Judgment at 5, 15.

On April 8, 1998, one day after defendants filed the present motion in limine, one day before the final pretrial conference, and just twelve days before this action was set to go to trial, plaintiffs amended the aforementioned interrogatory response to allege that the bulk of defendants' apparel infringed and unfairly competed with the plaintiffs' registered trademarks: [4]

Defendants' products featuring the words "GO PACK GO" and products bearing the designation "PACK POWER" infringe the Packers' registered trademarks GREEN BAY PACKERS, PACKERS and AMERICA'S PACK GREEN BAY, USA.

Items 2A, 2B, 2D, 3D, 4B, 5B, 5C, 6A, 6B, 6C, 6F, 6G, 7C, 7D, 8E, and 10D from Defendants' catalog—which bear the designation "GREEN BAY P"—infringe the Packers' trademark rights in the registered trademark GREEN BAY PACKERS.

Items 9C and 9D from Defendants' catalog—which bear the designation "GREEN BAY FOOTBALL"—infringe the Packers' ***1016** trademark rights in the registered trademark GREEN BAY PACKERS and the Packers' registered helmet design.

Items 9E and 9F from Defendants' catalog—which bear the designation "KISS MY GRASS GREEN BAY"—and products bearing the designation "GREEN BAY DIVISION CHAMPIONS," "GBP CENTRAL DIVISION CHAMPIONS," "GREEN BAY CHAMPIONS" and "GREEN BAY XXXI CHAMPIONS" infringe the Packers' registered trademark GREEN BAY PACKERS.

Defendants' products featuring the words "DIVISION CHAMPIONS G" infringe the Packers' trademark rights in the registered helmet design.

Items 9A, 9B, 9H, and 9I infringe the Packers' trademark rights in the registered uniform design.

NFLP, Inc.'s Amended Response to Defendants' First Set of Interrogatories at 3–4. [5]

Had this case gone to trial on April 20, 1998, the plaintiffs would have been precluded from amending their interrogatories at this late stage to allege this new theory of recovery. In *Holiday Inns, Inc. v. Robertshaw Controls Co.*, 560 F.2d 856 (7th Cir.1977), the plaintiff argued on appeal that the trial judge erred by excluding evidence of its alternative theory of recovery. *Id.* at 857. The judge had excluded this theory because the plaintiff had failed to supplement a negative answer to an interrogatory asking about alternative theories of recovery until four days before trial. *Id.* at 857–58. The Seventh Circuit upheld this exclusion, holding that the plaintiff's failure to timely supplement the interrogatory in violation of Fed.R.Civ.P. 26(e) would have unfairly surprised and prejudiced the defendants: "In view of these failures to supplement answers that resulted in the defendants being surprised at trial by plaintiff's alternative theory, we hold that the district judge acted properly in refusing to let the plaintiff present its alternative theory at trial." *Id.* at 858.

Other courts have refused to allow parties to amend interrogatory responses to assert new theories even when trial is not imminent but when discovery has closed and summary judgment motions have been filed. For example, in *Heidelberg Harris, Inc. v. Mitsubishi Heavy Indus., Ltd.*, No. 95 C 0673, 1996 WL 680243, 42 U.S.P.Q.2d 1369 (N.D.Ill. Nov.21, 1996), the court granted the plaintiff's motion in limine to exclude the "best mode" defense of the defendants because the defendants had failed to supplement their interrogatory responses before discovery had concluded. *Id.* The court found that the plaintiff was prejudiced because it would have conducted discovery differently had it known defendants intended to raise that defense, and fact discovery had closed. *Id.* at *9–10; *see also Luddington v. Indiana Bell Tel. Co.*, 796 F.Supp. 1550, 1579 (S.D.Ind.1990) (denying

motion to reconsider regarding court's exclusion of theory not revealed in interrogatory responses until after discovery had closed and summary judgment motion had been filed), *aff'd*, 966 F.2d 225 (7th Cir.1992); *Powell v. Storz Opthalmics, Inc.*, No. 93–1204–CIV–T–21C, 1995 WL 420822, at*5, 34 U.S.P.Q.2d 1136 (M.D.Fla. June 6, 1994) (refusing to consider plaintiff's new claim not ***1017** raised in interrogatory responses until after defendant had conducted discovery, prepared its case, and submitted a dispositive motion), *aff'd*, 53 F.3d 347, 1995 WL 225542 (Fed.Cir.1995); *Baltimore Therapeutic Equip. Co. v. Loredan Biomedical, Inc.*, Civ. No. S 89–1085–GEB, 1993 WL 129781, at *17, n. 18 (E.D.Cal. Feb.19, 1993) (forbidding party from supplementing interrogatory "to allege new theories or contentions after the close of discovery"), *aff'd*, 26 F.3d 138, 1994 WL 124022 (Fed.Cir.1994).

Furthermore, the Seventh Circuit has articulated a strong policy that parties may not amend their complaints after being defeated on summary judgment to add new claims and theories:

> In view of [the plaintiff's] failure to adequately explain the unreasonable delay in moving to amend his complaint to state a claim for punitive damages when all of the information necessary to stating such a claim has been available to him for eighteen months, we agree with the judgment and reasoning of the district court that [the plaintiff's] motion "represents an apparent attempt to avoid the effect of summary judgment [on his other claims]." Because granting [the plaintiff's] motion to amend after such an inexcusably long delay would unduly prejudice the defendants, we hold that the district court did not abuse its discretion in denying [the plaintiff's] motion to amend his complaint to state a claim for punitive damages.

Kleinhans v. Lisle Sav. Profit Sharing Trust, 810 F.2d 618, 625–26 (7th Cir.1987); *see also Cleveland v. Porca Co.*, 38 F.3d 289, 297–98 (7th Cir.1994) (plaintiffs not permitted to add new claim after discovery complete and summary judgment motions fully briefed). Although plaintiffs are not attempting to amend their complaint, they are clearly attempting to circumvent the court's prior summary judgment ruling.

However much this court disapproves of plaintiffs' "shifting sands" theories of liability, the court cannot find that defendants will suffer sufficient prejudice to warrant the exclusion of these new allegations from the case, given that trial is still several months away, the discovery process is ongoing, and defendants have utterly failed to allege any prejudice from plaintiffs' amendment of their interrogatories.[6] Therefore, I must deny the defendants' motion in limine to exclude any evidence of allegedly infringing ProStyle apparel other than the "GO PACK GO" apparel.[7]

2. Jacob Jacoby Survey and Opinion

Defendants argue that plaintiffs' expert Jacob Jacoby's survey and opinion regarding consumer confusion must be excluded from trial because (1) the ProStyle merchandise that was the subject of the survey is no longer at issue in the case; (2) Jacoby's report contains conclusions that the court has rejected; (3) Jacoby's conclusions are based on a mistaken premise; (4) the survey's confusion question improperly asked for a legal conclusion; and (5) Jacoby is precluded from offering opinions not expressed in his expert report.

Because the court for the time being will allow plaintiffs to argue that the bulk of ProStyle's merchandise infringes plaintiffs' registered marks, the court rejects defendants' first argument. As the court has held, the survey raises a triable issue of fact regarding consumers' actual confusion based on the registered trademarks:

> While the survey was misfocused to the degree that it purported to show secondary meaning, its use of defendant's products and the high incidence of purported actual confusion raise a triable issue of fact as to consumers' actual confusion based on the registered trademarks.

July 25, 1997 Decision and Order at 27.

Defendants then argue that because the Jacoby report includes his conclusion that plaintiffs' claimed common law marks have acquired secondary meaning, which the court rejected in its July 25, 1997 decision and ***1018** order, the entire report must be excluded to limit the danger that the jury may think that this conclusion has merit. Defendants cite no authority to support this contention, and the court will not exclude the entire report because of this danger.

Defendants' third argument is that Jacoby's report must be excluded from trial because it is based on the mistaken premise that the plaintiffs' alleged common law marks have secondary meaning; for example, the survey results counted

a respondent as definitely confused if the answer referenced the colors or town of Green Bay. *See* July 25, 1997 Decision and Order at 21 (disregarding survey evidence on issue of secondary meaning because answers such as the City of Green Bay and Green Bay personnel "are not Packer sources and should not have been included in determining secondary meaning"). However, as plaintiffs have pointed out, Jacoby has retabulated the results of the survey to cure the defects noted by the court in the July 25, 1997 decision. Plaintiffs' Brief in Opposition to Defendants' Motion in Limine at 11. Therefore, the court will not exclude the survey for this reason.

[3] **[4]** Defendants' fourth argument is that the survey's confusion question, "Do you think that, in order to put out this shirt, the company that put it out did need to get permission, did not need to get permission, or you have no thoughts about this?", improperly asked for a legal conclusion. In *Novo Nordisk of North America, Inc. v. Eli Lilly & Co.,* 96 Civ. 5787, 1996 WL 497018, 1996 U.S. Dist. LEXIS 12807 (S.D.N.Y. Aug. 30, 1996), a similar question formulated by Jacoby caused the court to "discard" his survey results. *Id.* 1996 WL 497018 at *6, at *26. As in this case, Jacoby asked whether the producer of the product shown "had to get authorization" to use another's marks. *Id.* 1996 WL 497018 at *6, at *26 n. 26. The court in *Novo Nordisk* rejected all survey answers to this question because it "mistakenly ask[ed] respondents what they believe is the legal requirement (because of the use of the phrase 'had to'), rather than asking them merely whether they believed that the maker of the [product] did receive authorization to use the [marks]." *Id.* 1996 WL 497018 at *6, at *25 n. 24.

Plaintiffs respond that defendants are "nitpicking" and that Jacoby had to insert the phrase "need to get permission" or else most people would respond that they did not know whether or not the maker got permission to make the shirt. The court may have been more sympathetic to this position had Jacoby himself not formulated the same survey question rejected in *Novo Nordisk* and had that court not suggested to him what would have been acceptable. However, Jacoby apparently has not learned from his mistakes which, contrary to plaintiffs' assertions that Jacoby's surveys "have been universally relied upon" and have never been rejected by a court, seem to be numerous. *See, e.g.,* *Novo Nordisk,* 1996 WL 497018, at *6, 1996 U.S. Dist. LEXIS 12807, at *26 n. 26; *ConAgra, Inc. v. Geo. A. Hormel & Co.,* 784 F.Supp. 700, 725–28 (D.Neb.1992) (holding that "the Jacoby study ... must be significantly discounted" because of "serious flaws in the study"), *aff'd,* 990 F.2d 368 (8th Cir.1993); *Weight Watchers Int'l, Inc. v. Stouffer Corp.,* 744 F.Supp. 1259, 1274 (S.D.N.Y.1990) (criticizing Jacoby study and noting that "[t]his is not the first time Jacoby's survey findings have been criticized"); *Am. Home Prods. Corp. v. Barr Labs., Inc.,* 656 F.Supp. 1058, 1070 (D.N.J.) (holding that a "number of flaws in the design of [Jacoby's] survey lead me to accord very little weight to its results"),[8] *aff'd,* 834 F.2d 368 (3rd Cir.1987); ***1019** *Smith v. Ames Dep't Stores, Inc.,* 988 F.Supp. 827, 834 (D.N.J.1997) (holding that "Dr. Jacoby's failure to consider data gleaned from actual consumers limits [his opinion's] value"); *Simon & Schuster, Inc. v. Dove Audio, Inc.,* 970 F.Supp. 279, 291 (S.D.N.Y.1997) (holding that because of flaws, "the Court assigns significantly reduced weight to the Jacoby Survey's results"); *Jim Beam Brands Co., Inc. v. Beamish & Crawford, Ltd.,* 852 F.Supp. 196, 199 (S.D.N.Y.1994) (holding that "Dr. Jacoby's study however, I find to have questionable value because his questions were leading"); *Indianapolis Colts, Inc. v. Metro. Baltimore Football Club Ltd. Partnership,* 34 F.3d 410, 416 (7th Cir.1994) (criticizing "tricks of the survey researcher's black arts" while assessing Jacoby survey); *Quality Inns Int'l, Inc. v. McDonald's Corp.,* 695 F.Supp. 198, 218–19 (D.Md.1988) (rejecting results of Jacoby survey as irrelevant); *Worthington Foods, Inc. v. Kellogg Co.,* 732 F.Supp. 1417, 1446 (S.D.Ohio 1990) (noting flaws in Jacoby study and holding that "the Court does not place great weight on Dr. Jacoby's study").

Furthermore, defendants correctly point out that Jacoby's conclusion regarding confusion was not stated in terms of what consumers believed should have happened, as the survey question was stated, but instead was phrased in terms of what actually happened, i.e., that consumers believed "that such shirts *were* sponsored or authorized by the Green Bay Packers and/or the NFL." Jacoby Report at 31 (emphasis added). As the court has said previously, it will not "accord trademark protection based upon the public's mistaken notion of the law." July 25, 1997 Decision and Order at 26.[9] Therefore, the court will grant defendants' motion in limine regarding all survey answers to the above question and any conclusions based on those answers. Because all four conclusions of the Jacoby study thus must be excluded from trial, the court will exclude his entire report and survey.

Finally, defendants argue that Jacoby is precluded from offering opinions not expressed in his expert report, thereby excluding him entirely from the case. Defendants cite no authority for this proposition, and, considering that discovery

is ongoing and that several months remain before trial, the court at this time will not preclude Jacoby from testifying.

3. Paragraph 4(b) of Standard NFL Player Contract

[5] Defendants argue that paragraph 4(b) of the Standard NFL Player Contract, by which players give the NFL Players Association exclusive rights to use their names and images in licensing programs which use six or more NFL player images on products, must be excluded from trial because: (1) it is not clear whether ProStyle's contracts with NFL players violate paragraph 4(b); (2) the NFL Players Association, the party that would have standing to complain about ProStyle's alleged violation of paragraph 4(b), is not a party to this action; and (3) evidence of paragraph 4(b) is more likely to confuse the jury than to provide evidence helpful in resolving the case. Plaintiffs respond that the licensing provision is unambiguous and clearly was violated by defendants, that plaintiffs were harmed by this violation, and that evidence of paragraph 4(b) is relevant to plaintiffs' unfair competition claim that defendants interfered with the NFLPA's and the Packers' advantageous contractual relations with Packers' players.

Regarding defendants' first argument, the court finds that it is unclear whether Packer players violated paragraph 4(b) of their contracts by allowing ProStyle to use their ***1020** names or images. The paragraph applies only to "licensing programs in which a licensee utilizes a total of six (6) or more NFL player images on products." Raskopf Affidavit Ex. 8. At least one Packer player interpreted this to mean that six or more images must appear together on a single product before paragraph 4(b) applies, Fredrickson Declaration Ex. A, and the court believes that this may be a reasonable interpretation of the clause.

Of course, whether the clause is ambiguous or not is irrelevant because plaintiffs have no standing to assert breach of a contract solely between NFL players and the NFL Players Association, none of whom are parties to this action. Paragraph 4(b) explicitly states that "[n]either Club nor the League is a party to the terms of this paragraph, which is included herein solely for the administrative convenience of Player and the NFLPA." Raskopf Affidavit Ex. 8. Other courts similarly have rejected plaintiff NFLP's attempt to assert standing in disputes involving only the NFLPA and NFL players. *See Nat'l Football League Properties, Inc. v. Hi–Pro Marketing, Inc.*, No. 92 Civ. 1456(MJL), 1992 WL 204370, at *3–4 (S.D.N.Y. Aug.11, 1992); *see also Aikman v. AAA Sports, Inc.*, No. 92 Civ. 1457(MJL), 1992 WL 204397, at *4 (S.D.N.Y. Aug.11, 1992). [10]

Furthermore, there is no indication that defendants even knew of paragraph 4(b), much less that they knowingly violated it, as plaintiffs contend (again, without any support whatsoever). In this case, plaintiffs designated this document "Highly Confidential," preventing even Sheri Tanner from seeing it, indicating that it is not a document generally available or well-known to the public. It seems likely that only NFL players could have told defendants about the restrictions expressed in paragraph 4(b), and it appears that the players didn't even know of those restrictions. *See* Fredrickson Decl. Ex. B at 25 (Robert Brooks Depo.); Fredrickson Decl. Ex. C at 22–24 (Mark Chmura Depo.); Fredrickson Decl. Ex. D at 24 (Santana Dotson Depo.); Fredrickson Decl. Ex. G at 23 (Craig Newsome Depo.). Also, as defendants note, there is no indication that defendants misrepresented the number of players with whom they had contracts to induce players to breach the clause in question. [11] Therefore, the court will grant defendants' motion in limine to exclude evidence of paragraph 4(b) of the Standard NFL Player Contract from trial.

B. PLAINTIFFS' MOTION IN LIMINE

1. Tanner's Sex Discrimination Action

[6] Plaintiffs seek to have excluded from trial any evidence of defendant Sheri Tanner's sex discrimination action against Green Bay America's Pack LLC, Royle Communications Group, Inc., Rod Kresal, and John Weishar, arguing that its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, and misleading the jury (pursuant to Fed.R.Evid. 403). Plaintiffs argue that defendants' purpose in introducing such evidence would be to suggest plaintiffs' improper motive in bringing the present suit, which, even if ***1021** proven, is irrelevant to the issues presented by this case. Plaintiffs further argue that defendants cannot prove any connection between the two actions and that if the court allowed the introduction of this evidence, plaintiffs would dispute it on its merits, thus causing a mini-trial that could waste judicial resources and confuse and prejudice the jury.

Defendants respond that this evidence is admissible for several reasons: (1) plaintiffs' possible improper motive in interfering with defendants' prospective business relations is an element of defendants' counterclaim; (2) this evidence is

relevant to the trademark claims, because the jury will assess consumer confusion, and evidence that plaintiffs brought suit for reasons other than preventing consumer confusion is relevant to that issue; (3) the court must consider plaintiffs' conduct in determining whether injunctive relief is warranted; and (4) this evidence bears on the credibility of Packer employees who will be called to testify, especially Jeff Cieply.

The court holds that evidence of Tanner's sex discrimination action only could be admissible through defendants' counterclaim alleging intentional interference with its prospective business relations, because plaintiffs' possible improper motive is an element of that claim. Such evidence is not relevant to consumer confusion, however, as not one of the seven factors to be considered in that analysis bears any relation to a trademark holder's motive in bringing suit. Nor is such evidence relevant because the court must weigh plaintiffs' conduct in determining the issue of injunctive relief, as the conduct to be weighed would involve plaintiffs' unlawful activity (their "unclean hands"), not their motive in asking for injunctive relief. *See, e.g., Shondel v. McDermott,* 775 F.2d 859, 868 (7th Cir.1985). Finally, the fact that some of plaintiffs' potential witnesses may be biased or prejudiced against Tanner because of her sex discrimination suit is simply not probative enough to counteract the substantial prejudice, delay, and confusion of issues that could be caused by an extensive mini-trial on her sex discrimination claim. *See* Fed.R.Evid. 403. [12]

Because plaintiffs have expressed their intent to move for summary judgment on defendants' counterclaim alleging intentional interference with their prospective business relations, the court feels that it would be premature to rule on plaintiffs' motion to exclude evidence of Tanner's sex discrimination action, as the issue would be mooted if the court grants plaintiffs' motion for summary judgment on that counterclaim. If defendants' counterclaim survives summary judgment, the court may rule on this motion in limine then. [13]

2. Third–Party Uses of Packer Trademarks

Plaintiffs contend that admission at trial of any evidence of unauthorized third-party uses of Packer trademarks is limited to proving the strength of the marks, which defendants concede, thereby making that evidence irrelevant and inadmissible. Plaintiffs further ***1022** argue that they are not required to prosecute every violation of their trademark rights and that defendants will seek to introduce evidence of unauthorized third-party uses of Packer trademarks to argue plaintiffs' improper motive in bringing suit. Finally, plaintiffs argue that the minimal probative value of this evidence is substantially outweighed by the prejudice, confusion, and delay that would result.

Defendants respond that evidence of unauthorized third-party uses of Packer trademarks is relevant to the likelihood of confusion analysis. Defendants also respond that they do not concede the strength of plaintiffs' uniform design mark with respect to non-football-game use, nor do they concede the strength of the phrase "GREEN BAY AMERICA'S PACK USA," which plaintiffs contend was infringed by defendants' "GO PACK GO" apparel. Finally, defendants contend that evidence of numerous unchallenged third-party uses of Packer trademarks shows defendants' good faith in using similar marks.

The court agrees with plaintiffs that evidence of unauthorized third-party uses of Packer trademarks is limited to proving the strength or weakness of the marks. *See, e.g., Quality Inns Int'l, Inc.* 695 F.Supp. at 214 (holding that "evidence of third-party uses introduced by Quality Inns therefore is probative only of the strength and scope of McDonald's family of marks"); *Pebble Beach Co. v. Tour 18 I, Ltd.,* 942 F.Supp. 1513, 1541 (S.D.Tex.1996) (holding that existence of multiple users of a mark is relevant only to strength or weakness of mark).

Defendants cite two cases which they contend hold that evidence of third-party uses is also relevant to other considerations in assessing likelihood of confusion. *Nat'l Cable Television Ass'n, Inc. v. Am. Cinema Editors, Inc.,* 937 F.2d 1572, 1579 (Fed.Cir.1991); *Lloyd's Food Prods., Inc. v. Eli's, Inc.,* 987 F.2d 766, 768 (Fed.Cir.1993). However, the passages in these cases quoted by defendants in support of this assertion relate only to the strength or weakness of the marks, thereby defeating defendants' contention. *See Nat'l Cable,* 937 F.2d at 1579–80 ("Cable first asserts that ACE is a 'weak' mark because uses of ACE by unrelated companies are widespread ... [passages quoted by defendants] ... In sum, Cable's argument that it can use ACE because ACE is a 'weak' mark ... is ... unpersuasive."); *Lloyd's,* 987 F.2d at 768 (holding that TTAB erred by not considering third party uses and thus "reject [ing] Lloyd's Foods' contention that the mark was 'weak' "). Therefore, the court will grant plaintiffs' motion in limine to the extent that it will not allow defendants to introduce evidence of third-party uses of plaintiffs' marks about which defendants concede their strength, namely, the marks "PACKERS," "GREEN BAY PACKERS" and the

helmet design bearing the "G" logo. *See* Joint Pretrial Report, Ex. 8(b)(2) at 10.

However, defendants do not concede the strength of plaintiffs' uniform design mark with respect to non-football-game use, nor do they concede the strength of the phrase "GREEN BAY AMERICA'S PACK USA," which plaintiffs contend was infringed by defendants' "GO PACK GO" apparel. Defendants state that they plan to dispute the strength of these marks at trial by offering evidence of third-party uses of photos of players in uniform and third-party uses of the phrase "GO PACK GO." Plaintiffs do not respond to this contention regarding the "GO PACK GO" third-party uses, and the court has not seen this evidence, so the court will not exclude this evidence at this time (though plaintiffs are free to renew this motion at or closer to trial). Regarding the evidence of third-party uses of photos of players in uniform, again, the court will not exclude evidence that it has not seen. [14] Therefore, plaintiffs' motion to exclude evidence of third-party uses of Packer marks will be granted in part and denied in part. [15]

***1023 3. Evidence of Consumer Motivation**

Plaintiffs argue that "the relevant issue is the degree to which consumers mistakenly believe that the Packers have sponsored or are associated with Defendants' products," Plaintiffs' Brief in Support of Plaintiffs' In Limine Motion to Preclude Evidence at 11; however, they also argue that a "showing that consumers purchase Defendants' products because of assumptions of official sponsorship is not only unnecessary as a matter of trademark law, but also superfluous because sponsorship confusion necessarily implies consumer motivation to acquire officially sponsored or sanctioned merchandise ." *Id.* at 13. Plaintiffs apparently disagree with this court's prior holding that "if consumers buy ProStyle's clothing goods because they are excited about the Packers' team, then there is no unfair competition on that basis alone," July 25, 1997 Decision and Order at 25, because they argue that "[t]he very fact that consumers purchase Defendants' merchandise to demonstrate their support for the Packers evidences their confusion as to the sponsorship of Defendants' goods." Plaintiffs' Brief in Support of Plaintiffs' In Limine Motion to Preclude Evidence at 13.

Defendants respond that these arguments are "a muddle that make no sense whatsoever," and the court agrees. The court has previously complained about plaintiffs' baffling arguments, and plaintiffs' current arguments are no exception: "Either this court has seriously misunderstood the plaintiffs' argument or the plaintiffs' lawyers have been spending too much time at mad tea parties in Wonderland." May 19, 1998 Order at 3 n.2. Therefore, the court will deny plaintiffs' motion in limine to preclude evidence of consumer motivation. Plaintiffs are free to renew this motion if and when they eschew obfuscation and present their arguments to the court in a way that makes sense.

III. CONCLUSION

Therefore, the court will grant in part and deny in part defendants' motion in limine and will grant in part and deny in part plaintiffs' motion in limine.

Accordingly,

IT IS ORDERED that defendants' motion in limine be and the same is hereby **GRANTED IN PART** and **DENIED IN PART;** and

IT IS FURTHER ORDERED that plaintiffs' motion in limine be and the same is hereby **GRANTED IN PART** and **DENIED IN PART.**

Footnotes

1 The court erroneously noted at the end of its July 25, 1997 decision and order that it granted defendants' motion for partial summary judgment regarding Counts I, III, V and VI of the complaint. In fact, Count III, regarding federal dilution, was not discussed by the court anywhere in that decision. The court instead intended to grant defendants' motion for partial summary judgment regarding Counts I, II, V and VI of the complaint, regarding federal unfair competition, federal trademark infringement, state unfair competition, and state trademark infringement.

2 The term "infringe" as used in response to defendants' Interrogatory No. 7 was interpreted by plaintiffs to include " 'infringement' under Sections 32(1), 43(a) and 43(c) of the Lanham Act (respectively, trademark infringement, false and misleading descriptions or representations of origin, and dilution), deceptive advertising under Section 100.18(1) of the Wisconsin Statutes, trademark infringement under state common law and unfair competition under federal statutory law and state common law." Plaintiffs' Responses to Defendants' First Set of Requests for Admission at ¶ 1. Therefore, when the court refers to plaintiffs' new theory that the bulk of

defendants' products "infringes" plaintiffs' registered marks, the reader may assume that this also includes the theory that defendants' products dilute and unfairly compete with plaintiffs' registered marks.

3 NFLP twice supplemented its answers to this interrogatory before defendants' summary judgment motion was decided but did not identify anything other than the "GO PACK GO" shirt as infringing plaintiffs' registered marks.

4 Plaintiffs initially served defendants with an unverified Amended Response on April 2, 1998, but did not serve the verified version until April 8.

5 Plaintiffs argue that they had already named these products in their initial response to Interrogatory No. 6, which they contend focused on false suggestion of sponsorship and dilution, somehow excusing their late notice that they intend to argue that the bulk of ProStyle's merchandise infringes plaintiffs' registered trademarks:

> NFLP filed an Amended Interrogatory Response—to Interrogatory No. 7, which addressed trademark infringement—naming other items of ProStyle merchandise that infringed the Packers' registered marks. Many of these items had already been cited by NFLP in its initial Response to Interrogatory No. 6, which focused on unfair competition and dilution, but were nonetheless named again in the trademark infringement context to preserve NFLP's rights regarding these products, in light of Defendants' narrow interpretation of the open issues remaining for trial.

Plaintiffs' Brief in Opposition to Defendants' Motion in Limine at 4–5 (citations omitted). Once again, plaintiffs have managed to completely befuddle the court. Interrogatory No. 6 specifically excluded any reference to plaintiffs' registered trademarks ("Aside from the marks for which the Packers have received a federal or state registration, ..."), so the court does not see how it could have given defendants notice regarding which products plaintiffs contend infringe their registered trademarks.

6 The court does not have sufficient facts or argument before it to decide whether the plaintiffs' new theories will hold water and thus expresses no opinion on their merits at this time.

7 Therefore, the court need not address plaintiffs' claim that the Packers should not be bound by NFLP's answers to defendants' interrogatories.

8 One of the flaws noted by the *American Home Products* court was one of the same flaws noted by this court in this case, *see* July 25, 1997 Decision and Order at 20, that is, that an "association" of marks did not mean that respondents thought that both products came from the same source:

> I have grave doubts as to whether a response from a member of the "generic" group that he or she "associates" defendants' [product] with the [alleged protected mark] means that the respondent believes that both products come from the same source.... I am loathe to conclude that by "associating" defendants' [product] and the [alleged protected mark], the survey respondents also meant that they could not tell [the products] apart, or believed that they share a common commercial source.

Am. Home Prods., 656 F.Supp. at 1070.

9 Perhaps the public's mistaken belief in the broad sweep of the trademark laws explains why a substantial 10.8% of Point–of–Sale survey respondents believed that one would need to get permission from the Green Bay Packers or the NFL to market a shirt bearing a generic yellow football helmet and the words, "Ellison Bay Football ." Jacoby Report at 27. The court surmises that the mistaken belief of this not-inconsequential segment of respondents shows the bias that may have been caused by hinting to survey respondents that the maker may have needed to get permission from someone to make the shirt. In other words, it seems unlikely that the average person walking down the street would think upon seeing an "Ellison Bay Football" shirt that the makers needed to get permission from the NFL or the Packers to market it, while merely raising the possibility of needing to get permission through a survey question could trigger such thoughts where they would not otherwise occur.

10 Plaintiffs' argument that they have standing to assert breach of this provision is typical of the wholly unsupported leaps of logic that have characterized most of their arguments in this action:

> Paragraph 4(b), the contractual provision governing the group licensing program of the NFLPA, provides for the distribution throughout the NFLPA of revenue gained from promotional programs that utilize more than six NFL players. A violation of the group licensing provision thus effectively takes money away from other players, as well as the NFLPA. The NFLPA, the players *and the Packers* are thus harmed by Defendants' knowing violation.

Plaintiffs' Brief at 13 (emphasis added). Plaintiffs' unpersuasive attempt to meld their interests with those of the NFLPA is even more dubious considering well-known clashes between plaintiffs and the NFLPA in the past. *See, e.g.*, *Nat'l Football League Players Ass'n v. Nat'l Football League Properties, Inc.*, No. 90 Civ. 4244(MJL), 1991 WL 79325 (S.D.N.Y. May 7, 1991) (NFLPA claimed, inter alia, that NFLP and NFL unlawfully induced players to breach their group licensing authorizations with NFLPA and instead sign with NFLP).

11 Absent any evidence of this or evidence that defendants even knew of paragraph 4(b), the court rejects plaintiffs' "unfair competition" claim that defendants, through their alleged violation of the group licensing program, interfered with plaintiffs' contract relations with Packer players.

12 Thus, defendants may not introduce evidence of Tanner's action because of this alleged bias or prejudice, but they may impeach plaintiffs' witness Jeff Cieply about his alleged comments regarding women in the Packer organization if they can prove that he actually made these comments and that they show bias against Tanner. [Plaintiffs cite Fed.R.Evid. 608(b), but the strictures of that rule do not apply when impeaching evidence is used to prove bias, as it would in this case. *See, e.g.*, *United States v. Veras*, 860 F.Supp. 471, 478 (N.D.Ill.1994), *aff'd*, 51 F.3d 1365 (7th Cir.), *cert. denied*, 516 U.S. 999, 116 S.Ct. 540, 133 L.Ed.2d 444 (1995).] However, the only evidence defendants have offered thus far of these alleged comments, a photocopy of a Milwaukee Journal–Sentinel article which notes that Tanner attributed discriminatory comments to Cieply in her sex discrimination complaint, is not sufficient proof. Even if proved, evidence of Cieply's alleged comments still would have to clear the hurdle of Fed.R.Evid. 403 to be allowed at trial.

13 However, given the facts alleged by plaintiffs indicating that there is no connection between Tanner's sex discrimination action and the present action, namely, that neither plaintiff was named as a defendant in Tanner's action, that NFLP, an entity totally unconnected with Tanner, may have recommended the present suit before the Packers did, and that Tanner's action apparently has settled, the court expresses doubt as to whether an inference can be drawn that Tanner's action is related to the present suit. Federal Rule of Evidence 403 also might bar this evidence.

14 However, the court questions whether evidence of third-party uses of photos of players in plain uniforms with no Packer logos and no green and yellow striping is relevant to proving the alleged weakness of the Packers' uniform design mark.

15 The court rejects defendants' contention that evidence of numerous unchallenged third-party uses of Packer trademarks shows defendants' good faith in using similar marks. Defendants cite no legal authority or factual support for this proposition.

End of Document

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2012 WL 1881493 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT CITABLE AS A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

RELIANCE STANDARD LIFE INSURANCE COMPANY
v.
AMERICAN NATIONAL INSURANCE COMPANY

Opposition No. 91178996
Application Serial No. 78895793
April 30, 2012

***1** Roberta Jacobs-Meadway of Eckert Seamans Cherin & Mellott, LLC for Reliance Standard Life Insurance Company
Margaret A. Boulware of Boulware & Valor for American National Insurance Company

Before Quinn, Bergsman and Kuczma
Administrative Trademark Judges
Opinion by Bergsman
Administrative Trademark Judge

American National Insurance Company ("applicant") filed a use-based application to register the mark BENCHMARK RELIANCE, in standard character form, for the "issuance and administration of annuities," in Class 36.

Reliance Standard Life Insurance Company ("opposer") opposed the registration of applicant's mark on the ground of likelihood of confusion under Section 2(d) of the Trademark Act of 1946, 15 U.S.C. §1052(d). Opposer alleged that it has used the mark RELIANCE STANDARD in connection with insurance underwriting and issuing and administering annuities since at least as early as August 1965, a date prior to any date on which applicant can rely for the first use of its mark, and that applicant's use of the mark BENCHMARK RELIANCE for the "issuance and administration of annuities" so resembles opposer's mark RELIANCE STANDARD for insurance underwriting and issuing and administering annuities as to be likely to cause confusion. Opposer pleaded ownership of the registrations listed below:

1. Registration No. 1617943 for the mark RSL RELIANCE STANDARD LIFE INSURANCE COMPANY, in typed drawing form, for "life accident and health insurance underwriting services," in Class 36; [1] and

2. Registration No. 3064739 for the mark RELIANCE STANDARD, in standard character form, for "insurance underwriting in the fields of life, health and accident; financial services in the fields of processing, funding, underwriting, issuing and administering annuities," in Class 36. [2]

Applicant, in its answer, admitted that it "claims no date earlier than August 25, 2003 for the purpose of claiming priority," but denied the remaining salient allegations in the notice of opposition. During the course of the proceeding, applicant filed a counterclaim to cancel Registration No. 3064739 for the mark RELIANCE STANDARD on the ground of fraud. Applicant alleged that opposer's registration "was procured by Opposer's knowingly false or fraudulent statements [to overcome a Section 2(d) likelihood of confusion refusal] which were made with the intent to deceive the Patent and Trademark Office into granting registration" to opposer. Opposer denied the salient allegations in the counterclaim.

Preliminary Issues

A. Whether likelihood of confusion based on opposer's use of the word "Reliance" as a stand alone mark was tried by express or implied consent?

***2** As noted above, opposer alleged that "[i]t has continuously used Reliance Standard as its name and mark in connection with its activities since August 1965" and that applicant's mark BENCHMARK RELIANCE so resembles opposer's "'Reliance Standard' tradename and marks, ... that it is likely to cause confusion, mistake, and/or deception." [3] In its brief, opposer claimed use of the name and mark "Reliance" for the first time. Because opposer may not rely on unpleaded marks, we must determine whether opposer's attempt to assert use of RELIANCE as a stand-alone mark was tried by express or implied consent.
Implied consent to the trial of an unpleaded issue can be found only where the nonoffering party (1) raised no objection to the introduction of evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the issue.

TBMP § 507.03(b) (3rd ed. 2011). *See also* *Morgan Creek Productions Inc. v. Foria International Inc.*, 91 USPQ2d 1134, 1138 (TTAB 2009); *H.D. Lee Co. v. Maidenform Inc.*, 87 USPQ2d 1715, 1720-1721 (TTAB 2008); *Long John Silver's Inc. v. Lou Scharf Inc.*, 213 USPQ 263, 266 n.6 (TTAB 1982) (applicant's objection to the introduction of evidence regarding an unpleaded issue obviated the need to determine whether the issue had been tried by implied consent); *Boise Cascade Corp. v. Cascade Coach Co.*, 168 USPQ 795, 797 (TTAB 1970) ("Generally speaking, there is an implied consent to contest an issue if there is no objection to the introduction of evidence on the unpleaded issue, as long as the adverse party was fairly informed that the evidence went to the unpleaded issue.").
The question of whether an issue was tried by consent is basically one of fairness. The non-moving party must be aware that the issue is being tried, and therefore there should be no doubt on this matter.

Morgan Creek Productions Inc. v. Foria International Inc., 91 USPQ2d at 1139.

During the deposition of David Gittelman, opposer's Director of Marketing, Mr. Gittelman answered a series of questions relating to opposer's first use of the "Reliance Standard" name and mark. [4] The questioning turned to how opposer uses the mark.
Q. How does Reliance Standard use the Reliance Standard name and mark?

A. As a ... as a printed brand, if you will. We use the term Reliance Standard, so you'll notice on most of our printed materials if there's a logo present it is a Reliance Standard logo, and that would be inclusive of all our operating divisions. We are known in the marketplace widely as Reliance. I mean if you were to speak to one of our brokers, you know, and you said who's your Reliance rep, that's ... that's pretty much the --

***3** Q. Okay.

A. -- the lingo.

Q. And how often does that happen?

A. Daily. [5]

The only evidence introduced by opposer displaying the use of the mark RELIANCE is Gittelman deposition exhibit No. 5, a flyer about opposer's SmartChoice disability coverage for small business groups. [6]
Q. And could you identify the bottom portion as to how Reliance Standard is marked?

A. In this particular sheet Reliance is identified by the mark Reliance, and then Reliance Standard Life Insurance Company below that. [7]

The testimony of David Whitehead, opposer's Vice President of Accumulation Products Marketing, relating to the use of RELIANCE as a stand-alone mark was less definite.
Q. Is Reliance ever used alone, apart from Reliance Standard?

A. Typically not on formal materials and forms, but is used frequently. Somebody will refer to Reliance instead of Reliance Standard or instead of Reliance Standard life. If I get a phone call from one of our agencies or I'm talking to one of our agencies, they may say hey, we really like that Reliance product, that Reliance X, Y, Z product, okay. So it's not used formally on our materials but it is used in discussions and is -- we are referred to by a number of our, you know, agencies and producers at different points in time. [8]

Applicant did not object to the above-noted testimony or object to the introduction of Gittelman Exhibit 6 relating to the use of RELIANCE as a stand-alone mark. In its brief, applicant acknowledged that opposer was claiming rights in the "marks RELIANCE and RELIANCE STANDARD for annuities." [9]
The issue is whether the mark BENCHMARK RELIANCE ... is likely to cause confusion with Opposer, Reliance Standard Life Insurance's marks RELIANCE and RELIANCE STANDARD for annuities ... [10]

In view of the fact that applicant expressly acknowledged that opposer was claiming use of RELIANCE as a stand-alone mark, we deem opposer's notice of opposition amended to assert RELIANCE as a stand-alone mark under Fed.R.Civ.P. 15(b)(2).

B. Opposer's motion to strike applicant's evidence of third-party use.

In response to opposer's Interrogatory No. 16, requesting applicant to identify all known third parties using the word "Reliance" as a part of a mark in connection with annuities, insurance and other financial services, applicant identified Reliance Insurance Group, Reliance National Indemnity of Pennsylvania, American Select - Reliance Ultimate Choice, Reliance Management, Equity Reliance Group, Old Reliance Insurance Company, and Reliance Mortgage Group. In addition, applicant identified twelve third-party marks with the word "Reliance."

In response to opposer's request for production of documents No. 14, requesting documents identifying third parties using the term "Reliance" in connection with financial services, applicant stated that it "will produce responsive, non-privileged, non-confidential documents that are in its possession, custody or control." However, applicant did not produce any documents.

***4** At trial, applicant introduced a certificate of licensure for Reliance Insurance Group LLC (printed from the Internet on August 9, 2010), [11] an A.M. Best Company financial rating for Old Reliance Insurance Company (copyright 2009), [12] an excerpt from the Reliance Insurance Group website (printed on August 3, 2010), [13] an excerpt from the Reliance Wealth & Trust Partners website (printed on August 17, 2010), [14] an excerpt from the Reliance Financial Group website (printed on August 17, 2010), [15] and an excerpt from the Reliance Trust website (printed on August 17, 2010). [16]

Opposer objected to the introduction of those exhibits during the depositions of George Crume and Christina Hodges-Eaken and reasserted the objection in a motion to strike the exhibits filed with its brief on the ground that applicant never produced any evidence of third-party use of the term "Reliance" during discovery.

It is not clear from the record when or why applicant obtained the A.M. Best Company financial rating for Old Reliance Insurance Company. Nonetheless, we admit the A.M. Best Company financial report for Old Reliance Insurance Company, because applicant identified that company in its response to opposer's interrogatory No. 16, thereby minimizing any surprise or prejudice to opposer. With the exception of the A.M. Best Company report, it is clear that the other objected-to documents were obtained by applicant in preparation for its testimony and were not responsive documents that were already within its possession or control when applicant was responding to document requests.

While a party need not investigate third-party use in response to discovery requests, *Rocket Trademarks Pty Ltd. v. Phard S.p.A.,* 98 USPQ2d 1066, 1071 (TTAB 2011); *Sports Authority Michigan Inc. v. PC Authority Inc.,* 63 USPQ2d 1782, 1783 (TTAB 2001), applicant's initial interrogatory response suggests that it had indeed made at least some such investigation. It seems highly unlikely that it could have identified several third-party users of "Reliance" by name without having some documentation concerning each. Its concurrent responses to the related document request promised that it would produce responsive documents, but applicant never did. Instead, applicant introduced documents concerning third-party use only after discovery as exhibits during testimonial depositions.

However, a failure to discharge one's duty to supplement under Rule 26(e)(1) does not automatically require a sanction, such as striking of proffered evidence, unless the other party was prejudiced. In *Rocket Trademarks Pty Ltd. v. Phard S.p.A.,* we previously overruled a similar objection in similar circumstances because the opposer in that case had an opportunity to eliminate or minimize any prejudice during its later rebuttal testimony period:
***5** Opposer's objection, in essence, is that it was somehow prejudiced by not having the documents produced earlier in response to its discovery requests. However, opposer was not put at a disadvantage.

Again, applicant had no duty to conduct an investigation of third-party use during discovery and, certainly, applicant's attempt to present evidence of third-party use of the term ELEMENT should not have come as a surprise because it is common practice to introduce third-party use to demonstrate that a mark is weak and, therefore, entitled to only a narrow scope of protection. The documents introduced as exhibits to Ms. Fuchs' deposition were equally accessible to opposer, i.e., they were publicly available via the internet. Finally, opposer had thirty days between the close of applicant's testimony period and the opening of its rebuttal period to prepare any rebuttal against the evidence of third-party use. Accordingly, opposer's objection to the Fuchs' testimony deposition exhibits on the basis that the documents were not previously produced in response to opposer's discovery requests is overruled.

98 USPQ2d at 1071-1072.

That analysis applies here as well. [17] While we do not condone applicant's apparent failure to timely supplement discovery responses, the lack of prejudice leads us to overrule opposer's objection to applicant's evidence of third-party use. The above-noted exhibits will be considered for whatever probative value they may have (which, as we explain *infra,* is minimal).

C. Applicant's objection to opposer's Internet evidence.

Applicant filed a motion to strike opposer's notice of reliance introducing into evidence printouts from websites on the ground that such printouts are not permitted under Trademark Rule 2.122(e), 37 CFR § 2.122(e). Applicant's motion is not well taken. The Board now permits documents obtained from the Internet to be introduced into evidence via a notice of reliance. *Safer Inc. v. OMS Investments Inc.,* 94 USPQ2d 1031, 1039 (TTAB 2010) ("*if a document obtained from the Internet identifies its date of publication or date that it was accessed and printed, and its source* (*e.g.,* the URL), it may be admitted into evidence pursuant to a notice of reliance in the same manner as a printed publication in general circulation in accordance with Trademark Rule 2.122(e)) (emphasis in the original). Applicant's motion to strike opposer's notice of reliance introducing into evidence printouts obtained from the Internet is denied.

The Record

By operation of Trademark Rule 2.122, 37 CFR § 2.122, the record includes the pleadings and the application file for applicant's mark and the application file for opposer's pleaded registration for which applicant seeks cancellation. The record also includes the following evidence:

A. Opposer's Evidence.

***6** 1. Testimony deposition of David Gittelman, opposer's Director of Marketing, with attached exhibits;

2. Testimony deposition of David Whitehead, opposer's Vice President of Accumulation Products Marketing, with attached exhibits;

3. Testimony deposition of John F. Metzger, a legal assistant in opposer's counsel's law firm, with attached exhibits;

4. Notice of reliance on certified copies of opposer's pleaded registrations prepared and issued by the United States Patent and Trademark Office showing both the current status of and current title to the registrations;

5. Notices of reliance on applicant's responses to opposer's interrogatory Nos. 12, 14 and 15;

6. Notices of reliance on applicant's responses to opposer's requests for admission;

7. Notice of reliance on dictionary definitions for the words “benchmark” and standard”;

8. Notice of reliance on copies of third-party registrations purporting “to show the nature and extent of the use of the term ‘benchmark’”;

9. Notice of reliance on copies of third-party registrations purporting “to show the relatedness of ‘annuities' and employee benefits programs and products”;

10. Notice of reliance on copies of printed publications purporting “to establish descriptive use of the term ‘benchmark’ in relation to annuities”;

11. Notice of reliance on copies of printouts from websites purporting “to establish that companies advertise or market both annuities and employee benefit plans to members of the general public, and that colleges and universities offer annuities as part of benefit packages”;

12. Notice of reliance on copies of printed publications purporting “to establish use of the ‘RELIANCE STANDARD’ name and mark by persons in the relevant trade to refer to Opposer and its services”; and

13. Notice of reliance on third-party registrations purporting “to show the relatedness of ‘annuities' and insurance products and services.”

B. Applicant's evidence.

1. Testimony deposition of Christina L. Hodges-Eaken, the Vice President for Compliance for Legacy Marketing Group, a business partner of applicant in the field of developing and marketing annuity programs, with attached exhibits;

2. Testimony deposition of George C. Crume, Sr., applicant's Vice President of Brokerage Sales, with attached exhibits;

3. Applicant's notice of reliance on the following items:
a. Copies of third-party registrations for marks incorporating the word “Reliance” for financial services in Class 36;

b. Opposer's responses to applicant's interrogatories;

c. Opposer's responses to applicant's requests for admission;

d. Copies of the file histories for opposer's pleaded registrations;

***7** e. Copies of materials from the LexisNexis database purportedly to show “usage and adoption of the term ‘Reliance’ in the marketplace by other third parties”;

f. Copies of materials from the LexisNexis database purportedly to show “the reputation, goodwill and recognition of Applicant American National Insurance Company in the market place”;

g. Copy of the New Jersey certificate of licensure for Reliance Insurance Group, LLC purportedly to show “usage and adoption of the term ‘Reliance’ in the marketplace by other third parties”; and

4. Notice of reliance on third-party registrations registered for annuities but not with employee or group benefits purportedly “to show that annuities are not related to employee or group benefits in the marketplace.”

Counterclaim to Cancel Registration No. 3064739 for the mark RELIANCE STANDARD

Standing

Applicant has standing to assert its counterclaim for cancellation based on opposer's assertion of Registration No. 3064739 against applicant in its opposition to the application. *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999) (“[A]pplicant's standing to assert the counterclaim arises from applicant's position as a defendant in the opposition and cancellation initiated by opposer”).

Fraud

Applicant bears the burden of proving the elements of fraud by clear and convincing evidence. Any doubt must be resolved against applicant as the charging party. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009). During the prosecution of opposer's application to register the mark RELIANCE STANDARD, the examining attorney refused to register opposer's mark on the ground of likelihood of confusion with, *inter alia*, Registration No. 2297714 for the mark RELIANCE CAPITAL MANAGEMENT, owned by an unrelated third party, for “financial services in the nature of investment management and research,” in Class 36.

Opposer's specimen showing use of the mark RELIANCE STANDARD for “insurance underwriting in the fields of life, health and accident; financial services in the fields of processing, funding, underwriting, issuing and administering annuities” was a copy of its homepage (rsli.com/home) printed on February 19, 2004. The homepage provided the following information (Emphasis added):

> Reliance Standard underwrites a variety of group coverages that are incorporated into basic employee benefit packages including group life, group disability income, personal accidental death and dismemberment, integrated disability, administrative services, group dental and vision. **Reliance Standard offers a complete portfolio of fixed rate annuity products to individuals.**

***8** To support the likelihood of confusion refusal, the examining attorney argued that the "marks are virtually identical" and "[t]he [opposer], as well as the registrants in the aforementioned marks, [18] use their marks for financial investment and underwriting services." [19]

In response to the likelihood of confusion refusal, opposer made the following arguments (Emphasis added):
The differences in [Opposer's] mark RELIANCE STANDARD and registrant's mark RELIANCE CAPITAL MANAGEMENT taken together with the differences in the goods and services, the sophistication of the purchasers and the differences in the trade channels all preclude a reasonable likelihood of confusion. [20] ...

The goods and services in question are not related and would not be encountered by the same purchasers in situations that would give rise to an incorrect assumption as to the source of the goods and services .... **[Opposer] sells group insurance and annuity goods and services to employers for inclusion into those employers' employee benefits programs, and has sold such goods and services for over 90 years. In contrast, registrant offers investment management and research. A person seeking an investment manager or advisor would not encounter employer sponsored insurance products, and likewise, a company executive seeking corporate insurance products would not encounter an investment manager's or advisor's goods and services. Because the goods and services are not related, a purchaser would not be confused as to their source.**

[Opposer] and registrant have different purchasers and market their goods and services in different ways, further decreasing any possible likelihood of confusion .... **[Opposer] markets the goods and services under its mark to company executives responsible for employee benefit programs, while registrant would, based upon the goods and services described in the registration, market its goods and services [sic] financial institutions and investment advisors.**

... **The purchasers of the goods and services under [opposer's] and registrants' marks are not impulse buyers, but are highly sophisticated professionals buying specialized products**. The purchasers of [opposer's] and registrant's goods and services would purchase only after a process of evaluation, negotiation and consideration, therefore, removing any reasonable likelihood of confusion as to the source of the goods and services in question. [21]

After receipt of opposer's response to the Office action, the examining attorney withdrew the Section 2(d) refusal and approved the mark in opposer's application for publication.

The essence of applicant's fraud claim is set forth in paragraph No. 14 of its amended counterclaim:

> Opposer knew at the time of filing its response to [sic] office action and even several years later as stated in the declarations of Mssrs. Whitehead and Gittelman that its annuities services were not offered to employers but only to individuals. Despite always knowing that its annuities goods and services were offered only to individuals, Opposer knowingly argued that its annuities services were sold to employers. Opposer did not represent the truth to the Patent and Trademark Office that it sells annuity services to individuals and that its annuity services are not sold to employers.

***9** The relevant standard for proving fraud, set forth in *In re Bose Corp*. requires clear and convincing proof of the following four elements:
(1) applicant/registrant made a false representation to the USPTO;

(2) the false representation is material to the registrability of a mark;

(3) applicant/registrant had knowledge of the falsity of the representation; and

(4) applicant/registrant made the representation with intent to deceive the USPTO.

In re Bose Corp., 91 USPQ2d at 1941. As explained below, we find that opposer did indeed make material false statements to the examining attorney, and that opposer knew they were false. We have enough doubt as to opposer's intent to deceive, however, that the fraud claim must fail.

A. Whether opposer made a false representation to the USPTO?

Applicant contends that opposer's arguments that it was selling annuities to employers as part of a package of employee benefits is a false statement because opposer was also offering its annuities to individuals. In its brief, applicant specifically references Paragraph No. 27 in the Declaration of David Whitehead, opposer's Vice President of Accumulation Products Marketing. [22] (Emphasis added).

[Opposer] and other companies, including [applicant], sell annuities and other financial products through IMOs. IMOs are independent, that is not affiliated with a carrier, and usually offer through their agents annuity products from several insurance carriers. **The agents who sell annuity products to individuals** work with one or more IMOs and rely on them for assistance and expertise when deciding what products to offer their clients.

In addition, we note that Mr. Whitehead declared that opposer's "annuities are marketed and sold to individuals" [23] "through insurance agents by intermediaries commonly referred to as IMOs." [24] In this regard, Mr. Whitehead provided an example of how an individual consumer could encounter the annuities of both parties:

> 31. It is reasonable to assume that individuals who have been exposed to [opposer's] benefits and Absence Solutions® products and advertising for them are likely to also be exposed to [opposer's] annuities, and annuities of other competitors, including [applicant]. It is likely that this will happen in a variety of contexts. By way of example only, this can happen when an individual employed by an employer that offers [opposer's] benefit coverages encounters a situation where he or she has assets to invest (from rolling over a 401k, an inheritance, sale of a home, etc.) and meets with an agent who offers annuity products underwritten by [opposer] or [applicant]. This exposure could also occur where a company executive charged with selecting the company's employee benefits coverages subsequently seeks to invest his or her own individual assets. In a number of instances, the annuity products could be offered by the same agent who offers and markets the benefit coverages, or alternatively by a separate agent. [25]

***10** Mr. Whitehead also testified that "all annuity contracts are sold by licensed insurance agents to individuals" [26] and "[t]hose independent agents then go out to the kitchen table or wherever else ... you know, wherever else they meet their customers and talk about our annuity products and then ultimately take an application and submit it to" [opposer]. [27] Mr. Whitehead identified the ultimate customer as an individual. [28] Mr. Whitehead later clarified that opposer does not market directly to individuals; it markets to independent agencies and agents who market directly to individuals. [29] However, Mr. Whitehead confirmed that opposer prepares point-of-sale materials the independent agents may use with individual customers. [30] In this regard, Mr. Whitehead referenced opposer's website with links for employers, brokers/agents, and employees and individuals ("it talks about the fact that as an individual you may have an insurance policy through work or you may be interested in purchasing a fixed or indexed annuity for retirement savings"). [31]

Opposer argues to the contrary that none of the statements in its application was false, reciting facts relating to opposer's sales of group benefits packages and annuities. [32] Opposer provides the following explanation as to why its arguments in the application were not false:

> None of the facts above stated alters the fact or contradicts the fact that persons seeking investment managers are not looking for employer sponsored insurance products. None of the facts above stated alters the fact or contradicts the fact the company executives seeking corporate insurance products would not be looking to investment advisors. None of the facts above stated alters the fact that [opposer] markets the goods and services under its mark to company executives responsible for employee benefits. It does this and it does not market its goods and services to financial institutions as such or to investment advisors, as would the owner of the registration cited in the prosecution of the application for [RELIANCE CAPITAL MANAGEMENT cited as a bar to registration]. [Applicant] certainly presents no evidence to the contrary either of independent investment managers regularly working with individuals or others through individuals or others through employee benefits programs, or of the corporate executives who deal with insurance benefits retaining outside investment advisors in connection with such benefits programs. [33]

Opposer is correct to the extent that in response to the likelihood of confusion refusal it accurately argued that it "sells group insurance and annuity goods and services to employers for inclusion into those employers' employee benefits programs." However, opposer's argument is based on the false premise that it only sells group insurance and annuities through employee benefits programs as part of an employee benefits package. The evidence of record is unequivocal that opposer sells annuities to individuals through independent agents and brokers. Opposer even prepares point-of-sale materials for individuals and has a link on its website for individuals to access. [34] Thus, by telling a half-truth in its response to the Office Action (*i.e.*, that opposer renders its services to company executives in connection with employer benefits programs and omitting opposer's sales of annuities to individuals through independent agents and brokers), opposer made false statements that were likely to mislead the examining attorney to believe that opposer does not sell annuities to individuals. *See General Electro Music Corp. v. Samick Music Corp.,* 19 F.3d 1405, 30 USPQ2d 1149, 1154 (Fed. Cir. 1994) (submission of a false or misleading statement is usually sufficient to support conclusion that statement was made with the intent to deceive); *Swiss Watch International Inc. v. Federation of the Swiss Watch Industry,* 101 USPQ2d 1731, 1746 (TTAB 2012) (deliberately omitting relevant portions of a document, or making a statement that, while true, gives only part of the story is an act deliberately designed to mislead and may be treated as a false statement in its effect and also to show the necessary element of intent).

B. Whether opposer had knowledge of the falsity of the representation?

***11** Opposer knew that it rendered its annuity services to individuals and, therefore, it also knew that its statements that it "sells group insurance and annuity goods and services to employers for inclusion into those employers' employee benefits programs" was only half true and misleading. Moreover, opposer does not contest the fact that it knew it rendered its annuity services to individuals.

We note that the false statements at issue were attorney argument. Nevertheless, it is well settled that a client is bound by the actions of its attorney. *See HighBeam Marketing LLC v. Highbeam Research LLC,* 85 USPQ2d 1902, 1906 (TTAB 2008) (opposer's counsel improperly prevented a deposition from going forward and, in this instance, counsel's conduct is attributable to opposer as a party); *CTRL Systems Inc. v. Ultraphonics of North America Inc.,* 52 USPQ2d 1300, 1302 (TTAB 1999) ("communication between the client and attorney is a two-way affair"). As stated by the Supreme Court in *Link v. Wabash Railroad,* 370 U.S. 626, 633-634 (1962):

> [T]here is certainly no merit to the contention that dismissal of petitioner's claim because of his counsel's unexcused conduct imposes an unjust penalty on the client. Petitioner voluntarily chose this attorney as his representative in the action, and he can not now avoid the consequences of the acts or omissions of this freely selected agent. Any other notion would be wholly inconsistent with our system of representative

> litigation, which each party is deemed bound by the acts of his lawyer-agent and is considered to have notice of all facts, notice of which can be charged upon the attorney.

In any event, Mr. Charles Denaro, opposer's Vice President, Secretary and Deputy General Counsel, advised counsel in preparing the response to the likelihood of confusion refusal.[35] Accordingly, the false statements were not an honest mistake regarding opposer's channels of trade and classes of consumers, and at no point does opposer contend to the contrary.

C. Whether the false representation was material to the registrability of opposer's mark?

Opposer's false statements are material because they address the channels of trade and classes of consumers to whom opposer renders its services and were made to overcome a substantive refusal to register its mark. Opposer argued, in essence, in its response to the likelihood of confusion refusal, that because its services are rendered to company executives in connection with employer benefits programs (and not to individuals through independent agents and brokers), opposer's "insurance underwriting in the fields of life, health and accident; financial services in the fields of processing, funding, underwriting, issuing and administering annuities" would not be encountered by the same consumers interested in the cited registrant's "financial services in the nature of investment management and research" and, therefore, confusion would be unlikely. Opposer's false statements are material because they form the basis of opposer's contention that its services and the services in the cited registration move in different channels of trade and are sold to different classes of consumers thereby avoiding a likelihood of confusion.

***12** Opposer argues that the false statements were not material because they were based on the differences between group benefits products and investment management and research services and they did not reference opposer's sales of annuities to individuals who may or may not need investment management and research services. With respect to its failure to address the sales of annuities to individuals, opposer argues that "the sale of annuities to individuals was not in question during the Office action response. [Opposer] had already disclosed its sale of annuities to individuals at the time it applied for registration of its mark" referencing its specimen of use noted above.[36]

Opposer's argument is based in part on the fact that in the September 27, 2004 Office Action refusing registration, the examining attorney argued that "[t]he [opposer], as well as the registrants [there were 5 cited registrations] in the aforementioned marks, use their marks for financial investment and underwriting services." However cursory the analysis of the relatedness of the services presented in the Office Action, there is no basis for opposer's contention that the examining attorney removed annuity services from consideration in the likelihood of confusion analysis. Opposer's annuity services were identified as "financial services in the fields of processing, funding, underwriting, issuing and administering annuities" and, thus, they fall within the penumbra of both financial investment and underwriting services.

Likewise, opposer's statement in the specimen of use that it "offers a complete portfolio of fixed rate annuity products to individuals" does not remove the annuity services from the likelihood of confusion analysis pending before the examining attorney. In this regard, we note that opposer argued that it "sells group insurance and annuity goods and services to employers for inclusion into those employers' employee benefits programs." There was no reason for opposer to reference annuities in its response if opposer believed that the use of its mark in connection with those services was not at issue.

We view the false statements made by opposer as material because they were made in response to the refusal to register and presumably led the examining attorney to withdraw the likelihood of confusion refusal and approve opposer's application for publication.[37]

D. Whether opposer made the representation with intent to deceive the USPTO?

On the record before us, however, we have doubts about whether opposer intended to deceive the PTO. Opposer argues that it did not intend to deceive as evidenced by the fact that it "fully disclosed the nature of its business, including the sale of annuities to individuals, to the USPTO."[38] As indicated above, opposer submitted as its specimen of use an excerpt from its website indicating that it "offers a complete portfolio of fixed rate annuity products to individuals." Although our experience tells us that opposer intended to mislead the examining attorney by arguing that opposer "sells group insurance and annuity goods and services to employers for inclusion into those employers' employee benefits programs," the specimen raises doubt as to opposer's intent to deceive.

***13** Because opposer's specimen of use expressly states that opposer "offers a complete portfolio of fixed rate annuity products to individuals," we must presume that the examining attorney was aware of that statement when considering opposer's right to registration. Under these circumstances, we cannot logically find that there was a willful withholding of facts which, if transmitted and disclosed to the examining attorney, would have resulted in the disallowance of the registration sought by opposer. *See Menzies v. International Playtex, Inc.,* 204 USPQ 297, 305 (TTAB 1979).

E. Conclusion.

A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. *Bose,* 91 USPQ2d at 1939. Indeed, "the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party." *Bose,* 91 USPQ2d at 1940, *quoting Smith Int'l, Inc. v. Olin Corp.,* 209 USPQ 1033, 1044 (TTAB 1981).

After reviewing opposer's application file, the evidence of record, and the arguments in the briefs, we find that opposer's false statements regarding its channels of trade and classes of consumers in connection with its annuities were not occasioned by a misunderstanding, an inadvertence, or a mere negligent omission, and were material to the examination of opposer's application. However, applicant failed to meet its burden of proving by clear and convincing evidence that opposer's false statements were made with intent to deceive the USPTO during the prosecution of opposer's application for registration.

In view of the foregoing, applicant's counterclaim to cancel opposer's Registration No. 3064739 for the mark RELIANCE STANDARD, in standard character form, for "insurance underwriting in the fields of life, health and accident; financial services in the fields of processing, funding, underwriting, issuing and administering annuities" is dismissed.

Likelihood of Confusion

Standing

Because opposer has properly made its pleaded registrations of record, opposer has established its standing.[39] *Cunningham v. Laser Golf Corp.,* 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.,* 213 USPQ at 189.

Priority

Because opposer's pleaded registrations are of record, Section 2(d) priority is not an issue in this case as to those marks and the services covered by the registrations.[40] *King Candy Co. v. Eunice King's Kitchen, Inc.,* 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

***14** With respect to RELIANCE as a stand-alone mark, because RELIANCE is not registered, opposer must prove its date of first use. Applicant first used BENCHMARK RELIANCE "in the third or fourth quarter -- I believe third quarter -- of 2003."[41] Accordingly, for purposes of determining priority, we will use September 30, 2003 as applicant's priority date. *See*

EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc., 213 USPQ 597, 598 n.5 (TTAB 1982) (documentary evidence showed first use in 1977, the month and day were unknown, therefore, the Board could not presume any date earlier than the last day of the proved period). *See also Osage Oil & Transportation, Inc. v. Standard Oil Co.,* 226 USPQ 905, 911 n.22 (TTAB 1985) (evidence established first use in 1968-1969, therefore December 31, 1969 is date of first use). Opposer must establish its use of RELIANCE as a stand-alone mark or trade name prior to September 30, 2003. [42]

Mr. Gittelman testified that opposer's predecessor was a subsidiary of Reliance Group Holdings until 1981 "when it was spun off to a group called ... Dresser Standard, Incorporated, and we were with them until the late '90s when we were acquired by Delphi Financial Group." [43] As part of the Dresser Standard, Incorporated transaction, opposer's predecessor "secured the right to continue to use the marks Reliance Standard, Reliance, and Reliance Standard Life Insurance in all of our operations and advertising." [44] However, as noted above during the discussion relating to whether opposer's use of RELIANCE as a stand-alone mark was tried by consent, both Mssrs. Gittelman and Whitehead testified that opposer's independent brokers and agents refer to opposer as RELIANCE, not that opposer uses RELIANCE as a mark or trade name. Mr. Gittelman further testified that RELIANCE STANDARD is opposer's mark and that opposer tries not to deviate from that mark in its printed materials. [45]

The only documentary evidence corroborating opposer's use of RELIANCE as a stand-alone mark is Gittelman Exhibit 5, a flyer for its SmartChoice disability coverage, for small groups (2-29 persons), where opposer displayed the word "Reliance" as a stand alone mark directly above "Reliance Standard Life Insurance Company." [46] However, the flyer is not dated, Mr. Gittelman did not testify as to when the flyer was distributed, and the flyer states that opposer's "3-Year Rate Guarantee" is "valid for all businesses with 2007 effective dates." Gittelman Exhibit 5 does not prove opposer used RELIANCE as a stand-alone mark prior to September 30, 2003 or even the May 30, 2006 filing date of applicant's application.

***15** Mr. Gittelman's testimony may be sufficient to prove opposer's first use if it is clear, convincing, consistent and uncontradicted. *See National Bank Book Co. v. Leather Crafted Products, Inc.,* 218 USPQ 826, 828 (TTAB 1993) (oral testimony may be sufficient to prove the first use of a party's mark when it is based on personal knowledge, it is clear and convincing, and it has not been contradicted); *Liqwacon Corp. v. Browning-Ferris Industries, Inc.,* 203 USPQ 305, 316 (TTAB 1979) (oral testimony may be sufficient to establish both prior use and continuous use when the testimony is proffered by a witness with knowledge of the facts and the testimony is clear, convincing, consistent, and sufficiently circumstantial to convince the Board of its probative value); *GAF Corp. v. Anatox Analytical Services, Inc.,* 192 USPQ 576, 577 (TTAB 1976) (oral testimony may establish prior use when the testimony is clear, consistent, convincing, and uncontradicted). Based on the testimony of opposer's witnesses, it is not clear when opposer first used RELIANCE as a stand-alone mark and whether opposer used RELIANCE as a stand-alone mark or trade name or whether such use was limited to independent brokers and agents referring to opposer. *See Big Blue Products Inc. v. IBM,* 19 USPQ2d 1072, 1074 (TTAB 1991). The instant case does not involve a record like that in the *Big Blue Products* case, because the testimony regarding the public recognition of opposer as "Reliance" *per se* is not clear, consistent or convincing and the testimony applies only to the independent agents and brokers, not the ultimate consumers.

Finally, while Messrs. Gittelman and Whitehead testified that opposer's Independent Marketing Organizations and independent agents refer to opposer as "Reliance," there is no corroborating evidence in the record. Opposer did not call any brokers or independent agents to confirm that opposer is known in the industry as "Reliance." The few references in the media where the authors abbreviated third-party company names to "Reliance" are not persuasive that opposer is known only as "Reliance," especially because opposer does not refer to itself as simply "Reliance."

In view of the foregoing, opposer has failed to prove its priority of RELIANCE as a trade name or service mark prior to either the filing date of applicant's application [May 30, 2006] or applicant's earliest date of first use [September 30, 2003] and, therefore, RELIANCE as a stand-alone mark will be given no further consideration.

Likelihood of Confusion Factors

Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). *See also*, *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003).

A. The degree of consumer care.

***16** Because the purchase of an annuity is part of a comprehensive financial plan for the ultimate consumer, we turn first to the degree of consumer care exercised in making a decision to purchase such a financial instrument. In this regard, we carefully consider the nature of an annuity, who buys annuities, the factors that go into the purchasing decision, and how annuities are sold.

An "annuity" is defined as "a specified income payable at stated intervals for a fixed or contingent period, often for the recipient's life, in consideration of a stipulated premium paid either in prior installment payments or in a single payment." [47] For example, the minimum initial premium for applicant's BENCHMARK RELIANCE annuity is $10,000 and the maximum premium is $1,000,000, [48] and opposer's average premium per policy is $50,000. [49]

An article in the February 18, 2002 issue of the *Orlando Sentinel* provided the following information about annuities:
For retirees, this is a the problem:

... Stocks have been in a funk for three years, so by making withdrawals from a stock portfolio to cover living expenses you run the risk of depleting your nest egg.

A possible answer ... is ... to buy an immediate fixed annuity.

In return for your one-time, lump-sum payment; an insurance company guarantees it will send you a check for the rest of your life, or other period you designate. Most couples opt to receive payments until both spouses die.

* * *

"Usually people attracted to fixed annuities are conservative investors looking for something that's guaranteed," Carlson said [Bob Carlson, editor of a monthly newsletter called Retirement Watch]. "People who want growth usually don't even want to consider fixed annuities." An immediate variable annuity, by combining the two approaches, could appeal to investors who are not in either extreme, either too risk-averse or too aggressive. [50]

Annuities have "features and benefits that are attractive primarily to the senior market"; [51] that is, people "close to or in retirement." [52] "[G]enerally that's the over 60, over 65 age group." [53] These investors are very conservative; they are looking to preserve their capital, they are looking for fixed income at a competitive interest rate, and they are looking for low risk. [54]

The identity of the company underwriting the annuity is an important factor in purchasing the annuity. For example, the underwriter's performance ratings and length of time the company has been in business are important to the customer. [55]
Q. What are the selling points of an annuity?

***17** A. Well, the selling points of an annuity: First of all, the most important thing to the end-user is, first of all, the name of the company and its financial strength, its ratings, how long its been in business, track record with the product line that's being marketed. And that's the most important thing to begin with.

Then the product itself and its features, obviously whether it's suitable for that client and it fits their needs. That's the second thing -- second thing involved in it.

Then also basically when the client decides whether -- the amount of money they want to put into the product or whatever, it just depends upon their needs. I used to say “their needs, their dreams,” whatever they forsee for their future.

The company is probably the most important thing to enter into the conversation, its financial strength, and so forth, and then the product itself, its features, and how they fit the needs of the end-user, the client; and then foremost, if it's an annuity, basically the interest rate, if it's competitive and so forth. [56]

Opposer's witness David Whitehead, opposer's Vice President of Accumulation Products Marketing, concurred:
A. Typically when a customer has 50, a hundred, $200,000 and they're handing it over to an insurance company they want to know a little bit more about -- than the company name, and I think it's important that they know, you know, who -- what the heritage is, you know, the fact that we've been around a hundred years, you know, and the fact that we've been owned by the same organization for more than 20 years. [57]

* * *

Q. Why do you talk about this type [financial strength ratings] of information?

A. Again, if somebody is going to entrust their hard earned dollars to a financial institution they typically want to know what ratings have been assigned by the financial rating ... by the financial rating agencies. [58]

The parties market their annuities through independent marketing organizations and independent agents. [59] According to George Crume, applicant's Vice President of Brokerage sales, “[t]he protocol is that the end-user is to work through their agent or their broker. Then their broker works through their marketing company and then through my national sales manager team and then eventually to the home office.” [60] David Whitehead provided the following testimony:
Q. How do you market your annuities?

A. We use what I'll refer to as managing general agents or independent marketing organizations to promote our products to independent agents. Those independent agents then go out to the kitchen table or wherever else ... you know, wherever else they meet their customers and talk about our annuity products and then ultimately would take an application and submit it to Reliance Standard. [61]

***18** Opposer has contracted with approximately 100 independent marketing organizations that interact with approximately 12,000 agents. [62] Likewise, applicant has contracted with 20,000 agents across the country. [63]

Customers rely on these independent agents in deciding whether to buy an annuity and what annuity to buy. [64]
Q. [H]ow do they go through the selection process?

A. The selection process --

Q. For the client.

A. Again, when we talked about the suitability review, typically [the independent insurance agent] are gathering key information from the respective client, going through and identifying what other investments they have, their risk tolerance, their short- and long-term financial objectives, their health status, what their income and expenses are, what's the purpose of the monies. And then based on that information, they may recommend a couple of different products to the client.

* * *

You know the sales process is so individualized based on, you know, the consumer information. And then based on that, the producer may, you know, recommend or present to a prospective [sic] two -- one or two or three annuities; and then the client generally chooses what is appropriate based on the features and benefits of the product and obviously, you know, the strength and security of the insurance company that is underwriting it.

Q. Do the [independent agents] know the companies, or do they know the identity of the companies or the insurance companies who are offering the particular annuities?

A. Yes. Most definitely they would know that. One, because they want to make sure that they're presenting a product, you know, that had certain ratings if strength and security was a concern. Also the name of the company is on any type of brochures that they might use during the solicitation. So an agent is always going to know the insurance company name. [65]

Based on the nature of an annuity as a financial instrument, the personal interaction between the prospective annuitant and the selling agent, and the cost of the premium, one would expect that the relevant purchasers exercise a high degree of care making their purchasing decision. Nothing in the record is to the contrary. The relevant consumers, senior citizens and/or persons planning for their retirement, have a focused need or plan for the annuity (*e.g.*, fixed income and preservation of capital). The relevant consumers consult with independent agents, who sell the annuities for the underwriters. These agents are experts in the field who carefully assess the consumers' needs and help them select among several alternatives. Purchasing an annuity is an important purchase and is unusual in terms of its complexity. There is a reasonably intense evaluation process by the ultimate consumer in collaboration with the independent selling agent. In view of the foregoing, we find that annuities are purchased only after careful consideration by the relevant consumers with specific consideration given to the identity and reputation of the annuity underwriter.

B. The similarity or dissimilarity and nature of the services at issue, the established, likely-to-continue trade channels and classes of consumers.

***19** Applicant is seeking to register its mark for the "issuance and administration of annuities." Opposer's Registration No. 3064739 for the mark RELIANCE STANDARD, in standard character form, is for, *inter alia*, "financial services in the fields of processing, funding, underwriting, issuing and administering annuities." Accordingly, the services are in part identical. In fact, applicant and opposer are competitors [66] that offer similar annuities. [67]

Because both parties are engaged in issuing and administering annuities, we focus the likelihood of confusion analysis on the annuity services. If we do not find likelihood of confusion with respect to the marks at issue for identical services, then there would be no likelihood of confusion with a registered mark for services that are not identical. *See In re Max Capital Group Ltd.*, 93 USPQ2d 1243, 1245 (TTAB 2010).

Because the services described in the application and opposer's registration are in part identical, we must presume that the channels of trade and classes of purchasers are the same. *See American Lebanese Syrian Associated Charities Inc. v. Child Health Research Institute*, 101 USPQ2d 1022, 1028 (TTAB 2011); *In re Smith and Mehaffey*, 31 USPQ2d 1531, 1532 (TTAB 1994) ("Because the goods are legally identical, they must be presumed to travel in the same channels of trade, and be sold to

the same class of purchasers.”). *See also In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (even though there was no evidence regarding channels of trade and classes of consumers, the Board was entitled to rely on this legal presumption in determining likelihood of confusion).

C. The strength of opposer's mark.

1. Inherent Strength

Through a notice of reliance, applicant introduced two registrations owned by Covenant Reliance Producers, LLC:
a. Registration No. 3054867 for the mark COVENANT RELIANCE PRODUCERS, LLC for “insurance brokerage in the field of senior retirement products such as life, health, and annuities.” Registrant disclaimed the exclusive right to use “LLC”; and

b. Registration No. 3096202 for the mark COVENANT RELIANCE PRODUCERS for “insurance brokerage for annuities, life, and long-term care.”

Applicant also introduced Registration No. 2297714 for the mark RELIANCE CAPITAL MANAGEMENT for “financial services in the nature of investment management and research.” That registrant disclaimed the exclusive right to use the term “Capital Management.”

Finally, applicant introduced seven (7) registrations for marks which incorporate the word “Reliance” for financial services other than issuing and underwriting annuities.

***20** The third-party registrations introduced by applicant are not evidence that those marks are in use, let alone used so extensively that consumers have become sufficiently conditioned by their usage that they can distinguish between such marks on the bases of minute differences. The probative value of third-party trademarks depends entirely upon their usage. *E.g.*, *Scarves by Vera, Inc. v. Todo Imports, Ltd.*, 544 F.2d 1167, 192 USPQ 289, 294 (2d Cir. 1976) (“The significance of third-party trademarks depends wholly upon their usage. Defendant introduced no evidence that these trademarks were actually used by third parties, that they were well promoted or that they were recognized by consumers.”). As the Court of Customs and Patent Appeals, the predecessor to our primary reviewing court, pointed out in *Lilly Pulitzer, Inc. v. Lilli Ann Corp.*, 376 F.2d 324, 153 USPQ 406, 407 (C.C.P.A. 1967), “the existence of these registrations is not evidence of what happens in the market place or that customers are familiar with their use.”

Nevertheless, the third-party registrations may be used in the manner of a dictionary to show that a mark or a portion of a mark is descriptive or suggestive of goods and services. *Tektronix, Inc. v. Daktronics, Inc.*, 187 USPQ 588, 592 (TTAB 1975) (the third-party registrations may be considered in the same manner as a dictionary to show a possible meaning or significance in a particular trade). In view of the foregoing, and given the definition of “reliance” as “confident or trustful dependence,” “confidence,” and “something or someone relied on”), [68] when it is used as part of a trademark in connection with financial services, “RELIANCE” may be understood as suggesting that the consumer may have “confidence” in the financial service provider.

2. The number and nature of similar marks in use in connection with similar services.

a. Media references to companies in the financial services field that incorporate “Reliance” in their trade name.

Through a notice of reliance, applicant introduced articles from publications obtained from the LexisNexis database referencing “Reliance” used as part of the trade name of companies in the financial services field. The articles are discussed below:

1. Four (4) articles in business publications (2008-2009) referenced Reliance Trust Company, a division of Reliance Financial Corporation that formed Reliance Asset Advisors, LLC "to serve the trust, wealth management and financial services needs of the Greater Wilmington, North Carolina market." After the initial introduction of the company, three (3) articles referred to the company as "Reliance."

2. Four (4) articles posted on newswires (2001) referenced three related companies, Reliance Group Inc., Reliance Insurance Co., and Reliance Group Holdings, and their financial difficulties. After the initial reference to the full name of the companies, the articles referred to them as "Reliance."

***21** 3. Four (4) articles posted on newswires (1983, 1992, and 1999) referencing the Reliance Insurance Group, a property and casualty insurer.

The eight (8) articles posted on newswires have minimal probative value because the record does not indicate whether the stories were picked up by publications in general circulation and whether they were read by relevant consumers. *See In re Cell Therapeutics Inc.,* 67 USPQ2d 1795 (TTAB 2003) (while newswire stories may have value they may not have the same probative value as stories appearing in magazines and newspapers). *See also In re International Business Machines Corp.,* 81 USPQ2d 1677, 1683 n.10 (TTAB 2006). The remaining four (4) articles in business publications reference one other company using the name "Reliance." While these articles may have some value in that they were published in business publications that may be read by the independent brokers and agents that sell annuities, there is no indication that the ultimate consumers of the annuities would have encountered these articles.

b. Third-party use.

As indicated in the preliminary issue section at the beginning of this decision, applicant introduced a certificate of licensure for Reliance Insurance Group LLC (printed on August 9, 2010), [69] an A.M. Best Company financial rating for Old Reliance Insurance Company (copyright 2009), [70] an excerpt from the Reliance Insurance Group website (printed on August 3, 2010), [71] an excerpt from the Reliance Wealth & Trust Partners website (printed on August 17, 2010), [72] an excerpt from the Reliance Financial Group website (printed on August 17, 2010), [73] and an excerpt from the Reliance Trust website (printed on August 17, 2010). [74]

Internet websites can be used as evidence "that the public may have been exposed to those internet websites and therefore may be aware of the advertisements contained therein." *Rocket Trademarks Pty Ltd., v. Phard S.p.A.,* 98 at 1072. *But see Penguin Books Ltd. v. Eberhard,* 48 USPQ2d 1280, 1284 n.5 (TTAB 1998) (white pages listings do not show that the public is aware of the companies). However, there is nothing in the record to indicate the extent of the public exposure to these listings. *Anthony's Pizza & Pasta International Inc. v. Anthony's Pizza Holding Co.,* 95 USPQ2d 1271, 1278 (TTAB 2009) ("we consider the restaurant listings for what they show on their face (*i.e.,* that 'Anthony's' has been extensively featured in the name of restaurants)."), *aff'd unpublished,* No. 2010-1191 (Fed. Cir. November 18, 2010). Moreover, the number of Internet sites showing third-party use (four) is extremely limited. As for the certificate of licensure and financial rating information, the fact that a company has been licensed by a particular state or has been given a financial rating does not indicate the extent of public exposure to that company name, let alone that the name is used as a mark. In sum, we find the probative value of this evidence to be minimal.

c. Conclusion

***22** The evidence of third-party use is sufficient to show that the word "Reliance" is used by others in the financial services industry to suggest that the provider of the financial services instills confidence or may be relied upon.

3. The fame or strength of the prior mark (sales, advertising length of use).

In its brief, opposer contends that RELIANCE STANDARD is a strong mark for the following reasons:

a. Opposer has been using the mark RELIANCE STANDARD since the mid-60's; [75]

b. Opposer is well known and respected in the insurance industry; [76] and

c. Opposer's sales have been consistently strong. [77]

Opposer also introduced testimony and evidence regarding its advertising expenditures.

David Gittelman, opposer's Director of Marketing, provided the following testimony:

> Consider for a second that you're an employer making a decision between three benefit plans, you may be looking at Hartford and Aetna and Reliance Standard; and Hartford [sic]. You know what a deer looks like and, you know, Aetna you've heard of and, you know, everybody knows what Snoopy looks like, and Reliance Standard may not be a common household name, so this is an opportunity for both prospects and ultimately customers to know who we are. [78]

4. Assessment of evidence of strength of the prior mark.

Overall, the evidence demonstrates that opposer is a successful company; it does not demonstrate that the mark RELIANCE STANDARD is particularly well known, let alone a strong or famous mark.

D. The nature and extent of any actual confusion.

Applicant argues that there is no likelihood of confusion as evidenced by the lack of any reported instances of actual confusion. [79] However, the absence of any reported instances of confusion is meaningful only if the record indicates appreciable and continuous use by applicant of its mark for a significant period of time in the same markets as those served by opposer under its mark. *Gillette Canada Inc. v. Ranir Corp.,* 23 USPQ2d 1768, 1774 (TTAB 1992). In other words, for the absence of actual confusion to be probative, there must have been a reasonable opportunity for confusion to have occurred. *Barbara's Bakery Inc. v. Landesman,* 82 USPQ2d 1283, 1287 (TTAB 2007) (the probative value of the absence of actual confusion depends upon there being a significant opportunity for actual confusion to have occurred); *Red Carpet Corp. v. Johnstown American Enterprises Inc.,* 7 USPQ2d 1404, 1406-1407 (TTAB 1988); *Central Soya Co., Inc. v. North American Plant Breeders,* 212 USPQ 37, 48 (TTAB 1981) ("the absence of actual confusion over a reasonable period of time might well suggest that the likelihood of confusion is only a remote possibility with little probability of occurring").

***23** As indicated above, we consider applicant's date of first use to be September 30, 2003, the last day of the third quarter. Opposer's trial period closed July 6, 2010. Both applicant and opposer do business throughout the entire United States. [80] Accordingly, there has been almost 7 years of simultaneous use of the marks RELIANCE STANDARD by opposer and BENCHMARK RELIANCE by applicant for identical annuity services, sold in the same channels of trade to the same classes of consumers.

We also note that opposer contends that it is "generally well regarded as a very solid, very secure company in the space we occupy," [81] that it is "in the top ten in all these areas [industry rankings]," [82] and that its reputation carries across its different business sections because it cross promotes its services. [83] As noted in the previous section, opposer had introduced evidence showing that it has used the mark RELIANCE STANDARD since the mid-60's, that opposer is well-known and respected in the industry and that opposer has had consistently strong sales. Likewise, applicant claims that it is known as "a very

strong company, a lot of financial strength." [84] In fact, applicant has made the *Forbes* magazine list of "100 Most Trustworthy Companies" in 2008 and 2009. [85]

Applicant and opposer "compete against each other ... for the sales of insurance, group benefits programs, and annuities," citing the testimony of Messrs. Whitehead, Gittelman, and Crume and Ms. Hodges-Eaken. [86] Moreover, as described above, the annuities are sold to the ultimate consumer by independent insurance agents and brokers who interview the end consumer to identify the end consumer's financial status and goals and then present up to three annuities from different companies that the agent/broker believes will meet that goal. According to Mr. Whitehead, "[m]any of our IMOs [Independent Marketing Organizations] offer products from both [applicant] as well as [opposer]" [87] and he expressly identified five (5) who represent both opposer and applicant. [88]

The parties have designated their advertising expenditures and sales revenues as confidential and, therefore, we may only refer to them in general terms. However, we can say that in terms of annuity premiums, applicant's revenues exceeded opposer's premiums in 2004 through 2006, and marketing expenditures of the parties were comparable in 2004 through 2006. [89] The sales and marketing information for both parties is substantial enough for us to conclude that there has been a reasonable opportunity for confusion to have occurred and that the lack of any reported instances of confusion weighs against finding that there is a likelihood of confusion. So as to be clear, however, we recognize that actual confusion is not necessary to show likelihood of confusion. *See, e.g., Hewlett-Packard Co. v. Packard Press, Inc.,* 281 F.3d 1261, 62 USPQ2d 1001 (Fed. Cir. 2002).

E. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.

***24** We now turn to the *du Pont* likelihood of confusion factor focusing on the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *In re E. I. du Pont De Nemours & Co.,* 177 USPQ at 567. Opposer's mark is RELIANCE STANDARD and applicant's mark is BENCHMARK RELIANCE.

While the marks are similar in appearance because they share the word "Reliance," they look different because applicant's mark begins with the word "Benchmark." Because, consumers are likely to focus on the word "Benchmark" in applicant's mark BENCHMARK RELIANCE rather than the word "Reliance," as the word "Benchmark" is the first word in the mark and because the word "Reliance" is suggestive when used in connection with financial services. *See Presto Products Inc. v. Nice-Pak Products, Inc.,* 9 USPQ2d 1895, 1897 (TTAB 1988) ("it is often the first part of a mark which is most likely to be impressed upon the mind of a purchaser and remembered"). *See also Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin,* 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005) ("Veuve" is the most prominent part of the mark VEUVE CLICQUOT because "veuve" is the first word in the mark and the first word to appear on the label); *Wet Seal Inc. v. FD Mgmt. Inc.,* 82 USPQ2d 1629, 1639 (TTAB 2007). By the same token, because of its position as the first word in opposer's mark, "Reliance" would be noted by the consumer. However, the significance of the word "Reliance" is limited because it is suggestive.

The marks BENCHMARK RELIANCE and RELIANCE STANDARD have a different sound because of the suggestive nature of the shared word "Reliance" and because "Reliance" is the second word in applicant's mark and the first word in opposer's mark. Accordingly, the marks roll off the tongue differently.

With respect to the connotation and commercial impression engendered by the marks, the word "Reliance" may be understood as suggesting that the consumer may have "confidence" in the financial service provider.

The word "Standard" is defined, *inter alia,* as follows:

> 1. something considered by an authority or by general consent as a basis of comparison; an approved model. 2. an object that is regarded as the usual or most common size or form of its kind ... 3. a rule or principle that is used as a basis for judgment: *They tried to establish standards for a new philosophical approach*.

> 4. an average or normal requirement quality, quantity, level, grade, etc.: *His work this week hasn't been up to his usual standard.* [90]

Opposer focuses its advertising on convincing consumers that it is a company that deserves the consumer's confidence and that its annuities are "stable and competitive vehicles for accumulating retirement assets and providing a guaranteed retirement income you can't outlive." [91] Thus, RELIANCE STANDARD means and engenders the commercial impression of a model of confidence.

***25** The word "Benchmark" is defined as follows:

> 1. a standard or excellence, achievement, etc. against which similar things must be measured or judged: *The new hotel is a benchmark in opulence and comfort*. 2. any standard or reference by which others can be measured or judged: *The current price for crude oil may become the benchmark.* [92]

Ms. Hodges-Eaken testified that the goal of the branding campaign for the BENCHMARK RELIANCE annuity is to convey "confidence inspired by experience, meaning the BenchMark family of products has been available for a number of years and you've got confidence in the company that's underwriting the product." [93] Her testimony is corroborated by applicant's advertising that uses "Confidence inspired by experience" as an advertising tagline. [94] The mark BENCHMARK RELIANCE means and engenders the commercial impression that consumers may have confidence in the underwriter's standard of excellence. Thus, the meaning and commercial impressions created by the marks are similar.

Opposer argues, in essence, that the marks are similar because they share a common word "Reliance" and the other elements of the marks "Benchmark" and "Standard" have similar meanings which bestow a similar overall meaning upon the marks BENCHMARK RELIANCE and RELIANCE STANDARD. While opposer possesses rights in the mark RELIANCE STANDARD, BENCHMARK RELIANCE is distinguishable in appearance and sound and is not likely to be equated with RELIANCE STANDARD, especially considering the degree of care with which the services are rendered. *See Floss Aid Corp. v. John O. Butler Co.,* 205 USPQ 274, 285 (TTAB USPQ 1979) (scope of protection for opposer's rights in its mark "Flossaid" is sufficient to bestow umbrella of protection upon it in its field, should not extend to preclude others in trade from registering marks for same goods that project same or similar suggestion relative to use of goods where marks are otherwise distinguishable in appearance and sound and are not likely to be equated with opposer's mark due to hazy or faulty recollection of marks). Similarity of meaning is more significant in cases of inherently strong marks than if the marks are suggestive. *See for example, Hancock v. American Steel & Wire Co.,* 203 F.2d 737, 97 USPQ 330 (CCPA 1953) (CYCLONE vs. TORNADO both for fencing). In this case, the term common to both marks, "Reliance," is suggestive, and one may not exclusively appropriate the connotation of suggestive terms because competitors must be free to use those terms to describe their goods and services. *See E. L. Bruce Co. v. American Termicide,* 285 F.2d 462, 128 USPQ 341 (CCPA 1960) (suggestive nature of "TERMI" on products for extermination of termites is critical part of holding that "TERMICIDE" AND "TERMINIX" are not confusingly similar, in spite of their similar connotations); *Sure-Fit Products Co. v. Saltzson Drapery Co.,* 254 F.2d 158, 117 USPQ 295 (CCPA 1958) (fact that common element "FIT," in "SURE-FIT" and "RITE-FIT" for slip covers, was descriptive is decisive factor in holding that marks are not confusingly similar, in spite of their similar meanings); *Hillyard Chemical Co. v. Vestal Laboratories, Inc.,* 206 F.2d 926, 99 USPQ 117 (CCPA 1953) (highly suggestive nature of "BRITEN-ALL" and "SHINE-ALL" for cleaning and polishing compounds persuasive of holding of non-likelihood of confusion in spite of their similar meanings); *Penn Dairies, Inc. v. Pennsylvania Agricultural Cooperative Marketing Association,* 200 USPQ 462 (TTAB 1978) ("PENN BEST" and "PENSUPREME" held not confusingly similar in spite of their similar suggestiveness due to the laudatory nature of the suffixes and geographical significance of the prefixes); *Sunbeam Corp. v. Green Bay Tissue Mills, Inc.,* 199 USPQ 695, 698 (TTAB 1978) ("although the designations 'PURE BREW' [for coffee filters] and 'CLEAR BREW' [for coffeemakers] may

have similar meanings, the differences between them in sound and appearance are sufficient, in the view of the [suggestive] natures of such marks, to obviate any likelihood of confusion”).

***26** Despite the fact that the marks have similar meanings and engender similar commercial impressions, the differences in their appearance and sound outweigh the similarities. In view of the foregoing, we find that applicant's mark BENCHMARK RELIANCE is not similar to opposer's mark RELIANCE STANDARD.

F. Balancing the factors.

Based on the nature of the services, underwriting annuities, the high degree of care exercised by consumers in deciding whether to purchase such a financial instrument is a significant factor in the likelihood of confusion analysis. In this regard, the testimony and evidence of record indicate that consumers pay close attention to the financial stability and reputation of the underwriter.

We also find that the lack of any reported instances of actual confusion is relevant because there has been a reasonable opportunity for confusion to have occurred. Both parties have good reputations in the industry so that their annuities are marketed by the independent marketing organizations and independent agents. They render identical services, through the same channels of trade and to the same classes of consumers. In fact, opposer identified five Independent Marketing Organizations that sell the annuities underwritten by both parties. After seven (7) years of simultaneous use, there have been no reported instances of confusion.

Overall, and particularly in view of the high degree of care exercised by consumers, the lack of any reported instances of confusion, and the differences in the marks, we find that applicant's mark BENCHMARK RELIANCE for the “issuance and administration of annuities” is not likely to cause confusion with opposer's mark RELIANCE STANDARD for “insurance underwriting in the fields of life, health and accident; financial services in the fields of processing, funding, underwriting, issuing and administering annuities.” Because we did not find a likelihood of confusion between applicant's mark and opposer's mark RELIANCE STANDARD for in part identical services, there is no likelihood of confusion between applicant's mark and the more different mark RSL RELIANCE STANDARD LIFE INSURANCE COMPANY for “life accident and health insurance underwriting services.”

In reaching this conclusion, we have carefully considered all of the evidence pertaining to the relevant *du Pont* factors, as well as all of the parties' arguments with respect thereto (including any evidence and arguments not specifically discussed in this opinion).

Decision: The counterclaim to cancel opposer's Registration No. 3064739 is dismissed.

The opposition is dismissed and applicant's mark will be forwarded for registration in due course.

Footnotes

1 Issued October 16, 1990; renewed.

2 Issued March 7, 2006; Sections 8 and 15 affidavits accepted and acknowledged.

3 Notice of Opposition ¶¶4 and 17.

4 Gittelman Dep., p. 12.

5 Gittelman Dep., p. 13.

6 Gittelman Dep., pp. 21-23.

7 Gittelman Dep., p. 23.

8 Gittelman Dep., p. 11.

9 Applicant's Brief, p. 1.

10 Applicant's Brief, p. 1.

11 Crume Dep., Exhibit 13.

12 Crume Dep., Exhibit 14.

13 Hodges-Eaken Dep., Exhibit 20.

14 Hodges-Eaken Dep., Exhibit 21.

15 Hodges-Eaken Dep., Exhibit 22.

16 Hodges-Eaken Dep., Exhibit 23.

17 We are not holding that a party's duty to supplement its discovery responses expires when its testimony period begins. While it is true that applicant could have supplemented its responses immediately prior to introducing the material at trial, that would scarcely have made a significant difference in the conduct of applicant's testimony period. If opposer believed that it was critical to possess this type of material prior to the opening of applicant's testimony period, it could have sought the information through its own means, for it was equally accessible to opposer and applicant prior to trial. In addition, we note that this case has proceeded under the rules that govern cases commenced prior to November 1, 2007, which do not require a party to make pretrial disclosure of the evidence it plans to produce at trial. Therefore, we discern no significant prejudice to opposer by applicant's failure to supplement its responses immediately prior to introducing the material at trial.

18 The examining attorney cited five (5) registrations as bars to registration.

19 September 27, 2004 Office Action.

20 Subsequently in the response, opposer concluded its argument stating that "[g]iven the above factors, there is no reasonable likelihood of confusion between [opposer's] mark and registrant's mark, **notwithstanding the similarity between the marks themselves**." (Emphasis added).

21 Opposer's January 25, 2005 response, pp. 3-5, to the September 27, 2004 Office Action in the file for Registration No. 3064739.

22 Whitehead Dep., Exhibit 16. The Declaration was introduced into evidence in Mr. Whitehead's deposition.

23 *Id*. at ¶24.

24 *Id*. at ¶23.

25 *Id*. at ¶31.

26 Whitehead Dep., p. 12.

27 *Id*. at p. 17.

28 *Id*.

29 *Id*. at p. 28.

30 *Id*. at pp. 28-29 and Exhibits 4-6.

31 *Id*. at p. 35 and Exhibit 7.

32 Opposer's Rebuttal Brief, pp. 6-8.

33 Opposer's Rebuttal Brief, p. 8.

34 Whitehead Dep., pp. 28-30; Exhibits 4-7.

35 Opposer's answers to applicant's third set of interrogatories Nos. 19-22.

36 Opposer's Rebuttal Brief, pp. 9-10.

37 We acknowledge that a refusal to register may be withdrawn for various reasons, but find the examining attorney's reliance on opposer's argument, as applicant, to be the most plausible.

38 Opposer's Rebuttal Brief, p. 10.

39 Even if we had granted applicant's counterclaim to cancel Registration No. 3064739, opposer still proved its standing in connection with the common law mark RELIANCE STANDARD. David Whitehead, opposer's Vice President of Accumulation Products Marketing, testified that opposer has used "the Reliance Standard name and mark" "since the mid '60's" in connection with its two lines of business: "Our employee benefits line of business as well as our fixed annuity line of business." (White Dep., pp. 9-10; *see also* Gittelman Dep., pp. 11-12). This testimony is sufficient to demonstrate that opposer has a real interest in this proceeding, and therefore has standing regardless of the existence of its pleaded registration. *Lipton Industries, Inc. v. Ralston Purina Co.,* 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

40 The evidence of record establishes that opposer has priority of use for the mark RELIANCE STANDARD even without its registration. As indicated in the previous footnote, Mr. Whitehead and Mr. Gittelman, opposer's Director of Marketing, testified that opposer has been using the mark RELIANCE STANDARD in connection with opposer's employee benefits line of business and its fixed annuity line of business since the "mid '60s." Also as indicated above, applicant, in its answer, admitted that it does not claim any date "earlier than August 25, 2003 for the purpose of claiming priority." (Applicant's Answer, ¶2). Accordingly, opposer has

proven its common law priority of the mark RELIANCE STANDARD in connection with opposer's fixed annuity line of business and employee benefits line of business.

41 Hodges-Eaken Dep., p. 24. *See also* Hodges-Eaken Dep., p. 33 (the BENCHMARK RELIANCE "product became available for sale in, I believe the third quarter of 2003").

42 As indicated above, in its answer, applicant admitted that it was not claiming any date of use earlier than August 25, 2003.

43 Gittelman Dep., p. 9.

44 Gittelman Dep., p. 10.

45 Gittelman Dep., p. 72.

46 Gittelman Dep., p. 21-23, Exhibit 5.

47 The Random House Dictionary of the English Language (Unabridged), p. 84 (2nd ed. 1987). The Board may take judicial notice of dictionary evidence. *University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co.,* 213 USPQ 594, 596 (TTAB 1982), *aff'd,* 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983). See also "The 2007 Individual Annuity Market Sales and Assets" report by LIMRA International, Inc., p. 70 (Definitions) (Crume Dep., Exhibit 9). Opposer is a participating company of LIMRA.

48 Hodges-Eaken Dep., pp. 93.

49 Whitehead Dep., pp. 13, 17 and 65; Whitehead Dep. Exhibit 16 (Whitehead Dec. ¶25). Mr. Whitehead also testified that opposer has accepted a premium as low as $5,000 and as much as $500,000 (Whitehead Dep., pp. 13-14). *But see* Whitehead Dep. Exhibit 16 (Whitehead Dec. ¶26) (opposer has accepted a $1,500,000 premium).

50 Applicant's notice of reliance.

51 Hodges-Eaken Dep., pp. 12-13.

52 Hodges-Eaken Dep., p. 13.

53 Hodges-Eaken Dep., pp. 21 and 83. *See also* Crume Dep., p. 22 ("our sales are mostly to people in the senior market with disposable income ... Most of our sales are single premium, which means you make a one-time deposit ... there is [sic] no additional deposits"), p. 23 ("age 60 and up, 65, in that area, and up"); Whitehead Dep., p. 13 (50 to 80 age group but average age is 67), p. 65 (60--70 years old "is pretty standard"); Whitehead Dep. Exhibit 16 (Whitehead Dec. ¶¶ 6, 7 and 25).

54 Hodges-Eaken Dep., p. 21; Crume Dep., p. 23; Whitehead Dep., pp. 13-14; Whitehead Dep. Exhibit 16 (Whitehead Dec. ¶¶ 6 and 7).

55 Hodges-Eaken Dep., p. 25.

56 Crume Dep., p. 21. *See also* Crume Dep., pp. 26-27.

57 Whitehead Dep., pp. 19-20.

58 Whitehead Dep., p. 24.

59 Hodges-Eaken Dep., p. 11 (independent insurance agents "typically solicit products direct to the public or the end consumer"); Whitehead Dep. pp. 17-18, 28.

60 Crume Dep., p. 19.

61 Whitehead Dep., p. 17. *See also* Whitehead Dep. Exhibit 16 (Whitehead Dec. ¶23).

62 Whitehead Dep., p. 18.

63 Hodges-Eaken Dep., pp. 26-27.

64 Hodges-Eaken Dep., p. 28.

65 Hodges-Eaken Dep., pp. 58-60.

66 Gittelman Dep., p. 70; Whitehead Dep., pp. 10, 47. *See also* Whitehead Dec., ¶18 attached to the Whitehead Dep., Exhibit 16.

67 Whitehead Dep., p. 51.

68 The Random House Dictionary of the English Language (Unabridged), p. 1628.

69 Crume Dep., Exhibit 13.

70 Crume Dep., Exhibit 14.

71 Hodges-Eaken Dep., Exhibit 20.

72 Hodges-Eaken Dep., Exhibit 21.

73 Hodges-Eaken Dep., Exhibit 22.

74 Hodges-Eaken Dep., Exhibit 23.

75 White Dep., pp. 9-10; Gittelman Dep., pp. 11-12.

76 White Dep., pp. 48-49 (opposer ranks "in the 30-40 category" in fixed annuities and independent distribution); Gittelman Dep., pp. 26-27 ("we are generally regarded as a very solid, very secure company in the space that we occupy" and are highly rated by independent financial ratings agencies), p. 65 (according to the Ward Group, an independent consulting firm, opposer is among the top 50 performing life and health insurance companies), p. 69. Opposer also referenced 27 articles in printed publications referring to

opposer as evidence of opposer's renown. The articles do not demonstrate that opposer is well known. Most of the articles reference opposer in passing (*e.g.*, "Sarkar said that she was ill for a while after the transplant but began to feel well enough to return to work at Reliance Standard Life Insurance Co. last July").

77 Whitehead Dep., pp. 22-26; Gittelman Dep., pp. 25-29.

78 Gittelman Dep., pp. 57-58.

79 Applicant's Brief, p. 26. Opposer, of course, argues that actual confusion is not the test. (Opposer's Brief, pp. 35-36). Opposer is unaware of any reported instances of actual confusion. Opposer's response to applicant's interrogatory No. 8.

80 Crume Dep., pp. 8, 11-12; Gittelman Dep., p. 13.

81 Gittelman Dep., p. 27.

82 Gittelman Dep., pp. 29, 69

83 Gittelman Dep., pp. 51-52; Whitehead Dep., pp. 36-37.

84 Crume Dep., p. 12.

85 Crume Dep., p. pp. 12-13.

86 Opposer's Brief, p. 24.

87 Whitehead Dep., pp. 52, 60.

88 Whitehead Dep., pp. 52-56, Exhibits 11-15.

89 Applicant's amended responses to opposer's interrogatory Nos. 11 and 14; opposer's supplemental responses to applicant's interrogatory Nos. 4 and 5.

90 The Random House Dictionary of the English Language (Unabridged), p. 1857.

91 Whitehead Dep., Exhibit 4.

92 The Random House Dictionary of the English Language (Unabridged), p. 1857. *See also* Compact Oxford English Dictionary of Current English (askoxford.com) (Opposer's notice of reliance).

93 Hodges-Eaken Dep., pp. 24-25.

94 Hodges-Eaken Dep., Exhibits 4-7 and 12.

2012 WL 1881493 (Trademark Tr. & App. Bd.)

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2013 WL 5407284 (Trademark Tr. & App. Bd.)

THIS OPINION IS A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

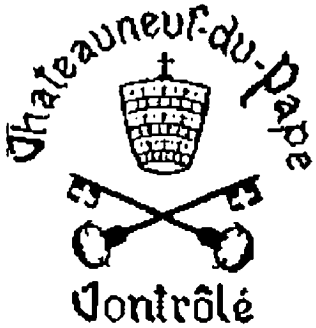
SYNDICAT DES PROPRIETAIRES VITICULTEURS DE CHATEAUNEUF-DU-PAPE
v.
PASQUIER DESVIGNES

Opposition No. 91179408
to application Serial No. 78971147
June 14, 2013
Hearing: August 8, 2012

***1** Mark Lebow of Young & Thompson for Syndicat Des Proprietaires Viticulteurs De Chateauneuf-Du-Pape
John A. Clifford of Merchant & Gould P.C. for Pasquier DesVignes

Before Zervas, Mermelstein and Wolfson
Administrative Trademark Judges
Opinion by Wolfson
Administrative Trademark Judge:

Pasquier DesVignes, by change of name from Etablissements Quinson,[1] ("applicant") filed an application to register the standard character mark CHEMIN DES PAPES for "wines, sparkling wines, distilled spirits and liquors" in International Class 33.[2] The application contains the following translation statement: The English translation of "Chemin des Papes" is "way of the popes." Syndicat Des Proprietaires Viticulteurs De Chateauneuf-Du-Pape, a French collective association located in Chateauneuf-du-Pape, France, ("opposer") opposes the registration of applicant's mark on the grounds of priority of use and likelihood of confusion, alleging that applicant's mark so resembles opposer's previously used and registered mark, shown below:



for "wine that originates from Chateauneuf-du-Pape," that confusion as to source under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), is likely among relevant purchasers.[3] Opposer further alleges that it owns rights to the unregistered mark CHATEAUNEUF-DU-PAPE CONTRÔLÉ for wine.[4] Opposer's pleaded registration for the design mark includes the following translation statement: "The English translation of 'CHATEAUNEUF-DU-PAPE CONTRÔLÉ' is 'vineyard of the Pope Control."' In its brief, opposer indicates that a more accurate translation of "Chateauneuf-du-Pape" would be ""new castle of the pope" or "new chateau of the pope."[5]

Applicant has denied the salient allegations in the notice of opposition with respect to opposer's claim of a likelihood of confusion under Section 2(d).[6] However, in the notice, opposer further claims that applicant lacks a bona fide intent to use its mark on "distilled spirits" [paragraph 38] or on ""liquors" [paragraph 39]. With respect to this claim, applicant has admitted the assertions in paragraphs 38 and 39 in its answer to the notice of opposition and in response to opposer's requests for admission. During the oral hearing, counsel agreed that, should applicant's application otherwise be in condition for issuance, applicant would accept judgment on this issue and deletion of "distilled spirits" and "liquors" from the application.

I. The Record

***2** Pursuant to Trademark Rule 2.122(b), the record includes applicant's application file and the pleadings. In addition, the parties introduced the following testimony and evidence.

A. Opposer's Testimony and Evidence

1. Testimony of Alain Junguenet, president of Wines of France, Inc., importers and distributors of wine from France, with accompanying exhibits;

2. Testimony upon written questions of Norbert Olszak, professor of law at the Paris University 1, of Pantheon Sorbonne, with accompanying exhibits, testifying as an expert witness with knowledge of the French AOC system as it relates to wine;

3. Testimony upon written questions of Bruno Le Roy de Boiseaumarie, owner of the winery Chateau Fortier, a member of opposer's board of directors and Chairman of the board of directors of the Federation des Syndicat de producteurs de Chateauneuf-du-Pape, with accompanying exhibits;

4. Opposer's First Notice of Reliance, dated October 15, 2010, comprised of portions of three books and two publications on wine; and two articles about songs that use "Chateauneuf-du-Pape" in the lyrics;

5. Opposer's Second Notice of Reliance, dated October 19, 2010, comprised of applicant's responses to opposer's first set of document production requests;[7] and

6. Opposer's Third Notice of Reliance, dated November 5, 2010, comprised of a.) applicant's answers to opposer's first and second sets of requests for admission and applicant's responses to opposer's first set of interrogatories; b.) a copy of opposer's pleaded Reg. No. 2097158 as well as copies of the file history for the application; c.) copies from the Office's TARR and assignment databases showing title and status of Reg. No. 2097158; and d.) a copy of a page from the website www.snooth.com, purporting to show an instance of actual confusion.

B. Applicant's Testimony and Evidence

1. Testimony of Edward McCarthy, a "wine writer, journalist, book author, [and] wine book author" for "about 35, 37 years,"[8] with accompanying exhibits, testifying as an expert witness in the field of wine;

2. Testimony of Joseph Helfrich, president and CEO of Les Grands Chais de France, which acquired Etablissements Quinson in 1991, with accompanying exhibits;

3. Applicant's Notice of Reliance, dated February 17, 2011, comprised of a.) excerpts from five books, a magazine, and several winerelated websites; b.) excerpts from Collins-Robert French/English English/French dictionary, third edition; c.) two decisions from foreign courts; d.) opposer's responses to applicant's requests for admission and interrogatories; e.) copies of

USPTO records of third-party registrations; f.) copies of 106 applications for label/bottle approval for various wine names filed with the Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau; and g.) copies of website excerpts regarding papal regalia and insignia; [9]

***3** 4. Applicant's Notice of Reliance, dated February 18, 2011, comprised of the French version of the two court decisions previously submitted with applicant's first notice of reliance.

C. Evidence of "89" Series Records Inadmissible

Applicant contends in its brief that the use of papal symbols on wine labels is common practice, and that they "are protected by the papacy and belong to no single wine maker...." In support of this contention, application references "Trademark Application Serial Nos. 89/000832 et. al." and provides a listing of four records -- allegedly from the USPTO's database: Serial Nos. 89/000832, 000831, 000830, and 000828. Applicant does not provide a copy of any of these ""89-series" records.

Opposer objects to applicant's reliance upon the 89-series records, or any one of them, because none was submitted during applicant's testimony period. Applicant did not seek to introduce copies of these records as evidence, but merely listed them in its brief. Accordingly, we will not consider the records themselves as evidence, and, inasmuch as the Board does not take judicial notice of records residing in the Office, the references are of no value. *In re Jonathan Drew,* 97 USPQ2d 1640, 1644 fn. 11 (TTAB 2011); *see also, Edom Laboratories, Inc. v. Glenn Lichter,* 102 USPQ2d 1546, 1550 (TTAB 2012). On the other hand, applicant properly introduced evidence during its testimony period describing various types of papal regalia and insignia that is used by the Pope, which we have considered.

II. The French AOC System

In order to understand the context in which this trademark dispute arises, it is useful to gain an understanding of the differences in the naming conventions for wine between the United States and European nations, in particular, those of France.

In the United States, wine produced domestically may include a regional certification of origin, but in order to identify the grapes that make up the wine, most American wines carry varietal names. "A varietal wine is a wine that is named after either the principal or the sole grape variety that makes up the wine.... Unlike American wines, most European wines are named for the *region* where their grapes grow rather than for the grape variety itself." [10] European winemakers name their wines after places because, after having had "centuries to figure out which grape grows best where, the name of a place where grapes are grown in Europe automatically connotes the grape (or grapes) used to make the wine of that place." [11]

This is particularly true with respect to French wine. In 1935, the French government created a system recognizing the unique "terroirs," or "climate, soil, and local tradition," [12] of three hundred specifically defined territories within the five major wine-growing regions in France: Bordeaux, Burgundy, the Rhone, the Loire and Alsace. [13] By decree, the "Institut National Des Appellations D'Origine,'D' or INAO, was established to control the quality of the wine produced in each of these defined regions and territories. As explained by the Court of Appeals for the Federal Circuit:

> ***4** INAO is an organization established and existing under the laws of France whose membership consists, in part, of wine growers, wine merchants and representatives from various wine-producing regions and communities within France. One of INAO's functions is to act on behalf of French wine producers and merchants to maintain a system of identifying French wines, brandies, and spirits through the use of "appellations d'origine'D' (appellations of origin) and to protect against or suppress misuses of those appellations on a worldwide basis.

Institut Nat'l Des Appellations D'Origine v. Vintners Int'l Co. Inc., 958 F.2d 1574, 22 USPQ2d 1190, 1192 (Fed. Cir. 1992). [14]

Today, the INAO controls the methods of making wine produced from grapes grown in each specific territory by controlling the name, known as the ""appellation d'origine controlee," or AOC, by which the wine produced in each territory may be identified. [15] Included in this system are the registered and defined territories of "Chateauneuf-du-Pape" and "Cotes du Rhone." Both are AOCs in southern France that are located within the Rhone Valley, a large non-AOC region within which Chateauneuf-du-Pape, Cotes du Rhone (and other AOCs) are situated. Wine that is blended from several AOCs in the Rhone Valley may bear a more general geographic designation of origin, but under French law, only wine grown and vinified in compliance with the geographic and other criteria of that specific AOC (e.g., Chateauneuf-du-Pape; Cotes du Rhone) may legally be labeled as such. [16] Within the Chateauneuf-du-Pape AOC, there are "over a hundred" winemakers; within the Cotes du Rhone AOC they number "into the thousands." [17]

The labeling follows a strict convention in France: the word "appellation" precedes the name of the AOC territory and the word "controlee" follows. [18] In accordance with this system, applicant, members of opposer's syndicate, as well as members of other syndicates, unaffiliated winegrowers, and "negociants" [19] are permitted to sell wine that is lawfully labeled ""Appellation Chateauneuf-du-Pape Controlee." Like any other AOC Chateauneuf-du-Pape producers, opposer's members sell wine lawfully labeled "Appellation Chateauneuf-du-Pape Controlee" under each of their individual brand names. Opposer's members may also place opposer's registered design mark on their bottles. Opposer's mark usually appears embossed on the glass above the producer's label.

III. The Parties

Opposer is an association, or "syndicate," of winegrowers formed in 1923. [20] The Chateauneuf-du-Pape AOC includes at least one other syndicate, as well as a number of independent producers who are not members of a syndicate. [21] All such producers make wine from grapes grown only in the Chateauneuf-du-Pape territory of France. Regardless of membership in a syndicate, the designation "Chateauneufdu-Pape" may be used by any wine producer or "negociant" whose wine has been fermented from grapes of permitted varieties grown in the defined Chateauneuf-du-Pape AOC territory. While any winegrower producing wine from Chateauneuf-du-Pape may label its wine with the AOC "Chateauneuf-du-Pape" to indicate its geographic origin and compliance with the INAO regulations, only opposer's members may use opposer's registered combination word and design mark for their Chateauneuf-du-Pape wine.

***5** Applicant is an independent negociant which sells wine, including wine lawfully labeled "Appellation Cotes du Rhone Controlee." This latter wine is sold by applicant under the brand name and opposed mark CHEMIN DES PAPES. Like Chateauneuf-du-Pape, Cotes du Rhone is an AOC within the Rhone valley, and geographically overlaps [22] (but is larger than) the Chateauneuf-du-Pape AOC. Applicant also sells a Chateauneuf-du-Pape wine, but under the brand name CALVET. [23] Applicant's Chateauneuf-du-Pape wine does not now bear the mark CHEMIN DES PAPES.

Applicant bottles wine from grapes grown in many regions in France, including the Rhone Valley. Applicant's witness Joseph Helfrich, president and CEO of applicant's parent corporation, stated that applicant intends to use its mark CHEMIN DES PAPES on four AOC wines from the Rhone Valley: Cotes du Rhone, Cotes du Rhone Villages, Crozes-Hermitage and Chateauneuf-du-Pape. [24] The evidence of record shows the mark CHEMIN DES PAPES currently is used only with two of these four AOC indicators, Cotes du Rhone and Cotes du Rhone Villages. [25]

IV. Standing

Opposer's third notice of reliance included a plain paper copy of its registration, along with information from USPTO records showing status and title in opposer. Accordingly, opposer has demonstrated that it is the owner of its pleaded registration, that the registration is valid and subsisting, and therefore that opposer has standing to bring this action. *See Cunningham v. Laser Golf Corp*., 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co*., 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

V. Opposer's Claim of Rights to "Chateauneuf-du-Pape"

We begin our analysis of opposer's rights by addressing its claim to common law rights in the designation "Chateauneuf-du-Pape" (without any design elements). To establish rights to CHATEAUNEUF-DU-PAPE as a trademark vis-à-vis applicant, opposer must prove that it is the rightful owner of a distinctive mark, that it has priority of use, and that there is a likelihood of confusion. *Otto Roth & Co. v. Universal Foods Corp*., 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981). As for priority, the record evidence shows that applicant first sold wine in the United States under the mark CHEMIN DES PAPES in 2002. [26] There is no direct testimony or evidence establishing the date of first use in the United States of CHATEAUNEUF-DU-PAPE by opposer, but Mr. Junguenet, owner of the New Jersey business, "Wines of France, Inc.," testified that he has imported CHATEAUNEUF-DU-PAPE wine since 1984. [27] Although the record does not clarify whether the 1984 importation included wines bearing opposer's mark, applicant has not contested opposer's claim that it is the earlier user of the mark CHATEAUNEUF-DU-PAPE in the United States. We find that opposer has priority of use of the mark CHATEAUNEUF-DU-PAPE for purposes of this proceeding.

***6** However, for the reasons discussed more fully, *infra*, we find that opposer is not the rightful owner of the mark CHATEAUNEUF-DU-PAPE. Although opposer and two other syndicates joined forces in 1963 to create the "Federation des Syndicate de Producteurs de Chateauneuf-du-Pape" in order to "promote and defend the mark and to defend the Chateauneuf-du-Pape name," [28] the evidence of record shows that other organizations have likewise been formed to prevent unauthorized use of the Chateauneuf-du-Pape AOC, specifically, the INAO. Indeed, the evidence reflects that INAO controls the use of the AOC "Chateauneuf-du-Pape" designation as a certification of geographic origin and quality and type of grapes grown, cultivated, fermented, and bottled in the AOC-delimited Chateauneuf-du-Pape territory. Opposer's expert witness, Norbert Olszak, in response to applicant's interrogatories on written questions, specifically "Question number 8, please explain generally the French AOC system as it relates to wine?" stated as follows:
A. So the French AOC system protects the wine denomination of quality under the control of the government through a specialized public body which is called the INAO which is the national institute of origin and quality. In the French system AOC is recognized by government decree and its use is controlled by government and administration services.

Q. Question number nine, is Chateauneuf-du-Pape a controlled term under the AOC system?

A. Yes, it is.

Q. Question number ten, does Chateauneuf-du-Pape have geographical significance?

A. Yes, it has.

Q. Question number 11, please explain the geographical meaning of the term Chateauneuf-du-Pape as it relates to the AOC system?

A. Chateauneuf-du-Pape is the name of a wine whose qualities and features come from a specific origin and a [sic] specific production methods which are recognized in a government decree. [29]

In addition, there are other bodies that apparently have been organized to defend the rights of winegrowers and negociants, who bottle and sell wines using grapes grown exclusively in the Chateauneuf-du-Pape territory, to label their wine with the AOC. Mr. Boiseaumarie, a member of opposer's board of directors and chair of the Federation des Syndicat de Producteurs de Chateauneuf-du-Pape, was asked during his deposition "how is the AOC system enforced in France?" His answers present additional names of organizations that are involved in the control of the AOC Chateauneuf-du-Pape:

A. So the AOC system is controlled by the French administration. And namely a body called DGCCRS, that's the fraud body. [30] And this administration makes sure that the AOC system is enforced.

***7** There is another administration which is called the INAO which also controls and if both find something wrong with the AOC enforcement of the AOC system they can go to court and sue the people who are infringing this system.

[Opposer] is also making sure that the wines that are presented are Chateauneuf-du-Pape wines.

The INPI also signed a convention with the INAO, the INPI makes sure or monitors the brands that are infringing the AOC system. The INPI is the French patent office or trademark office. [31]

As can be seen, Mr. Boiseaumarie, mentions that opposer "makes sure" that Chateauneuf-du-Pape wines "are presented" as such. He goes on to elaborate opposer's position, while also naming other, third-party, enforcement entities: [32]

Q. Question number 11, who has the statutory role of defending the AOC Chateauneuf-du-Pape?

A. So it's the Federation of Syndicat [33] which has been asked by [opposer] to defend the Chateauneuf-du-Pape AOC. And since 2008, ODG [34] is also serving as such.

Q. Does [opposer] have any role regarding the defense of the AOC Chateauneuf-du-Pape? If so, please elaborate?

A. Yes, it has a role. It is in all legal actions a Claimant. [35]

Other testimony contradicts Mr. Boiseaumarie's assertion that opposer is a claimant in all legal actions (as he asserts above) concerning the AOC Chateauneufdu-Pape. Specifically, Mr. Boiseaumarie, when asked about two such cases, stated that in one case, "the Federation was not the plaintiff but the SIDVAOC, the other organization [was]." [36] The acronym "SIDVAOC" appears to stand for the "Syndicat intercommunal de defense viticole de l'appellation d'origine Chateauneuf-du-Pape." [37] *See also*, Boiseaumarie dep., p. 15, where Mr. Boiseaumarie also identifies SIDVAOC as "another professional organization ... which takes care of the defense of the name Chateauneuf-du-Pape." And while it is stated under a slightly different name, it appears Mr. Boiseaumarie is asked about SIDVAOC by way of the question: "what is the Syndicat Intercommunal de Defence de l'Appellation d'Origine Chateauneuf-du-Pape and what is its role with respect to such appellation?" Mr. Boiseaumarie's answer is: "So as the name states it's a professional organization which defends the Chateauneuf-du-Pape AOC and that's its role to defend the Chateauneuf-du-Pape AOC." [38]

Significantly, Mr. Boiseaumarie and Mr. Olszak's responses reveal the array of interests centered on protecting the AOC Chateauneuf-du-Pape from unauthorized use. Based on this and all the evidence of record, we find that the designation "Chateauneuf-du-Pape" is a geographical indication that has special status as an AOC, or regulated appellation of origin, in France. Nonetheless, this record does not support opposer's claim that in the United States, CHATEAUNEUF-DU-PAPE is a common law regional certification mark for wine, or that opposer is the owner of such mark. [39] *See, e.g.*, *Institut National Des Appellations d'Origine v. Brown-Forman Corp.*, 47 USPQ2d 1875 (TTAB 1998) (COGNAC is valid common law regional

certification mark for brandy). Because opposer has not shown that it owns the mark in the United States, opposer does not have the right to control other's use of "Chateauneuf-du-Pape" in connection with wine sold in the United States. [40]

***8** In view thereof, opposer's claim that registration of applicant's mark is likely to cause confusion with opposer's common law rights in the mark CHATEAUNEUFDU-PAPE is dismissed. We will now decide the merit of opposer's claim that applicant's mark is likely to cause confusion with opposer's registered combination word and design mark.

VI. Section 2(d) Claim with respect to Opposer's Registered Trademark

To prevail on a claim under Trademark Act Section 2(d), an opposer must establish, by a preponderance of the evidence, that it has priority and that there is a likelihood of confusion between its mark and the applicant's mark. *See, e.g.*, *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002) ("[t]he burden of proof rests with the opposer ... to produce sufficient evidence to support the ultimate conclusion of [priority of use] and likelihood of confusion"); *Hoover Co. v. Royal Appliance Mfg. Co.*, 283 F.3d 1357, 57 USPQ2d 1720, 1722 (Fed. Cir. 2001); and *Kraft Group LLC v. William A. Harpole*, 90 USPQ2d 1837, 1841 (TTAB 2009) ("To prevail on a Section 2(d) ground of opposition, the movant must prove priority and likelihood of confusion.").

A. *Priority*

Here, because opposer owns a valid and subsisting registration for the mark CHATEAUNEUF-DU-PAPE CONTRÔLÉ and design for "wine," Section 2(d) priority is not an issue as to the mark and goods covered in the registration. *King Candy, Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). [41]

B. *Likelihood of Confusion with Opposer's Registered Mark*

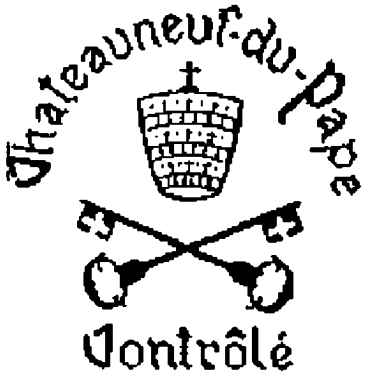
We base our determination under Section 2(d) on an analysis of all of the probative evidence of record bearing on a likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973) ("*du Pont*"). *See also*, *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). Our primary reviewing court has held that only those *du Pont* factors shown to be material or relevant in the particular case and which have evidence submitted thereon need be considered. *See Majestic Distilling*, 65 USPQ2d at 1204 ("Not all of the DuPont factors may be relevant or of equal weight in a given case, and 'any one of the factors may control a particular case."D') (citation omitted). However, in any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods and/or services. *See Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks").

***9** We discuss each of the *du Pont* factors as to which the parties have submitted argument or evidence. To the extent that any other *du Pont* factors for which no evidence or argument was presented may nonetheless be applicable, we treat them as neutral.

1. *Fame of the Registered Mark*

Fame, if it exists, plays a dominant role in the likelihood of confusion analysis because famous marks enjoy a broad scope of protection or exclusivity of use. A famous mark has extensive public recognition and renown. *Bose Corp.*, 63 USPQ2d at 1305; *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992). Because of the extreme deference accorded to a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting fame to clearly prove it. *Lacoste Alligator S.A. v. Maxoly Inc.*, 91 USPQ2d 1594, 1597 (TTAB 2009); *Leading Jewelers Guild Inc. v. LJOW Holdings LLC*, 82 USPQ2d 1901, 1904 (TTAB 2007).

There is ample record evidence to establish that the term "Chateauneuf-du-Pape" is well-known in the United States as a type of wine that comes from a specific territory in France. [42] However, the issue is not whether ""Chateauneuf-du-Pape" is well-known as a type of wine from a specific territory in France, but whether the particular coat of arms and stylization of the AOC designation Chateauneuf-du-Pape that comprise opposer's mark is famous:



We find that on this record, opposer has failed to meet its burden that its registered mark is famous. While the fame of a mark may be proven by indirect evidence such as high levels of sales, advertising, or length of use, *Bose Corp. v. QSC Audio Products,* 63 USPQ2d at 1305, opposer's evidence in this case does not establish the fame of its registered mark. The total production of Chateauneuf-du-Pape wine from the specified AOC of Chateauneuf-du-Pape has been shown to be 13 million bottles per year, [43] twenty percent of which is exported to the United States. [44] At an average of $45 per bottle, this represents about $121 million in sales per year. [45] However, the record evidence for production and sales of Chateauneuf-du-Pape wine in the United States is not exclusively for opposer's branded product, but includes the production and sale of many different brands of Chateauneuf-du-Pape wine; not all of them are associated with opposer's syndicate. While these figures may be significant for total sales of Chateauneuf-du-Pape wine, they have not been broken down to show how many bottles of Chateauneuf-du-Pape wine bear opposer's registered mark, or what percentage of total revenue comes from sales of such wines. In addition, the record evidence of third-party media attention that has been given to Chateauneuf-du-Pape wines is not specific to opposer's wines or those of its members, but references Chateauneuf-du-Pape wine, with little or no specific reference to opposer or use of opposer's registered trademark. For example, opposer's evidence shows that in 2001 "a major wine tasting event which has been organized by the Wine Spectator in the U.S., in New York," [46] featured Chateauneufdu-Pape wines from winegrowers that were not identified as being affiliated with opposer, and whose bottles would not feature opposer's registered mark. Although opposer promotes its member's wines by estate tours and wine tastings in stores, restaurants and at events held throughout the United States, [47] a close look at the materials used to promote these events shows that they do not specifically or exclusively promote only opposer's member's wines. It is unclear to what extent opposer's efforts benefitted its own (or its members') wine as opposed to Chateauneuf-du-Pape wines in general. The invitation to a "Chateauneuf-du-Pape Winetasting Experience" at the 4th Avignon/New York film festival features a trademark other than opposer's registered mark (comprising a different coat of arms including a depiction of the Pope's tiara and St. Peter's keys together with a different stylization of the words "Chateauneuf-du-Pape)"; [48] the record does not reflect whether this is another producer's mark or another syndicate's mark. Whatever may be the case for "Chateauneuf-du-Pape" in general, the record is simply insufficient to show that opposer's *registered* mark is famous. References that tend to show that "Chateauneuf-du-Pape" has garnered some renown as an AOC (or as a type of wine) do not prove that opposer's registered mark is famous.

2. *Similarity of the Marks*

***10** In determining the similarity of applicant's and opposer's registered marks, we have focused on the similarity or dissimilarity of "the marks in their entireties as to appearance, sound, connotation, and commercial impression." *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772,* 396 F.3d 1369, 73 USPQ2d 1689, 1691 (Fed. Cir. 2005) (quoting *du Pont,* 177 USPQ at 567). Although our analysis cannot be predicated on dissecting the marks into their various components, different features may be analyzed to determine whether the marks are similar. *Price Candy Co. v. Gold Medal*

Candy Corp., 220 F.2d 759, 105 USPQ 266, 268 (CCPA 1955); *Cunningham*, 55 USPQ2d at 1845. In fact, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on a consideration of the marks in their entireties. *In re Nat'l Data Corp.*, 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985); *see also Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281 (Fed. Cir. 1984); and *In re J.M. Originals Inc.*, 6 USPQ2d 1393, 1394 (TTAB 1987).

Here, applicant's mark is comprised entirely of the literal element CHEMIN DES PAPES. Opposer's registered mark contains the words "Chateauneuf-du-Pape Controle" and the design elements of a papal tiara and St. Peter's keys:

Section 7(b) of the Trademark Act, 15 U.S.C. § 1057(b), sets forth several presumptions derived from ownership of a federally registered trademark, namely, that the mark is valid, that it is owned by the registrant, and that the registrant has the exclusive right to use the mark in commerce in connection with the goods or services listed in the registration, subject to any limitations stated in the certificate. Thus, even though we find that the designation "Chateauneuf-du-Pape" is not owned by opposer, it is a part of opposer's registered mark and we have not disregarded it. As we have acknowledged, "marks must be viewed 'in their entireties,' and it is improper to dissect a mark when engaging in this analysis, including when a mark contains both words and a design." *In re Viterra Inc.*, 671 F.3d 1358, 1362, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012).

On the other hand, "[m]ore dominant features will, of course, weigh heavier in the overall impression of a mark." *In re Electrolyte Laboratories, Inc.*, 929 F.2d 645, 647, 16 USPQ2d 1239, 1240 (Fed. Cir. 1990). Although words typically dominate over designs, "[t]here is no general rule as to whether letters or design will dominate in composite marks." Id. Here, we find that opposer's registered mark is dominated by the design elements in the mark. ""Chateauneuf-du-Pape" is simply a weak indicator of source -- at least with respect to opposer -- because it does not identify opposer (or its members) as the single source for wine bearing that designation; opposer is only one of a number of entities which may use the term on a label to designate wines originating from a particular geographic place.

***11** The registered mark is just as likely to be remembered by the design of papal insignia, which is unique to opposer, as by the words "Chateauneuf-du-Pape" (or Chateauneuf-du-Pape Contrôlé), which are not under opposer's control and are associated not only with members of opposer's syndicate, but numerous other winemakers, and syndicates. Moreover, the design is prominently displayed in the center of the mark, is proportionally larger than the wording, and is very distinctive, inasmuch as it uses highly symbolic and well-known regalia relating to the Pope and the Catholic church. The circular shape in which the words have been displayed further emphasize the overall circular design composition of the mark.

The connotations engendered by each mark are also quite different. Applicant's mark CHEMIN DES PAPES means, in French, "the way (or road) of the popes." The literal elements in opposer's mark CHATEAUNEUF-DU-PAPE translate to "new castle of the pope." [49] These terms are visually and aurally different, and they evoke very different impressions despite the shared element "pape(s)." And to those who are familiar with the history of Rhone Valley wine and the road built by or to commemorate the pope, there is an even further attenuation as applicant's mark suggests this historical road, while opposer's mark does not. [50] Moreover, the words "Chateauneuf-du-Pape" in opposer's mark are followed by the word "contrôlé," signifying wine that has been made according to the INAO standards of production. Applicant's mark CHEMIN DES PAPES would not be perceived

as a controlled appellation by wine consumers with a working knowledge of the French AOC system, as it is not followed by the word “controlee.”

On the other hand, purchasers may not know French, in which case they will not translate either mark. In that case, there is even less chance of confusion. The first word of each mark, CHEMIN and CHATEAUNEUF, bear no meaningful resemblance despite the fact that each starts with the letters “ch.” Finally, as we have noted *supra*, the only shared element in the marks is the word “pape” (or its plural form “papes”), which, as will be seen, is not exclusive to either party.

For the above reasons, we find applicant's and opposer's registered marks, in their entireties, are not similar. This *du Pont* factor favors applicant.

3. *Use of the word “PAPE” by Third Parties*

The sixth *du Pont* factor requires us to consider evidence pertaining to the number and nature of similar marks in use on similar goods. “The purpose of a defendant introducing third party uses is to show that customers have become so conditioned by a plethora of such similar marks that customers have been educated to distinguish between different such marks on the bases of minute distinctions.” *Palm Bay,* 73 USPQ2d at 1694.

***12** Applicant has provided evidence of use of marks containing “pape,” ““papes,” or “pope” for wine (other than as part of the term “Chateauneuf-du-pape”) in support of its position that the word “pape” is weak. Mr. McCarthy testified to the sale in the United States of several wines that are labeled with marks including the term “pape” or “papes.” One of the oldest third-party uses of a mark that includes the word “pape” is the brand name “Chateau Pape Clement,” for a Bordeaux wine. [51] This brand was first used in the 13th century. Mr. McCarthy testified that it has been on sale in the United States for “much longer” than thirty years [52] and that he “owns some.” [53] Mr. McCarthy also testified to sales of “Vieux Papes” red and white table wine sold as “vin de France” [54] wine at Whole Foods grocery stores, and he identified an advertisement inviting prospective consumers to a wine-tasting of VIEUX PAPES wine on February 25, 2011, at a Whole Foods in Honolulu, Hawaii. [55]

Mr. McCarthy also identified six other wine labels that were presented to him of wines with the word “pape” (or “papes”) in their name, as follows:

1.) “Cuvee du Pape Jean-Paul II,” for a wine from Burgundy; [56]

2.) “Cellier du Pape St. Leon IX,” for several varieties of wine from Alsace; [57]

3.) “Cuvee du Pape,” for a Champagne; [58]

4.) “Hypocras du Palais des Papes,” for aperitif wine from Cotes du Rhone; [59]

5.) “Chateau Le Pape” for a Bordeaux; [60] and

6.) “Vignerons de L'Enclave des Papes” for a Cotes du Rhone. [61]

None of these wines is from the Chateauneuf-du-Pape territory and none of the producers is a member of opposer's syndicate. [62] Although it is unclear from Mr. McCarthy's testimony whether these wines are for sale in the United States, we have considered them as somewhat probative of whether wines containing “pape” (or “papes”) in their brand names are familiar to consumers

in the United States. We note that three of them include, in English: "Product [or Produce] of France" (a required element) [63] on the label, and the record suggests all of them are available via on-line websites.

In addition to the above evidence, applicant has submitted numerous "Applications for and Certification/Exemption of Label/ Bottle Approval" that have been approved by the U.S. Alcohol Tobacco Tax and Trade Bureau (TTB) for imported wines from France. Mr. McCarthy identified several wines from these records whose names include the term "pape" or "papes," for example: L'ESPRIT DE PAPE, from the Cotes-du-Roussillon region of France; [64] CAVES DES PAPES wine from the AOC Cotes du Rhone; [65] PROMENADE DES PAPES wine from the AOC Cotes du Rhone Villages [66] and, as noted above, VIEUX PAPES, which he describes as a "simple table wine." [67] Mr. McCarthy further identified some domestic wines. For example, a wine made in the central coast of California called "El Pape" is produced by a group called Hug Cellars. [68] PAPE STAR wine also comes from the central coast of California. [69] Mr. McCarthy also identified a wine imported from Portugal that is named simply, PAPE. [70] While these certifications (there are 106 of them) are not evidence that wine bearing the labels have been sold in the United States, they are evidence that many wine sellers have sought, and received, permission from the TTB for use of PAPE on labels in the past few years (the majority of labels date from 2009-2010), and we consider them for whatever probative value they may have.

***13** Applicant has also submitted copies of two third-party registrations, based on use, for marks containing the term "papes" for wines other than those from Chateauneuf-du-Pape. These are: Reg. No. 1903762 for the mark CAVES DES PAPES for "wines"; [71] and Reg. No. 2213047 for the mark HERITAGE DES CAVES DES PAPES for "wines." [72] The specimens submitted with these registrations, which are in the record, display the mark CAVES DES PAPES on a red wine from the region known as Crozes-Hermitage (an AOC), and the mark HERITAGE DES CAVES DES PAPES on a red wine from the Cotes du Rhone AOC. While third-party registrations, by themselves, are also not evidence of use, they are not irrelevant. Taken in conjunction with the evidence of actual use of the term "pape" in connection with wines and the evidence of a strong association between the papacy and the growing of grapes for wine in the Rhone Valley, established during the 14th century when the Pope took up residency in Avignon, [73] they suggest that the term "pape" has historical or other significance in connection with wine. *See, e.g., Old Tyme Foods,* 22 USPQ2d at 1545 (evidence of third-party registrations coupled with evidence of prior use "could reasonably support an inference that [the applicant's] mark is weak"); 2 McCarthy on Trademarks and Unfair Competition § 11:90 (4th ed.) and cases cited therein.

Thus, even according opposer whatever limited rights to the term ""Chateauneuf-du-Pape" are due as a result of its inclusion in opposer's registered mark, it can be seen that "pape" itself is a weak element, present in numerous third-party marks. Contrary to opposer's contention that these other "pape" wines are all Chateauneuf-du-Pape wine, they come from both within and outside the United States and one of the most famous, Chateau Pape Clement, has been in existence since the 13th century and identifies a wine from Bordeaux, an entirely different and unique appellation. This *du Pont* factor focusing on the use by other parties of the term common to applicant's and opposer's registered marks strongly favors applicant. [74]

4. *Actual Confusion*

Opposer argues that confusion is likely because there has been an instance of actual confusion. While a showing of actual confusion may be highly probative, on this record, we find opposer's minimal evidence of actual confusion to be less than probative. In a web posting about applicant's wine, a single user writes that he was disappointed by the wine, and that: "I was fooled by the name Des Papes." The reference does not unambiguously point to opposer, however. It may be that this user expected the wine to be from the region of Chateauneuf-du-Pape and to be of higher quality, but the user's comment does not prove that he expected a wine from opposer's syndicate and received applicant's wine in its place. In any event, this single instance of actual confusion is insufficient to show that confusion is likely. We consider this *du Pont* factor to be neutral.

5. *Additional du Pont Factors*

***14** We recognize that the goods, as identified in the application and registration, are legally identical and that the trade channels and classes of consumers are considered to be the same. *See, e.g.*, *Bose Corp.*, 63 USPQ2d at 1310-11; *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 1268, 62 USPQ2d 1001, 1005 (Fed. Cir. 2002) ("Absent restrictions in the application and registration, goods and services are presumed to travel in the same channels of trade to the same class of purchasers.") These factors favor opposer. We do not hold the class of consumers, which includes the average American wine consumer, to be sophisticated despite the fact that the market for Chateauneuf-du-Pape wines appears to be the higherend wine market. Wine is offered and sold to the general public, and there is no indication that customers for opposer's wines (or applicant's) are particularly sophisticated or that special education or study is necessary to purchase it. While it appears that opposer's wines may be somewhat more expensive than other wines, the parties have not pointed to any facts which would indicate that its purchase is accompanied by such an unusual level of care and scrutiny -- or by such haste and indifference -- as would either mitigate or enhance any possibility of confusion. We thus consider this factor to be neutral.

Finally, although the parties have argued at length over applicant's use of papal symbols, the color red, Gothic-style lettering and the like, these considerations are not particularly germane to our determination under Section 2(d). The Board is constrained to consider the marks as they appear in the application and registration and not as they may be used or promoted in the marketplace. While applicant's standard character mark could be displayed in the same font style, size or color as opposer's mark, *see Citigroup Inc. v. Capital City Bank Group, Inc.*, 637 F.3d 1344, 1353, 98 USPQ2d 1253, 1259 (Fed. Cir. 2011), this does not mean that we may infer that applicant's mark will be used with a design of the papal tiara or St. Peter's keys similar to opposer's registered design.

6. *Conclusion*

As noted at the outset, applicant admits to its lack of a bona fide intention to use the applied-for mark on "distilled spirits" or "liquors." Therefore, applicant is not entitled to register its mark for these goods.

With respect to likelihood of confusion, we find that the evidence does not support opposer's claim to common law rights in the term "Chateauneuf-du-Pape" by itself. Accordingly, this claim does not provide a basis for sustaining the opposition. As for whether a likelihood of confusion exists between opposer's registered mark CHATEAUNEUF-DU-PAPE CONTRÔLÉ and design and applicant's mark CHEMIN DES PAPES, we find the marks to be so dissimilar overall that despite the similarities in the goods, trade channels, and classes of consumers, that confusion is not likely. *Cf.*, *Kellogg Co. v. Pack 'em Enters., Inc.*, 951 F.2d 330, 21 USPQ2d 1142, 1145 (Fed. Cir. 1991) (Affirming Board's holding that the dissimilarity of the marks--FROOTEE ICE and FROOT LOOPS--was dispositive); *Keebler Co. v. Murray Bakery Prods. Inc.*, 866 F.2d 1386, 9 USPQ2d 1736 (Fed. Cir. 1989). When viewed in their entireties, giving due weight to the components of each mark, and taking into account the weakness of the term ""Chateauneuf-du-Pape Contrôlé," and the weakness of "pape" due to other uses, the presence of the term "pape" as the only common element in both parties' marks is an insufficient basis for finding applicant's mark to create a likelihood of confusion. We find instead that confusion is not likely. Indeed, the first *du Pont* factor outweighs all of the other factors.

***15** **Decision**: The opposition is granted with respect to "distilled spirits and liquors" and dismissed with respect to "wines, sparkling wines." *See The Wet Seal, Inc. v. FD Management, Inc.*, 82 USPQ2d 1629, 1633 (TTAB 2007) ("an application will not be deemed void for lack of a bona fide intention to use absent proof of fraud, or proof of a lack of bona fide intention to use the mark on all of the goods identified in the application, not just some of them."). In accordance with the evidence of record, and following close of the appeal period, the identification of goods in applicant's application will be amended to reflect those goods with which it has a bona fide intent to use the mark, namely, "wines, sparkling wines," and a Notice of Allowance will issue in due course.

Footnotes

1 Assignment recorded on April 25, 2011, at Reel/Frame 5428/0048.

2 Filed September 11, 2006, on the basis of applicant's assertion of a bona fide intent to use the mark in commerce under Trademark Act § 1(b).

3 Registration No. 2097158 registered on September 16, 1997, pursuant to Sections 1(b) and 44(e) of the Trademark Act. Based on French registration No. 96/605136 (which expired on January 8, 2006). Sections 8 and 15 affidavits accepted; renewed.

4 Notice of opposition, paragraphs 1-5.

5 *Brief*, p. 9.

6 Applicant further asserted various "affirmative defenses" that are not in the nature of true affirmative defenses, but rather merely serve to expand upon and amplify its denial of opposer's likelihood of confusion claim. While paragraph 21 states affirmative defenses of laches, estoppel and acquiescence, none of these was pursued at trial or argued in applicant's brief. Accordingly, each affirmative defense is considered waived. *Baroness Small Estates, Inc.*, 104 USPQ2d 1224, 1225 fn. 2 (TTAB 2012); *Research in Motion Ltd. v. Defining Presence Mktg. Group, Inc.*, 102 USPQ2d 1187, 1190 (TTAB 2012).

7 This evidence has not been considered, as documents produced in response to a request for production of documents may not be introduced under notice of reliance. Trademark Rule 2.120(j)(3)(ii).

8 McCarthy dep., p. 10.

9 The notice of reliance indicates that copies of the file histories for Reg. No. 2097158 and Serial No. 78971147 are included; however, they were not among the materials filed under the notice of reliance. Opposer included the file history of its registration with its third notice of reliance. The file history of the involved application is already of record and need not have been submitted. Trademark Rule 2.122(b).

10 McCarthy dep., exhibit 26, *Wine for Dummies* (4th ed. 2006), pp. 50-51.

11 Id., at p. 52.

12 Id., at p. 53.

13 McCarthy dep., exhibit 28.

14 As discussed more fully *infra*, the evidence of record herein reflects the Court's explanation regarding the functions of the INAO.

15 "Appellation d'origine contrôlée" may be translated as "regulated place name." *See, e.g.*, Olszak dep., p. 6, McCarthy dep., exhibit 26.

16 Boiseaumarie dep., p. 19. "The use of the phrase 'Chateauneuf-du-Pape' on the label is permitted only if in the bottle there is a Chateauneuf-du-Pape wine. And that's excluding any other kind of wine."

17 McCarthy dep., p. 90.

18 Olszak dep., p. 10.

19 A negociant is a wine merchant who does not grow grapes but rather buys wine and bottles it for export and for sale within France.

20 Boiseaumarie dep., p. 7.

21 Id., at p. 35.

22 AOCs are not always geographically exclusive. It is possible to produce more than one AOC wine in the same area when designated AOC territories overlap. Nor must all wine produced within an AOC bear the AOC designation, because it is possible for a winery to produce both AOC-designated wine and wine not so designated. *See e.g.*, McCarthy dep. p. 78: "Q. Is it possible for a single winery to produce wine in one region within a single AOC, but some of the wine uses the name of the AOC on the label and other wine does not use the name of the AOC? A. Yes, this is an example right here."

23 Helfrich dep., p. 57; exhibit 47.

24 Helfrich dep., p. 14.

25 Despite the fact that applicant does not now use its CHEMIN DES PAPES brand on Chateauneuf-du-Pape wines, and apparently has no intention to do so, the goods in the subject application comprise "wines," without limitation. We therefore must construe the application to include all types of wine, without limitation. *Paula Payne Prods. Co. v. Johnson Publ'g Co., Inc.*, 473 F.2d 901, 177 USPQ 76, 77-78 (CCPA 1973).

26 "Sales Summary," submitted in response to interrogatory Nos. 10 and 18 of opposer's first set of interrogatories to applicant, attached to opposer's 10/19/10 notice of reliance. *See* TBMP § 704.10 ("Documents provided as all or part of an answer to an interrogatory may be made of record, as an interrogatory answer, by notice of reliance....").

27 Junguenet dep., pp. 5-6.

28 Boiseaumarie dep., p. 8.

29 Id., p. 6.

30 Mr. Boiseaumarie did not explain what the abbreviation stands for.

31 Boiseaumarie dep., p 20.

32 We note that Mr. Boiseaumarie and Mr. Olszak's depositions were taken upon written questions because these witnesses reside outside of the United States. See Trademark Rule 2.124. This cumbersome procedure produces less than satisfactory results, inasmuch as all questions must be prepared in advance, including any follow-up questions to anticipated responses to the questions. If a response is not as anticipated, it is not possible to pose any different follow-up questions to clarify such an answer. Accordingly, the overall production of useful information is limited.

33 Mr. Boiseaumarie refers earlier in his deposition to the "Federation des Syndicat de producteurs de Chateauneuf-du-Pape" as "a professional organization composed of several Syndicat." Boiseaumarie dep., p. 7. He indicates that three member syndicates comprise the Federation, including opposer, and that the role of the Federation is to "defend[] its owners and wine growers of Chateauneuf-du-Pape. It also defends the mark and the name Chateauneuf-du-Pape, and also promotes the mark." Id, at pp. 7-8.

34 According to Mr. Boiseaumarie, the ODG ("Organismes de Defense et de Gestion") was created in 2008 to "defend the Chateauneuf-du-Pape AOC." Boiseaumarie dep., p. 9. Mr. Olszak described the ODG as follows: "A. So the ODG is a new body. It stands for organization of defense and management. So it's a new body which was created in 2006 during the reform of the AOC system in France. The ODG represents the AOC in order for it to obtain recognition. And also the ODG defends the AOC on top of the official services such as the INAO." At pp. 18-19.

35 Boiseaumarie dep., p. 27.

36 Id., p. 28.

37 Olszak dep., p. 18.

38 Id., p. 29.

39 To the contrary, as we have noted above, it appears that INAO is the certifying entity for all AOCs, and thus controls their use by wine growers. We note, however, that we have not been asked to determine whether or not ""Chateauneuf-du-Pape" is, in fact, a geographic certification mark owned by INAO in the United States. We further note that the record does not contain any evidence that opposer has entered into an agreement with any of these other entities as an owner of the AOC Chateauneuf-du-Pape.

40 The INAO decree in question was included as exhibit 13 to the testimony deposition upon written questions of Mr. Olszak. The decree itself is in French. Mr. Olszak describes it as follows: "This decree defines the production condition of the Chateauneuf-du-Pape wines. You can find provisions concerning the vines, the size of the cultivation methods, the vinification, the minimum degree of alcohol and other criteria." At p. 13.

41 On December 15, 2010, applicant filed a petition to cancel opposer's pleaded registration, which petition was dismissed with prejudice by the Board as an untimely compulsory counterclaim. Can. No. 92053402, dismissed December 17, 2010. The essential claim upon which applicant based its petition to cancel was that opposer's mark was erroneously registered as a trademark instead of as a certification mark, and is therefore subject to cancellation because opposer (as registrant) did not comply with the rules for filing certification marks under Trademark Rule 2.45. Specifically, applicant alleged that opposer did not include in its application a statement that it exercises legitimate control over the use of the certification mark by others, and does not engage itself in the production of goods to which the certification mark is applied. We make no determination herein as to whether or not the registered mark was improperly filed as a trademark rather than a certification (or collective) mark, as that question has been removed from this case by the dismissal of applicant's petition to cancel opposer's registration. On the other hand, the fact that the registration is not subject to attack herein does not preclude us from deciding, as we have done, that opposer is not the owner of exclusive common-law rights in the term Chateauneuf-du-Pape.

42 *See, e.g., The Beverage Testing Institute's Buying Guide to Inexpensive Wines*, edited by Charles Laverick, Sterling Publishing Company, Inc. (1999) ("The most famous wine of the southern Rhone is Chateauneuf-du-Pape"); Junguenet dep., p. 21; Boiseaumarie dep., p. 25; McCarthy dep., p. 110: "Would you agree that Chateauneuf-du-Pape is a famous wine? A. Yes, it is."

43 Junguenet dep., p. 39.

44 Boiseaumarie dep., pp. 23-24.

45 Opposer's brief, p. 29.

46 Boiseaumarie dep., p. 14; exhibit 10.

47 Junguenet dep., pp. 17-18; exhibit 9.

48 Boiseaumarie dep., p. 13; exhibit 8.

49 We recognize that opposer's mark includes the term "contrôlé," but as this term has been disclaimed, and is used to designate that opposer's wine meets the INAO standards, it has very little, if any, source-identifying significance. To the extent it does, however, its presence simply further attenuates any similarity between the marks.

50 *See* McCarthy dep., p. 17; exhibit 1, a map of the "papal route" that is "currently used as a tourist route. [I]t goes on various roads throughout the Rhone Valley as places where the pope used to stay. And it's quite popular over there now." Id.

51 McCarthy dep., p. 30; exhibits 9, 24. The appellation "Bordeaux" describes a specific AOC region in France. See also Boiseaumarie dep., p. 43; Helfrich dep., p. 35.

52 McCarthy dep., p. 62. "Q. And how long has [the mark Chateau Pape Clement] been used in the United States, to your knowledge? A. As long as I can remember in my lifetime. Q. So 30 years would be a fair statement? A. Oh, longer, much longer." Mr. McCarthy's deposition was taken on May 3, 2011.

53 Id.

54 The designation "vin de France" is a form of "vin de pays," which has been defined as follows. "Vin de Pays is a designation reserved for wines that come from a particular area but do not meet the requirements for the more specific appellation designation (AOC)." Thomas, Tara Q., *Wine Basics, The Complete Idiot's Guide*, 2d ed., 2008, p. 191; submitted under applicant's 2/17/11 notice of reliance.

55 Id., pp. 49-52; exhibits 18-20.

56 McCarthy dep., p. 46; exhibit 17.

57 Id. "Vin d'Alsace is the name of the appellation controlee." Mr. McCarthy identified three different grape varieties, an Edelzwicker, a Riesling and a Tokay Pinot Gris.

58 Id., p. 47.

59 Id.

60 Id., p. 48.

61 Id.

62 Id., p. 49.

63 Thomas, Tara Q., *Wine Basics, The Complete Idiot's Guide*, 2d ed., 2008, p. 22; submitted under applicant's 2/17/11 notice of reliance.

64 Id., p. 22. This region is identified as an AOC in exhibit 28.

65 Id., p. 24; exhibit 6.

66 Id., p. 28; exhibit 8.

67 Id., p. 20.

68 McCarthy dep., p. 34; exhibit 12.

69 Id., p. 23.

70 Id., p. 34; exhibit 11.

71 Registered July 4, 1995; renewed.

72 Registered December 22, 1998; renewed.

73 See, e.g., Junguenet dep., p. 21.

74 Although we have not discussed in detail the registrations or other labels that have been presented by both parties with respect to the Chateauneuf-du-Pape designation, we have carefully considered and weighed the probative value of each reference.

2013 WL 5407284 (Trademark Tr. & App. Bd.)

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2014 WL 3752422 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

ZILLOW, INC.
v.
SUPER T FINANCIAL INC. DBA LOANZILLA

Opposition No. 91203730
July 22, 2014

***1** Matt Schneller of Schneller IP PLLC [1] for Zillow, Inc.
Marianne E. Dutton and John M. Janeway of Janeway Patent Law PLLC for Super T Financial Inc.

Before Zervas, Ritchie and Masiello
Administrative Trademark Judges
Opinion by Masiello
Administrative Trademark Judge:

Super T Financial Inc. DBA LoanZilla ("Applicant") filed an application to register the mark LoanZilla in standard character form for "mortgage brokerage," in International Class 36. [2]

Zillow, Inc. ("Opposer") opposed registration of the mark on the ground that the mark, as used in connection with the identified services, so resembles Opposer's earlier used and registered marks ZILLOW and ZILLOW.COM as to be likely to cause confusion, mistake or deception, under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d). Opposer pleaded ownership of three registrations for the mark ZILLOW and five registrations for the mark ZILLOW.COM, all in standard character form. [3] The pleaded registrations are summarized below:

Mark	**Goods and Services**
ZILLOW	Non-downloadable computer database software featuring information in the field of real estate, in International Class 42. [4]
ZILLOW	Operating marketplaces for sellers of goods and services in the field of real estate; real estate valuation services, financial valuation of real estate; providing information in the field of real estate, in International Class 36. [5]
ZILLOW.COM	Operating marketplaces for sellers of goods and services in the field of real estate; real estate valuation services, financial valuation of real estate; providing information in the field of real estate, in International Class 36. [6]
ZILLOW.COM	Real estate research services; providing non-downloadable software tools for others to design and create websites; hosting websites for others; providing

	non-downloadable computer software, namely, non-downloadable consumer data storage software in the area of real estate, consumer goods and consumer services; non-downloadable computer database software featuring information in the field of real estate, consumer goods, consumer services, in International Class 42. [7]
ZILLOW.COM	Promoting the goods and services of others by means of linking the web site to other web sites featuring real estate, consumer goods and consumer services; advertising and marketing services in the fields of real estate, consumer goods and consumer services; on-line advertising and marketing services in the fields of real estate, consumer goods and consumer services; real estate sales management; real estate marketing services, namely, on-line services featuring tours of real estate; providing an on-line showroom for the goods of others in the field of real estate; providing information in the field of consumer goods for home maintenance, decoration and sales, and consumer services relating to real estate, in International Class 35. [8]
ZILLOW.COM	Computer software, namely, consumer data storage software in the area of real estate, consumer goods and consumer services; computer database software featuring information in the field of real estate, consumer goods and consumer services, in International Class 9. [9]
ZILLOW.COM	Electronic storage of consumer data, in International Class 39. [10]
ZILLOW	A wide range of goods and services in International Classes 9, 35, 36, and 42, including, *inter alia*, computer software for providing mortgage information, analysis, and advice in the fields of mortgage lending and home equity lending; computer software for providing mortgage quotes, for confirming lender availability and interest, and for reviewing and rating lenders and mortgage professionals; advertising and marketing in the field of mortgage services; making referrals in the field of financial services and mortgage services; matching borrowers with potential lenders in the field of mortgage lending; financial services, namely, mortgage and home equity loan planning; providing mortgage and home equity loan quotations to others and providing anonymous mortgage and home equity loan quotations to others; providing information, analysis, and advice in the fields of mortgage lending and home equity lending; providing a web site where users can post ratings, reviews, and recommendations in the fields of mortgage lending services and home equity loan services; and non-downloadable computer database software featuring information and advertising in the field of mortgages.. [11]

***2** Applicant denied the salient allegations of the notice of opposition. (A counterclaim filed on November 14, 2012 was withdrawn without prejudice on November 20, 2012.) [12] The case has been fully briefed.

I. <u>The record</u>.

The record includes the pleadings and, by operation of Trademark Rule 2.122, 37 C.F.R. § 2.122, the application file for the opposed mark. Opposer's pleaded registrations are of record, as Opposer attached to its notice of opposition printouts of information from the electronic database records of the Patent and Trademark Office showing the current status and title of such registrations. [13] The record also includes the following testimony and evidence: [14]

A. Opposer's evidence.

1. Testimony deposition of Erin Lantz, Opposer's director of Zillow Mortgage Marketplace, dated April 25, 2013. TTABvue # 20; the confidential portion of the deposition was filed as TTABvue # 21.

2. Opposer's confidential notice of reliance on a two-page report of results of a survey of unaided awareness and total awareness of Opposer and certain competitors. TTABvue # 13 ("PNOR 1"). [15]

3. Opposer's notice of reliance filed April 10, 2013, with attachments filed April 16, 2013, TTABvue ## 14-17 (collectively, "PNOR 2"), consisting of the following evidence:

- Partial screenshot of LoanZilla web page.

- Printouts of current and historical Zillow web pages.

- List of awards and accolades.

- List of news articles.

- Copies of press notices relating to Opposer.

- Opposer's 2011 annual report, with Form 10-K for 2011 and Form 10-Q for period ending June 30, 2012.

- Opposer's Form 10-K for 2012.

- Title and status information for Opposer's pleaded registrations.

- Materials relating to Applicant's brokerage license and the acquisition of Applicant's domain name.

- Applicant's responses to Opposer's interrogatories.

4. Opposer's rebuttal notice of reliance ("PNOR 3") on results of a search of the electronic records of the U.S. Patent and Trademark Office. TTABvue # 25.

B. Applicant's evidence.

1. Applicant's notice of reliance on the following classes of evidence, filed July 12, 2013, with amendments thereto filed July 16 and August 8, 2013, TTABvue ## 22-24 ("DNOR"):

- Opposer's responses to Applicant's interrogatories.

- Copies of third-party registrations of marks having a "-zilla" formative.

- Internet evidence of third-party use of marks having a "-zilla" formative.

- Wikipedia entries.

- Excerpts from Wikizilla website.

- Census data relating to home values.

- Web pages from Opposer's website.

- Web pages from Mortech website.

II. Standing.

***3** Opposer has properly made of record its pleaded registrations and has demonstrated its use of the ZILLOW service mark in connection with its online information services in the field of real estate. [16] Opposer has thus shown that it is not a mere intermeddler and has established its standing to oppose registration of applicant's mark. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); and *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

III. Opposer's claim under Section 2(d).

We now address Opposer's claim under Trademark Act § 2(d) on the ground of priority and likelihood of confusion. In view of Opposer's ownership of valid and subsisting registrations of its pleaded marks, priority is not in issue with respect to the marks and the goods and services identified in those registrations. *King Candy, Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

Our determination of likelihood of confusion is based on an analysis of all probative facts in evidence that are relevant to the factors set forth in *In re E. I. du Pont de Nemours & Co.* 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). *See also In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003).

A. The marks at issue.

We first consider the similarity or dissimilarity of the marks at issue in terms of appearance, sound, meaning, and overall commercial impression. We base our determination on a consideration of the marks in their entireties. *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985). *See also Franklin Mint Corp. v. Master Mfg. Co.*, 667 F.2d 1005, 212 USPQ 23, 234 (CCPA 1981). However, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on a consideration of the marks in their entireties. *In re National Data Corp.*, 224 USPQ at 751; *see also Price Candy Company v. Gold Medal Candy Corporation*, 220 F.2d 759, 105 USPQ 266, 268 (CCPA 1955).

Clearly the marks at issue, ZILLOW and LOANZILLA, are not identical. It is equally clear that they share the letter string ZILL. Opposer contends that ZILL constitutes "the most distinctive and memorable part of each mark." [17] However, Opposer's focus on only the letters ZILL is not supported by any rationale, other than the fact that these letters are common to both parties' marks. Opposer's mark, as a whole, is fanciful, and the letters ZILL are no more fanciful than the mark as a whole. Opposer has not proposed any reason for considering ZILL to be a separate distinctive element, apart from the remainder of the mark. Similarly, there is no reason to focus only on the letters ZILL in Applicant's mark. Moreover, as we will discuss below, Applicant contends that the element ZILLA has special meaning in its mark. For that reason, focusing only on the letters ZILL would be an impermissible dissection of Applicant's mark. *DuoProSS Meditech Corp. v. Inviro Medical Devices Ltd.*, 695 F.3d 1247, 103 USPQ2d 1753, 1756 (Fed. Cir. 2012).

***4** Visually, the two marks are distinguishable. To the extent that they are similar, we note that in Applicant's mark the ZILL component is embedded among other letters, which diminishes its visual impact to some extent.

The two marks also have certain phonetic differences. However, we give due consideration to the possibility that ZILLOW might be pronounced in a manner resembling “zilla.”

With respect to meaning, we note that Opposer's mark is a coinage, with no literal meaning. Opposer has explained the suggestive connotation of its mark as follows:

> The Zillow name evolved from the desire to make zillions of data points for homes accessible to everyone. And, since a home is about more than just data -- it is where you lay your head to rest at night, like a pillow -- “ “Zillow” was born. [18]

Applicant's mark also is a coinage, although it is built upon the component LOAN, which has obvious meaning in the field of loan brokerage. Applicant has explained the overall connotation of the mark as follows:

> The word “Zilla” is a play on words from GodZilla. The LoanZilla logo is designed to resemble a lizard. We have future plans to use lizard and/or dinosaur themes in our marketing. The term “Zilla” is routinely used by many industries to imply something large, dominating and/or intimating [*sic*]. [19]

Applicant has made of record the following entry from Wikipedia:
-zilla

...

-zilla is an English slang suffix, a back-formation derived from the English name of the Japanese movie monster Godzilla. It is popular for the names of software and websites. It is also found often in popular culture to imply some form of excess, denoting the monster-like qualities of Godzilla. [20]

Applicant has also submitted an excerpt of the Wikipedia entry for “Godzilla,” which states in pertinent part:
Godzilla ... is a *kaiju* (Japanese giant monster), first appearing in Ishiro Honda's 1954 film *Godzilla*. Since then, Godzilla has gone on to become a worldwide pop culture icon.... [21]

To support applicant's contention that the suffix -ZILLA is associated with Godzilla, lizards, or monsters, applicant has submitted the following evidence:
- a webpage entitled “Wikizilla,” which describes itself variously as “The Godzilla and King Kong Wiki”; “The encyclopedia of all things Godzilla, and all other Toho monsters that anyone can edit”; and “the giant monster Wikia and the well-cited, definitive source for *Giant Monster* information.” [22]

- Applicant's webpage at <mckimmortgage.com/loancenter.aspx> showing a display of the mark LoanZilla, in which the letter Z is stylized with a coiling, lizard-like tail. [23]

***5** - Wikipedia entry for "Bridezillas," stating, "Bridezillas is an American reality television series.... The word 'bridezilla' is a portmanteau combining bride with the fictional rampaging beast 'Godzilla' to indicate a difficult bride." [24] The web page shows a logo presentation of the name, featuring a waving, pointed tail emanating from the final letter S.

- Website of a sushi restaurant called "Nomzilla!," featuring a design of a seated giant lizard, eating with chopsticks. [25]

- Copy of U.S. Reg. No. 2515370 for the mark BOSSZILLA for "series of video tapes and video discs that show dealing with a difficult employer." [26]

- Web page of online store named "Zilla," featuring products for pet reptiles, showing a logo having a lizard design. [27]

Applicant has also made of record a substantial number of U.S. trademark and service mark registrations for marks that include the suffix -ZILLA, for use in connection with a wide variety of goods and services. [28] A representative sample of these marks includes ARMEDZILLA, REVZILLA, POPZILLA, ARCHZILLA, BULB-ZILLA, CAREZILLA, CHILLZILLA, FREIGHTZILLA, FRUITZILLA, GUARDZILLA, ICEZILLA, MOLDZILLA, MOW-ZILLA and OFFICE ZILLA. Although these registrations do not demonstrate what commercial impression the marks are intended to create, they do demonstrate that the suffix -ZILLA holds some special appeal for trademark applicants. (Relatively few of the registrations are accompanied by evidence of use of the marks; we note that a registration alone does not demonstrate that the mark is in actual use. *See* TBMP § 704.03(b)(1)(B) (2014) and cases cited therein. ("Even when a third-party federal registration has been properly made of record, its probative value is limited, particularly when the issue to be determined is likelihood of confusion, and there is no evidence of actual use of the mark shown in the registration."))

Opposer objects that the evidence discussed above is irrelevant because "'Godzilla' has nothing to do with mortgage brokerage services," and because most of the evidence of third-party use or adoption of -ZILLA marks relates to marks in fields unrelated to mortgage brokerage or real estate. [29] It is true that the evidence discussed above is not effective to demonstrate the weakness of Opposer's mark in the field of real estate, either because the marks are in use in fields of business unrelated to real estate or because the registrations, alone, are not evidence of actual use of the marks. However, the evidence is relevant for the purpose of demonstrating the special meaning that, according to Applicant, the suffix -ZILLA has for trademark applicants.

***6** The evidence of record substantiates Applicant's contention that the suffix -ZILLA suggests an association with the attributes of the monster Godzilla and that this suggestiveness likely affects the commercial impression that customers will receive from the mark. This suggestive meaning is absent from Opposer's mark, and as a result the two marks create substantially different overall commercial impressions. Accordingly, the *du Pont* factor of the similarity or dissimilarity of the marks weighs against a finding of likelihood of confusion.

B. <u>Similar marks in use</u>.

In accordance with *du Pont*, we consider any evidence of record regarding "the number and nature of similar marks in use on similar goods [and services]." *du Pont* at 567. Applicant argues that "There are many live third-party registrations for marks that contain 'zill', the part of Opposer's mark that Opposer identifies as being the dominant portion. And many of the registered marks are used to identify goods and services similar to Opposer's computer software services." [30] Of course, for purposes of demonstrating the weakness of a mark, third-party registrations alone have little weight, because they are not evidence that the marks are in use. *Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana Inc.*, 98 USPQ2d 1921, 1934 (TTAB 2011). However, applicant has demonstrated through internet evidence that a number of the marks are in use at least in internet advertisements. [31] Among these, we note the following:

BUGZILLA	Web-based bugtracker and testing tool.
MOZILLA	Source of the Firefox web browser.
FILEZILLA	Open source FTP software.
SHOPZILLA	Online shopping service.
ARMEDZILLA	Online community for veterans.
REVZILLA	Online motorcycle accessories and apparel retailer (also using marks TeamZilla, VineZilla).
GO!ZILLA	Download manager and download accelerator software.
CLONEZILLA	A partition and disk imaging/cloning program for system deployment, bare metal backup and recovery.
RARZILLA	Freeware.
EVENTZILLA	Online ticket sales.
WARPZILLA	Software related to Firefox web browser.

***7** "[T]he purpose of a defendant introducing third party uses is to show that customers have become so conditioned by a plethora of such similar marks that customers 'have been educated to distinguish between different [such] marks on the bases of minute distinctions."' *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin,* 396 F.3d 1369, 73 USPQ2d 1689, 1694 (Fed. Cir. 2005). The above-listed examples of use show, on their face, "that the public may have been exposed to those internet websites and therefore may be aware of the advertisements contained therein." *Rocket Trademarks Pty Ltd., v. Phard S.p.A.,* 98 USPQ 2d 1066, 1072 (TTAB 2011). The evidence does indeed suggest that a plethora of marks having the suffix -ZILLA are present in the marketplace. These marks are similar to Opposer's mark in that they share the letter string ZILL. In the context of the record as a whole, we find this evidence sufficient to suggest that customers likely can distinguish between Opposer's mark and marks that include the suffix -ZILLA on the basis of other elements in the marks (*i.e.*, the final letter A and the presence of a prefix preceding the letter Z). We therefore find that the *du Pont* factor of the number and nature of similar marks in use on similar goods and services weighs against a finding of likelihood of confusion.

C. <u>The parties' goods and services</u>.

We consider next the similarity or dissimilarity of the goods and services at issue.[32] Opposer's core service is the operation of a website that provides a database of information relating to real estate.[33] The database is searchable by address, so that customers may find information regarding specific parcels of real estate.[34] Among the featured items of information is an estimated market value of the real estate, which may sometimes reflect the price at which the property is currently offered for

sale.[35] Some customers find Opposer's website useful for hunting for homes to buy or rent and for offering their homes for sale or rent. Many customers of Opposer therefore have a strong interest in information as to ways to finance the purchase of a home. To accommodate and attract such customers, Opposer's website features computer-generated estimates of mortgage interest rates that might be offered by lenders to finance the purchase of a particular home. The website also provides computer-generated estimates of the monthly costs of carrying a mortgage of a particular amount, duration, and interest rate, secured by a particular property. Importantly, Opposer's website, under the rubric "Zillow Mortgage Marketplace," offers customers an online form for anonymously requesting a loan to be secured by a mortgage on a particular property.[36] The information provided by the customer on the online request form is distributed by Opposer to participating lenders, and those lenders may, at their option, respond to the customer with a non-binding indication of willingness to lend the required amount to the customer on particular terms and at a particular rate of interest. The customer, armed with information regarding the range of available loan rates, may then contact one or more lenders and attempt to negotiate the terms of an actual loan.

***8** Opposer's pleaded registrations cover services that are described with sufficient breadth as to cover the services described above.[37] We also note that Opposer has pleaded a registration of its mark that covers "computer software for providing mortgage information, analysis, and advice in the fields of mortgage lending and home equity lending; computer software for providing mortgage quotes, for confirming lender availability and interest, and for reviewing and rating lenders and mortgage professionals."[38]

Applicant wishes to register its mark for "mortgage brokerage." Opposer has admitted that it "does not provide, broker, or originate mortgages."[39] Moreover, Opposer takes pains to inform its customers that Opposer is not a mortgage broker and has no involvement in any real estate or mortgage transaction that its customers may enter into, even if the parties to the transaction made initial contact with each other through use of Opposer's services:
Zillow Mortgage Marketplace IS NOT:

Involved in the transaction

Zillow Mortgage Marketplace is merely the meeting place where borrowers and lenders come together. Once a loan agreement is reached, it's between the borrower and lender; Zillow is not involved in the transaction.

A mortgage broker

Zillow Mortgage Marketplace is not in the business of brokering loans. We are not a licensed broker and have no part in the financial part of a mortgage transaction.[40]

However, for purposes of determining whether services are related in connection with an analysis of likelihood of confusion, it is not necessary that they be similar or competitive in character; it is sufficient that they be related in some manner or that conditions and activities surrounding marketing of the services be such that they would be encountered by the same persons under circumstances that could, because of the similarities of marks used with them, give rise to the mistaken belief that they originate from or are in some way associated with the same producer. *Edwards Lifesciences Corp. v. VigiLanz Corp.,* 94 USPQ2d 1399, 1410 (TTAB 2010); *Schering Corporation v. Alza Corporation,* 207 USPQ 504, 507 (TTAB 1980); *Oxford Pendaflex Corporation v. Anixter Bros. Inc.,* 201 USPQ 851, 854 (TTAB 1978). In the present case, it is clear that the parties' services are commercially related. Although Opposer is not a mortgage broker and its services are less comprehensive than those of a mortgage broker, Opposer provides to its customers some of the functions that customers would obtain as part of mortgage brokerage services, *i.e.*, the identification of willing lenders, information regarding available interest rates, and limited intermediary services between the customer and the lenders. Moreover, Opposer has pleaded a registration of the mark ZILLOW

for "providing mortgage and home equity loan quotations to others,"[41] services that are clearly among those traditionally provided by a mortgage broker.

***9** It is also relevant that Opposer's website attracts real estate professionals who wish to advertise on the site, in order to reach customers having a strong interest in real estate. Among these professionals are not only real estate agents and brokers, but lenders and mortgage brokers.[42] The advertising of such professionals is an important source of Opposer's revenue.[43] Significantly, Applicant admitted that it has used Opposer's website "for property valuation [and] shopping its competitors," and that it has ""considered advertising on the site."[44]

The evidence of record indicates that the parties' services are related. Accordingly, the *du Pont* factor relating to the similarity of the goods and services favors a finding of likelihood of confusion.

D. <u>The parties' channels of trade</u>.

We next consider the parties' established and likely-to-continue trade channels. As there are no limitations as to channels of trade in the identifications of goods and services in the registrations and application, we presume that they move in all channels of trade normal for such goods and services. *See Octocom Sys. Inc. v. Houston Computers Svcs. Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990); *Paula Payne Products Co. v. Johnson Publishing Co.*, 473 F.2d 901, 177 USPQ 76 (CCPA 1973); *In re Linkvest S.A.*, 24 USPQ2d 1716, 1716 (TTAB 1992).

As Opposer's service is web-based, Opposer largely promotes and provides its services through its website at <zillow.com>, through mobile applications, and through other internet "portals" such as Yahoo! Real Estate. Opposer also indicated that it promotes its services through individual agent and broker ""partners," thirdparty classified or listing sites, and newspapers that agree to provide listing information.[45] Opposer's witness testified that until shortly before trial, Opposer spent little on advertising, but relied largely on its public relations team to generate publicity; and that Opposer uses search engine optimization for the purpose of maximizing its internet presence.[46] Opposer first advertised on television at the end of 2012, and that effort constituted its first "paid advertising at any scale."[47]

Applicant, for its part, stated that it employs and intends to employ marketing techniques such as client referrals, real estate broker referrals, networking, and its website.[48] Applicant argues:
Applicant offers Applicant's mortgage brokerage services online exclusively on Applicant's website. Once a customer decides to pursue a mortgage with Applicant, a meeting is scheduled to further discuss in person. Consequently, most of Applicant's mortgage brokerage service is necessarily conducted in person. Other than having a website, Applicant does not advertise. Instead, customers are made aware of Applicant's mortgage brokerage services through client referrals, real estate broker referrals, and networking.

***10** ...

Although a consumer can find Opposer's and Applicant's respective websites while surfing the internet, the same consumer can also find virtually all possible goods and services.

Applicant's brief at 26 (citations to record omitted).

As we have noted above, the record shows that mortgage brokers advertise on Opposer's website;[49] that Opposer's service is, in itself, a channel of trade through which mortgage brokers may attract clients;[50] and that Applicant has considered advertising

on Opposer's web site. [51] Inasmuch as the website through which Opposer *provides* its service is a likely trade channel through which mortgage brokers may *advertise* their services, the *du Pont* factor of trade channels weighs in favor of a finding of likelihood of confusion.

E. Customers; Conditions of sale.

We next consider "the conditions under which and the buyers to whom sales are made." *du Pont* at 567. Applicant has described its customers and intended customers as homeowners, persons seeking to purchase homes, persons wishing to obtain mortgages or loans for purchase or refinance of homes and real estate, and persons seeking to purchase commercial real estate or to obtain commercial real estate loans for purchase and refinance. [52] At the time of trial, applicant had no commercial customers. [53]

Opposer described the users of its website service as homeowners and renters in the United States; the full range of individuals and businesses interested in the purchase or rental of real estate; those interested in the mortgage markets; real estate professionals and mortgage professionals. [54]

There is clearly substantial overlap between the classes of customers to which the two parties market their services, but those classes are not entirely coextensive. Some of Opposer's customers are casual browsers, and use of Opposer's service entails little or no obligation on the part of the user. Applicant argues that its customers should be considered careful and discriminating:
[P]urchasers of real estate are highly discriminating. For most people, a house is the most expensive purchase they will make in their lifetime.

...

The time and deliberation involved in purchasing a home, along with the long-term commitment and large initial deposit -- especially after the recent housing crash -- make home purchasers careful and deliberate in their decisions. [55]

We agree that an elevated degree of care is involved in selecting a mortgage broker. The likelihood that customers will have in-person contact with a representative of Applicant adds an element of care to the conditions of selection. We take into consideration the fact that a mortgage broker's mark may be seen by users of Opposer's website, because mortgage brokers advertise there. However, as we have noted above, Opposer takes pains to inform its users that it is not a mortgage broker. On balance, we find that the *du Pont* factor of customers and the conditions of sale weighs somewhat against a finding of likelihood of confusion.

F. The fame of Opposer's mark.

***11** Opposer maintains that its mark is "well known and famous in the real estate and mortgage fields" and is "entitled to a broad range of protection above and beyond the normal presumption that any doubts must be resolved in favor of the owner of the prior registration." [56] Fame, if it exists, plays a dominant role in the likelihood of confusion analysis because famous marks enjoy a broad scope of protection. A famous mark has extensive public recognition and renown. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992). Because of the extreme deference that we accord a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting that its mark is famous to clearly prove it. *Leading Jewelers Guild Inc. v. LJOW Holdings LLC*, 82 USPQ2d 1901, 1904 (TTAB 2007).

Opposer has presented, by means of its annual reports, dollar figures for its revenues and "sales and marketing" expenditures between 2008 and 2012,[57] as well as the number of average monthly users of its website in those years. Applicant argues that the figures for revenues and monthly users have not been properly verified, and that the figures for sales and marketing expenditures have not been verified at all. Even though the annual reports are in evidence for what they show on their face, the factual assertions set forth therein are mere hearsay unless supported by testimony. With respect to the sales and marketing expenditures, Applicant's point is well taken, as we see no testimony to indicate that they are accurate. The figures for revenues and average monthly users were verified in a desultory manner by the director of Opposer's Zillow Mortgage Marketplace.[58] We will in any event consider the revenue and average monthly user figures for what they are worth. Those figures show substantial and growing performance for Opposer's business, with figures for 2012 and 2011 being much greater than those for 2008-2010. However, no context is provided for these raw statistics so as to allow the Board to compare Opposer's performance with that of similar businesses.

Opposer made of record a very short summary of the results of a comparative survey of unaided awareness and total awareness of Opposer and certain of its competitors.[59] But the assessment of these results by Opposer's own witness was not sanguine.[60]

***12** Opposer has also presented a modest number of news articles mentioning its business,[61] some of which acknowledge Opposer's prominence. The record also includes a list of "Awards & Accolades" and a list of the titles of news articles, both from Opposer's website.[62] However, such lists are insufficient proof of such accolades or of the content of the news articles.

On this record, Opposer has failed to demonstrate that its mark is famous for purposes of a likelihood of confusion analysis. Accordingly, we find that the *du Pont* factor of fame is neutral.

G. <u>The variety of services on which Opposer's mark is used</u>.

Opposer argues that it uses its mark on a wide variety of products and services, and that therefore it is "more likely that relevant consumers will be confused by the applicant's similar mark."[63] Opposer's service is primarily one of providing information, and the types of information provided extend into a variety of different fields. In the field of real estate, Opposer provides information about the condition of particular parcels of real estate; an estimate of their value; known offering prices; sales history, etc. In the field of finance, Opposer provides information about interest rates for mortgages, estimates of needed financing, and estimates of the cost of financing. Also in the field of finance, Opposer's website relays to customers actual financing proposals from lenders, and relays to lenders information relating to potential borrowers. Moreover, Opposer owns a registration for the mark ZILLOW that covers "financial services, namely, mortgage and home equity loan planning."[64] In the field of advertising, Opposer provides software products to real estate and finance professionals enabling them to coordinate their advertising, to some extent, with Opposer's services. Opposer's website also provides information regarding home remodeling and improvement services. We agree that the ramification of Opposer's services into various different fields of information (especially in the field of finance) increases the likelihood that a customer would mistakenly perceive a connection between Opposer and a similar mark used in connection with a different financial service, such as mortgage brokerage. Accordingly, this *du Pont* factor favors a finding of likelihood of confusion.

H. <u>Absence of actual confusion</u>.

Both Opposer and Applicant have stated that they have no knowledge of any instance of actual confusion involving the parties' marks.[65] Applicant argues that the lack of any actual confusion indicates that confusion is not likely.[66] However, Applicant first used its mark in advertising in May 2010[67] and, according to its brief, first made use of the mark in June 2010.[68] Thus, there is no indication that there has been a meaningful opportunity for confusion to occur. Under the circumstances, we find the lack of evidence of actual confusion to be a neutral factor in our analysis of likelihood of confusion. *Cf. Citigroup Inc. v. Capital City Bank Group, Inc.*, 94 USPQ2d 1645, 1660 (TTAB 2010), *aff'd*, 637 F.3d 1344, 98 USPQ2d 1253 (Fed. Cir. 2011).

I. Applicant's alleged bad faith.

***13** Opposer argues that Applicant, prior to adopting Applicant's mark, was aware of Opposer and its mark; and that the Board should "infer Applicant's bad faith intent to trade on [Opposer's] goodwill." [69] Applicant does not dispute that it was aware of Opposer, had used Opposer's services and had contemplated advertising on Opposer's website. However, these facts, without more, are not inconsistent with good faith on the part of Applicant in adopting its mark. On this record we see no evidence of bad faith. Accordingly, we find this factor to be neutral.

IV. Conclusion.

We have considered all of the evidence of record and all arguments of the parties relevant to the *du Pont* factors, including those not specifically discussed herein. While the parties' services are commercially related and there is overlap between the parties' customer classes and channels of trade, the parties' marks are extremely different in overall commercial impression, and that difference is further emphasized by the number and nature of marks incorporating the -ZILLA suffix in use by third parties. Accordingly, we find that Applicant's mark is not likely to give rise to confusion, mistake or deception as to the source of Applicant's services.

Decision: The opposition is dismissed.

Footnotes

1 Briefs on behalf of Opposer were filed by Matt Schneller, Erin S. Hennessy, and Jennifer Ashton of Bracewell & Giuliani, LLP. After the case was submitted on brief, Matt Schneller filed an appearance (with revocation of prior powers of attorney) under the firm name Schneller IP PLLC.

2 Application Serial No. 85316446, filed on May 10, 2011 under Trademark Act § 1(a), 15 U.S.C. § 1051(a), stating a date of first use and first use in commerce of May 19, 2010.

3 During the course of this proceeding, and prior to trial, the marks in Reg. Nos. 3332886 and 3175031 were amended from ZILLOW.COM to ZILLOW. Moreover, prior to the date hereof, but after the close of Applicant's testimony period, the marks in all of the other pleaded ZILLOW.COM registrations were amended to ZILLOW. Opposer did not amend its pleading to reflect any of the amendments. In any event, even if all of the registrations had been pleaded in their amended form, our decision in this case would not differ.

4 Reg. No. 3150074 issued on September 26, 2006; Section 8 affidavit accepted; Section 15 affidavit acknowledged.

5 Reg. No. 3437691 issued on May 27, 2008; Section 8 affidavit accepted; Section 15 affidavit acknowledged.

6 Reg. No. 3332886 issued on November 6, 2007; Section 8 affidavit accepted; Section 15 affidavit acknowledged. The mark in this registration was amended from ZILLOW.COM to ZILLOW on September 11, 2012.

7 Reg. No. 3565882 issued on January 20, 2009; Section 8 affidavit accepted; Section 15 affidavit acknowledged. The mark in this registration was amended from ZILLOW.COM to ZILLOW on October 29, 2013.

8 Reg. No. 3437690 issued on May 27, 2008; Section 8 affidavit accepted; Section 15 affidavit acknowledged. The mark in this registration was amended from ZILLOW.COM to ZILLOW on July 30, 2013.

9 Reg. No. 3493872 issued on August 26, 2008; Section 8 affidavit accepted; Section 15 affidavit acknowledged. The mark in this registration was amended from ZILLOW.COM to ZILLOW on December 24, 2013.

10 Reg. No. 3175031 issued on November 21, 2006; Section 8 affidavit accepted; Section 15 affidavit acknowledged. The mark in this registration was amended from ZILLOW.COM to ZILLOW on July 24, 2012.

11 Reg. No. 4201269 issued on September 4, 2012.

12 TTABvue # 9.

13 37 CFR 2.122(d); Notice of opposition, TTABvue # 1. Opposer also submitted status and title information regarding most of its pleaded registrations under notice of reliance. PNOR 2.

14 The parties stipulated during discovery that any "public-facing documents" exchanged during discovery "are authentic and admissible in this proceeding, and may be submitted during the parties' trial periods via Notice of Reliance alone." *See* Opposer's notice of reliance, TTABvue # 14 at 2; and Applicant's brief at 9.

15 This confidential document does not fall within Trademark Rule 2.122 concerning notices of reliance and does not fall into the category of ""public-facing documents," as contemplated by the parties' stipulation. However, Applicant has not objected to its admission; and we note that Applicant characterizes the parties' stipulation more broadly than does Opposer, indicating that *any* documents exchanged during discovery would be deemed "authenticated and thus admissible without requiring a person to testify that a document is what it purports to be on its face." Applicant's brief at 9. Accordingly, we have considered the twopage survey report.

16 *See, e.g.*, PNOR 2, TTABvue # 15 at 9-62.

17 Opposer's brief at 11.

18 Lantz Exhibit E. *See also* Lantz 30:8-13 ("'Z' is for the zillion data points that you need to figure out what to do with your home; the 'illow' is like pillow, because home buying is not just data, it's emotional, it's something that people are connected to, it's where you want to lay your head down at night, like a pillow.")

19 Applicant's response to Interrogatory No. 12, PNOR 2, TTABvue # 17 at 196.

20 DNOR, TTABvue # 22 at 243-44.

21 *Id.* at 245-46.

22 *Id.* at 260-61.

23 *Id.* at 250.

24 *Id.* at 58.

25 *Id.* at 105.

26 *Id.* at 110.

27 *Id.* at 241-42.

28 *Id.* at 54-238.

29 Opposer's brief at 12.

30 Applicant's brief at 38.

31 DNOR, TTABvue # 22 at 64-95; 247-48; 251; 257-58; 264.

32 In discussing Opposer's business we will refer primarily to its services, because its goods are software that is instrumental in providing those services or in making those services accessible to customers.

33 Lantz 5:11-6:7.

34 PNOR 2, TTABvue #15 at 33, 48, 56-58.

35 *Id.* at 45-46, 50, 63, 67, 263-269.

36 *Id.* at 279-80.

37 *See*, in particular, Reg. Nos. 3437691; 3332886; and 3565882.

38 Reg. No. 4201269.

39 Opposer's response to Interrogatory No. 42, DNOR, TTABvue # 22 at 24.

40 Opposer's website at < zillow.com/mortgage/help/HowZillowIsDifferent.htm>, DNOR, TTABvue # 22 at 269. (Emphasis and bolding in original.)

41 Reg. No. 4201269.

42 *See, e.g.*, Lantz Exhibit F at ZILL000084; PNOR 2 at ZILL000071-72, ZILL000308.

43 Lantz 13:10-14.

44 Applicant's responses to Interrogatories Nos. 32-34, PNOR 2, TTABvue #17 at 205-07.

45 Opposer's response to Interrogatory No. 11, DNOR, TTABvue # 22 at 13-14.

46 Lantz 25:2-25; 26:9-27:4.

47 Lantz confidential deposition 32:15-33:13.

48 Applicant's responses to Interrogatories Nos. 8-9, PNOR 2, TTABvue # 17 at 194.

49 *See, e.g.*, Lantz Exhibit F at ZILL000084; PNOR 2 at ZILL000071-72, ZILL000308.

50 PNOR 2, TTABvue # 15 at 8; TTABvue # 16 at 40-46.

51 Applicant's responses to Interrogatories Nos. 32-34, PNOR 2, TTABvue # 17 at 206-07.

52 *Id.* at 192-193.

53 Applicant's supplemental response to Interrogatory No. 2, PNOR 2, TTABvue # 17 at 214-215.

54 Opposer's responses to Interrogatories Nos. 13-14, DNOR TTABvue # 22 at 14.

55 Applicant's brief at 28-29.

56 Opposer's brief at 14.

57 Opposer's Annual Report for 2011 at 2 and 2011 Form 10-K at 54, PNOR 2, TTABvue # 16 at 107 and 165; Opposer's 2012 Form 10-K at 4 and 36, *Id.* at 268 and TTABvue # 17 at 5.

58 *See* Lantz 13:10-14:

Q. First, I just wanted to verify that the financial revenue and monthly unique site user figures in the 2011 and 2012 annual reports are, to the best of your knowledge, accurate.

A. Yeah.

59 PNOR 1.

60 Lantz 32:23-33:13 (confidential).

61 PNOR 2, TTABvue #15 at 172-230; TTABvue #17 at 93-102.

62 PNOR 2, TTABvue # 15 at 107-14; and 115-71.

63 Opposer's brief at 19; Opposer's reply brief at 6-7.

64 Reg. No. 4201269.

65 Opposer's response to Interrogatory No. 25, DNOR, TTABvue # 22 at 19; Applicant's response to Interrogatory No. 29, PNOR 2, TTABvue # 17 at 204.

66 Applicant's brief at 40-41.

67 Applicant's response to Interrogatory 17, PNOR 2, TTABvue # 17 at 198.

68 Applicant's brief at 40.

69 Opposer's brief at 19.

2014 WL 3752422 (Trademark Tr. & App. Bd.)

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Stuart M. Riback

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Vol. 93 **July-August, 2003** **No. 4**

HOW SURVEYS OVERESTIMATE THE LIKELIHOOD OF CONSUMER CONFUSION

*By Dr. John P. Liefeld**

I. INTRODUCTION

Prior to the 1980s, courts in Canada and the United States typically considered survey research to be inadmissible.[1] Since then, in Canada, the United States, the United Kingdom, France, and Australia, court acceptance of surveys in trademark infringement and passing off cases and trademark opposition proceedings increased dramatically. By 1988, one Canadian commentator reported that "the use of research in trademark litigation has become so prevalent . . . that a judge might be suspicious of any litigant who did not offer a survey to prove the likelihood of confusion or the converse."[2] Over the last decade, many articles have been published evaluating the requirements of survey research for legal evidence.[3] These articles typically focus on topics such as population specification,[4] sample representativeness,[5] statistical significance,[6] and

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* Professor of Consumer Studies, University of Guelph, Guelph, Ontario Canada. His column, "Research on research," is published in many journals, including the Journal of Consumer Research, Journal of Marketing Research, Journal of the Academy of Marketing Science, Proceedings of the Association of Consumer Research, Canadian Journal of Marketing Research, Journal of Euromarketing and the Journal of International Consumer Marketing. He has served as an expert witness in several trademark cases in Canada. He currently leads an interdisciplinary research team, funded by the Social Science and Humanities Research Council of Canada, investigating the sources and magnitude of consumer confusion about the company of origin of consumer packaged goods.

1. R.S. Jolliffe & A.M. Shaugnessy, Use of Surveys in Trademark Litigation: A Legal Perspective, Canadian Journal of Marketing Research, Vol. 14, 66-68 (1995).

2. D.R. Bereskin, The Use of Surveys in Trademark Litigation, Canadian Journal of Marketing Research, Vol. 7, 49-58 (1988).

3. Jolliffe & Shaugnessy, supra n.1; Bereskin, supra n.2; also I. Kearney & V.W. Mitchell, Measuring Consumer Brand Confusion to Comply with Legal Guidelines, International Journal of Market Research, Henley on Thames, First Quarter, 85-91, (2001); A.M. Shaughnessy, A Review of Survey Research in Trademark Litigation: A Brief Look at Questions Asked, Canadian Journal of Marketing Research, Vol. 20.1, 60-68 (2002).

4. In social science, the researcher specifies the relevant population from which to draw a sample. See R. Rosenthal and R. Rosnow, Essentials of Behavioural Research: Methods and Data Analysis 155 (1984).

5. When it is representative, a sample will be a relatively small piece of the researcher-specified population that mirrors the various patterns and subclass of the specified population. See Rosenthal and Rosnow, supra n.4, at 156.

6. Statistical significance is an estimate of the odds that what is measured could have occurred by chance. See Rosenthal and Rosnow, supra n.4, at 480.

reliability.[7] However, with one exception,[8] the validity[9] of survey evidence estimating the likelihood of confusion has not been systematically considered or investigated.

Survey research methods for estimating the likelihood of consumer confusion have been classified into four categories:[10] (a) Top of Mind, in which respondents are shown the junior product and asked, "What is the first thing that comes to your mind when looking at this _____." If respondents do not mention the name of a company, they are asked directly which company comes to mind; (b) Company Identification, in which respondents are shown the junior product (or a picture of it) and asked, "Who do you think puts out this brand?"; (c) Company Identification-Forced Choice, in which the respondent is shown the senior and junior products side by side and asked, "Are these products put out by the same or different companies?";[11] and (d) Simulated Choice,[12] in which laboratory experiments are designed to simulate consumer choice at the point of purchase and consumers are asked to explain their choices. Company Identification and Company Identification-Forced Choice are the most commonly used research methods for estimating likelihood of consumer confusion in Canadian trademark cases and oppositions.[13] The Simulated Choice method, cited by one expert, Itamar Simonson, as a more objective measure of possible confusion, has not been presented in a Canadian case. Simonson[14] reported that the first three methods produce widely varying overestimates of the likelihood of consumer confusion compared with the Simulated Choice method.

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7. Reliability concerns the consistency or stability of observations if repeated. See Rosenthal and Rosnow, supra n.4, at 479.

8. I. Simonson, The Effect of Survey Methods on Likelihood of Confusion Estimates: Conceptual Analysis and Empirical Test, 83 TMR 364, 366-73 (1993).

9. Validity concerns how closely the measures of variables match the actual values of the variables in the real world (if questions were not asked) and the resulting degree to which findings can be generalized to the specified population. See J. Liefeld, External (In)Validity Characteristics of Consumer Research Reported in Academic Journals, Canadian Journal of Marketing Research, Vol. 20.2, 85 (2002).

10. See Simonson, supra n.8, 83 TMR at 366.

11. This question form is less commonly used in the United States, but as Simonson, supra n. 8, 83 TMR at 386, points out, it has advantages over the other forms of questions when the awareness level of the senior mark is low.

12. Questioning under different experimental treatment conditions is designed to learn whether the respondent thinks the junior brand is or is not associated with the senior brand.

13. See, e.g., Imax v. Showmax, (2000) 5 C.P.R. (4th) 81; Kraft Suchard Jacobs (Schweiz) AG v. Hagemeyer Canada Inc. (1998) 78 C.P.R. (3d) 461; Sport Maska Inc. v. Canstar Sports Group Inc., (1994) 57 C.P.R. (3d) 323.

14. I. Simonson, Trademark Infringement from the Buyers Perspective: Conceptual Analysis and Measurement Implications, Journal of Public Policy and Marketing, Vol. 13 (2), 181-99 (Fall 1994).

This article reports the results of three experiments, which reveal that obtrusive surveys employing Company Identification and Company Identification-Forced Choice types of questions overestimate the likelihood of consumer confusion about the sources of products and the extent of consumer confusion that can validly be attributed to similarity in the names, sounds, and appearances of consumer goods or services. These experiments also demonstrate that the demand effects of obtrusive questioning create major response bias and distortion that favor the well-known brand or company. Finally, the reasons for systematic overestimation of the likelihood of confusion are identified and discussed.

II. EXPERIMENTAL OBJECTIVES

One objective of the research presented in this article was to measure the combined effects of several common types of bias and distortion common in survey research[15] on the magnitude of likelihood of confusion estimates produced by Company Identification and Company Identification-Forced Choice survey questioning. To achieve this objective, two Experiments were designed to estimate the effects of different forms of Company Identification and Company Identification-Forced Choice questions on the magnitude of likelihood of consumer confusion estimates about source of origin,[16] for four different products.

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15. An extensive research literature reports a variety of types of biases and distortions present in responses to different forms of obtrusive questioning. See H. Schuman and S. Presser, Questions and Answers in Attitude Surveys: Experiments on Question Form, Wording and Content (1981, 1996) or R.L. Tourangeau, J. Rips & K. Rasinski, The Psychology of Survey Response (2000). Additionally, when respondents do not have prior awareness or thoughts about the subject matter, asking questions leads them to create cognitions, opinions and attitudes on the spot. This phenomenon has been labeled "Self-Generated Validity." See J.M. Feldman & J.G. Lynch Jr., Self-Generated Validity and Other Effects of Measurement on Belief, Attitude, Intention and Behaviour, Journal of Applied Psychology, Vol. 73, No. 3, 421-35 (1988), and C.J. Simmons, B.A. Bickart & J.G. Lynch Jr., Capturing and Creating Public Opinion in Survey Research, Journal of Consumer Research, Vol. 20, 316-29 (September 1993).

16. In case law and legal treatises, three basic varieties of confusion have been identified: Confusion as to "Source of Origin"; confusion as to "Affiliation, Connection or Association"; and confusion as to "Sponsorship or Authorization"—see J. Jacoby, The Varieties and Cognitive Foundations of Confusion: Some Measurement Implications in Using and Defending Consumer Surveys in Advertising and Trademark Cases, proceedings of the Legal Track, American Marketing Association, Marketing and Public Policy Conference, Washington, D.C., May 29, 2003. The experiments reported in this research are limited to "Confusion about source" because: (a) the research objective is to measure the effect of question form on estimates of the likelihood of confusion, and not to estimate the true likelihood for all varieties of confusion; and (b) there is no evidence on which to speculate that effects of several common types of bias and distortion common in survey research on the magnitude of likelihood of confusion estimates produced by Company Identification and Company Identification-Forced Choice survey questioning would differ between the three basic types of confusion.

Actual consumer purchase confusion occurs when consumers purchase a competitor's product thinking they are purchasing the plaintiff's product, or a product that comes from the same source. Valid evidence of the presence and extent of actual purchase confusion has not been available to the courts. Thus, a second objective of this research was to develop a method for identifying actual consumer purchase confusion about the source of products and to use the magnitude of actual purchase confusion as a standard of comparison for assessing the external validity of Company Identification and Company Identification-Forced Choice estimates of the likelihood of consumer confusion. This method represents a third experiment.

III. CONCEPTUAL FOUNDATIONS OF THE EXPERIMENTS

This section will discuss four topics that provide the conceptual (theoretical) foundations for the experiments.

A. The Availability of Purchaser Perceptions of the Source of the Product

In a classic article about trademark infringement published almost a century ago, "The Unwary Purchaser," Edward Rogers argued that the unwary purchaser:

> is not bound to make comparisons between labels or brands, and usually has no opportunity to do so. He is likely, in making his purchase, to act on the moment, and is not bound to study or reflect, to analyze packages or labels or to read and examine them. He is not bound to remember more than the general features of the mark, brand or label and is not expected to have in mind the details.[17]

Rogers' assessment of consumer knowledge and choice processes applies well to the observed behaviors of consumers today. Consequently, directly questioning consumers about their perceptions of the source or company origin of products may not provide valid estimates of likelihood of consumer confusion because knowledge or prior thoughts about the source or company of origin of products may not exist in their minds. Questioning these consumers about the source of the product or its company origin will *create* perceptions rather than *discover* them. Rogers' insight into the limited knowledge and pre-choice thought processing of consumers has recently been substantiated by

17. E.S. Rogers, The Unwary Purchaser, Michigan Law Review, Vol. III, No. 8, 614-15 (June 1910).

theory[18] and evidence[19] that confirm that measurement of consumer attitudes in general, or perception of the source or company origin of products via direct survey questions, may create rather than measure existing perceptions or attitudes.

B. Respondent Confidence

Simonson raised two important considerations when assessing the external validity of survey methods for estimating the likelihood of consumer confusion:

> Most current measures of the likelihood of confusion elicit responses to questions without assessing the degree of confidence associated with those responses and whether they are indicators of likely confusion in actual purchase decisions.[20]

When asked about perceptions, opinions and attitudes, some respondents who are not "sure" or "confident" about their perception/opinion may, when asked, give an answer anyway, but temper it with qualifications. For example, when shown a trademark and asked who makes or puts out this product, respondents who are unsure may guess at the company of origin revealing their guessing with qualifications such as: "maybe," "perhaps," "looks like," and so on. In the experiments reported here, the degree of confidence was taken into account in order to identify respondents who were certain and not guessing about company of origin.

C. Task Realism

Simonson's second consideration in assessing the validity of survey methods is the external realism of the respondent task. Even if a respondent appears to be confident about the source or origin of a product when asked obtrusive questions in a survey or experiment in non-purchase (hypothetical) situations, it requires major leaps in logic to believe that the respondent would have the same perception about the source of the product or its company of origin in an actual purchase situation. In actual purchase situations, more information is available to purchasers. If they care about the source of the product or its company of origin, they will be able to use the available information to confirm their initial perception based on the gestalt experience of the name of the brand and the appearance of the product. To assess the external validity of estimates of the likelihood of consumer confusion

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18. Feldman & Lynch Jr., supra n.15, at 421-35.

19. Simmons, Bickart & Lynch Jr., supra n.15, at 316-29; see also Simonson, supra n.8, 83 TMR at 195.

20. See Simonson, supra n.14, at 195.

obtained by different versions of survey questions, the survey-generated estimates of the likelihood of consumer confusion generated in Experiments 1 and 2 will be compared to the actual level of mistakes in identifying the source or company of origin made by consumers who had just purchased a product, generated in Experiment 3.

D. Facilitating "No Opinion"

Many survey researchers dislike "No Opinion" (NO) or "Don't Know" (DK) responses. They instruct interviewers not to offer the DK option and only record a DK if the respondent spontaneously answers "Don't Know."[21] Indeed, some survey researchers go further, instructing interviewers to probe DK respondents because a NO/DK response may mean, wait a minute—I'm thinking. But when interviewers probe and do not accept a NO/DK response, it communicates to respondents the undesirability of saying NO/DK. Thus respondents are often encouraged to generate answers, when no answer previously existed in their minds, by interviewer or question demand effects.

A NO or DK response, especially when measuring perceptions of the source of a product, is a valid response. Probing and pushing respondents whose initial response is NO or DK, when they have no existing opinion or perception about the source of a brand/product in memory, or lack confidence in their opinion, creates a strong demand effect, encouraging respondents to guess. In guessing, they will have to rely on brand/product images they can retrieve from memory. Well-known brands or packages will be

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21. For example, in Kraft Suchard Jacobs (Schweiz) AG v. Hagemeyer Canada Inc., (1998) 78 C.P.R. 3d (461), respondents were not advised that "don't know" was an acceptable answer. Only two questions were prefaced by "If you have an opinion," but the interviewers were instructed to not read "Don't Know/No Opinion" as one of the answer categories. In Imax v. Showmax, (2000) 5 C.P.R. (4th) 81, when consumers were approached on the street they were initially verbally instructed; "As we go through the study, I will be asking you some questions. If you do not know the answers to any of the questions, it is okay to say so." They were never reminded in any of the subsequent questions that "Don't Know" was an appropriate answer if the respondent did not know. Later when the respondent was asked, "Based on what you see, do you have a belief about who or what company owns or operates this theatre," the interviewer was instructed to record Don't Know (only if spontaneous). In both cases, respondents were probed and pushed to explain their answers. In Canada, little criticism of failing to minimize guessing is present in case records. In the United States, failing to advise respondents that they should not guess is more common, see, e.g., Cumberland Packing Corp. v. Monsanto Co., 32 F. Supp. 2d 561 (E.D.N.Y. 1999). As will be seen in the research reported here, however, weak or mild attempts to minimize acquiescence or guessing by advising respondents at the beginning of an interview not to guess, or prefacing a question with "If you have a belief . . ." may not decrease but rather increase the extent of guessing. Because a norm in Western Culture is to have beliefs or opinions, such instructions challenge some respondents to create a belief when they do not have a pre-formed belief in memory. Thus, weak cautions against guessing might increase the incidence of guessing by encouraging the creation of beliefs on the spot, i.e., "self-generated validity" (see Feldman and Lynch Jr., supra n.15).

recalled. New products or brands with low market shares will not be recalled. Thus, asking questions in forms or ways that inhibit true NO or DK responses alters the question being asked from, "who do you think puts out or makes this brand/product?" to, "which brand/product do you have in your memory which most closely resembles this brand/product?"

When respondents are encouraged to offer beliefs/perceptions when they really have no pre-formed beliefs/perceptions and when NO or DK responses are not facilitated, both random and systematic errors in surveys are increased. An analysis of a three-wave panel study[22] suggests that much error in surveys arises from random responses by respondents who really have no opinions, perceptions, attitudes, or views on the question asked, and simply flip mental coins in order to satisfy the interviewer's expectation of an answer. It is also likely that respondents who lack an opinion/perception on the subject of the question asked will be especially susceptible to various response sets, thus contributing systematic as well as random error to the data. The most likely systematic error that occurs when asking respondents for their opinions about company of origin will be to favor responses of the brands or product images they have in memory, i.e., well-known brands. Not surprisingly, in many infringement and passing off cases, the plaintiff's product is a very well-known brand and the defendant's product is often a new or unknown brand.

A classic series of experiments[23] documented the extent to which the form in which questions are asked facilitates or inhibits DK responses in perception or attitude questioning. Following the reasoning that respondents should be allowed, or even facilitated, to respond with NO or DK responses, the study experimented with different forms of filter questions, asked first, to assess whether the respondent had a previously formed opinion or attitude available in memory. A similar experimental approach was adopted in the research reported here to assess the impact of question form on estimates of the likelihood of consumer confusion about product source.

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22. See P.E. Converse, Attitudes and Non-Attitudes: Continuation of a Dialogue, in E.R. Tufte, The Quantitative Analysis of Social Problems (1970).

23. See Schuman & Presser, supra n.15, at chapters 4, 5 & 6.

IV. RESEARCH DESIGN

A. Comparing Question Forms With Varying Levels of DK Filters

1. Question Forms

Experimental designs were used to compare estimates of the likelihood of consumer confusion produced by three different question forms: unfiltered, weak filter, and strong filter. The following three question forms were used for each of the Company Identification and Company Identification-Forced Choice types of questions:

EXPERIMENT 1— COMPANY IDENTIFICATION:

The respondent was shown a picture of a product, or the product itself, and asked:

Treatment (i). No Filter

Which Company do you believe (owns or operates, puts out, makes or distributes)[24] this _____ (product category name).

Treatment (ii). Weak Filter[25]

Based on what you see, do you have a belief about who or what company (owns or operates, puts out, makes or distributes), this _____ (product category name).

Treatment (iii). Strong Filter[26]

Based on what you see, do you have a belief about who or what company (owns or operates, puts out, makes or distributes), _____ (product)—OR—do you want more information in order to decide which company (owns or operates, puts out, makes or distributes) this _____(product category name).

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24. The verb form is dependent on the product or service in question. For movie theatres, "owns or operates" was used, for licorice, chocolate bars and toothpaste, either "puts out" or "makes and distributes" was used.

25. This question form has been used occasionally in Canadian cases. On the surface it looks like it would discourage acquiescence and guessing. But it might not. In western culture, where survey research is common, citizens assume that if a question is asked they should have an answer (perception, belief, attitude, etc.). Asking these citizens "do you have a belief," however, may challenge them to have one and thus cause them to create one on the spot; see Feldman & Lynch Jr., supra n.15, at 421-35.

26. Balance in questions affects responses. See H. Schuman and S. Presser, supra n.15. Of the three question forms this one is the most balanced.

EXPERIMENT 2—COMPANY IDENTIFICATION-FORCED CHOICE:

The respondent was shown pictures of two products, or the actual products, side by side[27] and asked:

Treatment (iv). No Filter

If you have an opinion, are these _____ (product category name), (owned, made by) by the . . . [Rotate—same/different]

Same company
Or different companies
If spontaneous—Don't Know

Treatment (v). Strong Filter

If you have an opinion, are these _____(product category name, products), (owned, made by) [Rotate—same/different companies]—OR—do you want more information in order to decide if these _____ (product category name) are (owned, made by) the same or different companies?

Same company
Different company
If spontaneous—Don't Know

2. The Products

Four product categories, two of which were the subject of previously contested court cases, were employed in this research. In Experiment 1, three separate samples of respondents were presented with a single picture of each of these four products. Each sample group was asked only one of the three forms of Company Identification questions—unfiltered, weak or strong filter form. In Experiment 2, both images were presented to two separate samples of consumers. Each sample was asked only one of two Company Identification-Forced Choice question forms—unfiltered and strong-filtered.

27. This question form is less commonly used, especially when the products are not displayed side by side in the marketplace, or when the senior product is well known and the junior product new or less well known, although as Simonson points out, supra n.8, 83 TMR at 386, it has advantages over the other forms of questions when awareness levels of the senior mark are low.

(a) Large Format Movie Theatres[28]

(b) Large Format Milk Chocolate With Honey Almond Nougat Bars.[29]

(c) Twisted Rope Licorice

Three brands of "twisted rope" licorice are available in stores. TWIZZLERS: (Hershey), sold since 1929; TWIRLS (Allen Candy Company). At the beginning of the research, Zellers sold a private label brand named TWISTS. Halfway through the data collection effort, Zellers discontinued TWISTS and replaced it with the storewide Zellers private label brand TRULY.

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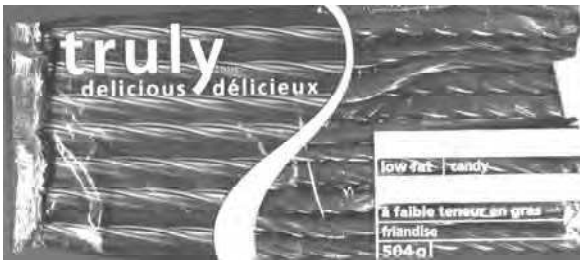
28. See Imax v. Showmax, (2000) 5 C.P.R. (4th) 81.

29. See Kraft Jacobs Suchard (Schweiz) AG v. Hagemeyer Canada Inc., (1998) 78 C.P.R. (3d) 461.



(d) Whitening Toothpastes

Two brands of whitening toothpastes were chosen because of high similarity in package appearance. Both use similar shades of blue green color in combination with shiny silver backgrounds.

3. Consumer Samples[30]

Samples for these 5 treatments were obtained by a convenience sampling method, approaching shoppers at the Stone Road Mall, Guelph, Ontario, Canada, over 4 months. Care was taken to obtain samples balanced by gender and age for each of the 5 treatment conditions.

B. Comparing Survey Generated Levels of Likely Confusion With Actual Levels of Purchase Confusion

The third and critical aspect of the research effort was to assess the external validity of survey question-generated levels of the likelihood of consumer confusion by comparing them with the actual level of purchase confusion, i.e., the level of mistakes in identifying the source or company of origin made by purchasers of

30. It is often argued that respondents should be pre-screened to include only current or potential purchasers of the product category being investigated. Typically, the screening questions are so easy to say "yes" to, that almost all respondents approached to participate pass the screen. For example in the Toblerone v. Alpenhorn research, the screening question was; "Which, if any of the following products are you likely to buy, either for yourself, or for someone else, in the next six months?" If the respondent said they were likely to purchase "Chocolate or a Chocolate Bar" they were included in the sample. In the IMAX v. Showmax case, the screening question was "Within the next 12 months, how likely are you to go to a large format, indoor movie theatre with a multi-story screen"? Because of yea-saying and socially appropriate demand pressures, many consumers will indicate they are likely to buy "chocolates or a chocolate bar," or "very" or "somewhat likely" to go to a large format, indoor movie theatre with a multi-story screen, even though it is highly unlikely they will. Thus, these studies included many consumers who were not potential purchasers. Screening for potential purchase was not employed in this research because the four product categories all have wide consumer markets.

a product. To do this, it was necessary to intercept consumers who had just purchased a product and to employ a method that could determine, without bias, whether these purchasers were correct or incorrect in their knowledge or perception of the source or company origin of the product they had just purchased. While respondents were asked questions, the focus of the questioning was on their knowledge—i.e., *what* they *knew*, not what they believed.

The licorice product category was used in Experiment 3. The interviewer surreptitiously watched licorice shelves to identify consumers purchasing twisted rope licorice. After the purchasers paid for their purchases at the cash register, the interviewer approached them and obtained their agreement to discuss their purchases. The interview protocol was as follows:

1. Experiment 3—
ALC—Actual Level of Confusion Protocol

UNPROMPTED PORTION

Q1. Why did you purchase _____ (brand purchased) rather than _____ or _____ (other two brand names). (Probe—Verbatim)

(Up to three mentions were recorded)

(IF COMPANY NAME mentioned →Q4;
IF NOT MENTIONED→Q2)

Q2. What information about this brand did you read on its package/label/tag? (Verbatim) (Only the first mention recorded)

_____

PROMPTED PORTION

Q3. Who or what company makes _____(brand purchased.)

_____(→Q4)

____ If Brand Name Given (→Q5)

____ Maybe/Probably _____(→Q4)

____ Don't Know (→Q5)

Consumers purchasing twisted rope licorice at both the Shoppers Drug Mart or the Zellers stores in the Stone Road Mall, were identified and intercepted over two months. The analysis of responses to Question 3 is focused on whether the purchaser offers an answer to the question (i.e., to what degree the purchasers know or care about who makes the product they have just

purchased); how "certain" they are about their response (i.e., are they just guessing); and, when they do offer an answer, is their answer correct or incorrect.

C. Summary of Experiment Designs

In summary, three experiments were conducted. Experiment 1 had three treatments (cells), Experiment 2 had two treatments (cells), and Experiment 3 had four treatments (cells), i.e., separate sample groups—buyers of each brand. The treatments in Experiments 1 and 2 act as controls for each other. The treatments in Experiment 3 act as controls to compare with the treatments in Experiments 1 and 2.

V. FINDINGS

A. Company Identification Question

1. Effect of Question Form on Likelihood of Offering a Company Name

Table 1 summarizes the counts and percentages of respondents who offered a belief about the company that puts out or makes each of the four products by treatment condition.

Table 1.
Gave a Company Name

Gave a Name	T1 Unfiltered N* = 129	T2 Weak Filter N = 131	T3 Strong Filter N = 129	Total N = 389
Movie Theatre $\chi^2 = 40.8$ Sig. = 0.000	70 (54)	33 (25)	25 (19)	128 (33)
Twisted Rope Licorice $\chi^2 = 23.2$ Sig. = 0.000	66 (51)	39 (30)	31 (24)	136 (35)
Large Choc. Bar $\chi^2 = 41.1$ Sig. = 0.000	90 (70)	51 (39)	42 (33)	183 (47)
Whitening Toothpaste $\chi^2 = 11.0$ Sig. = 0.01	65 (50)	32 (24)	24 (19)	121 (31)

* N=Respondents who gave a company name, counts and (percent).

The results are similar for all four products. More respondents offered a belief about the company of origin to the unfiltered form of question, ranging from 50 to 70 percent. The smallest percentage of respondents offered a belief about the company of origin to the strong filter form of question, ranging from 31 to 47 percent. The percentage of respondents offering a belief for the weak filter form was always in-between. Thus, the form of the question has a large impact on the percentage of respondents willing to offer a name for the company of origin.

2. Effect of Question Form on Naming the Leading Brand

Table 2 reports for each of the four products, by treatment condition, the number/percentage of respondents who named the leading brand, the brand most likely to be "passed off" by the imitator brand shown to the respondents.

Table 2.
Named the Leading Brand

Named the Leading Brand	T1 Unfiltered	T2 Weak Filter	T3 Strong Filter	Total
IMAX $\chi^2 = 0.94$ NS	N* = 70 17 (24)	N = 33 11 (33)	N = 25 8 (19)	N = 128 36 (28)
TWIZZLERS Hershey $\chi^2 = 2.2$ NS	N = 66 23 (24)	N = 39 18 (46)	N = 31 15 (48)	N = 136 56 (41)
TOBLERONE Kraft $\chi^2 = 1.6$ NS	N = 90 45 (50)	N = 51 31 (61)	N = 42 22 (52)	N = 183 98 (54)
COLGATE/ CREST/P&G $\chi^2 = 4.9$ Sig. = 0.10	N = 65 30 (46)	N = 32 9 (38)	N = 24 6 (25)	N = 121 45 (37)

* N=Respondents who gave a company name, counts and (percent).

The percentages of those who named IMAX in response to the SHOWMAX logo ranged from 19 to 33 percent. Although the percentage naming IMAX is lower for the strong filter question form, the differences are not statistically significant. For licorice and large format chocolate bars, the unfiltered form of the question had the lowest level of naming the leading brand, but the

differences also were not statistically significant. For whitening toothpaste, the strong filter question form had the lowest percentage naming the leading brand and the differences were statistically unexpected 90 percent of the time. For all four products, it appears that the likelihood of naming the leading brand is not related to the form of the question. But since the likelihood of giving a name in the first place is related to the form of question (Table 1), the number of respondents naming the leading brand is consistently higher for the unfiltered form of question.

3. Effects of Question Form on Certainty About Company Name Given

Respondent verbatims were coded with respect to confidence level into one of three categories: (a) Certain (No qualifiers, not guessing, an unqualified response); (b) Uncertain/Guessing (Qualifiers in response such as "reminds me of," "probably," "I'm not sure but," "I'll say _____"; "maybe _____ or _____," "I would guess _____," etc.); and (c) Unclassifiable with respect to confidence.

Table 3 presents the percentage of respondents naming the leading brand who were classified as "Certain" in their response for each of the four products, by treatment condition.

Table 3.
Certainty in Naming the Leading Brand

Confidence Naming the Leading Brand	T1 Unfiltered	T2 Weak Filter	T3 Strong Filter	Total
IMAX χ^2=2.3 NS	N* = 17 15 (88)	N = 11 8 (72)	N = 8 5 (63)	N = 36 28 (78)
TWIZZLERS/ Hershey χ^2=4.8 Sig. = 0.10	N = 23 15 (65)	N = 18 12 (50)	N = 31 5 (33)	N = 136 28 (50)
TOBLERONE Kraft χ^2= 3.6 Sig. = 0.20	N = 45 27 (60)	N = 31 12 (39)	N = 42 10 (45)	N = 98 49 (50)
COLGATE/CREST/ P&G χ^2= 1.6 NS	N = 30 16 (53)	N = 9 3 (33)	N = 6 2 (33)	N = 121 21 (47)

* N=Respondents who named the leading brand, counts and (percent).

For all four products, lower percentages of respondents were classified as "certain" in the full filter treatment condition. The differences were marginally statistically beyond chance for the licorice and chocolate bar products even with the small sample sizes. Thus, a minor relationship is found between the form of the question and the confidence with which respondents express their identification of the company of origin. The strong filter question results in more willingness to qualify or admit that they are "guessing" in their identification of the leading brand as company of origin. Larger sample sizes would make these differences statistically significant.

4. Discussion of Findings

After discarding respondents who are uncertain or guessing, the most valid estimates of the likelihood of consumer confusion are the 5 (3.9%) respondents who, with certainty, gave the name IMAX; the 5 (3.9%) respondents who gave the name TWIZZLERS; the 10 (7.8%) respondents who gave the name TOBLERONE; or the 2 (1.6%) who gave the name COLGATE/CREST/P&G, in their naming of the company of origin in response to the strong filter question form.

Table 4.
Proportion Naming the Well-Known Brand:
Unfiltered Question/No Consideration of Confidence v.
Strong Filter Question with Confidence Considered

Product Category	Unfiltered Question, Confidence Not Taken into Account	Strong Filter Question, Confidence Taken into Account
Movie Theatre	54%	3.9%
Licorice	51%	3.9%
Large Chocolate Bar	70%	7.8%
Toothpaste	50%	1.6%

Unfortunately, these estimates are still likely to be overestimates of the proportion of the movie attendees, licorice lovers, chocolate fanciers and whitening toothpaste users who might actually attend a SHOWMAX theatre believing that it is owned or operated by IMAX; purchase TWISTS believing it to be made by Hershey's; purchase an ALPENHORN chocolate bar thinking it is made by Kraft, Jacobs Suchard; or purchase REMBRANDT toothpaste thinking it is made by Colgate-Palmolive or Procter & Gamble.

In Imax v. Showmax,[31] the survey presented to the court by IMAX used a weak filter Company Identification question form. It was reported that of 100 consumers intercepted at two locations (in the vicinity of the IMAX theatre in Montreal), 51 said they had a belief and 38 of these gave the name IMAX. No confidence assessment of their responses was made. Clearly, 38 percent likelihood of confusion is a gross overestimate compared to the 3.9 percent estimate from a strong filter question, taking confidence level into account.

In Kraft Jacob Suchard (Schweiz) AG v. Hagemeyer Canada Inc,[32] the survey offered to the court by Kraft used both Company Identification and Company Identification-Forced Choice question forms. No filters were used and confidence was not assessed. In the Company Identification question, the ALPENHORN product was shown to respondents and they were asked: "Which company do you believe puts out the brand of chocolate product you just saw? Twenty-seven percent of 199 respondents who said they had purchased a chocolate product or chocolate bar in the last 12 months expressed the name TOBLERONE somewhere in their response. Clearly, 27 percent is a gross overestimate of the likelihood of confusion compared to the 7.8 percent who gave the name TOBLERONE in the experiment reported here using a strong filter question and taking confidence level into account.

It is interesting to examine the proportions of respondents who gave company names with little similarity to the stimulus present. For example, in the Movie Theatre Company Identification, No Filter situation, 52/128 (41%) gave names with little similarity to the SHOWMAX logo shown to them, i.e., Cineplex Odeon, Universal, Paramount, 3 Star Theatres, etc. Obviously these respondents were acquiescing to the demand pressures of the question and guessing. Apparently they did not have the IMAX logo in memory, but did have other movie company names in memory. If 41 percent are guessing, then it could be argued that 41 percent of those who named IMAX might also be guessing. Because 17 named IMAX, a more realistic estimate of those who truly believe that SHOWMAX is owned and operated by IMAX might be 17 – 7 = 10/128 = 7.8%.

B. Company Identification-Forced Choice Question

Table 5 summarizes the counts and percentages of respondents who responded "same," "different" or "don't know/want more information" for four products in the two treatments.

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31. (2000) 5 C.P.R. (4th) 81.

32. (1998) 78 C.P.R. (3d) 461.

Table 5.
Company Identification-Forced Choice

	Response	T4 Unfiltered N* = 129	T5 Strong Filter N = 130
Movie Theatres	Same	39 (59)	27 (41)
$\chi^2 = 29.8$	Different	57 (68)	27 (32)
0.000	DK/Want More Info	33 (30)	76 (70)
Licorice	Same	18 (67)	9 (33)
$\chi^2 = 17.7$	Different	82 (58)	60 (42)
0.000	DK/Want More Info	29 (32)	61 (68)
Choc. Bars	Same	34 (55)	28 (45)
$\chi^2 = 12.1$	Different	60 (60)	40 (40)
0.000	DK/Want More Info	35 (36)	62 (64)
Toothpaste	Same	21 (75)	7 (25)
$\chi^2 = 22.2$	Different	79 (57)	60 (43)
0.000	DK/Want More Info	29 (32)	63 (68)

* N=Respondents who gave a company name, counts and (percent).

In T4, the unfiltered question form, for all four products the counts for "same" or "different" are higher and the counts for "don't know" are lower than expected by chance. Conversely, in T5, strong filter question, the counts for "same" or "different" are lower and the counts for "want more information" are higher than expected by chance. Thus, for all four products, the number of respondents indicating that they think the two products are owned or made by the same companies was much lower in T5, the strong filter question. The unfiltered question overestimates the proportion of consumers who are likely to be confused by similarity between the two products.

C. Actual Level of Confusion

The most valid measure of likelihood of confusion in a population of potential purchasers is the proportion of purchasers of the defendant's product who genuinely believe that the product they purchased is the plaintiff's product or that the two products are from the same source, or are sponsored or affiliated with the same source, even if they cannot identify the plaintiff by name.

It is difficult to measure the actual level of confusion because the researcher has to wait around until consumers purchase the product being investigated. For this study, the twisted rope licorice product category was chosen, under the assumption that the rate of purchase of this product would be higher than for the other product categories investigated in Experiments 1 and 2. In the

Shoppers Drug Mart and Zellers locations, over two months, a total of 139 licorice purchases were observed by the researchers, and all 139 purchasers agreed to discuss their purchase.

Table 6 reports responses to the third Question, an unfiltered question: "Who or what company makes _____ (brand of licorice purchased)?" Because the respondents had just purchased twisted rope licorice, this is a knowledge question.

Table 6.
Licorice Purchaser Knowledge of the Company of Origin of a the Twisted Rope Licorice They Just Purchased

	Brand Purchased			
Response to Q3	TWIZZLERS N* = 61	TWISTS[33] N = 24	TRULY N = 53	TWIRLS[34] N = 1
Don't Know	52 (85)	18 (75)	32 (60)	0 (0)
Hershey	1	0	0	1
Allan	1	1	0	0
Zellers	2	5	21	0
Neilson	1	0	0	0
Nestle	2	0	0	0
Y&S	1	0	0	0
Other	2	0	0	0
Total Names	10 (17)	6 (33)	21 (40)	1 (100)
Correct	1 (10)	5 (83)	21 (100)	0
Incorrect	9 (90)	1 (17)	0	1 (100)

* N=Respondents who gave the company name, count and (percent).

The proportion of purchasers with "don't know" responses was highest for TWIZZLERS (85%), the well-known national brand, and lower for TRULY (60%), and TWISTS (24%), the private label brands. Of the 10 purchasers of TWIZZLERS who gave a company name, 9 (90%) gave incorrect company names. Of the 27 purchasers of TWISTS or TRULY who named a company, only 1 (4%) gave an incorrect name. Thus, only one of the 61 TWIZZLER

33. At the beginning of the observation period, the ZELLERS product was named TWISTS. Part-way through the study, TWISTS was discontinued and replaced by TRULY. TRULY is the store brand name which is used on most private label products in Zellers stores.

34. TWIZZLERS are sold in both locations—but TWIRLS were only available in the Shoppers Drug Mart location. TWIRLS has a low share of market compared to TWIZZLERS.

purchasers correctly knew that TWIZZLERS was made by the Hershey Company even though TWIZZLERS has been on the market since 1929, and has the highest market share. It is likely that similar lack of knowledge of the source of the brand exists for many consumer packaged goods for which manufacturers focus their marketing and advertising on the brand, and make little attempt to inform consumers about the company behind the brand.

Higher proportions of purchasers of TWISTS or TRULY named a company, compared with TWIZZLER purchasers (33% and 40% versus 17%). All 21 purchasers of TRULY who gave a name, gave the correct company name—Zellers. Of the 6 TWISTS purchasers, 5 gave the correct name and only one gave an incorrect name. It is likely that consumers are more knowledgeable about the source of private label brands than with well-known national brands, because retailer private label brands make efforts to inform consumers about their private label products.

D. Discussion of Findings

Table 7 summarizes the counts and proportions of consumers confused about the company of origin for the three treatment conditions of Experiment 1, the two treatments of Experiment 2 and the three purchase conditions of Experiment 3 of this study.

Table 7.
Proportion Confused About Company of Origin—Licorice Surveyed Respondents v. Purchasers

	Stimulus/ Brand Purchased	Method	Proportion Confused	Percentage
Experiment 1	Shown TWISTS	Company Identification: Unfiltered	23/129	17.8
		Company Identification: Mod. Filter	18/131	13.7
		Company Identification: Strong Filter	15/129	11.6
Experiment 2	Shown TWIZZLERS & TWISTS	Company Identification-Forced Choice: Unfiltered	18/129	14

	Stimulus/ Brand Purchased	Method	Proportion Confused	Percentage
		Company Identification-Forced Choice: Strong Filter	9/130	7.0
Experiment 3	Purchased TWIZZLERS	Actual Level of Confusion	9/61	14.8
	Purchased TWISTS	Actual Level of Confusion	1/24	4.2
	Purchased TRULY	Actual Level of Confusion	0/21	0

These findings reveal that greater levels of actual confusion about the company origin of products occurred for purchasers of TWIZZLERS licorice, the most well-known brand, compared with any estimate of confusion of the TWISTS brand, estimated either by survey methods or the actual level of confusion. It could be argued that the "normal" level of confusion about the origin of the well-known brand, TWIZZLERS, is about 15% of purchasers. This "normal" level of confusion could be subtracted from any survey estimate of confusion for a look-alike or sound-alike brand to arrive at a more valid estimate of likelihood of confusion. If the Company Identification unfiltered method is used, this means that at most 3 percent of the population might be confused by the similarity in name and appearance of TWISTS. But if filtered survey questions are employed in the survey, then the conclusion is that there is no confusion about the company origin of TWISTS that is greater than the normal level of confusion for the best-known, longest-selling brand.

VI. DISCUSSION AND ANALYSIS

In this study, obtrusive survey questioning that relies on Type 2 data[35] to estimate the likelihood of confusion is shown to create major biases and distortions that favor the well-known brand. It

35. N.M. Bradburn, Response Effects, in the Handbook of Survey Research 289-328 (P. Rossi, J. Wright, and A. Anderson, eds., 1983), labeled unobtrusively obtained behavior data as Type 1 data, and obtrusively obtained linguistic measures of psychological states such as thoughts, feelings, beliefs and opinions that are not directly accessible to anyone but the respondent and that can only be obtained through language as Type 2 data; Surveys are limited to Type 2 data, which is subject to a variety of potential biases and distortions from reality.

also reveals that obtrusive questioning may create rather than measure existing perceptions, i.e., "self-generated validity."[36]

A large body of social science research literature reports empirical evidence regarding the extent to which obtrusive, linguistically based Type 2 measures may systematically deform and misrepresent the true state of "what existed, exists, or will exist" in the actual lives of consumers.[37]

On the matter of creating rather than measuring perceptions, it is well known that respondents sometimes guess or give opinions when they do not know the answer to the question or had not previously thought about the subject of the question.[38]

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36. See Feldman and Lynch Jr., supra n.15 at 421-35.

37. A simple taxonomy of the types of distortion produced by obtrusive linguistic measurement is not found in this literature. The field is confused by a bewildering array of types of distortion in Type 2 measures and terminology. See e.g., S. Sudman & M. Bradburn, Response Effects in Surveys: A Review and Synthesis (1974); Schuman and Presser, supra n.15; Touranguea et al., supra n.15; J.J. Carlopio, G. Adair, R.C.L. Lindsay & B. Spinner, Avoiding Artifact in the Search for Bias: The Importance of Assessing the Subjects Perceptions of the Experiment, Journal of Personality and Social Psychology, Vol. 44, No. 4, 693-701(1983); T.A. Shimp, E.M. Hyatt & D.J. Synder, A Critical Appraisal of Demand Effects in Consumer Research, Journal of Consumer Research, Vol. 18, 273-83 (December 1991); W.K. Darley, J. Lim, Assessing Demand Artifacts in Consumer Research: An Alternative Perspective, Journal of Consumer Research, Vol. 20, 489-95 (December 1993); M. Glassman & J.B. Ford, An Empirical Investigation of Bogus Recall, Journal of the Academy of Marketing Science, Vol. 16 (3&4) 38-4 (Fall 1988); Feldman and Lynch Jr., supra n.15; C.J. Simmons et al., supra n.15; P. Williams, G.J. Fitzsimons & L. Block, When is Asking Questions the Answer: The Moderating Role of Persuasion Knowledge, Working Paper, Preliminary Draft for Special Session Presentation, "Consumer Perceptions of Persuasive Intent: Examining Consumer Persuasion Knowledge" in Advances in Consumer Research, Vol. 29, Association of Consumer Research, S.M. Broniarczyk and K. Nakamoto, eds, Abstract, 305-07 (2001). Schuman and Presser, supra n.15, report and summarize investigations of "order effects" in survey research. Question-order effects are effects on responses caused by the "impact of preceding parts of the questionnaire" (p. 23). Response-order, the order of the alternative responses within a question, can also create distortion. Schuman and Presser conclude that question-order and response-order effects occur with sufficient frequency and are "sufficiently large in magnitude to compete with substantive explanations" (p. 74). Schuman and Presser also summarized the research on open versus closed forms of questions and conclude that "Every comparison we made revealed statistically significant differences in marginal distributions between open and closed forms" (p. 106). Similar evidence of the high frequency and strong effects of linguistic measurement exist for many other topics such as attitudes and non-attitudes, acquiescence, halo effects, demand artifacts, and so on.

38. For example, when an explicit "don't know" option is provided within the question, the proportion of respondents offering don't know answers increases, on average by 22 percent. "A substantial minority of the public, in the neighborhood of 30 percent, will provide an opinion on a proposed law that they know nothing about, if the question is asked without an explicit "don't know" option; see Schuman and Presser, supra n.15, at 143 & 158. As many as 52 percent of consumers claim to have heard bogus advertising slogans even when they are forewarned that some of the slogans presented to them do not exist; see Glassman and Ford, supra n.35. More than 600 consumer researchers, after asking consumers (mostly students) Type 2 questions, concluded that the Country-of-Origin of products is an important attribute in consumer choice of product or brand, yet less than 8 percent of American and Canadian consumers (at the cash register), know the country-of-origin of a product they just purchased; see J.P. Liefeld, Consumer Knowledge of Country-of-Origin Information at the Point of Purchase," Working Paper, Department of Consumer

A comprehensive reading of the research literature about response effects leads to the inescapable conclusion that the frequency and extent to which survey questions distort the values of variables or create variables and values for them that did not previously exist in the minds of the respondents are both large. The frequency and extent of distortion lead not only to over or under estimation of reality, but in some cases incorrect conclusions about the direction of relationships.

A. The Nature of Distortion in Response to Company Identification and Company Identification-Forced Choice Survey Questions

In the case of the Company Identification and Company Identification-Forced Choice survey measures for estimating the likelihood of confusion, typically used in trademark infringement and passing off cases, the distortion often arises from the fact that in many cases, the plaintiff's product is a very well-known brand with a long history and the defendant's product is often unknown or not yet in the marketplace. Thus, consumer awareness and knowledge of the defendant's product is often nonexistent. When shown pictures, or the defendant's actual product, it is logically impossible for the respondent to identify who makes or puts it out, or have perceptions of whether its maker is the same or different than the plaintiff's product because they have nothing in their memory concerning the defendant's product that they could employ in order to answer the question. They ought to answer "I don't know." But in Western Culture, people are very cooperative with research, so they search their memory for any image similar to the product stimuli being shown to them. Because the plaintiff's product is well known, it is likely that plaintiff's product or name will be recalled from memory. This leads the respondent to guess an answer to the question with the name of the plaintiff or the plaintiff's brand name. The question the respondent is actually answering is, "Which product do you know of, which looks/sounds like this product I am showing you? When the respondent guesses, offering the name of the well-known brand/company that they do

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Studies, University of Guelph (2002). Simmons et al., supra n.15, demonstrated that respondents construct perceptions, opinions or attitudes when responding to questions, when previously formed perceptions, opinions or attitudes on the subject of the question are not present in memory. Question created perceptions and opinions are typically based on previously-asked questions. Similar evidence of how values for variables are created simply by asking questions has been reported: see G.J. Fitzsimons & B. Shiv, Nonconscious and Contaminative Effects of Hypothetical Questions on Subsequent Decision Making, Journal of Consumer Research, Vol. 28, 224-38 (September 2001); V.G. Morwitz, E. Johnson & D. Schmittlein, Does Measuring Intent Change Behavior? Journal of Consumer Research, Vol. 20, 46-61 (June 1993); and Williams, Fitzsimons & Block, supra n.37.

have in memory, it does not mean that these same consumers would likely be confused and purchase the defendant's product thinking it was the plaintiff's product. Although adding "don't know" filters and also trying to remove the guessers from the data reduces the overestimation bias present in the Company Identification and Company Identification-Forced Choice responses, these corrections cannot completely overcome the reality that the respondent should not be asked the question in the first place, because they have no exposure to, awareness of, or knowledge about the unknown or new product. When the defendant's product is unknown or new in the marketplace, the only valid test of the likelihood of consumer confusion is to identify purchasers of the defendant's product and try to discover, without bias, if they think it is made by the plaintiff or from the same source as the plaintiff's product.

VII. CONCLUSIONS

Further development and validation of research methods is required to develop valid methods for estimating the likelihood of consumer confusion attributable to similarity in the names, sounds, and appearance of products in the marketplace. Judicial reliance on surveys employing Company Identification or Company Identification-Forced Choice types of questions is prejudicial to new or lesser known brands or companies. These methods seriously overestimate the extent of likely consumer confusion that can validly be attributed to similarity in the names, sounds and appearances of consumer goods or services. By accepting and giving weight to survey overestimates of the likelihood of confusion produced by Company Identification and Company Identification-Forced Choice types of questions, the courts are facilitating the use of trademark law by large companies with well-known brands to reduce competition and create monopolies, through judicial process rather than honest competition in the marketplace.

Similarity in names, sounds or appearance may sometimes lead to unacceptable levels of "purchaser" confusion about the source or origin of products at the cash register. But it is also clear from this research that existing survey research methods are not valid estimators of the extent of likely purchaser confusion attributable to similarity in the names, sounds or appearance of consumer products. Valid measures of purchaser mistakes are needed, not guesses about the sources or origin products based on memory of the well-known brand or company.

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21.492 Summaries

Voluminous or complicated data should be presented at trial, whenever possible, through summaries, including compilations, tabulations, charts, graphs, and extracts.[255] While counsel in jury cases usually recognize the need for summaries, they may overlook their utility in nonjury cases; the trial judge, however, should not be expected to "wad[e] through a sea of uninterpreted raw evidence."[256]

Summaries may be offered under Fed. R. Evid. 611(a) solely as an aid to understanding, with the underlying evidence separately admitted into the record. Whenever possible, however, summaries should be received as substantive evidence under Rule 1006, in lieu of the underlying data. When summaries are so used, opposing parties must be given an adequate opportunity to examine the underlying data in advance of trial and raise objections in time to enable the proponent of the summary to make necessary corrections. As noted in *supra* section 21.446, the use of sampling techniques to verify summaries and quantify possible errors may be adequate and preferable to an item-by-item examination of the underlying data. When the summary is received as substantive evidence of the data it contains, the underlying data will not become part of the record, although receipt of a few examples of the source materials may be helpful in illustrating the nature of the underlying data summarized.

21.493 Sampling/Opinion Surveys[257]

Statistical methods may often be useful to estimate, to specified levels of accuracy, the characteristics of a "population" or "universe" of events, transactions, attitudes, or opinions by observing those characteristics in a relatively small segment or "sample" of the population. The use of acceptable sampling techniques, in lieu of discovery and presentation of voluminous data from the entire population, may produce substantial savings in time and expense. In some cases, sampling techniques may provide the only practicable means to collect and present relevant data.[258]

The choice of appropriate methods will depend on the purpose to be accomplished. A distinction must be drawn between sampling for the purpose of

255. Fed. R. Evid. 1006 creates an exception to the "best evidence" rule, allowing writings, recordings, or photographs which cannot conveniently be examined in court to be presented in the form of "charts, summaries or calculations." The rule does not affect the requirement that the originals be admissible.

256. Crawford v. Western Elec. Co., 614 F.2d 1300, 1319 (5th Cir. 1980).

257. For a more detailed discussion of the use of surveys, see Reference Manual on Scientific Evidence (Federal Judicial Center 1994).

258. For example, in *In re* Shell Oil Refinery, 136 F.R.D. 588 (E.D. La. 1991), a statistical expert profiled the compensatory damage claims of the class members to assist the jury in fixing the amount of punitive damages.

generating data about a population to be offered for its truth, and sampling in the nature of polling to measure opinions, attitudes, and actions by a population.

In the case of the former, the reliability and validity of estimates about the population derived from sampling are critical. The methods used must conform to generally recognized statistical standards. Relevant factors include whether:

- the population was properly chosen and defined;
- the sample chosen was representative of that population;
- the data gathered were accurately reported; and
- the data were analyzed in accordance with accepted statistical principles.

Laying the foundation for such evidence will ordinarily involve expert testimony and, along with disclosure of the underlying data and documentation, should be taken up by the court well in advance of trial. Even if the court finds deficiencies in the proponent's showing, the court may receive the evidence subject to argument going to its weight and probative value.[259]

Sampling for the purpose of establishing the characteristics of a population must be distinguished from sampling (e.g., opinion polls or surveys) for the purpose of questioning individuals about such matters as their observations, actions, attitudes, beliefs, or motivations. Such sampling is not intended to establish the truth of an objective fact, but rather to provide evidence of public perceptions. The four factors listed above are relevant to assessing the admissibility of a survey, but need to be applied in light of the particular purpose for which the survey is offered. In addition, assessment of the validity of a survey should take into account whether:

- the questions asked were clear and not leading;
- the survey was conducted by qualified persons following proper interview procedures; and
- the process was conducted so as to ensure objectivity (e.g., was the survey conducted in anticipation of litigation and by persons connected with the parties or counsel or aware of its purpose in the litigation?).

When sampling or survey evidence is proposed to be offered, parties may want to consider whether details of the proposed sampling or survey methods should not be disclosed to the opposing parties before the work is done (including the specific questions that will be asked, the introductory statements or instructions that will be given, and other controls to be used in the interrogation process). Objections can then be raised promptly and corrective measures

259. *See* E. & J. Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280, 1292 (9th Cir. 1992); McNeilab, Inc. v. American Home Prods. Corp., 848 F.2d 34, 38 (2d Cir. 1988).

taken before the survey is completed. A meeting of the parties' experts can expedite the resolution of problems affecting admissibility.

Objection is sometimes raised that an opinion survey, although conducted according to generally accepted statistical methods, involves impermissible hearsay. When the purpose of a survey is to show what people believe—but not the truth of what they believe—the results are not hearsay.[260] In the rare situation where an opinion survey involves inadmissible hearsay, experts may nevertheless be allowed to express opinions based on the results of the survey.[261]

21.494 Extraterritorial Discovery

Discovery directed at witnesses, documents, or other evidence located outside the United States will often create problems, since many countries view American pretrial discovery as inconsistent with or contrary to their laws, customs, and national interests.[262] The need for evidence located outside the United States should be explored early in the proceedings to allow for the extra time that may be required to obtain it and consider ways to minimize cost and delay, or to develop alternate methods of proof when the evidence cannot be obtained. For example, the parties may achieve substantial savings by paying a willing deponent to come the United States or, if permitted by the laws of the host country, conducting short depositions telephonically.

The following factors may affect whether, to what extent, and in what manner foreign discovery is conducted:

- **Laws of the United States.** The procedures for obtaining evidence from other countries are prescribed by (1) the Federal Rules of Civil Procedure, particularly Rule 28(b) (depositions in a foreign country);[263] (2) statutes, particularly 28 U.S.C. § 1781 (transmittal of letter rogatory or request), § 1783 (subpoena of person in a foreign country), and § 1784 (contempt); and (3) international agreements, particularly the Hague Convention on the Taking of Evidence Abroad in Civil or Commercial

260. *See* Fed. R. Evid. 801(c), 803(3).

261. *See* Fed. R. Evid. 703.

262. In civil law jurisdictions in which the gathering and presentation of evidence is under the control of the courts and not the litigants, taking a deposition may be considered the performance of a judicial act by another sovereign. In addition, many common law jurisdictions disfavor discovery requests directed at obtaining material other than evidence to be presented at trial. *See, e.g.,* Rio Tinto Zinc Corp. v. Westinghouse Elec. Corp., [1978] 1 All E.R. 434 (H.L. 1977); Extraterritorial Discovery in International Litigation 24 (PLI 1984).

263. *See also* Fed. R. Civ. P. 44(a)(2) (authentication of foreign official record). This rule must be read in conjunction with the 1981 Hague Convention Abolishing the Requirements of Legalization for Foreign Public Documents, October 5, 1981 (entered in force for the United States on October 15, 1981), 527 U.N.T.S. 189, T.I.A.S. No. 10072, *reprinted* following the rule; *see also* 28 U.S.C. §§ 1740, 1741, 1745.

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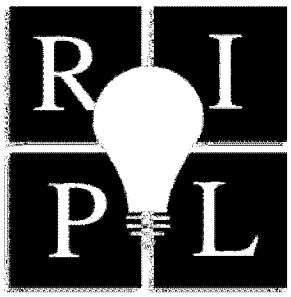

TRADEMARK SURVEYS: DEVELOPMENT OF COMPUTER-BASED SURVEY METHODS

ROBERT H. THORNBURG

ABSTRACT

Courts have continually utilized surveys to show evidence of secondary meaning, genericness, dilution, and functionality in trademark litigation. In conducting a trademark survey, an expert must consider various factors that may affect the admissibility of the survey in court, including assuring the correct universe of respondents are questioned, implementing controls, and verifying the results. In light of these considerations, as well as the ever-changing environment of consumer shopping, the manner and mode of survey that a court accepts as appropriate must adapt to these conditions. The use and acceptance of online and computer-based surveys is not currently well received by the courts, but this should change due to the many advantages that on-line surveys offer to trademark litigants. These advantages, including more efficient, accurate and trustworthy results that far outweigh any perceived disadvantages a court may put forth in finding such surveys inadmissible.

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TRADEMARK SURVEYS: DEVELOPMENT OF COMPUTER-BASED SURVEY METHODS

ROBERT H. THORNBURG*

INTRODUCTION

Selecting and performing a consumer survey for use as evidence in a trademark dispute represents one of the most important decisions made by trial counsel during litigation. Because evidence of actual confusion is often unavailable in trademark infringement cases, the circumstantial evidence afforded by a trademark survey of consumer confusion in the relevant marketplace often is invaluable when asserting trademark rights. Trademark surveys assist in measuring the subjective mental associations of prospective purchasers by attempting to recreate potential purchasing environments in which an asserting senior and disputed junior mark are found in the marketplace.

Because trademark surveys often determine the outcome of trademark litigation, courts look to specific indicia of reliability regarding how a trademark survey was conducted and performed. These indicia include: (i) whether a sufficient number of individuals were surveyed, (ii) whether specific controls were created to measure if any portion of the survey was confusing in itself, (iii) whether the questions were too leading or followed a proper format, and (iv) if a specific percentage of survey respondents were called again to verify the accuracy of their answers. A substantial amount of case law exists which provides insight into how to conduct and prepare a trademark survey that will be admissible in court.

Many different types of environments exist for conducting trademark surveys, including the traditional Mall-Intercept Survey, the Telephone Survey, and perhaps the lesser-known Central Location Survey. All of these survey forms require a huge amount of manpower, with prices ranging in the hundreds of thousands of dollars. In addition, these environments are all subject to being discredited and devalued due to the risk that survey interviewers could falsify or mischaracterize data entries, or information could be given without sufficient verification.

Therefore, there is a need to develop and implement a more cost effective, efficient, and less error prone method of conducting trademark surveys. The fundamental purpose of this paper is to discuss the potential for replacing many of the traditional survey formats with Internet surveys conducted through an Internet-based interface. Since the purchasing environments for many of today's goods and services occur online rather than in the traditional retail shopping mall, an online format for conducting trademark surveys may provide a more appropriate forum for many of today's consumer goods. In addition, unlike traditional survey forms that require data entry from paper to electronic format, an online format allows for the direct entering of survey results by the survey participant rather than an interviewer.

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* Robert H. Thornburg is a Litigation Associate with the Intellectual Property law firm of Allen, Dyer, Doppelt, Milbrath & Gilchrist, P.A. in Orlando, Florida. Mr. Thornburg received his B.S. in Chemical Engineering, *cum laude*, from the University of Notre Dame (1999), his J.D. *with honors*, from the University of Florida (2002), and his L.L.M. in Intellectual Property Law, *with honors*, from The John Marshall Law School (2004). This paper constitutes the author's L.L.M. Dissertation.

This paper addresses multiple issues that have essentially evaded the current commentary on trademark surveys. First, Part I of the paper provides the most current case law regarding trademark surveys and outlines the general requirements for admissibility. Part II discusses the three generally acceptable forms of trademark survey questions. Part III reviews the different issues tested by surveys in trademark litigation, including secondary meaning, genericness, functionality, and dilution. Part IV discusses the development of Internet-based trademark surveys and provides a general conclusion regarding the future of online surveys in trademark litigation.

I. USE OF SURVEYS IN TRADEMARK LAW

A. Introduction

Survey evidence is often used in trademark litigation to test the likelihood of confusion and trademark dilution because a survey gauges the "subjective mental associations and reactions of prospective purchasers."[1] Since trademark holders are often unable to provide evidence of actual confusion when proving likelihood of confusion, courts often look toward surveys as strong circumstantial evidence in their infringement analysis.[2] While many commentators assert that survey evidence provides only probative evidence of actual confusion, case law purports that courts have heavily relied upon survey evidence to establish the existence of confusion.[3]

Courts generally accept consumer surveys as a means of evidence of likelihood of confusion among consumers.[4] "To be admissible, the trademark survey must be conducted by qualified experts and impartial interviewers . . . [and] it must consist of non-leading questions presented to an appropriate 'universe' of respondents."[5] The responses must also be recorded and interpreted in an unbiased manner.[6] Upon ascertaining a need for a consumer survey, trademark litigation counsel will often hire a survey expert to both design and conduct a survey.[7] Upon completion of a consumer survey, the expert will appear at trial to testify regarding both the survey results and whether the survey was conducted using proper standards based upon the nature of the trademark and associated consumer group.[8]

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[1] 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:158 at 32-189 (4th ed. 2003).

[2] *See* Keith M. Stolte, *Remedying Judicial Limitations on Trademark Remedies: Monetary Relief Should Not Require Proof of Actual Confusion*, 75 DENV. U. L. REV. 229 (1997).

[3] Mutual of Omaha Ins. Co. v. Novak, 836 F.2d 397, 400 (8th Cir. 1987); *see* Lawrence E. Evans, Jr. & David H. Gunn, *Trademark Survey Evidence*, 20 TEX. TECH. L. REV. 1 (1989).

[4] Simon Prop. Group L.P. v. mySimon, Inc., 104 F. Supp. 2d 1033, 1038 (S.D. Ind. 2000).

[5] *Id.*

[6] Spraying Sys. Co. v. Delavan, Inc., 975 F.2d 387, 394 (7th Cir. 1992) (affirming summary judgment based on finding that consumer survey of secondary meaning was too flawed to create a genuine issue of material fact because questions were biased and telephone survey was not reliable).

[7] Shari Seidman Diamond, *Reference Guide on Survey Research*, *in* REFERENCE MANUAL ON SCIENTIFIC EVIDENCE 221, 228 (1994).

[8] Patrick M. Bible, *Defining and Quantifying Dilution Under the Federal Trademark Dilution Act of 1995: Using Survey Evidence to Show Actual Dilution*, 70 U. COLO. L. REV. 295, 315 (1998).

B. Admissibility Under the Federal Rules

The question of whether a consumer survey is admissible lies not with the jury but rather with the judge who ascertains whether the survey expert's findings fall within the acceptable standards of the Federal Rules of Evidence.[9] The ability for an expert to testify before the trier of fact comes from Rule 702, which provides, "[i]f scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training, or education, may testify thereto in the form of an opinion or otherwise . . . ."[10] The ability for such expert to rely upon the survey itself in testifying comes from Rule 703.[11]

Although consumer surveys that test likelihood of confusion are offered for the truth of the matter asserted, courts often find such surveys are not hearsay "because the survey merely recorded the present sense impression and existing state of mind of the interviewees . . . ."[12] Thus, surveys fall within either Rule 803(1) or 803(3).[13] "While errors in survey methodology usually go to the weight of the evidence, a survey should be excluded under Rule 403[14] when its probative value is substantially outweighed by its prejudicial effect or potential to mislead the jury."[15] Despite the broad admissibility provided by these hearsay exceptions, admissibility of many surveys is directly tempered by the relevancy requirement of Rule 403.

Therefore, "it is important to design and conduct surveys using scientifically accepted methods so as to assure their admissibility and lend as much weight as possible to the findings."[16]

C. Different Environments for Trademark Surveys

Apart from the admissibility issues inherent in introducing a trademark survey into evidence, another important criteria going to the weight of a survey is what survey format was used. Essentially, three types of survey formats exist:

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[9] MUELLER & KIRKPATRICK, MODERN EVIDENCE - DOCTRINE AND PRACTICE § 9.18, at 1527 (1995) ("Survey evidence, whether in the form of an opinion poll or a sampling of statistical or other data, is generally admissible . . . .").

[10] FED. R. EVID. 702.

[11] The rule provides that

> [t]he facts or data in the particular case upon which an expert bases an opinion or inference may be those perceived by or made known to the expert at or before the hearing. If of a type reasonably relied upon by experts in the particular field in forming opinions or inferences upon the subject, the facts or data need not be admissible in evidence . . . .

FED. R. EVID. 703.

[12] Piper Aircraft Corp. v. Wag-Aero, Inc., 741 F.2d 925, 929 (7th Cir. 1984).

[13] *Id.*

[14] The rule provides that "evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the jury . . . ." FED. R. EVID. 403.

[15] MasterCard Int'l, Inc. v. First Nat'l Bank of Omaha, Nos. 02 CIV. 3691 (DLC), 03 CIV. 707 (DLC), 2004 U.S. Dist. LEXIS 2485, at *22 (S.D.N.Y. Feb. 23, 2004).

[16] Bible, *supra* note 8, at 316.

(i) Mall-Intercept Surveys,[17]
(ii) Central Location Surveys, and
(iii) Telephone Surveys.[18]

Selection of a survey format is often based on the type of consumer group that would purchase or be associated with the goods or services sold under a particular trademark. The ultimate choice is often largely based upon the (i) cost of the survey, (ii) reliability due to scrivener error, and (iii) risk of fabrication of data.

1. Mall-Intercept Surveys

By far, Mall-Intercept Surveys represent the most traditional and common form of trademark surveys currently used by survey experts.[19] As the mall has generally been connected with the sale and promotion of multiple consumer goods heavily tied to trademark association, it is little wonder why trademark surveys for consumer goods often occur within these venues. The typical format for trademark surveys includes a team of interviewers who must screen the demographic within the general mall patron population to obtain the appropriate quota, which represents the typical purchaser of the trademarked goods in question.[20]

Unlike other types of surveys, the key to mall surveys is that they allow for direct interaction between consumers and the trademark elements alleged to have secondary meaning or be the cause of likelihood of confusion. Mall-Intercept Surveys are often supervised directly by the trademark expert and conducted in multiple mall facilities throughout the country.[21] Most Mall-Intercept Surveys begin with the interviewer selecting a mall patron who falls into a quota system,[22] wherein the patron is selected based on the likelihood that they fall in the consumer group that would purchase the trademarked good or service.[23] Often, the interviewer will take the patron into a special area within the mall to administer the survey.[24] This typically involves a highly regulated environment where the alleged infringed product, the questioned product, and often a control are displayed.[25] Based upon the

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[17] *See, e.g.,* Anheuser-Busch, Inc. v. Caught-On-Bleu, Inc., 288 F. Supp. 2d 105 (D.N.H. 2003).

[18] Mobil Oil Corp. v. Pegasus Petroleum Corp., 229 U.S.P.Q. (BNA) 890 (S.D.N.Y. 1986).

[19] *See* Castrol, Inc. v. Pennzoil Quaker State Co., 169 F. Supp. 2d 332, 337 (D.N.J. 2001).

[20] Pep Boys Manny, Moe & Jack of Cal. v. Goodyear Tire & Rubber Co., No 01-CV-5614, 2002 U.S. Dist. LEXIS 5925, at *28 (E.D. Pa. Apr. 5, 2002) (selecting quota for SUV products to include individuals eighteen years or older, who owned an SUV and who had purchased an SUV-type tire within the last twelve months or will purchase an SUV-type tire in the next twelve months).

[21] *Id.* (discussing details of consumer survey that consisted of 409 interviews at twelve shopping malls in cities across the country).

[22] Cairns v. Franklin Mint Co., 24 F. Supp. 2d 1013, 1041 (C.D. Cal. 1998) (asserting that key to Mall-Intercept form is the selection of mall patrons to engage in a survey).

[23] Elements/Jill Schwartz, Inc. v. Gloriosa Co., No. 01 CIV. 904 (DLC), 2002 U.S. Dist. LEXIS 12669, at *8 (S.D.N.Y July 15, 2002).

[24] *Id.*

[25] *Id.*

display of these products, the mall patron is asked specific questions and the interviewer records the information to be gathered later by the survey expert.[26]

The inherent flaw with the Mall-Intercept Survey is that selecting a quota is accomplished by observing an individual's external appearance without knowing the actual demographics that they represent. In this age of Internet and catalogue shopping for higher end goods, it is possible that Mall-Intercept Surveys are no longer providing the proper universe of the general consumer population. This is especially true when the proper consumer group is found within a particular economic class or racial group, which does not necessarily shop recreationally at malls. In addition, with many specialized or high end products purchased by affluent consumers, a Mall-Intercept Survey is inappropriate, as such consumers often do not frequent public malls. "'[S]elf-selection' may be a problem with [M]all-[I]ntercept [S]urveys" in that only certain types of individuals may come forward and desire to be interviewed, wherein the decision is based largely on a desire to obtain a free gift.[27]

Another potential flaw is in the selection of the interviewers themselves,[28] as they often are college-aged students working part-time or just temporarily on the survey project, and often will select friends or individuals not represented in the quota just to fulfill their employment requirements. Perhaps the most significant flaw with the Mall-Intercept Survey is its human element, in that data collected from the survey can either be improperly recorded or even misstated. Such flaws, if found in the cross-examination of a survey expert, could lead to exclusion of the trademark survey altogether.[29]

Despite these inherent drawbacks, Mall-Intercept Surveys are still generally a reliable and effective method of trademark surveying.[30] As many trademark disputes relate to consumer goods that are purchased by mall patrons, this form of survey environment will continue to pervade the field.

2. Central Location Surveys

Unlike the Mall-Intercept Survey in which the mall patron visits the mall without any knowledge that they will engage in the survey, the Central Location Survey is a more proactive and direct form of acquiring survey evidence. In this survey environment, a market research company calls specific people to come to the company's facility to be interviewed.

The Central Location Survey improves upon the Mall-Intercept Survey in that a market research company can look toward the relevant consumer group tied to the trademarked good, and then research and contact members belonging to the most desirable quota. Thus, in comparison to the mostly superficial selection that occurs with interviewers selecting mall participants, the Central Location Survey allows for careful selection based upon demographic data and other internal statistics.

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[26] *Id.*

[27] Tyco Indus. Inc. v. Lego Sys., Inc., 5 U.S.P.Q.2d (BNA) 1023, 1031 (D.N.J. 1987).

[28] Diamond, *supra* note 7, at 257.

[29] *Id.* at 258.

[30] Anheuser-Busch, Inc. v. Caught-on-Bleu, Inc., 288 F. Supp. 2d 105, 123 (D.N.H. 2003).

However, limitations still arise with the Central Location Survey. The most notable limitation is the inherent cost required to pay a research company for logistics, rent space, and personnel to perform the survey. Very often, the cost for a Central Location Survey would double the costs attributed to a Mall-Intercept Survey. However, when the type of consumer good is not attributable to purchase in a mall or retail environment, the Central Location Survey is much preferred.

3. Telephone Surveys

Unlike both the Mall-Intercept and the Central Location Surveys, the Telephone Survey provides a much cheaper, faster, and easier survey format. Telephone Surveys are widely recognized and admitted in trademark litigation as persuasive evidence of likelihood of confusion[31] or secondary meaning.[32] They have been used in trademark litigation for approximately forty years.[33] The overwhelming benefit of a Telephone Survey is that it is easier to supervise the interviewers to ensure that information is properly and accurately recorded. In addition, courts have given credit to Telephone Surveys because they often provide the best method to test the state of mind of consumers, since they are confronted with the key issues affecting a trademark dispute without prior contemplation in answering such surveys.[34]

One inherent problem with Telephone Surveys is since the questions are not asked within the physical proximity of the participant, they must be carefully asked and presented to ensure that the answer goes toward the disputed issue of secondary meaning or likelihood of confusion.[35] Often, Telephone Surveys obtain only evidence of popularity of a given mark, rather than asking questions specifically directed toward secondary meaning or evidence of consumer confusion.[36] In order to be admissible, Telephone Surveys often ask yes/no questions, or ask questions in which the interviewer lists specific products that the participant will select.[37]

Commentators have generally been wary of Telephone Surveys and assert that they should be discounted as there is no way to ensure that the telephone respondent is answering questions honestly and with sufficient knowledge.[38] Courts have shared this caution, based largely on the fact that Telephone Surveys cannot physically present the participant with disputed differences between two trademarks, nor

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[31] Diana Princess of Wales Mem'l Fund v. Franklin Mint Co., Nos. 98-56822, 99-55157, 1999 U.S. App. LEXIS 34568, at *7–8 (9th Cir. Apr. 4, 1999).

[32] Dick's Sporting Goods, Inc. v. Dick's Clothing & Sporting Goods, Inc., No. 98-1653, 1999 U.S. App. LEXIS 19942, at *13–15 (4th Cir. Aug. 20, 1999).

[33] *See, e.g.,* Thomas Pride Mills, Inc. v. Monsanto Co., 155 U.S.P.Q. (BNA) 205 (N.D. Ga. 1967).

[34] Simm v. La. State Bd. of Dentistry, No. 01-2608, 2002 U.S. Dist. LEXIS 3195, at *17–18 (E.D. La. Feb. 22, 2002).

[35] Spraying Sys. Co. v. Delavan, Inc., 975 F.2d 387, 395 (7th Cir. 1992) (affirming summary judgment based on finding that survey questions were biased, and therefore, not reliable to find secondary meaning).

[36] *See, e.g.,* Mattel, Inc. v. MCA Records, Inc., 28 F. Supp. 2d 1120, 1135 (C.D. Cal. 1998).

[37] Scott Paper Co. v. Scott's Liquid Gold, Inc., 439 F. Supp. 1022, 1041 (D. Del. 1977).

[38] MCCARTHY, *supra* note 1, § 32:163, at 32-204 (asserting that "[s]urveys taken . . . by telephone should not be discounted or denigrated, but accepted as probative evidence if properly conducted").

provide a control. Instead, Telephone Surveys only provide naked questions.[39] This is especially true when the visual appearance of the asserted mark is the key to the secondary meaning or likelihood of confusion issue.[40]

Regardless of these limitations, Telephone Surveys, like Central Location Surveys, provide the benefit of seeking a specific tailored quota to create a specific universe of potential consumers for a given trademarked product.[41]

D. Hiring the Right Survey Expert

In many obvious ways, the careful hiring of a trademark expert is one of the most important decisions made during a trademark dispute.[42] Most often, the best kind of trademark expert is a university professor who teaches and researches in the area of consumer psychology. One crucial aspect of hiring a trademark expert is to find someone who is technically astute in how he or she performs the survey and who has a good demeanor for testifying before a jury.[43] Because both of these goals are often inapposite, many trademark litigators seek to hire two experts, one to perform the survey and one to testify at trial.[44]

There is some contention that the very best trademark survey expert is one who can essentially create a survey to show any desired finding of likelihood of confusion, dilution, or secondary meaning by either creating a skewed line of questioning or numerical manipulation of already acquired data. Often, a good trademark survey expert will create an initial pilot survey in order to fine tune questions to maximize a desired finding and determine if the right quota of individuals was selected to achieve that finding. However, while pilot surveys and numerical methods are important tools for a good survey expert, the very best survey experts have achieved a level of prominence through honesty and integrity. Such attributes are often more important in hiring an expert than mathematical prowess.

E. Ascertaining the Proper Universe of a Survey

An initial, yet crucial, inquiry in determining when a trademark survey is admissible into evidence is whether the types of consumers questioned in the survey are from the proper universe.[45] Identification and selection of a proper universe are

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[39] Cairns v. Franklin Mint Co., 24 F. Supp. 2d 1013, 1041 (C.D. Cal. 1998).

[40] Schieffelin & Co. v. Jack Co. of Boca, 850 F. Supp. 232, 240 (S.D.N.Y. 1994).

[41] *See* Mobil Oil Corp. v. Pegasus Petroleum Corp., 229 U.S.P.Q. (BNA) 890 (S.D.N.Y. 1986).

[42] Mark S. Nadel, *The Consumer Product Selection Process in an Internet Age: Obstacles to Maximum Effectiveness and Policy Options*, 14 HARV. J.L. & TECH. 183 (2000).

[43] *See* Applied Marketing Science, Inc., *FAQ on Legal Surveys, at* http://www.ams-inc.com/litigation/faq.htm (last visited Feb. 21, 2005) (noting that the most important criteria in looking for a survey expert are testifying skills, credentials and expertise).

[44] Diamond, *supra* note 7, at 232–33 (suggesting that the secondary expert's role is to testify at trial in support of the offered survey).

[45] *See* 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 32:47–48 (1st ed. 1973).

recognized as critical elements in a survey,[46] because "'even if the proper questions are asked in a proper manner, if the wrong persons are asked, the results are likely to be irrelevant.'"[47] However, most errors in ascertaining the proper universe for a trademark survey go to the weight of the survey evidence, rather than its admissibility.[48] Selection of respondents from the appropriate universe is important because "there may be systemic differences in the responses given by persons [with a particular] characteristic or preference and the responses given to those same questions given by persons who do not have that characteristic or preference."[49]

By selecting a proper universe, a trademark survey will have more value because it will correctly examine an accused mark's impression on the potential consumer.[50] However, regardless of selecting the most appropriate universe, courts recognize that "no survey can construct a perfect replica of 'real world' buying patterns, [and that] a survey must use a stimulus that, at a minimum, tests for confusion by roughly simulating marketplace conditions."[51]

1. Ascertaining Who Makes the Ultimate Purchasing Decision

When assessing the proper universe in trademark litigation, a court often looks at whether the survey interviews those individuals who help influence the actual purchasing decisions.[52] Often, an initial survey must be performed in order to ascertain whether the correct group of survey participants was questioned. For example, the court in *United States Surgical Corp. v. Orris Inc.* looked toward initial evidence that over sixty-percent of surgeons participated in a given hospital's purchasing decisions regarding medical equipment and instruments.[53] The court found sufficient evidence that a survey interviewing surgeons represented relevant consumer opinions regarding the disputed medical equipment.[54] When dealing with Internet consumers, the "rapidity with which the Internet changes" requires a universe of Internet users who are very familiar with online purchasing and shopping, as well as the Internet generally as it exists at the time the survey is given.[55]

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[46] Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 767 (E.D. Mich. 2003).

[47] *Id.* (quoting 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 32:159, at 32-250.3).

[48] Trouble v. Wet Seal, Inc., 179 F. Supp. 2d 291, 307 (S.D.N.Y. 2001).

[49] *Wells Fargo,* 293 F. Supp. 2d at 767 (quoting MATTHEW BENDER, FEDERAL EVIDENCE PRACTICE GUIDE § [4][b][i] (2003)).

[50] Conopco, Inc. v. Cosmair, Inc., 49 F. Supp. 2d 242, 253 (S.D.N.Y. 1999).

[51] *Trouble,* 179 F. Supp. 2d at 308.

[52] Elec. Design & Sales, Inc. v. Elec. Data Sys. Corp., 954 F.2d 713, 718 (Fed. Cir. 1992) (noting that the relevant opinions for evaluating the likelihood of confusion include "those persons, such as some users, who might influence future purchasers").

[53] U.S. Surgical Corp. v. Orris, Inc., 983 F. Supp. 963, 968 (D. Kan. 1997).

[54] *Id.*

[55] Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 767 (E.D. Mich. 2003).

2. Men's Versus Women's Consumer Goods

One interesting aspect of the proper survey universe is the impact of both gender and age when determining who really has the ultimate purchasing decisions. When constructing the proper universe for women's clothing or apparel, the survey participants considered would likely be women over the age of eighteen.[56] Likewise, in *Chattanooga Manufacturing v. Nike, Inc.,* the Northern District of Illinois concluded that the proper universe for women's apparel is women only and therefore discredited a trademark survey that included men.[57]

However, some courts have found that product areas traditionally associated with male purchasers should also include women. For example, the court in *Dick's Sporting Goods, Inc. v. Dick's Sporting and Clothing Goods, Inc.* found a survey regarding hunting and fishing gear unreliable because it failed to include women.[58] Additionally, another court credited a survey regarding the purchase of cigars where women consisted of eleven percent of the respondents.[59]

3. The Proper Universe for Children's Consumer Goods

Assessing the proper universe for children has also plagued survey experts with the task of determining whether to seek a survey limited just to children or to adults who purchase for children. In *Toys "R" Us, Inc. v. Canarise Kiddie Shop, Inc.,*[60] both plaintiff and defendant sold moderately-priced children's clothing; plaintiff, in its Toys "R" Us stores and defendant, in its Kids "R" Us stores.[61] Judge Glasser noted:

> A common, if not nagging, experience of parenthood is the coercion of children that their clothing is of a current style and purchased in a designated place. Those vigorous promptings of children to which parents not infrequently succumb make the children, in reality, the true purchasers with the resultant lowering of the level of sophistication.[62]

Similarly, in *Nabisco, Inc. v. PF Brands, Inc.,* the Southern District of New York found that PF was unlikely to succeed on its infringement claim because it failed to show that its target consumers, six to twelve year olds, were likely to be confused by the Nabisco product.[63] In *Avent America Inc. v. Playtex Products Inc.*, one expert established that the proper universe for assessing likelihood of confusion regarding the shape of baby bottles was solely women ranging between the ages of eighteen and

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[56] *See, e.g., Trouble*, 179 F. Supp. 2d at 308.

[57] Chattanooga Mfg. v. Nike, Inc., 140 F. Supp. 2d 917, 928 (N.D. Ill. 2001).

[58] Dick's Sporting Goods, Inc. v. Dick's Sporting & Clothing Goods, Inc., No. 98-1653, 1999 U.S. App. LEXIS 19942, at *15 (4th Cir. Aug. 20, 1999).

[59] Empresa Cubana Del Tabaco v. Culboro Corp., No. 97 Civ. 8399 (RWS), 2004 U.S. Dist. LEXIS 4935, at *77 (S.D.N.Y. Mar. 29, 2004).

[60] Toys "R" Us, Inc. v. Canarise Kiddie Shop, Inc., 559 F. Supp. 1189 (E.D.N.Y. 1983).

[61] *Id.* at 1193–94.

[62] *Id.* at 1199.

[63] Nabisco Inc., v. PF Brands, Inc., 50 F. Supp. 2d 188, 211 (S.D.N.Y. 1999).

forty-nine who had children under four years old and who had purchased one or more bottles within the last year.[64]

Often, the proper universe for higher or lower priced children's items that are purchased by adults must include surveys of adults.[65] With respect to Legos, a children's toy, the District Court of New Jersey asserted that a Mall-Intercept Survey targeting parents rather than children represented an acceptable universe.[66] However, when a substantial portion of a magazine's readership is comprised of children under sixteen who are "not likely to bring a great deal of care and sophistication to their purchasing decisions," the proper universe should include that demographic.[67]

Often, a product that has been directly and substantially marketed toward children requires that children be part of or predominate the universe of a trademark survey.[68] In relation to sporting goods, the District of New Jersey's *National Football League Properties, Inc. v. New Jersey Giants, Inc.* asserted that the proper universe should include both adults and children age fourteen years and older, and should not preclude women from the universe.[69] In *Nestle Co. v. Chester's Market, Inc.*, the court accepted a survey that completely excluded children regarding the consumption of homemade chocolate chip cookies, limiting the universe to only individuals eighteen years and older who actually baked such cookies.[70]

As demonstrated by the aforementioned listing of various cases discussing the proper universe relating to children's goods, there remains no settled test for ascertaining an admissible group of survey participants, but rather experts must evaluate such universe on a case-by-case basis.

F. Obtaining the Proper Sample

Upon ascertaining the correct universe of individuals to be surveyed, a trademark survey expert must then calculate the correct number of people to be interviewed to create a proper "sample."[71] District courts often exclude a trademark

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[64] Avent Am., Inc. v. Playtex Prods., Inc., No. 98 C 2663, 1999 U.S. Dist. LEXIS 1571, at *11 (N.D. Ill. Feb. 10, 1999).

[65] *See* Am. Greetings Corp. v. Dan-Dee Imp., Inc., 619 F. Supp 1204 (D.N.J. 1985) *aff'd in relevant part*, 807 F.2d 1136 (3d Cir. 1986) (concluding that an appropriate survey universe involving toys included mothers of daughters ages four through twelv); NFL Props. v. N.J. Giants, 637 F. Supp. 507, 514 (D.N.J. 1986) (noting that the universe surveyed (1) consisted of persons over fourteen years of age who had either purchased a clothing item with a name, slogan or picture on it in the past twelve months or planned to do so in the next six months; (2) was not limited to purchasers of the parties' products; and (3) included persons who may have had no current purchasing intent).

[66] Tyco Indus., Inc. v. Lego Sys., Inc., 5 U.S.P.Q.2d (BNA) 1023, 1041 (D.N.J. 1987).

[67] Blake Publ'g Corp. v. O'Quinn Studios, Inc., 202 U.S.P.Q. (BNA) 848, 858 (S.D.N.Y. 1979).

[68] E.S. Originals, Inc. v. Stride Rite Corp., 656 F. Supp. 484, 492 (S.D.N.Y. 1987) (asserting that despite the nature of mid-priced children's athletic shoes, children should predominate or be part of the universe due to overwhelming advertising directed towards children only).

[69] *NFL Props.*, 637 F. Supp. at 514.

[70] Nestle Co. v. Chester's Market, Inc., 571 F. Supp. 763, 771 (D. Conn. 1983).

[71] Volkswagen Aktiengesellschaft v. Uptown Motors, No. 91 CIV. 3447 (DLC), 1995 U.S. Dist. LEXIS 13869, at *20 (S.D.N.Y. July 13, 1995).

survey "when the sample is clearly not representative of the universe it is intended to reflect."[72] However, despite technical and methodological deficiencies in a trademark survey regarding selecting the proper sample of a particular universe, in most cases, such errors go toward the weight of the survey but not the survey's admissibility.[73]

Thus, as asserted in *1-800 Contacts, Inc. v. WhenU.com*, the true evidentiary value of a consumer trademark survey not only depends largely upon whether a proper universe of interviewees was ascertained, but also whether a representative sample was drawn and actually interviewed.[74] The Third Circuit has pronounced that interviewing the correct sample of individuals found within a universe is a crucial factor when weighing the overall credibility of a trademark survey.[75] The party seeking to admit the survey has the burden of proof to show that a proper sample was obtained.[76] An example of a proper sample was discussed in *Pebble Beach Co. v. Tour 18 I*, where the trademark holders interviewed 235 individuals who had golfed the Tour 18 golf course in Texas to ask if they believed that Tour 18 had obtained permission and approval from Pebble Beach and Pinehurst to use their infamous golf course designs.[77]

G. The Importance of Controls in Trademark Surveys

Besides selecting the proper universe of prospective individuals who help make the ultimate purchasing decision for a good or service, a trademark survey expert must also carefully select and choose the proper control for the survey.[78] A control question or group is generally preferred to eliminate background noise or confusion regarding the survey.[79] The *Novartis* court found that the control group:

> [F]unctions as a baseline and provides a measure of the degree to which respondents are likely to give an answer . . . not as a result of the [product at issue], but because of other factors, such as the survey's questions, the survey's procedures . . . or some other potential influence on a respondent's answer such as pre-existing beliefs.[80]

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[72] Bank of Utah v. Commercial Sec. Bank, 369 F.2d 19, 27 (10th Cir. 1966).

[73] Harolds Stores v. Dillard Dep't Stores, 82 F.3d 1533, 1544 (10th Cir. 1996).

[74] 1-800 Contacts, Inc. v. WhenU.com, 309 F. Supp. 2d 467, 499 (S.D.N.Y. 2003).

[75] J & J Snack Foods Corp. v. Earthgrains Co., 220 F. Supp. 2d 358, 369 (D.N.J. 2002).

[76] Harlem Wizards Entm't Basketball, Inc. v. NBA Props., 952 F. Supp. 1084, 1098 (D.N.J. 1997).

[77] Pebble Beach Co. v. Tour 18 I, Ltd., 942 F. Supp. 1513, 1549 (S.D. Tex. 1996) (finding that plaintiff's survey of actual customers included a proper universe "since it is actual . . . customers that are more likely to have been exposed to the potentially confusing uses of plaintiffs' service marks").

[78] *See generally* Upjohn Co. v. Am. Home Prods. Corp., No. 1:95:CV:237, 1996 U.S. Dist. LEXIS 8049, at *43–46 (W.D. Mich. Apr. 5, 1996).

[79] MCCARTHY, *supra* note 1, § 32.54[1][b][iii].

[80] Novartis Consumer Health, Inc. v. Johnson & Johnson-Merck Consumer Pharms. Co., 129 F. Supp. 2d 351, 365 n.10 (D.N.J. 2000).

Implementing an appropriate control group allows the expert to test the influence of the stimulus.[81]

Even when a survey expert properly identifies and employs a control group to offset underlying errors in survey procedure and format, selecting a proper universe for a likelihood of confusion survey remains the most dispositive factor in whether a survey is accorded any weight.[82] However, when a survey completely fails to employ any control or uses a control that is wholly insufficient to reduce the court's belief that there would be a large degree of noise, then such error may result in excluding the survey completely.[83]

An example of the common form of survey control for likelihood of confusion is discussed in *Pharmacia Corp. v. Alcon Laboratories Inc.* The expert hired to survey two competing drug names used a non-consumer drug name based on typical terms used in the drug business as a control to remove survey participants that did not know the names of commonly known drugs.[84] Often, a survey will use not one, but two controls in order to filtrate potential noise and accord a more accurate statistical survey to prove confusion.[85]

Control groups or control surveys are not only frequently used in likelihood of confusion surveys, but are also used in false advertising claims under the Lanham Act.[86] One type of "noise" common to such surveys is the pre-existing belief about what an ad in a particular category is going to communicate.[87] The purpose of a control study in a false advertising survey is to identify the portion of the survey population that has an extrinsic belief prior to viewing a questioned advertisement.[88] The lack of such a control study can undermine the weight of the survey in a false advertising claim.[89] However, "[a] survey with an imperfect control group generally provides better information than a survey with no control group at all, but the choice of the specific control group requires some care and should influence the weight that the survey receives."[90]

H. Verification of Survey Results

Another important consideration in creating and organizing a trademark survey is to devise a specific strategy of verifying the survey results.[91] Often in a Mall-Intercept Survey or a Telephone Survey, the interviewer will request the participant's contact information including a home/work phone number. Once the

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[81] Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 769 (E.D. Mich. 2003).

[82] Nat'l Distillers Prods. Co., v. Refreshment Brands, Inc., 198 F. Supp. 2d 474, 484 (S.D.N.Y. 2002).

[83] CSC Brands L.P. v. Herdez Corp., 191 F. Supp. 2d 1145, 1152 (E.D. Cal. 2001).

[84] Pharmacia Corp. v. Alcon Labs., 201 F. Supp. 2d 335, 358 (D.N.J. 2002).

[85] *See, e.g.,* Masterfoods USA v. Arcor USA, Inc., 230 F. Supp. 2d 302, 305 (W.D.N.Y. 2002).

[86] SmithKline Beecham Consumer Healthcare, L.P. v. Johnson & Johnson, No. 01 Civ. 2775 (DAB), 2001 U.S. Dist. LEXIS 7061, at *36 (S.D.N.Y. June 1, 2001).

[87] *Id.*

[88] Johnson & Johnson Merck Consumer Pharms. Co. v. SmithKline Beecham Corp., 960 F.2d 294, 301 (2d Cir. 1992).

[89] *Id.*

[90] *SmithKline Beecham,* 2001 U.S. Dist. LEXIS 7061, at *39.

[91] Brooks Shoe Mfg. Co. v. Suave Shoe Corp., 533 F. Supp. 75, 80 (S.D. Fla. 1981).

entire survey is completed, the survey expert will hire or select a review board that will call back a certain percentage of the participants and ask the same questions again.[92] For example, in *Schieffelin & Co. v. Jack Co.*, plaintiff Schieffelin had to pare the sample size of the trademark survey for DOM PERIGNON® from 200 to 176 after post-survey verification due to inaccuracies with former survey participants.[93]

In addition to hiring a review board, interviewers should also be required to swear by affidavit that the information they recorded was accurate and truthful.[94] Surveys that have been verified by a review board, but failed to require the interviewer to swear to the truthfulness of the recording of the initial information may be questioned by courts.[95] As previously mentioned, this overall concern with the interviewer rather than the participant stems from the temporary hiring of survey staff and the fact that many survey employees are college students who are worried more about filling a quota than the accuracy of the statements recorded.

Trademark litigation surveys require a very high standard of verification to ensure accuracy and to accord proper weight to the evidence.[96] Typically, twenty-five percent of all survey participants should be called back and asked the same questions to verify accuracy. Respondents' contact information is usually more readily available in Telephone and Mall-Intercept Surveys. Just as with ascertaining a proper universe and appropriate controls, the amount and methods used for verification go to the weight of the survey rather than its admissibility.[97]

II. ACCEPTABLE FORMS OF TRADEMARK SURVEYS

Apart from selecting the proper survey universe and underlying control to remove any potential noise, an important task for a trademark expert is to create specific survey questions in a format that will be acceptable and admissible in court. The true value of a good survey expert is to phrase and ask questions in a manner that will likely create a high degree of consumer confusion, secondary meaning, or dilution, but still be found admissible in court. The nature of a question and how it is presented often determine the outcome of the survey and therefore are very important considerations. However, such questions must be phrased and must parallel other former question formats that have been found to be acceptable by

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[92] Schieffelin & Co. v. Jack Co. of Boca, 850 F. Supp. 232, 247 (S.D.N.Y. 1994).

[93] *Id.*

[94] *Brooks Shoe*, 533 F. Supp. at 80.

[95] *Id.*

[96] Exxon Corp. v. Xoil Energy Res., Inc., 552 F. Supp. 1008, 1022 (S.D.N.Y. 1981)

> The evidentiary value of plaintiff's survey is lessened considerably by the absence of practices and procedures which courts have found useful in assessing the validity of survey results in trademark infringement cases, including: use of only non-leading questions; verification by re-interviewing a substantial number of those interviewed . . . .

Id.

[97] Nestle Co. v. Chester's Market, Inc., 571 F. Supp. 763, 775 (D. Conn. 1983) (admitting survey apart from questions of accuracy, despite presenting evidence before sufficient verification).

courts in trademark matters. Otherwise, a court will often question the validity of survey results that have been skewed due to lack of clarity in questioning.[98]

Typically, courts will admit a survey having a proper universe and control group regardless that the survey has a suspect question format. In such cases, the court will allow the fact-finder to weigh the survey evidence based upon how the skewed nature of the questions affected the results.[99] However, the very best survey experts are those who can create specific questions that will not cause doubts or concern for the fact-finder.[100]

There are three types of trademark survey question formats that have been found acceptable by courts to test likelihood of consumer confusion:

(1) Exxon *Format*: Asks respondents to indicate the first thing that comes to mind when seeing the junior mark;

(2) Eveready *Format*: Asks respondents to name the company that they think puts out the junior mark; and

(3) Squirt *Format*: Asks whether the junior and senior marks are put out by the same or different companies.

In addition to these three formats, survey respondents are often asked, "Why do you say that?" The key is to try to form survey questions that are specific but are not too leading.

A. The Exxon *Format*

What has become known as the "*Exxon* Format" for trademark survey questions arose out of the Fifth Circuit case *Exxon Corp. v. Texas Motor Exchange of Houston, Inc.*[101] In the *Exxon* Format, the respondents are shown the junior mark and asked, "what is the first thing that comes to your mind when looking at this name?" If respondents fail to state a specific company, the question is rephrased and they are asked, "What company comes to mind?" An important aspect of this test is it requires a follow-up question calling for explanations of the previous answer, e.g., "What was there about that mark that made you say that?" The importance of these questions rests in the fact that if the senior mark comes to mind when displaying the junior mark, then confusion exists between the two marks.

Some commentators have voiced general concerns with the *Exxon* Format in that, when asked about what comes to mind in seeing a particular product, the respondent will likely answer with the most similar name, rather than the actual mark in mind.[102] However, the general errors associated with these responses have

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[98] Diamond, *supra* note 7, at 243.

[99] Holiday Inns, Inc. v. Holiday Out in Am., 481 F.2d 445, 447 (5th Cir. 1973).

[100] 628 F.2d 500, 507 (5th Cir. 1980).

[101] *Id.* at 504.

[102] Itamar Simonson, *The Effect of Survey Method on Likelihood of Confusion Estimates: Conceptual Analysis and Empirical Test*, 83 TRADEMARK REP. 364, 367–68 (2001).

been well documented and can often be corrected mathematically once the survey is completed by the survey expert.[103] Moreover, answers directed toward what comes to mind regarding similarity of name, may also factor favorably for a trademark holder seeking to demonstrate that a likelihood of consumer confusion exists.[104]

B. The Eveready *Format*

As a more indirect measure of gauging likelihood of confusion, the Eveready Format has quickly become one of the most popular and well accepted forms of trademark survey. The Eveready Format was found acceptable by the Seventh Circuit in *Union Carbide Corp. v. Ever-Ready Inc.*[105] The format entails showing respondents the junior product and asking:

(1) Who do you think makes this brand?
(2) What makes you think so?
(3) Name any other products made by this brand.[106]

Responses to this survey that include the name of the senior manufacturer or the product name connote evidence of likelihood of confusion.

One potential drawback of the Eveready Format is that it creates a potentially leading or suggestive question. These questions cause the respondent who would normally not associate a senior and junior mark in making normal purchasing decisions to ultimately question their similarity.[107] Put simply, the Eveready Format often suggests confusion when in reality none exists. However, such potentially leading questions are often exactly what a trademark holder desires in proposing a trademark survey.

C. The Squirt *Format*

The Squirt Format represents the most recently accepted form of trademark survey questions. This format is based upon the 1980 decision by the Eighth Circuit in *Squirt Co. v. Seven Up Co.*[108] The original Squirt Format asked respondents "Do you think SQUIRT and SQUIRST are put out by the same company or different companies?"[109] Commentators assert that the advantage of the Squirt Format is that it provides the most direct measure of confusion.[110] However, the Squirt Format has been criticized in that it may underestimate the level of consumer confusion when two names are very similar, as consumers may believe it is illogical that the same company would use both names. One difference with the Squirt Format as compared

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[103] *Id.*
[104] *Id.*
[105] Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 381 (7th Cir. 1976).
[106] Simonson, *supra* note 102, at 369.
[107] *Id.*
[108] Squirt Co. v. Seven Up Co., 628 F. 2d 1086 (8th Cir. 1980).
[109] *Id.*; *see also* La Maur, Inc. v. Revlon, Inc., 245 F. Supp. 839, 842 (D. Minn. 1965).
[110] Simonson, *supra* note 102, at 370.

to the Eveready Format is that the Squirt Format presents both the junior and senior marks side by side when conducting the survey.[111] Like the Eveready Format, the Squirt Format has been generally criticized for leading respondents to consider an association between two marks that they may not normally have considered.[112] Despite these criticisms, the Squirt Format remains one of the most pervasive and acceptable forms of trademark survey used in litigation.

III. TYPES OF TRADEMARK ISSUES TESTED BY SURVEYS

While the majority of trademark law regarding survey formats addresses the kind of questions relating to issues of likelihood of consumer confusion, the various types of trademark issues tested by surveys continues to expand.[113] As discussed in *Schering Corp. v. Pfizer Inc.,* trademark "[s]urveys are, for example, routinely admitted in trademark and false advertising cases to show actual confusion, genericness of a name, or secondary meaning, all of which depend on establishing that certain associations have been drawn in the public mind."[114] Because of this, courts frequently accept and encourage the use of multiple surveys to address issues central to a specific trademark dispute.[115]

In addition to whether confusion exists in the marketplace, surveys are routinely used to test whether a mark has achieved secondary meaning.[116] Currently, trademark surveys have been used or are being developed for the following types of trademark issues:

(i) Whether false advertising is occurring in the marketplace;[117]
(ii) Whether a former trademark has now become "generic";[118]
(iii) Whether a type of product configuration is a protectable trade dress element or if it is "functional";[119] and
(iv) Whether use of a famous trademark used on a non-related product or service causes "dilution."[120]

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[111] *Id.*

[112] *Id.*

[113] One of the main reasons for expanding trademark surveys to include issues in trademark law other than merely likelihood of confusion is directly attributable to Judge Wilfred Feinberg's seminal decision in *Zippo Mfg. Co. v. Rogers Imports, Inc.,* 216 F. Supp. 670 (S.D.N.Y. 1963), which set the foundation for employing surveys to address other consumer association issues. Schering Corp. v. Pfizer Inc., 189 F.3d 218, 225 (2d Cir. 1999).

[114] *Schering*, 189 F.3d at 225.

[115] *See generally* Volkswagen Aktiengesellschaft v. Uptown Motors, No. 91 CIV. 3447 (DLC), 1995 U.S. Dist. LEXIS 13869 (S.D.N.Y. July 13, 1995).

[116] Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1043 (2d Cir. 1992) (providing general discussion on how trademarks are used to assess secondary meaning).

[117] Rice v. Fox Broad. Co., 330 F.3d 1170, 1182 n.8 (9th Cir. 2003).

[118] *See, e.g.,* Ty Inc. v. Softbelly's, Inc., 353 F.3d 528, 531 (7th Cir. 2003).

[119] *See, e.g.,* OddzOn Prods. v. Just Toys, 122 F.3d 1396, 1405 (Fed. Cir. 1997).

[120] *See, e.g.,* ETW Corp. v. Jireh Publ'g, Inc., 332 F.3d 915, 919 (6th Cir. 2003).

Therefore, courts greatly encourage the use of varying survey formats in order to relieve the judge of making specific consumer association related findings for products and services they are not personally accustomed to making.[121]

A. Secondary Meaning Surveys

Apart from surveys testing likelihood of consumer confusion, secondary meaning surveys are by far the most accepted and requested type of trademark survey. Surveys testing secondary meaning attempt to ascertain whether consumers associate a certain word, symbol, collocation of color, design, or good as emanating from a single source.[122] However, a trademark survey need not ask whether the consumer can identify the actual source of a product by name.[123]

1. Issue of Timing

One troublesome aspect of using secondary meaning surveys is the frequent delay between the defendant's first entry into the marketplace and the filing of a trademark lawsuit, there is no way to ascertain whether the trademark holder had secondary meaning at the first instance of alleged infringement.[124] The common sense approach to this dilemma has been expressed in *STX, Inc. v. Trik Stik, Inc.,* which stated that "[i]t is unrealistic to expect a plaintiff to generate market studies until a potential infringer is discovered," courts should accept a timely secondary meaning survey conducted after filing a trademark suit.[125] In discussing the issue of survey timing, one commentator has provided the view that, while a trademark may not have acquired secondary meaning on the day of a defendant's market entry, a defendant's subsequent use of the word or symbol may lead to secondary meaning.[126] However, this more contemporary view has not been adopted by any court.

2. Isolating the Trademark with an Artificial Prop

Another important aspect of creating a proper secondary meaning survey is to properly isolate the trademark elements that the mark holder asserts have secondary meaning and are in common with the alleged infringer. As discussed in *Spraying Systems Co. v. Delavan, Inc.,* the weight of a secondary meaning survey is greatly undermined when the survey fails to isolate the critical portion of the various word mark or symbol asserted as being infringed.[127] In the context of a trade dress secondary meaning survey, it is important to "mask" any other indicia of origin to

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[121] Carol Barnhart, Inc. v. Econ. Cover Corp., 773 F.2d 411, 419 (2d Cir. 1985).

[122] *See, e.g.,* RJR Foods, Inc. v. White Rock Corp., 603 F.2d 1058, 1059 (2d Cir. 1979).

[123] Centaur Communications Ltd. v. A/S/M Communications Inc., 830 F.2d 1217, 1221 (2d Cir. 1987).

[124] 20th Century Wear, Inc. v. Sanmark-Stardust, Inc., 747 F.2d 81, 90 (2d Cir. 1984).

[125] STX, Inc. v. Trik Stik, Inc., 708 F. Supp. 1551, 1559 (N.D. Cal. 1988).

[126] Vincent N. Palladino, *Surveying Secondary Meaning,* 84 TRADEMARK REP. 155, 159 (1993).

[127] Spraying Sys. Co. v. Delavan, Inc., 762 F. Supp. 772, 779 (7th Cir. 1992).

isolate the proper trade dress element because a product configuration will often contain the manufacturer's name.[128] As discussed in *Brooks Shoe Manufacturing Co. v. Suave Shoe Corp.*, when a trade dress holder's name such as BROOKS appears on the side of their shoe, but the holder seeks to protect the "V" appearing on the side of the shoe, the survey expert should isolate the "V" by creating an artificial prop shoe without the BROOKS mark.[129]

While creating a sufficient prop by masking non-asserted trademark elements is important, such efforts should not create an artificial product or design that fails to replicate how the product appears in the marketplace.[130] The classic example of this was discussed in *American Basketball Ass'n v. AMF Voit, Inc.*, which dealt with whether the color scheme of the ABA's red, white, and blue basketballs had acquired secondary meaning.[131] In *AMF*, the court rejected the survey because no logo was on the surveyed basketball.[132] While this essentially created a catch 22 situation, the court held that at least some masked logo needed to be present.[133]

3. Format of Questions for Secondary Meaning Surveys

The underlying ideal in formatting secondary meaning surveys is to follow the "anonymous source rule," which seeks to determine whether or not a trade name or trade dress is associated with the asserting mark holder without asking survey participants to give the mark holder's name.[134] The most simple secondary meaning question format is:

(1) Do you associate the claimed trademark with a product/good of one or more than one company?
(2) Why do you say this?

A greater number of affirmative responses to question (1) suggests that the product has acquired secondary meaning.

This type of format was directly applied in *Storck USA L.P. v. Farley Candy Co., Inc.*, which sought to establish whether a gold and white candy wrapper for hard candy had acquired secondary meaning.[135] In *Stork*, the survey expert asked, "[d]o you think pieces of butter-flavored hard candy with wrappings that look like these are put out by one company or by more than one company?"[136] A modified form of the standard question was used in *Sunbeam Corp. v. Equity Industries Corp.*, which addressed whether a food processor design had acquired secondary meaning.[137] In *Sunbeam*, the question was "Do you associate the appearance of this food processor

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[128] Palladino, *supra* note 126, at 163.
[129] Brooks Shoe Mfg. Co. v. Suave Shoe Corp., 533 F. Supp. 75, 81 (S.D. Fla. 1981).
[130] Am. Footwear Corp. v. Gen. Footwear Ltd., 609 F.2d 655, 660–61 (2d Cir. 1979).
[131] Am. Basketball Ass'n v. AMF Voit, Inc., 358 F. Supp. 981, 986 (S.D.N.Y. 1973).
[132] *Id.*
[133] *See id.*
[134] Palladino, *supra* note 126, at 165.
[135] Storck USA L.P. v. Farley Candy Co., Inc., 797 F. Supp. 1399, 1411 (N.D. Ill. 1992).
[136] *Id.*
[137] Sunbeam Corp. v. Equity Indus. Corp., 635 F. Supp. 625, 630 (E.D. Va. 1986).

with one company or more than one company?"[138] Thus, multiple variations of the standard question have been proposed and accepted by courts for both trade names and trade dress designs.

B. Genericness Surveys

"Consumer surveys have become almost *de rigeur* in litigation over genericness. Judges . . . often expect to receive evidentiary assistance by surveys in resolving generic disputes."[139] A mark is "generic" when it is a common descriptive name for a class of products, is not connected to any specific brand, and has not been afforded trademark protection.[140] The Third Circuit has discussed what makes an identifier generic:

> When a producer introduces a product that differs from an established product class in a significant, functional characteristic, and uses the common descriptive term of that characteristic as its name, that new product becomes its own genus, and the term denoting the genus becomes generic if there is no commonly used alternative that effectively communicates the same functional information.[141]

When performing a trademark survey testing genericness, the survey expert is trying to quantify the context of how a mark is used by consumers. However, the most important inquiry required of a genericness survey is to ascertain whether a mark services a dual use, and more particularly, whether it operates in consumers minds as both a form of a product as well as a particular source for that product.

Often, the most successful products and their accompanying trademarks fall victim to their own success and are forced into a genericness fight with a competitor. Trademarks like Band-Aid®, Post-It®, Jell-O®, and Xerox® have all essentially fallen victim to some sort of genericness claim, in that they now represent products just as much as a source of those products. By far, the most frequently used survey format for genericness surveys is the "Teflon" type survey. Most genericness surveys provide an alternative to allow participants to answer that they view a name as both a product and a good. In addition, it is important to allow for follow up questions for answers that essentially respond, "I don't know." Unlike surveys for likelihood of confusion or secondary meaning, the percentage of individuals who identify the name with a product, rather than a particular good, must be greater than 50%.[142]

Most reported genericness surveys seek to qualify whether consumers associate a word with a brand or source, rather than merely a type of product. In *J & J Snack Foods, Corp. v. Nestle USA, Inc.,* the defendants ordered a genericness survey for

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[138] *Id.* at 630.

[139] MCCARTHY, *supra* note 1, § 12:14.

[140] Harlem Wizards Entm't Basketball, Inc. v. NBA Prop., Inc., 952 F. Supp. 1084, 1092 (D.N.J. 1999).

[141] A.J. Canfield Co. v. Honickman, 808 F.2d 291, 293 (3d Cir. 1986).

[142] MCCARTHY, *supra* note 1, § 12:6 (noting that for a genericness survey, "[m]ajority usage of the word is controlling").

plaintiff's registered mark BREAK & BAKE.[143] The report essentially asked questions regarding the descriptiveness of the plaintiff's mark.[144] Essentially, the format of the questions sought to elicit the opinion of the survey participant as to whether they believed that BREAK & BAKE was a common name or brand name.[145] The result of the survey found that 20% believed the name belonged to Pillsbury and 18% thought it belonged to a non-existent company called BREAK & BAKE.[146] Despite such figures essentially showing that 60% of participants did not believe that BREAK & BAKE belonged to a particular brand or company, the court declined to find that the mark was generic.

Genericness surveys must do more than ask participants "What is the product." In *Big Island Candies, Inc. v. Cookie Corner*, the court entertained a genericness survey provided by Big Island Candies (hereinafter "BIC") which asked participants "Who are you" type questions.[147] Specifically, the question was phrased as "Who makes this product?"[148] The court pointed out that the survey's apparent author was the BIC president, rather than an independent survey expert, which led the court to cast doubts on its reliability.[149] Thus, the court placed no weight on the survey.[150]

Accordingly, the trademark survey must create lines of questions that specifically ask whether a consumer associates a name as a product or a brand. Often, such survey evidence is used with other forms of evidence to show genericness. Another type of evidence used in genericness cases is general market research, but such evidence as proof of genericness is far less reliable than a survey.

C. Functionality Surveys

As a general matter, the doctrine of "functionality" seeks to prevent the overreach of perpetual trademark protection for product configurations that do not promote competition by protecting the source's reputation and goodwill, but rather function solely to inhibit legitimate competition regarding a useful utilitarian product feature.[151] Functionality often arises in the context of trade dress under Section 43(a) of the Lanham Act, which protects non-registered product configurations that serve as source identifiers.[152] The Supreme Court articulated in *Qualitex Co. v. Jacobson Products Co.* that the essential issue regarding functionality of a product feature is whether the grant of exclusive protection accorded under the Lanham Act would create a "significant" non-reputation related competitive advantage.[153]

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[143] J & J Snack Foods, Corp. v. Nestle USA, Inc., 149 F. Supp. 2d 136, 149 (D.N.J. 2001).
[144] *Id.*
[145] *Id.*
[146] *Id.* at 149–50.
[147] Big Island Candies, Inc. v. Cookie Corner, 269 F. Supp. 2d 1236, 1250 (D. Haw. 2003)
[148] *Id.*
[149] *Id.* at 1252.
[150] *Id.*
[151] Antioch Co. v. W. Trimming Corp., 347 F.3d 150, 155–56 (6th Cir. 2003).
[152] Traffix Devices v. Mktg. Displays, 532 U.S. 23, 28 (2001).
[153] Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 165 (1995).

In order to determine whether a product feature is a functional non-protectable trade dress feature, courts engage in a two-part test outlined in *Inwood Laboratories v. Ives Laboratories*.[154] The *Inwood* test asks (i) whether the asserted product feature is "essential" to the use or purpose of the product, and (ii) if the feature affects the cost or quality of the product.[155] While the issue of whether a product feature affects the cost or quality of the product is an issue readily calculated through financial evidence, the first question of *Inwood* regarding the essential nature of a feature is more elusive. Thus, trademark surveys seek to answer the question of whether consumers associate a product feature as being essential to the function of the product.[156] However, while the first prong can often be dismissed as a product feature that is not essential, courts frequently rely heavily upon the issue of whether a feature affects the costs or quality of the product.

1. Using Survey's Designed to Ascertain Secondary Meaning

Survey evidence has not traditionally been used in assessing whether a product feature is or is not functional. Compared to other types of trademark surveys, there is very little judicial direction regarding how to phrase or carry out an admissible functionality survey. Traditionally, trademark surveys developed and designed to question secondary meaning have been used to ascertain functionality of a product configuration. This dual function has come into question in more recent pronouncements. The court in *Windmill Corp. v. Kelly Foods Corp.* articulated that a secondary meaning survey that contained an over fifty percent finding of secondary meaning did not necessarily mean that a product feature was neither functional nor essential.[157] Likewise, the Seventh Circuit in *Thomas & Betts Corp. v. Panduit Corp.* held that a consumer trademark survey that specifically targets functionality is inadmissible for the purposes of ascertaining secondary meaning.[158]

Those secondary meaning trademark surveys that have been held admissible for use in inquiring about functionality have mirrored questions that have been used traditionally in functionality surveys. The key to these dual surveys is to essentially filter out reputation-based advantages that are protectable from advantages based upon useful product features. Dual use trademark surveys should ask "does this product feature provide an advantage?" Put another way, "in comparing these two product features, are there different ways of providing this feature, and would such difference be significant to you?" Such questions must be very specific and carefully worded so as not to be too leading.

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[154] Inwood Labs. v. Ives Labs., 456 U.S. 844, 851 (1982).

[155] *Id.*

[156] Coach, Inc. v. We Care Trading Co., 67 Fed. Appx. 626, 629 (2d Cir. 2002).

[157] Windmill Corp. v. Kelly Foods Corp., Nos. 94-5874/94-5890, 95-5137, 1996 U.S. App. LEXIS 3473, at *14–15 (6th Cir. Jan. 26, 1996).

[158] Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 659 (7th Cir. 1995).

2. Framing Appropriate Functionality Questions

Because of the growing trend of limiting the admissibility of surveys regarding issues of functionality and moving toward surveys directed solely to the essential need for a product feature, trademark experts have struggled with insufficient case law to formulate functionality questions. Only a few cases such as *OddzOn Products v. Just Toys* have provided direction.[159] First, a proper functionality survey should ask survey participants whether they believe there is overall similarity apart from the fact that both product configurations contain a common design required for such products to function for their intended purpose.[160] Another potential question is to ask a survey participant "whether a product feature would affect a purchasing decision," in order to ascertain whether the decision was based on ornamental appeal or technical differences.

A question format that asks the participant to ascertain whether the exclusivity of a product feature would allow a manufacturer to compete unfairly in the marketplace would simply be too direct. However, as pronounced in *OddzOn*, asking the "Why" question after asking why a consumer prefers a product feature will often filter out whether consumer appeal is based on aesthetic reasons.[161] Thus, as asserted in *Spotless Enterprises, Inc. v. A&E Products Group L.P.*, the key is to ask questions regarding the aesthetic qualities of the products.[162] A trademark survey can certainly ask a consumer participant whether the cost difference between two disputed product configurations would create an issue in purchasing either product, thus assessing the second *Inwood* factor.[163] However, as previously discussed, the cost factor of the *Inwood* test need not be tested in a functionality survey as a financial expert may better discuss this aspect during trial.

D. Dilution Surveys

Apart from surveys testing functionality of trade dress, dilution surveys represent the most difficult format of surveys to survive admissibility at trial. Put simply, "[t]here is no standard criteria for surveying dilution."[164] The main problem regarding preparation of a proper dilution survey rests in trying to detect the requisite "whittling away" found when dilution actually occurs.[165] The most typical forms of dilution evidence come from misdirected mail, telephone calls, or customer complaints rather than through survey form.[166] However, it seldom remains that

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[159] OddzOn Prods. v. Just Toys, Inc., 122 F.3d 1396 (Fed. Cir. 1997).

[160] *Id.* at 1406.

[161] *Id.*

[162] Spotless Enter, Inc. v. A&E Prods Group L.P., 294 F. Supp. 2d 322, 347 (E.D.N.Y. 2003).

[163] Inwood Labs. v. Ides Labs., 456 U.S. 844, 851 (1982).

[164] Hershey Foods Corp. v. Mars, Inc., 998 F. Supp. 500, 518 (M.D. Pa. 1998).

[165] Quill Natural Springs Water, Ltd. v. Quill Corp., No. 91 C 8071, 1994 WL 559237, at *12 (N.D. Ill. Oct. 7, 1994).

[166] William G. Barber, *How to do a Trademark Survey (Or Perhaps How Not to do One)*, 89 TRADEMARK REP. 616, 616 (1999).

there exists direct evidence of dilution and therefore the use of surveys is desirable.[167]

1. The Association Test

The most common way of attempting to ascertain whether dilution is occurring is to ask a participant in a survey what comes to mind when they see a particular product or what they associate it with.[168] This form of dilution survey essentially follows the format adopted by the Seventh Circuit in *Exxon Corp. v. Exxene Corp.*[169] Exxon submitted a survey that essentially inquired whether there was an association between the names "Exxon" and "Exxene," and the court found that was acceptable despite Exxene's efforts to discredit the survey.[170]

Perhaps one of the most frequently accepted forms of dilution survey after Congress passed the Federal Trademark Dilution Act[171] was found in *Wawa, Inc. v. Haaf*.[172] The *Wawa* case focused on whether the convenience store chain HAHA diluted the popular WAWA chain of stores.[173] The court accepted a dilution survey that asked the following two questions:

(1) What do you think of when you see or hear the name of this store? What else?
(2) Do you associate this store with anything else?

As twenty-nine percent of survey participants answered both questions as WAWA, the court found that the dilution survey provided credible evidence of trademark dilution.[174]

Apart from the general admissibility of this association format for testing dilution, the inherent problem with this form of survey is that it does not necessarily show direct evidence of actual dilution.[175] In order for a junior mark to dilute a more established mark, the junior mark must not only call to mind the senior mark, but must also blur its distinctiveness or tarnish its reputation. Thus, the essential inquiry is whether an alleged diluting mark reduces the capacity of a plaintiff's mark to identify and distinguish the plaintiff's products or services.[176] This is exactly what a well-designed and articulated dilution survey must achieve.

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[167] RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. f (1995).
[168] Barber, *supra* note 166, at 618.
[169] Exxon Corp. v. Exxene Corp., 696 F.2d 544, 550 (7th Cir. 1982).
[170] *Id.*
[171] 15 U.S.C. § 1125(c) (2000).
[172] Wawa, Inc. v. Haaf, 40 U.S.P.Q.2d (BNA) 1629 (E.D. Pa. 1996).
[173] *Id.* at 1632.
[174] *Id.*
[175] Alexander F. Simonson, *Dilution Law: At a Crossroad? How and When Do Trademarks Dilute: A Behavioral Framework to Judge "Likelihood" of Dilution*, 83 TRADEMARK REP. 149, 172–73 (1993).
[176] Barber, *supra* note 166, at 621 (1999).

2. Tarnishment Surveys

Apart from the general association tests designed to inquire about dilution, trademark experts have also attempted to create specific survey question formats designed to inquire whether a defendant's mark tarnishes the reputation of a famous mark. The most prevalent example of a tarnishment survey is found in *Anheuser-Busch, Inc. v. Balducci Publications*.[177] The *Balducci* case addressed a parody of an Anheuser-Busch ad for MICHELOB DRY beer that used the expression MICHELOB OILY as a social commentary regarding environmental concerns of contaminating formerly pristine lakes and rivers. In conducting the tarnishment survey, a universe sample of three hundred beer drinkers were shown the MICHELOB OILY advertisement while the other one hundred were shown a regular MICHELOB DRY ad. While the format of the question was not disclosed in the written opinion, twenty-two percent answered that they were less likely to buy MICHELOB beer in the future.[178] Based upon this finding, the court found that the survey was admissible evidence that the parody tarnished Anheuser Busch's MICHELOB trademarks.[179]

IV. DEVELOPMENT OF INTERNET-BASED TRADEMARK SURVEYS

A. Introduction

As previously discussed, the use of consumer surveys is often imperative in order for courts to ascertain issues relating to the more empirical trademark issues of likelihood of confusion, secondary meaning, dilution, and functionality. Three trademark survey formats have become widely accepted and performed in trademark litigation: Mall-Intercept, Telephone, and Central Location Surveys. However, the advent of the Internet as a new form of communication that allows a ready exchange of information in a visual form, has created a new and powerful tool, which survey experts have yet to fully harness. The main reason for this reluctance to use online-based trademark surveys is the mixed reviews of the courts regarding these surveys, as well as general admissibility concerns.

Since 1997, there have been at least a half-dozen reported uses of online trademark cases discussing the admissibility of online surveys. Initially, the major concern regarding online surveys was the limited Internet use by consumers and smaller sample universes compared to more traditional formats. However, as the use of the Internet to make purchasing decisions has greatly increased each year, so too has the acceptance of online trademark surveys. Only two courts have actually accepted and relied upon an online survey to the benefit of the submitting party. Rather, many newly developed online services and trademark holders have opted toward using traditional Mall-Intercept Surveys in which a prototype survey environment is used to appear as an online purchasing decision or Internet home

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[177] Anheuser-Busch, Inc. v. Balducci Publ'ns, 28 F.3d 769 (8th Cir. 1994).
[178] *Id.* at 773.
[179] *Id.* at 777.

page. However, due to the improved ability to select a large and appropriate trademark sample and universe, these online surveys continue to grow in acceptance.

B. Recent Recognized Uses of Internet Surveys in Trademark Litigation

The first reported use of an Internet-based trademark survey came before the Southern District of New York in 1997. *Trustees of Columbia University v. Columbia/HCA Healthcare Corp.* addressed the defendant's use of the name COLUMBIA for healthcare services.[180] Plaintiff Columbia University introduced, as evidence of consumer confusion, an Internet-based health survey of 1700 respondents conducted by the defendant, where four respondents answered "yes" to "whether they had ever used a Columbia facility before and identified Columbia-Presbyterian Medical Center, Columbia-Presbyterian Hospital or a Columbia University campus doctor as the facility."[181]

The court ruled that, despite the potential for the Internet form of survey to show some evidence of confusion, the court could not give it any weight due to the small sample and because of the trustworthiness of this new form of Internet-based survey methodology.[182] Thus, the advent of the Internet-based survey came with some apprehension.

1. General Apprehension of Using Internet Surveys by Online-Based Trademark Holders after the Columbia University *Litigation.*

Four years after the introduction of the first Internet-based trademark survey, trademark owners were still apprehensive towards this survey format. Because of the uncertainty of whether courts would accept an Internet-based survey, many trademark owners of online services have continued to perform traditional trademark surveys.[183] In *America Online, Inc. v. AT&T Corp.*, plaintiff America Online sought to enforce its trademark rights for its BUDDY LIST, IM, and YOU'VE GOT MAIL marks.[184] However, despite the fact that relevant consumers would all be somewhat familiar and agreeable to perform an Internet-based survey due to their common use of the communications platform, America Online instead chose a more traditional random phone interview survey to prove secondary meaning.[185]

Of the individuals that America Online called through their random survey, 507 identified themselves as "very likely paying to be receiving an Internet access service or an online service during the three months following the survey."[186] While these 507 respondents were broken into four groups, the majority were asked the simple

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[180] Trustees of Columbia Univ. v. Columbia/HCA Healthcare Corp., 964 F. Supp. 733, 736 (S.D.N.Y. 1997).

[181] *Id.* at 747.

[182] *Id.*

[183] Am. Online, Inc. v. AT&T Corp., 243 F.3d 812, 822 (4th Cir. 2001).

[184] *Id.* at 814.

[185] *Id.* at 822.

[186] *Id.*

question "whether they had heard or seen the expression 'You Have Mail.'"[187] The survey also included a small fourth group of respondents who were asked questions designed as a control in order to remove potentially inherent errors in the survey.[188] The court found that the survey was sufficient to accord it weight in proving that America Online's marks had obtained secondary meaning.[189]

Trademark owners of online-based goods or services have not only opted to use telephone-based trademark surveys, but have also used Mall-Intercept Surveys where they re-create an online experience through a prototype Internet-like purchasing event rather than simply using an online survey.[190] In *Simon Properties Group, L.P. v. mySimon, Inc.*, the trademark dispute centered on defendant mySimon's adoption of the name SIMON to provide comparative online shopping for particular retail goods.[191] Even though defendant mySimon was a completely online price comparison service, mySimon opted against an Internet-based survey and instead engaged in two Mall-Intercept Surveys.[192] Survey participants at non-Simon malls were taken to a separate room, where they were shown what appears to be a personal computer with the mySimon home page.[193] The participants were then asked what company they thought put out the Internet web page.[194]

MySimon also conducted two other Mall-Intercept Surveys where they identified Internet users and asked the same types of questions by showing them a prototype of the mySimon home page.[195] MySimon's trademark survey expert, Itamar Simonson, testified that the survey revealed that there was a negligible 2% amount of consumer confusion.[196] Based upon these findings, the Seventh Circuit affirmed the lower court's finding of no likelihood of consumer confusion.[197]

Therefore, as shown by both the *mySimon* and the *America Online* cases, there exists some general fear from online and technology-based trademark holders to employ a completely online trademark survey. Rather, a more conservative approach remains to use a Mall-Intercept Survey format that simulates an online web purchasing decision.

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[187] *Id.* "Respondents in Groups B, C, and D were asked similar questions about different phrases. Instead of being queried for their reaction to 'You Have Mail,' respondents in Group B were asked about 'New Mail Has Arrived'; respondents in Group C were asked about 'Mail Is Here.'" *Id.*

[188] *Id.* Respondents in the fourth group of respondents, referred to as "Group D," were asked questions regarding whether they associated the mark "Mail Call" with any one Internet Service Provider. *Id.*

[189] *Id.* at 822–23.

[190] Simon Props. Group, L.P. v. mySimon, Inc., 282 F.3d 986, 989 (7th Cir. 2002).

[191] *Id.*

[192] *Id.*

[193] *Id.*

[194] *Id.*

[195] *Id.*

[196] *Id.*

[197] *Id.* at 991.

2. Final Acceptance of the Internet-Based Form of Trademark Survey.

It has taken six years for courts to recognize and finally begin to accept Internet-based trademark surveys. At the time of this paper, at least two federal courts have accepted and used online-based trademark surveys in evaluating trademark claims. In 2003 in the Southern District of New York, the court that rejected the first online trademark survey presented in *Columbia University*, accepted the use of an online survey.[198] In *1-800 Contacts, Inc. v. WhenU.com*, the trademark dispute centered on whether consumers were aware that defendant WhenU had created pop-up advertisement computer software that infected and propagated Internet users' computers to create pop-ups competing with plaintiff's contact ordering service.[199]

Plaintiff 1-800 Contact's trademark survey expert selected a sample of nearly 100,000 people who wore contacts and invited them to take an online trademark survey, in which approximately 46,000 respondents accepted. Based upon survey results, plaintiff's expert, Mr. Neal, ascertained that 9.6% of the respondents had defendant SaveNow's software installed on their computers. Neal further testified that based upon 994 online respondents who used and ordered contact lenses, half had the SaveNow software installed on their computers.

In reviewing the Neal online survey, the court found that the online survey method created a representative national quota sample balanced in geography, income, and age demographics. The court accepted the Neal finding that seventy-six percent of respondents were unaware that their computers were infected by the SaveNow software, or that it generated pop-up advertising taking the consumer to contact ordering services not affiliated with plaintiff's services. Furthermore, the court accepted the finding that fifty-two percent believed these advertisements were approved by the plaintiff. Thus, the court found that defendant's acts created actionable consumer confusion.

However, courts even within this last year still struggle to completely accept this new form of survey format. Despite the potential benefits gained by conducting an Internet-based trademark survey, at least one recent court has ruled that such is inadmissible when the survey lacks a proper sample and fails to question the proper universe.[200] In *MasterCard International, Inc. v. First National Bank of Omaha,* the court entertained an Internet-based trademark survey designed by famed survey expert Simonson regarding the mark SMART ONE for use in banking services.[201] In order to obtain a proper sample, the survey attempted to initially contact 914 individuals via a telephone survey to ask bank employees three screening questions which included:

(1) Do you work for a bank?
(2) Are you involved in the decision-making process of evaluating card programs such as credit, debit or chip cards to be offered to your customers? and

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[198] 1-800 Contacts, Inc. v. WhenU.com, 69 U.S.P.Q.2d (BNA) 1337 (S.D.N.Y. 2003).

[199] *Id.*

[200] MasterCard Int'l, Inc. v. First Nat'l Bank of Omaha, Nos. 02 CIV. 3691 (DLC), 03 CIV. 707 (DLC), 2004 U.S. Dist. LEXIS 2485, at *28 (S.D.N.Y. Feb. 23, 2004).

[201] *Id.* at *24.

(3) How long have you been working in this capacity, that is, evaluating card programs to be offered to your customers?[202]

Upon answering the first two questions in the affirmative, Simonson then requested that the participant go online and complete an Internet-based survey within twenty-four hours, in which he would receive either $25 or $35 for completing the survey.[203]

Of the 914 individuals included in the universe for contact via phone, only 192 potential participants were successful in answering the two questions in the affirmative, with only fifty-two respondents actually completing the Internet survey.[204] In looking toward the actual nature of the Internet-based survey, the court drew attention to the website's presentment of general information, description of the smart card program, and a virtual prototype of the SMART ONE MasterCard banking smartcard.[205] Next, the survey asked certain distracter questions seeking to eliminate underlying short-term memory effects.[206] Third, the participant was taken to three screens, one showing multiple types of smart bank cards.[207] Upon viewing the cards, the participant was asked, "Do you believe the company whose materials we just showed you did or did not obtain approval to use the name of its card program from the company whose materials we first showed you?"[208] The participant was then asked to respond Yes or No regarding such approval.[209] Finally, the respondents were asked to write a "detailed explanation" of the reasons for their answers. These responses were recorded by the website.[210] The report based upon the survey revealed a 15.3% level of consumer confusion.[211]

Only recently has a court actually found an Internet-based trademark survey admissible in court. In *Empresa Cubana Del Tabaco v. Culbro Corp.*,[212] an Internet-based trademark survey was performed to measure whether consumer confusion existed between the Cuban COHIBA brand cigar and the domestic General Cigar brand COHIBA.[213] Plaintiff, a Cuban-based cigar manufacturer conducted the survey in late 2000 and created a report in March 2001 using an Internet survey.[214] Based upon an e-mail solicitation created from consumer information indicating households with a potential cigar smoker, plaintiff sought household members over the age of 21 years old and then directed them to complete an Internet-based questionnaire.[215] The survey interviews took place in October and November 2000.[216]

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[202] *Id.*
[203] *Id.*
[204] *Id.* at *24–25.
[205] *Id.* at *25.
[206] *Id.*
[207] *Id.*
[208] *Id.*
[209] *Id.*
[210] *Id.* at *25–26.
[211] *Id.* at *26.
[212] Empresa Cubana Del Tabaco v. Culbro Corp., No. 97 Civ. 8399 (RWS), 2004 U.S. Dist. LEXIS 4935 (S.D.N.Y. Mar. 29, 2004).
[213] *Id.* at *74.
[214] *Id.* at *74–75.
[215] *Id.*
[216] *Id.*

The Internet survey was based upon 962 out of 1873 respondents to the e-mail solicitation, which were individuals who defined themselves as capable or interested in buying premium cigars at a price of $2.81 per cigar or higher.[217] Those respondents on the Internet-based questionnaire who had heard of COHIBA were then shown online pictures of a General Cigar COHIBA Box, as well as cigars.[218] The respondents were then asked questions to determine if they believed that (i) Cuban COHIBAS and General Cigar COHIBAS were made by the same company; (ii) if the two companies have an association or business connection; and (iii) if one company received authorization or approval from the other to use the name COHIBA.[219] About fifty-three percent of those respondents indicated source confusion.[220]

At trial, General Cigar's survey expert, Simonson, who is regarded as the premier survey expert in the country, attempted to discredit the survey based largely on its failure to use a control.[221] The court found that despite the lack of a control, the nature of the Internet-based survey and the use of a large sample and proper universe weighed in favor of admissibility and use.[222] Therefore, the court used the survey in ultimately canceling defendant, General Cigar's, trademark registration.[223]

C. The Potential Advantages of the Online Survey Format

Apart from the initial issue of lowered sample universes found in the early online survey cases, the potential advantages inherent in Internet trademark surveys may soon cause this form of survey to dominate others. As the rise of Internet shopping continues, many types of consumer purchases now occur through online shopping, rather than in the traditional mall setting.[224] In addition to often providing the most appropriate purchasing environment for many of today's goods and services, online surveys help alleviate many of the risks inherent with pen-and-paper type surveys. While many trademark surveys have been discredited due to scriveners errors, evidence that interviewers falsely recorded information, or because insufficient verification occurred, trademark surveys help alleviate many of the traditionally disastrous issues with traditional forms of surveys.

The overall benefit of the online-based trademark survey is that it allows the digital recording of survey results, this serves to provide easier use and manipulation of data, greater ease in reforming and recasting a survey universe, and ease in calculating the ultimate survey findings. In addition, the use of online surveys bestows upon the survey expert the ability to easily search those often longer "why?" responses by doing key word searches. Unlike Mall-Intercept Surveys and Central Location Surveys, online surveys are not limited geographically and provide a truly national view of trademark issues. While Telephone Surveys do not afford the ability

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[217] *Id.*

[218] *Id.*

[219] *Id.* at *75–76.

[220] *Id.*

[221] *Id.* at *77–78.

[222] *Id.*

[223] *Id.* at *70.

[224] Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 767 (E.D. Mich. 2003) (asserting that trademark surveys should focus on how the ultimate purchasing decision occurs).

to visually show a disputed trademark as it exists during consumer purchasing events, online trademark surveys provide at least some visual opportunity to display the disputed trademark. Finally, while the other three forms of trademark survey require large numbers of survey interviewers and staff to collect and review the data, as well as someone to enter the information into a computer, online surveys represent an efficient, quick, and cost-effective alternative.

1. Creating a Sufficiently Large Survey Sample

Because an online trademark survey creates a truly national survey that is not limited geographically, politically, socially, and perhaps even economically, the potential of this form of trademark survey is that it easily creates a sufficient sample of the requisite universe. As discussed in *Empresa Cubana Del Tabaco v. Culbro Corp.*,[225] the survey boasted a sample of 962 respondents who fit all of the requirements for the universe sought by the trademark survey expert. More importantly, because the online survey can ask screening questions to ascertain whether a potential survey participant fits within the correct universe and within a desired quota, the electronic nature of the survey can easily correlate the correct representative demographic desired by the expert.[226] Such improved ability to screen and obtain the desired sample helps improve the amount of weight a court may give an online survey compared to more traditional surveys due to the inability to screen many Mall-Intercept Surveys.[227]

While many courts place the burden of proving a proper sample was obtained on the party asserting the admissibility of the survey,[228] the ability for online survey results to be manipulated and presented may aid in meeting such burden. As required by cases such as *1-800 Contacts, Inc. v. WhenU.com*,[229] the evidentiary value of an online consumer survey is that it may better ascertain the representative sample by predisposing those participants who do not fit the universe. Thus, because of their ability to better obtain a requisite number of participants for a trademark survey, online surveys may be able to service very small consumer groups, such as purchasers of profession-specific or niche markets.

2. Obtaining and Screening for the Proper Universe

As touched upon above, the inherent benefit of an Internet-based trademark survey is the ability to ask automated screening questions to create the desired universe of survey participants. As the selection of the proper universe is often more critical than the kind of questions asked in a trademark survey, the Internet-based survey has unique benefits over the Mall-Intercept Survey in that Internet-based

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[225] *Empresa Cubana Del Tabaco*, 2004 U.S. Dist. LEXIS 4935, at *74–75.

[226] Volkswagen Aktiengesellschaft v. Uptown Motors, No. 91 CIV. 3447 (DLC), 1995 U.S. Dist. LEXIS 13869, at *20 (S.D.N.Y. July 13, 1995).

[227] Harolds Stores, Inc. v. Dillard Dep't Stores, Inc., 82 F.3d 1533, 1544 (10th Cir. 1996).

[228] J & J Snack Foods Corp. v. Earthgrains Co., 220 F. Supp. 2d 358, 369 (D.N.J. 2002).

[229] *See* 1-800 Contacts, Inc. v. WhenU.com, 69 U.S.P.Q.2d (BNA) 1337 (S.D.N.Y. 2003).

surveys can ask questions regarding a person's demographic without being directly perceived. Unlike the Mall-Intercept Survey that requires a person proximate to the participant to inquire about their personal information to create a proper universe, the Internet provides a more relaxed venue where more truthful answers regarding a participant's background may be drawn. [230] Again, an online-based survey creates potential benefits that go directly toward affording greater weight to an Internet survey as opposed to a Mall-Intercept Survey. [231]

Certainly, while the use of an online survey may improve the overall ability to select individuals from a pre-determined survey, courts recognize that "no survey can construct a perfect replica of 'real world' buying patterns[; rather,] a survey must use a stimulus that, at a minimum, tests for confusion by roughly simulating marketplace conditions."[232]

3. Implementing a Control to Eliminate Noise

As discussed in *America Online, Inc. v. AT&T Corp.*,[233] the use of controls in trademark surveys is of great importance, especially when asserting rights regarding newly developed online or Internet-based trademark uses. [234] Just like with other forms of trademark surveys, the use of a control is important in online trademark surveys to eliminate background noise or confusion regarding potentially confusing survey questions or the survey's subject matter. [235]

Because of the more intimate nature of providing answers online rather than in person, a control survey may actually lead to more realistic baselines of noise in the survey. This is important because the key to a good control is to ascertain what respondents are likely to answer as a result of other factors such as faulty survey procedures or other influences characteristic of a survey. [236] Thus, the control should test whether the nature of the online format or the use of graphical representation of the asserted mark on screen rather than in person affects the respondents' answers. The control should also test whether the questions can be answered in the manner they are posed online. By asking these types of control questions and having a separate control group, an online survey can more accurately ascertain how the questions that are being asked affect the respondent's answers.[237]

As shown in *Trustees of Columbia University v. Columbia/HCA Healthcare Corp.,* the failure to include a control group in a trademark survey can weigh heavily against admissibility. [238] Thus, any online trademark survey that completely fails to use a control or some format that reduces the underlying noise in the survey is likely

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[230] MATTHEW BENDER, FEDERAL EVIDENCE PRACTICE GUIDE § [4][6][i] (2003).

[231] Trouble v. Wet Seal, Inc., 179 F. Supp. 2d 291, 307 (S.D.N.Y. 2001).

[232] *Id.*

[233] Am. Online, Inc. v. AT&T Corp., 243 F.3d 812, 822 (4th Cir. 2001).

[234] *Id.*

[235] MCCARTHY, *supra* note 1, § 32.54.

[236] Novartis Consumer Health, Inc. v. Johnson & Johnson-Merck Consumer Pharms. Co., 129 F. Supp. 2d 351, 365 n.10 (D.N.J. 2000).

[237] Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 769 (E.D. Mich. 2003).

[238] Trustees of Columbia Univ. v. Columbia/HCA Healthcare Corp., 964 F. Supp. 733, 747 (S.D.N.Y. 1997).

to be inadmissible.[239] In addition, an online trademark survey should use not just one but multiple control groups to ensure that underlying errors are accounted for.[240]

4. Reducing the Risk for Data Entry Error by Interviewers

The traditional survey formats such as the Mall-Intercept Survey and the Telephone Survey require the interviewer to record information from what is heard into a written form. Thus, the actual survey results are written not by the participant but rather by the interviewer. An additional transcribing occurs when the information is taken from written form and added into a computer database for use by the trademark survey expert in writing his or her report. Thus, with these multiple transformations, there is an inherent risk of scrivener error or the opportunity for the drafter to implement their own opinions into a survey answer.

Many of the risks of data entry error inherent in traditional trademark surveys may be alleviated or all together eliminated by the use of online surveys. As discussed before, the major benefit of the online trademark format is that the survey participant directly enters the information into the survey. The electronic settings could also be formed to eliminate the ability for a survey expert to manipulate the data once entered by the participant. In addition, upon collection, the survey expert can more easily organize the data to create a useable format. Such reduced risk of improper manipulation by an interviewer or an expert makes the online format a potentially more acceptable form of trademark survey.

5. Lessening the Need for Verification

Another important advantage inherent in the online trademark survey format is its ability to lessen the need for verification. As previously discussed, any format of trademark survey should include a specific strategy that allows the verification of survey results. Currently, many commentators have favored the Telephone Survey over the Mall-Intercept Survey because the Telephone Survey provides a greater ability to conduct verification, since many participants in Mall-Intercept Surveys may provide false contact information. Much akin to the Telephone Survey, the online format often begins with an email requesting a potential respondent to visit a website and fill out a survey. Thus, the survey often already has a means of contacting a respondent based upon previous knowledge of an email address.

Using the initial email contact, a survey expert can then send a secondary email to the respondent to ask the same questions again.[241] If the survey expert decides to perform the verification survey by telephone, those hired to conduct the interviews should also be required to swear by affidavit that the information they recorded was

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[239] CSC Brands LP v. Herdez Corp., 191 F. Supp. 2d 1145, 1152 (E.D. Cal. 2001).

[240] *See, e.g.,* Masterfoods USA v. Arcor USA, Inc., 230 F. Supp. 2d 302, 311 (W.D.N.Y. 2002).

[241] *See, e.g.,* Brooks Shoe Mfg. Co. v. Suave Shoe Corp., 533 F. Supp. 75, 80 (S.D.N.Y. 1981) (asserting that the failure to require a Mall-Intercept Survey interviewer to sign documentation acknowledging that the information recorded was accurate created a question of admissibility despite the hiring an independent board to review the interviewer's findings).

accurate and truthful.[242] As the online nature of an Internet survey will likely be questioned by the court, the steps taken to verify its accuracy should be carefully chosen by the survey review board to ensure truthfulness of the recorded information.[243]

However, it is important to note that the requirement of verification came about primarily due to traditional surveys hiring college-aged temporary staff to conduct the surveys, which led to inaccurate information and often forgery. As these risks are not inherent with online surveys, this factor may be reduced or even eliminated from consideration by courts in dealing with the admissibility of Internet surveys.

V. CONCLUSION

Trademark surveys represent one of the most important facets of quantifying consumer confusion, secondary meaning, dilution, genericness, and functionality. As evidence of actual confusion is often sparse, trademark surveys provide the ability to measure consumer confusion in the marketplace. While the nature of trademark surveys often presents admissibility problems, such issues can be resolved by following accepted guidelines found in case law. By seeking a proper universe, sample, an appropriate control group, and verification of survey results, a survey will likely be admissible in court. The overall key is to use non-leading questions in an environment that parallels the actual purchasing environment.

The three current trademark survey formats all present different drawbacks regarding their accuracy, ability to parallel the actual purchasing environment and ability to verify results. However, all three represent costly endeavors due to the numerous individuals needed to perform the surveys. Online surveys present an answer to many of the inherent drawbacks that have plagued and undermined the use of trademark surveys. More important, use of online trademark surveys may create a more cost effective alternative to allow smaller, less financially well-off trademark owners to enforce their rights in court.

Online surveys represent the next phase of evolution in developing trademark surveys for use in trademark litigation. Online surveys will not only allow many non-traditional companies to demonstrate secondary meaning or consumer confusion, but will do so in a manner that will likely provide results that are more accurate, efficient, and less susceptible to charges of fabrication. The online format allows for more expedient manipulation of survey results so that trademark experts can perform word searches and pull key statements for use in expert reports. Finally, the online survey format allows for direct interaction between the survey participant and the survey itself.

Currently, there has been limited use of the online form of trademark surveys. In addition, it has only been in the last year that online trademark surveys have been found admissible in trademark disputes. However, like any new form of evidence, the inherent strength of this type of trademark survey should result in it rising above others to prominence among the existing survey formats. More frequent use of online surveys by survey experts will alleviate any remaining fear by

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[242] *Id.*

[243] *Id.*

trademark holders which might otherwise prevent the use of this survey type. Only time and additional judicial guidance will ensure that online surveys will continue to grow in acceptance.

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Summary Table of Contents

A detailed Table of Contents appears at the front of each chapter.

Introduction, 1
Stephen Breyer

The Admissibility of Expert Testimony, 11
Margaret A. Berger

How Science Works, 37
David Goodstein

Reference Guide on Forensic Identification Expertise, 55
Paul C. Giannelli, Edward J. Imwinkelried, & Joseph L. Peterson

Reference Guide on DNA Identification Evidence, 129
David H. Kaye & George Sensabaugh

Reference Guide on Statistics, 211
David H. Kaye & David A. Freedman

Reference Guide on Multiple Regression, 303
Daniel L. Rubinfeld

Reference Guide on Survey Research, 359
Shari Seidman Diamond

Reference Guide on Estimation of Economic Damages, 425
Mark A. Allen, Robert E. Hall, & Victoria A. Lazear

Reference Guide on Exposure Science, 503
Joseph V. Rodricks

Reference Guide on Epidemiology, 549
Michael D. Green, D. Michal Freedman, & Leon Gordis

Reference Guide on Toxicology, 633
Bernard D. Goldstein & Mary Sue Henifin

Reference Guide on Medical Testimony, 687
John B. Wong, Lawrence O. Gostin, & Oscar A. Cabrera

Reference Guide on Neuroscience, 747
Henry T. Greely & Anthony D. Wagner

Reference Guide on Mental Health Evidence, 813
Paul S. Appelbaum

Reference Guide on Engineering, 897
Channing R. Robertson, John E. Moalli, & David L. Black

Appendix A. Biographical Information of Committee and Staff, 961

Reference Guide on Survey Research

SHARI SEIDMAN DIAMOND

Shari Seidman Diamond, J.D., Ph.D., is the Howard J. Trienens Professor of Law and Professor of Psychology, Northwestern University, and a Research Professor, American Bar Foundation, Chicago, Illinois.

CONTENTS

I. Introduction, 361
- A. Use of Surveys in Court, 363
- B. Surveys Used to Help Assess Expert Acceptance in the Wake of *Daubert*, 367
- C. Surveys Used to Help Assess Community Standards: *Atkins v. Virginia*, 369
- D. A Comparison of Survey Evidence and Individual Testimony, 372

II. Purpose and Design of the Survey, 373
- A. Was the Survey Designed to Address Relevant Questions? 373
- B. Was Participation in the Design, Administration, and Interpretation of the Survey Appropriately Controlled to Ensure the Objectivity of the Survey? 374
- C. Are the Experts Who Designed, Conducted, or Analyzed the Survey Appropriately Skilled and Experienced? 375
- D. Are the Experts Who Will Testify About Surveys Conducted by Others Appropriately Skilled and Experienced? 375

III. Population Definition and Sampling, 376
- A. Was an Appropriate Universe or Population Identified? 376
- B. Did the Sampling Frame Approximate the Population? 377
- C. Does the Sample Approximate the Relevant Characteristics of the Population? 380
- D. What Is the Evidence That Nonresponse Did Not Bias the Results of the Survey? 383
- E. What Procedures Were Used to Reduce the Likelihood of a Biased Sample? 385
- F. What Precautions Were Taken to Ensure That Only Qualified Respondents Were Included in the Survey? 386

IV. Survey Questions and Structure, 387
- A. Were Questions on the Survey Framed to Be Clear, Precise, and Unbiased? 387
- B. Were Some Respondents Likely to Have No Opinion? If So, What Steps Were Taken to Reduce Guessing? 389
- C. Did the Survey Use Open-Ended or Closed-Ended Questions? How Was the Choice in Each Instance Justified? 391
- D. If Probes Were Used to Clarify Ambiguous or Incomplete Answers, What Steps Were Taken to Ensure That the Probes Were Not Leading and Were Administered in a Consistent Fashion? 394
- E. What Approach Was Used to Avoid or Measure Potential Order or Context Effects? 395
- F. If the Survey Was Designed to Test a Causal Proposition, Did the Survey Include an Appropriate Control Group or Question? 397
- G. What Limitations Are Associated with the Mode of Data Collection Used in the Survey? 401
  1. In-person interviews, 402
  2. Telephone interviews, 403
  3. Mail questionnaires, 405
  4. Internet surveys, 406

V. Surveys Involving Interviewers, 409
- A. Were the Interviewers Appropriately Selected and Trained? 409
- B. What Did the Interviewers Know About the Survey and Its Sponsorship? 410
- C. What Procedures Were Used to Ensure and Determine That the Survey Was Administered to Minimize Error and Bias? 411

VI. Data Entry and Grouping of Responses, 412
- A. What Was Done to Ensure That the Data Were Recorded Accurately? 412
- B. What Was Done to Ensure That the Grouped Data Were Classified Consistently and Accurately? 413

VII. Disclosure and Reporting, 413
- A. When Was Information About the Survey Methodology and Results Disclosed? 413
- B. Does the Survey Report Include Complete and Detailed Information on All Relevant Characteristics? 415
- C. In Surveys of Individuals, What Measures Were Taken to Protect the Identities of Individual Respondents? 417

VIII. Acknowledgment, 418

Glossary of Terms, 419

References on Survey Research, 423

I. Introduction

Sample surveys are used to describe or enumerate the beliefs, attitudes, or behavior of persons or other social units.[1] Surveys typically are offered in legal proceedings to establish or refute claims about the characteristics of those individuals or social units (e.g., whether consumers are likely to be misled by the claims contained in an allegedly deceptive advertisement;[2] which qualities purchasers focus on in making decisions about buying new computer systems).[3] In a broader sense, a *survey* can describe or enumerate the attributes of any units, including animals and objects.[4] We focus here primarily on sample surveys, which must deal not only with issues of population definition, sampling, and measurement common to all surveys, but also with the specialized issues that arise in obtaining information from human respondents.

In principle, surveys may count or measure every member of the relevant population (e.g., all plaintiffs eligible to join in a suit, all employees currently working for a corporation, all trees in a forest). In practice, surveys typically count or measure only a portion of the individuals or other units that the survey is intended to describe (e.g., a sample of jury-eligible citizens, a sample of potential job applicants). In either case, the goal is to provide information on the relevant population from which the sample was drawn. Sample surveys can be carried out using probability or nonprobability sampling techniques. Although probability sampling offers important advantages over nonprobability sampling,[5] experts in some fields (e.g., marketing) regularly rely on various forms of nonprobability sampling when conducting surveys. Consistent with Federal Rule of Evidence 703, courts generally have accepted such evidence.[6] Thus, in this reference guide, both the probability sample and the nonprobability sample are discussed. The strengths of probability sampling and the weaknesses of various types of nonprobability sampling are described.

1. Sample surveys conducted by social scientists "consist of (relatively) systematic, (mostly) standardized approaches to collecting information on individuals, households, organizations, or larger organized entities through questioning systematically identified samples." James D. Wright & Peter V. Marsden, *Survey Research and Social Science: History, Current Practice, and Future Prospects*, *in* Handbook of Survey Research 1, 3 (James D. Wright & Peter V. Marsden eds., 2d ed. 2010).

2. *See* Sanderson Farms v. Tyson Foods, 547 F. Supp. 2d 491 (D. Md. 2008).

3. *See* SMS Sys. Maint. Servs. v. Digital Equip. Corp., 118 F.3d 11, 30 (1st Cir. 1999). For other examples, see notes 19–32 and accompanying text.

4. In *J.H. Miles & Co. v. Brown*, 910 F. Supp. 1138 (E.D. Va. 1995), clam processors and fishing vessel owners sued the Secretary of Commerce for failing to use the unexpectedly high results from 1994 survey data on the size of the clam population to determine clam fishing quotas for 1995. The estimate of clam abundance is obtained from surveys of the amount of fishing time the research survey vessels require to collect a specified yield of clams in major fishing areas over a period of several weeks. *Id.* at 1144–45.

5. *See infra* Section III.C.

6. Fed. R. Evid. 703 recognizes facts or data "of a type reasonably relied upon by experts in the particular field. . . ."

As a method of data collection, surveys have several crucial potential advantages over less systematic approaches.[7] When properly designed, executed, and described, surveys (1) economically present the characteristics of a large group of respondents or other units and (2) permit an assessment of the extent to which the measured respondents or other units are likely to adequately represent a relevant group of individuals or other units.[8] All questions asked of respondents and all other measuring devices used (e.g., criteria for selecting eligible respondents) can be examined by the court and the opposing party for objectivity, clarity, and relevance, and all answers or other measures obtained can be analyzed for completeness and consistency. The survey questions should not be the only focus of attention. To make it possible for the court and the opposing party to closely scrutinize the survey so that its relevance, objectivity, and representativeness can be evaluated, the party proposing to offer the survey as evidence should also describe in detail the design, execution, and analysis of the survey. This should include (1) a description of the population from which the sample was selected, demonstrating that it was the relevant population for the question at hand; (2) a description of how the sample was drawn and an explanation for why that sample design was appropriate; (3) a report on response rate and the ability of the sample to represent the target population; and (4) an evaluation of any sources of potential bias in respondents' answers.

The questions listed in this reference guide are intended to assist judges in identifying, narrowing, and addressing issues bearing on the adequacy of surveys either offered as evidence or proposed as a method for developing information.[9] These questions can be (1) raised from the bench during a pretrial proceeding to determine the admissibility of the survey evidence; (2) presented to the contending experts before trial for their joint identification of disputed and undisputed issues; (3) presented to counsel with the expectation that the issues will be addressed during the examination of the experts at trial; or (4) raised in bench trials when a motion for a preliminary injunction is made to help the judge evaluate

7. This does not mean that surveys can be relied on to address all questions. For example, if survey respondents had been asked in the days before the attacks of 9/11 to predict whether they would volunteer for military service if Washington, D.C., were to be bombed, their answers may not have provided accurate predictions. Although respondents might have willingly answered the question, their assessment of what they would actually do in response to an attack simply may have been inaccurate. Even the option of a "do not know" choice would not have prevented an error in prediction if they believed they could accurately predict what they would do. Thus, although such a survey would have been suitable for assessing the *predictions* of respondents, it might have provided a very inaccurate estimate of what an actual response to the attack would be.

8. The ability to quantitatively assess the limits of the likely margin of error is unique to probability sample surveys, but an expert testifying about any survey should provide enough information to allow the judge to evaluate how potential error, including coverage, measurement, nonresponse, and sampling error, may have affected the obtained pattern of responses.

9. *See infra* text accompanying note 31.

what weight, if any, the survey should be given.[10] These questions are intended to improve the utility of cross-examination by counsel, where appropriate, not to replace it.

All sample surveys, whether they measure individuals or other units, should address the issues concerning purpose and design (Section II), population definition and sampling (Section III), accuracy of data entry (Section VI), and disclosure and reporting (Section VII). Questionnaire and interview surveys, whether conducted in-person, on the telephone, or online, raise methodological issues involving survey questions and structure (Section IV) and confidentiality (Section VII.C). Interview surveys introduce additional issues (e.g., interviewer training and qualifications) (Section V), and online surveys raise some new issues and questions that are currently under study (Section VI). The sections of this reference guide are labeled to direct the reader to those topics that are relevant to the type of survey being considered. The scope of this reference guide is necessarily limited, and additional issues might arise in particular cases.

A. Use of Surveys in Court

Fifty years ago the question of whether surveys constituted acceptable evidence still was unsettled.[11] Early doubts about the admissibility of surveys centered on their use of sampling[12] and their status as hearsay evidence.[13] Federal Rule of Evidence

10. Lanham Act cases involving trademark infringement or deceptive advertising frequently require expedited hearings that request injunctive relief, so judges may need to be more familiar with survey methodology when considering the weight to accord a survey in these cases than when presiding over cases being submitted to a jury. Even in a case being decided by a jury, however, the court must be prepared to evaluate the methodology of the survey evidence in order to rule on admissibility. *See* Daubert v. Merrell Dow Pharms., Inc., 509 U.S. 579, 589 (1993).

11. Hans Zeisel, *The Uniqueness of Survey Evidence*, 45 Cornell L.Q. 322, 345 (1960).

12. In an early use of sampling, Sears, Roebuck & Co. claimed a tax refund based on sales made to individuals living outside city limits. Sears randomly sampled 33 of the 826 working days in the relevant working period, computed the proportion of sales to out-of-city individuals during those days, and projected the sample result to the entire period. The court refused to accept the estimate based on the sample. When a complete audit was made, the result was almost identical to that obtained from the sample. *Sears, Roebuck & Co. v. City of Inglewood,* tried in Los Angeles Superior Court in 1955, is described in R. Clay Sprowls, *The Admissibility of Sample Data into a Court of Law: A Case History*, 4 UCLA L. Rev. 222, 226–29 (1956–1957).

13. Judge Wilfred Feinberg's thoughtful analysis in *Zippo Manufacturing Co. v. Rogers Imports, Inc.,* 216 F. Supp. 670, 682–83 (S.D.N.Y. 1963), provides two alternative grounds for admitting opinion surveys: (1) Surveys are not hearsay because they are not offered in evidence to prove the truth of the matter asserted; and (2) even if they are hearsay, they fall under one of the exceptions as a "present sense impression." In *Schering Corp. v. Pfizer Inc.,* 189 F.3d 218 (2d Cir. 1999), the Second Circuit distinguished between perception surveys designed to reflect the present sense impressions of respondents and "memory" surveys designed to collect information about a past occurrence based on the recollections of the survey respondents. The court in *Schering* suggested that if a survey is offered to prove the existence of a specific idea in the public mind, then the survey does constitute hearsay

703 settled both matters for surveys by redirecting attention to the "validity of the techniques employed."[14] The inquiry under Rule 703 focuses on whether facts or data are "of a type reasonably relied upon by experts in the particular field in forming opinions or inferences upon the subject."[15] For a survey, the question becomes, "Was the poll or survey conducted in accordance with generally accepted survey principles, and were the results used in a statistically correct way?"[16] This focus on the adequacy of the methodology used in conducting and analyzing results from a survey is also consistent with the Supreme Court's discussion of admissible scientific evidence in *Daubert v. Merrell Dow Pharmaceuticals, Inc.*[17]

Because the survey method provides an economical and systematic way to gather information and draw inferences about a large number of individuals or other units, surveys are used widely in business, government, and, increasingly,

evidence. As the court observed, Federal Rule of Evidence 803(3), creating "an exception to the hearsay rule for such statements [i.e., state-of-mind expressions] rather than excluding the statements from the definition of hearsay, makes sense only in this light." *Id*. at 230 n.3. *See also* Playtex Prods. v. Procter & Gamble Co., 2003 U.S. Dist. LEXIS 8913 (S.D.N.Y. May 28, 2003), *aff'd*, 126 Fed. Appx. 32 (2d Cir. 2005). Note, however, that when survey respondents are shown a stimulus (e.g., a commercial) and then respond to a series of questions about their impressions of what they viewed, those impressions reflect both respondents' initial perceptions and their memory for what they saw and heard. Concerns about the impact of memory on the trustworthiness of survey responses appropriately depend on the passage of time between exposure and testing and on the likelihood that distorting events occurred during that interval.

Two additional exceptions to the hearsay exclusion can be applied to surveys. First, surveys may constitute a hearsay exception if the survey data were collected in the normal course of a regularly conducted business activity, unless "the source of information or the method or circumstances of preparation indicate lack of trustworthiness." Fed. R. Evid. 803(6); *see also* Ortho Pharm. Corp. v. Cosprophar, Inc., 828 F. Supp. 1114, 1119–20 (S.D.N.Y. 1993) (marketing surveys prepared in the course of business were properly excluded because they lacked foundation from a person who saw the original data or knew what steps were taken in preparing the report), *aff'd*, 32 F.3d 690 (2d Cir. 1994). In addition, if a survey shows guarantees of trustworthiness equivalent to those in other hearsay exceptions, it can be admitted if the court determines that the statement is offered as evidence of a material fact, it is more probative on the point for which it is offered than any other evidence that the proponent can procure through reasonable efforts, and admissibility serves the interests of justice. Fed. R. Evid. 807; *e.g.*, *Schering*, 189 F.3d at 232. Admissibility as an exception to the hearsay exclusion thus depends on the trustworthiness of the survey. New Colt Holding v. RJG Holdings of Fla., 312 F. Supp. 2d 195, 223 (D. Conn. 2004).

14. Fed. R. Evid. 703 Advisory Committee Note.

15. Fed. R. Evid. 703.

16. Manual for Complex Litigation § 2.712 (1982). Survey research also is addressed in the Manual for Complex Litigation, Second § 21.484 (1985) [hereinafter MCL 2d]; the Manual for Complex Litigation, Third § 21.493 (1995) [hereinafter MCL 3d]; and the Manual for Complex Litigation, Fourth §11.493 (2004) [hereinafter MCL 4th]. Note, however, that experts who collect survey data, along with the professions that rely on those surveys, may differ in some of their methodological standards and principles. An assessment of the precision of sample estimates and an evaluation of the sources and magnitude of likely bias are required to distinguish methods that are acceptable from methods that are not.

17. 509 U.S. 579 (1993); *see also* General Elec. Co. v. Joiner, 522 U.S. 136, 147 (1997).

administrative settings and judicial proceedings.[18] Both federal and state courts have accepted survey evidence on a variety of issues. In a case involving allegations of discrimination in jury panel composition, the defense team surveyed prospective jurors to obtain their age, race, education, ethnicity, and income distribution.[19] Surveys of employees or prospective employees are used to support or refute claims of employment discrimination.[20] Surveys provide information on the nature and similarity of claims to support motions for or against class certification.[21] In ruling on the admissibility of scientific claims, courts have examined surveys of scientific experts to assess the extent to which the theory or technique has received widespread acceptance.[22] Some courts have admitted surveys in obscenity cases to provide evidence about community standards.[23] Requests for a change of venue on grounds of jury pool bias often are backed by evidence from a survey of jury-eligible respondents in the area of the original venue.[24] The plaintiff in an antitrust suit conducted a survey to assess what characteristics, including price, affected consumers' preferences. The survey was offered as one way to estimate damages.[25] In a Title IX suit based on allegedly discriminatory scheduling of girls'

18. Some sample surveys are so well accepted that they even may not be recognized as surveys. For example, some U.S. Census Bureau data are based on sample surveys. Similarly, the Standard Table of Mortality, which is accepted as proof of the average life expectancy of an individual of a particular age and gender, is based on survey data.

19. United States v. Green, 389 F. Supp. 2d 29 (D. Mass. 2005), *rev'd on other grounds,* 426 F.3d 1 (1st Cir. 2005) (evaluating minority underrepresentation in the jury pool by comparing racial composition of the voting-age population in the district with the racial breakdown indicated in juror questionnaires returned to court); *see also* People v. Harris, 36 Cal. 3d 36, 679 P.2d 433 (Cal. 1984).

20. John Johnson v. Big Lots Stores, Inc., No. 04-321, 2008 U.S. Dist. LEXIS 35316, at *20 (E.D. La. Apr. 29, 2008); Stender v. Lucky Stores, Inc., 803 F. Supp. 259, 326 (N.D. Cal. 1992); EEOC v. Sears, Roebuck & Co., 628 F. Supp. 1264, 1308 (N.D. Ill. 1986), *aff'd*, 839 F.2d 302 (7th Cir. 1988).

21. John Johnson v. Big Lots Stores, Inc., 561 F. Supp. 2d 567 (E.D. La. 2008); Marlo v. United Parcel Service, Inc., 251 F.R.D. 476 (C.D. Cal. 2008).

22. United States v. Scheffer, 523 U.S. 303, 309 (1998); United States v. Bishop, 64 F. Supp. 2d 1149 (D. Utah 1999); United States v. Varoudakis, No. 97-10158, 1998 WL 151238 (D. Mass. Mar. 27, 1998); State v. Shively, 268 Kan. 573 (2000), *aff'd*, 268 Kan. 589 (2000) (all cases in which courts determined, based on the inconsistent reactions revealed in several surveys, that the polygraph test has failed to achieve general acceptance in the scientific community). *Contra, see* Lee v. Martinez, 136 N.M. 166, 179–81, 96 P.3d 291, 304–06 (N.M. 2004). People v. Williams, 830 N.Y.S.2d 452 (2006) (expert permitted to testify regarding scientific studies of factors affecting the perceptual ability and memory of eyewitnesses to make identifications based in part on general acceptance demonstrated in survey of experts who study eyewitness identification).

23. *E.g.*, People v. Page Books, Inc., 601 N.E.2d 273, 279–80 (Ill. App. Ct. 1992); State v. Williams, 598 N.E.2d 1250, 1256–58 (Ohio Ct. App. 1991).

24. *E.g.*, United States v. Eagle, 586 F.2d 1193, 1195 (8th Cir. 1978); United States v. Tokars, 839 F. Supp. 1578, 1583 (D. Ga. 1993), *aff'd*, 95 F.3d 1520 (11th Cir. 1996); State v. Baumruk, 85 S.W.3d 644 (Mo. 2002); People v. Boss, 701 N.Y.S.2d 342 (App. Div. 1999).

25. Dolphin Tours, Inc. v. Pacifico Creative Servs., Inc., 773 F.2d 1506, 1508 (9th Cir. 1985). *See also* SMS Sys. Maint. Servs., Inc. v. Digital Equip. Corp., 188 F.3d 11 (1st Cir. 1999); Benjamin F. King, *Statistics in Antitrust Litigation*, *in* Statistics and the Law 49 (Morris H. DeGroot et al. eds.,

sports, a survey was offered for the purpose of establishing how girls felt about the scheduling of girls' and boys' sports.[26] A routine use of surveys in federal courts occurs in Lanham Act[27] cases, when the plaintiff alleges trademark infringement[28] or claims that false advertising[29] has confused or deceived consumers. The pivotal legal question in such cases virtually demands survey research because it centers on consumer perception and memory (i.e., is the consumer likely to be confused about the source of a product, or does the advertisement imply a false or misleading message?).[30] In addition, survey methodology has been used creatively to assist federal courts in managing mass torts litigation. Faced with the prospect of conducting discovery concerning 10,000 plaintiffs, the plaintiffs and defendants in *Wilhoite v. Olin Corp.*[31] jointly drafted a discovery survey that was administered

1986). Surveys have long been used in antitrust litigation to help define relevant markets. In *United States v. E.I. du Pont de Nemours & Co.,* 118 F. Supp. 41, 60 (D. Del. 1953), *aff'd*, 351 U.S. 377 (1956), a survey was used to develop the "market setting" for the sale of cellophane. In *Mukand, Ltd. v. United States,* 937 F. Supp. 910 (Ct. Int'l Trade 1996), a survey of purchasers of stainless steel wire rods was conducted to support a determination of competition and fungibility between domestic and Indian wire rod.

26. Alston v. Virginia High Sch. League, Inc., 144 F. Supp. 2d 526, 539–40 (W.D. Va. 1999).

27. Lanham Act § 43(a), 15 U.S.C. § 1125(a) (1946) (amended 2006).

28. *E.g.,* Herman Miller v. Palazzetti Imports & Exports, 270 F.3d 298, 312 (6th Cir. 2001) ("Because the determination of whether a mark has acquired secondary meaning is primarily an empirical inquiry, survey evidence is the most direct and persuasive evidence."); Simon Property Group v. MySimon, 104 F. Supp. 2d 1033, 1038 (S.D. Ind. 2000) ("Consumer surveys are generally accepted by courts as one means of showing the likelihood of consumer confusion."). *See also* Qualitex Co. v. Jacobson Prods. Co., No. CIV-90-1183HLH, 1991 U.S. Dist. LEXIS 21172 (C.D. Cal. Sept. 3, 1991), *aff'd in part & rev'd in part on other grounds*, 13 F.3d 1297 (9th Cir. 1994), *rev'd on other grounds*, 514 U.S. 159 (1995); Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366 (7th Cir.), *cert. denied*, 429 U.S. 830 (1976). According to Neal Miller, *Facts, Expert Facts, and Statistics: Descriptive and Experimental Research Methods in Litigation*, 40 Rutgers L. Rev. 101, 137 (1987), trademark law has relied on the institutionalized use of statistical evidence more than any other area of the law.

29. *E.g.*, Southland Sod Farms v. Stover Seed Co., 108 F.3d 1134, 1142–43 (9th Cir. 1997); American Home Prods. Corp. v. Johnson & Johnson, 577 F.2d 160 (2d Cir. 1978); Rexall Sundown, Inc. v. Perrigo Co., 651 F. Supp. 2d 9 (E.D.N.Y. 2009); Mutual Pharm. Co. v. Ivax Pharms. Inc., 459 F. Supp. 2d 925 (C.D. Cal. 2006); Novartis Consumer Health v. Johnson & Johnson-Merck Consumer Pharms., 129 F. Supp. 2d 351 (D.N.J. 2000).

30. Courts have observed that "the court's reaction is at best not determinative and at worst irrelevant. The question in such cases is, what does the person to whom the advertisement is addressed find to be the message?" American Brands, Inc. v. R.J. Reynolds Tobacco Co., 413 F. Supp. 1352, 1357 (S.D.N.Y. 1976). The wide use of surveys in recent years was foreshadowed in *Triangle Publications, Inc. v. Rohrlich,* 167 F.2d 969, 974 (2d Cir. 1948) (Frank, J., dissenting). Called on to determine whether a manufacturer of girdles labeled "Miss Seventeen" infringed the trademark of the magazine *Seventeen*, Judge Frank suggested that, in the absence of a test of the reactions of "numerous girls and women," the trial court judge's finding as to what was likely to confuse was "nothing but a surmise, a conjecture, a guess," noting that "neither the trial judge nor any member of this court is (or resembles) a teen-age girl or the mother or sister of such a girl." *Id.* at 976–77.

31. No. CV-83-C-5021-NE (N.D. Ala. filed Jan. 11, 1983). The case ultimately settled before trial. *See* Francis E. McGovern & E. Allan Lind, *The Discovery Survey*, Law & Contemp. Probs., Autumn 1988, at 41.

in person by neutral third parties, thus replacing interrogatories and depositions. It resulted in substantial savings in both time and cost.

B. *Surveys Used to Help Assess Expert Acceptance in the Wake of* Daubert

Scientists who offer expert testimony at trial typically present their own opinions. These opinions may or may not be representative of the opinions of the scientific community at large. In deciding whether to admit such testimony, courts applying the *Frye* test must determine whether the science being offered is generally accepted by the relevant scientific community. Under *Daubert* as well, a relevant factor used to decide admissibility is the extent to which the theory or technique has received widespread acceptance. Properly conducted surveys can provide a useful way to gauge acceptance, and courts recently have been offered assistance from surveys that allegedly gauge relevant scientific opinion. As with any scientific research, the usefulness of the information obtained from a survey depends on the quality of research design. Several critical factors have emerged that have limited the value of some of these surveys: problems in defining the relevant target population and identifying an appropriate sampling frame, response rates that raise questions about the representativeness of the results, and a failure to ask questions that assess opinions on the relevant issue.

Courts deciding on the admissibility of polygraph tests have considered results from several surveys of purported experts. Surveys offered as providing evidence of relevant scientific opinion have tested respondents from several populations: (1) professional polygraph examiners,[32] (2) psychophysiologists (members of the Society for Psychophysiological Research),[33] and (3) distinguished psychologists (Fellows of the Division of General Psychology of the American Psychological Association).[34] Respondents in the first group expressed substantial confidence in the scientific accuracy of polygraph testing, and those in the third group expressed substantial doubts about it. Respondents in the second group were asked the same question across three surveys that differed in other aspects of their methodology (e.g., when testing occurred and what the response rate was). Although over 60% of those questioned in two of the three surveys characterized the polygraph as a useful diagnostic tool, one of the surveys was conducted in 1982 and the more recent survey, published in 1984, achieved only a 30% response rate. The third

32. See plaintiff's survey described in Meyers v. Arcudi, 947 F. Supp. 581, 588 (D. Conn. 1996).

33. Susan L. Amato & Charles R. Honts, *What Do Psychophysiologists Think About Polygraph Tests? A Survey of the Membership of SPR,* 31 Psychophysiology S22 [abstract]; Gallup Organization, *Survey of Members of the Society for Psychological Research Concerning Their Opinions of Polygraph Test Interpretation,* 13 Polygraph 153 (1984); William G. Iacono & David T. Lykken, *The Validity of the Lie Detector: Two Surveys of Scientific Opinion,* 82 J. Applied Psychol. 426 (1997).

34. Iacono & Lykken, *supra* note 33.

survey, also conducted in 1984, achieved a response rate of 90% and found that only 44% of respondents viewed the polygraph as a useful diagnostic tool. On the basis of these inconsistent reactions from the several surveys, courts have determined that the polygraph has failed to achieve general acceptance in the scientific community.[35] In addition, however, courts have criticized the relevance of the population surveyed by proponents of the polygraph. For example, in *Meyers v. Arcudi* the court noted that the survey offered by proponents of the polygraph was a survey of "practitioners who estimated the accuracy of the control question technique [of polygraph testing] to be between 86% and 100%."[36] The court rejected the conclusions from this survey on the basis of a determination that the population surveyed was not the relevant scientific community, noting that "many of them . . . do not even possess advanced degrees and are not trained in the scientific method."[37]

The link between specialized expertise and self-interest poses a dilemma in defining the relevant scientific population. As the court in *United States v. Orians* recognized, "The acceptance in the scientific community depends in large part on how the relevant scientific community is defined."[38] In rejecting the defendants' urging that the court consider as relevant only psychophysiologists whose work is dedicated in large part to polygraph research, the court noted that *Daubert* "does not require the court to limit its inquiry to those individuals that base their livelihood on the acceptance of the relevant scientific theory. These individuals are often too close to the science and have a stake in its acceptance; i.e., their livelihood depends in part on the acceptance of the method."[39]

To be relevant to a *Frye* or *Daubert* inquiry on general acceptance, the questions asked in a survey of experts should assess opinions on the quality of the scientific theory and methodology, rather than asking whether or not the instrument should be used in a legal setting. Thus, a survey in which 60% of respondents agreed that the polygraph is "a useful diagnostic tool when considered with other available information," 1% viewed it as sufficiently reliable to be the sole determinant, and the remainder thought it entitled to little or no weight, failed to assess the relevant issue. As the court in *United States v. Cordoba* noted, because "useful" and "other available information" could have many meanings, "there is little wonder why [the response chosen by the majority of respondents] was most frequently selected."[40]

35. United States v. Scheffer, 523 U.S. 303, 309 (1998); United States v. Bishop, 64 F. Supp. 2d 1149 (D. Utah 1999); Meyers v. Arcudi, 947 F. Supp. 581, 588 (D. Conn. 1996); United States v. Varoudakis, 48 Fed. R. Evid. Serv. 1187 (D. Mass. 1998).

36. *Meyers v. Arcudi,* 947 F. Supp. at 588.

37. *Id*.

38. 9 F. Supp. 2d 1168, 1173 (D. Ariz. 1998).

39. *Id*.

40. 991 F. Supp. 1199 (C.D. Cal. 1998), *aff'd*, 194 F.3d 1053 (9th Cir. 1999).

A similar flaw occurred in a survey conducted by experts opposed to the use of the polygraph in trial proceedings. Survey respondents were asked whether they would advocate that courts admit into evidence the outcome of a polygraph test.[41] That question calls for more than an assessment of the accuracy of the polygraph, and thus does not appropriately limit expert opinion to issues within the expert's competence, that is, to the accuracy of the information provided by the test results. The survey also asked whether respondents agreed that the control question technique, the most common form of polygraph test, is accurate at least 85% of the time in real-life applications for guilty and innocent subjects.[42] Although polygraph proponents frequently claim an accuracy level of 85%, it is up to the courts to decide what accuracy level would be required to justify admissibility. A better approach would be to ask survey respondents to estimate the level of accuracy they believe the test is likely to produce.[43]

Surveys of experts are no substitute for an evaluation of whether the testimony an expert witness is offering will assist the trier of fact. Nonetheless, courts can use an assessment of opinion in the relevant scientific community to aid in determining whether a particular expert is proposing to use methods that would be rejected by a representative group of experts to arrive at the opinion the expert will offer. Properly conducted surveys can provide an economical way to collect and present information on scientific consensus and dissensus.

C. Surveys Used to Help Assess Community Standards: Atkins v. Virginia

In *Atkins v. Virginia*,[44] the U.S. Supreme Court determined that the Eighth Amendment's prohibition of "cruel and unusual punishment" forbids the execution of mentally retarded persons.[45] Following the interpretation advanced in *Trop v. Dulles*[46] that "The Amendment must draw its meaning from the evolving standards of decency that mark the progress of a maturing society,"[47] the Court examined a variety of sources, including legislative judgments and public opinion polls, to find that a national consensus had developed barring such executions.[48]

41. *See* Iacono & Lykken, *supra* note 33, at 430, tbl. 2 (1997).

42. *Id*.

43. At least two assessments should be made: an estimate of the accuracy for guilty subjects and an estimate of the accuracy for innocent subjects.

44. 536 U.S. 304, 322 (2002).

45. Although some groups have recently moved away from the term "mental retardation" in response to concerns that the term may have pejorative connotations, mental retardation was the name used for the condition at issue in *Atkins* and it continues to be employed in federal laws, in cases determining eligibility for the death penalty, and as a diagnosis by the medical profession.

46. 356 U.S. 86 (1958).

47. *Id*. at 101.

48. *Atkins,* 536 U.S. at 313–16.

In a vigorous dissent, Chief Justice Rehnquist objected to the use of the polls, arguing that legislative judgments and jury decisions should be the sole indicators of national opinion. He also objected to the particular polls cited in the majority opinion, identifying what he viewed as serious methodological weaknesses.

The Court has struggled since *Furman v. Georgia*[49] to develop an adequate way to measure public standards regarding the application of the death penalty to specific categories of cases. In relying primarily on surveys of state legislative actions, the Court has ignored the forces that influence whether an issue emerges on a legislative agenda, and the strong influence of powerful minorities on legislative actions.[50] Moreover, the various members of the Court have disagreed about whether states without any death penalty should be included in the count of states that bar the execution of a particular category of defendant.

The Court has sometimes considered jury verdicts in assessing public standards. In *Coker v. Georgia*,[51] the Court forbade the imposition of the death penalty for rape. Citing *Gregg v. Georgia*[52] for the proposition that "[t]he jury . . . is a significant and reliable objective index of contemporary values because it is so directly involved," the Court noted that "in the vast majority of cases [of rape in Georgia], at least 9 out of 10, juries have not imposed the death sentence."[53] In *Atkins*, Chief Justice Rehnquist complained about the absence of jury verdict data.[54] Had such data been available, however, they would have been irrelevant because a "survey" of the jurors who have served in such cases would constitute a biased sample of the public. A potential juror unwilling to impose the death penalty on a mentally retarded person would have been ineligible to serve in a capital case involving a mentally retarded defendant because the juror would not have been able to promise during voir dire that he or she would be willing to listen to the evidence and impose the death penalty if the evidence warranted it. Thus, the death-qualified jury in such a case would be composed only of representatives from that subset of citizens willing to execute a mentally retarded defendant, an unrepresentative and systematically biased sample.

Public opinion surveys can provide an important supplementary source of information about contemporary values.[55] The Court in *Atkins* was presented with data from 27 different polls and surveys,[56] 8 of them national and 19 statewide.

49. 408 U.S. 238 (1972).

50. *See* Stanford v. Kentucky, 492 U.S. 361 (1989), *abrogated by* Roper v. Simmons, 543 U.S. 551 (2005).

51. 433 U.S. 584, 596 (1977).

52. 428 U.S. 153, 181 (1976).

53. *Coker v. Georgia*, 433 U.S. at 596.

54. *See Atkins,* 536 U.S. at 323 (Rehnquist, C.J., dissenting).

55. *See id*. at 316 n.21 ("[T]heir consistency with the legislative evidence lends further support to our conclusion that there is a consensus").

56. The quality of any poll or survey depends on the methodology used, which should be fully visible to the court and the opposing party. *See* Section VII, *infra*.

The information on the polling data appeared in an amicus brief filed by the American Association on Mental Retardation.[57] Respondents were asked in various ways how they felt about imposing the death penalty on a mentally retarded defendant. In each poll, a majority of respondents expressed opposition to executing the mentally retarded. Chief Justice Rehnquist noted two weaknesses reflected in the data presented to the Court. First, almost no information was provided about the target populations from which the samples were drawn or the methodology of sample selection and data collection. Although further information was available on at least some of the surveys (e.g., the nationwide telephone survey of 1000 voters conducted in 1993 by the Tarrance Group used a sample based on voter turnout in the last three presidential elections), that information apparently was not part of the court record. This omission violates accepted reporting standards in survey research, and the information is needed if the decisionmaker is to intelligently evaluate the quality of the survey. Its absence in this instance occurred because the survey information was obtained from secondary sources.

A second objection raised by Chief Justice Rehnquist was that the wording of some of the questions required respondents to say merely whether they favored or were opposed to the use of the death penalty when the defendant is mentally retarded. It is unclear how a respondent who favors execution of a mentally retarded defendant only in a rare case would respond to that question. Some of the questions, however, did ask whether the respondent felt that it was never appropriate to execute the mentally retarded or whether it was appropriate in some circumstances.[58] In responses to these questions as well, a majority of respondents said that they found the execution of mentally retarded persons unacceptable under any circumstances. The critical point is that despite variations in wording of questions, the year in which the poll was conducted, who conducted it, where it was conducted, and how it was carried out, a majority of respondents (between 56% and 83%) expressed opposition to executing mentally retarded defendants. The Court thus was presented with a consistent set of findings, providing striking reinforcement for the *Atkins* majority's legislative analysis. Opinion poll data and legislative decisions have different strengths and weaknesses as indicators of contemporary values. The value of a multiple-measure approach is that it avoids a potentially misleading reliance on a single source or measure.

57. The data appear as an appendix to the Opinion of Chief Justice Rehnquist in *Atkins*.

58. Appendix to the Opinion of Chief Justice Rehnquist in *Atkins*. "Some people feel that there is nothing wrong with imposing the death penalty on persons who are mentally retarded, depending on the circumstances. Others feel that the death penalty should never be imposed on persons who are mentally retarded under any circumstances. Which of these views comes closest to your own?" The Tarrance Group, Death Penalty Poll, Q. 9 (Mar. 1993), citing Samuel R. Gross, *Update: American Public Opinion on the Death Penalty—It's Getting Personal*, 83 Cornell L. Rev. 1448, 1467 (1998).

D. A Comparison of Survey Evidence and Individual Testimony

To illustrate the value of a survey, it is useful to compare the information that can be obtained from a competently done survey with the information obtained by other means. A survey is presented by a survey expert who testifies about the responses of a substantial number of individuals who have been selected according to an explicit sampling plan and asked the same set of questions by interviewers who were not told who sponsored the survey or what answers were predicted or preferred. Although parties presumably are not obliged to present a survey conducted in anticipation of litigation by a nontestifying expert if it produced unfavorable results,[59] the court can and should scrutinize the method of respondent selection for any survey that is presented.

A party using a nonsurvey method generally identifies several witnesses who testify about their own characteristics, experiences, or impressions. Although the party has no obligation to select these witnesses in any particular way or to report on how they were chosen, the party is not likely to select witnesses whose attributes conflict with the party's interests. The witnesses who testify are aware of the parties involved in the case and have discussed the case before testifying.

Although surveys are not the only means of demonstrating particular facts, presenting the results of a well-done survey through the testimony of an expert is an efficient way to inform the trier of fact about a large and representative group of potential witnesses. In some cases, courts have described surveys as the most direct form of evidence that can be offered.[60] Indeed, several courts have drawn negative inferences from the absence of a survey, taking the position that failure to undertake a survey may strongly suggest that a properly done survey would not support the plaintiff's position.[61]

59. *In re* FedEx Ground Package System, 2007 U.S. Dist. LEXIS 27086 (N.D. Ind. April 10, 2007); Loctite Corp. v. National Starch & Chem. Corp., 516 F. Supp. 190, 205 (S.D.N.Y. 1981) (distinguishing between surveys conducted in anticipation of litigation and surveys conducted for nonlitigation purposes which cannot be reproduced because of the passage of time, concluding that parties should not be compelled to introduce the former at trial, but may be required to provide the latter).

60. *See, e.g.*, Morrison Entm't Group v. Nintendo of Am., 56 Fed. App'x. 782, 785 (9th Cir. Cal. 2003).

61. Ortho Pharm. Corp. v. Cosprophar, Inc., 32 F.3d 690, 695 (2d Cir. 1994); Henri's Food Prods. Co. v. Kraft, Inc., 717 F.2d 352, 357 (7th Cir. 1983); Medici Classics Productions LLC v. Medici Group LLC, 590 F. Supp. 2d 548, 556 (S.D.N.Y. 2008); Citigroup v. City Holding Co., 2003 U.S. Dist. LEXIS 1845 (S.D.N.Y. Feb. 10, 2003); Chum Ltd. v. Lisowski, 198 F. Supp. 2d 530 (S.D.N.Y. 2002).

II. Purpose and Design of the Survey

A. Was the Survey Designed to Address Relevant Questions?

The report describing the results of a survey should include a statement describing the purpose or purposes of the survey. One indication that a survey offers probative evidence is that it was designed to collect information relevant to the legal controversy (e.g., to estimate damages in an antitrust suit or to assess consumer confusion in a trademark case). Surveys not conducted specifically in preparation for, or in response to, litigation may provide important information,[62] but they frequently ask irrelevant questions[63] or select inappropriate samples of respondents for study.[64] Nonetheless, surveys do not always achieve their stated goals. Thus, the content and execution of a survey must be scrutinized whether or not the survey was designed to provide relevant data on the issue before the court.[65] Moreover, if a survey was not designed for purposes of litigation, one source of bias is less likely: The party presenting the survey is less likely to have designed and constructed the survey to provide evidence supporting its side of the issue in controversy.

62. *See, e.g.,* Wright v. Jeep Corp., 547 F. Supp. 871, 874 (E.D. Mich. 1982). Indeed, as courts increasingly have been faced with scientific issues, parties have requested in a number of recent cases that the courts compel production of research data and testimony by unretained experts. The circumstances under which an unretained expert can be compelled to testify or to disclose research data and opinions, as well as the extent of disclosure that can be required when the research conducted by the expert has a bearing on the issues in the case, are the subject of considerable current debate. *See, e.g.,* Joe S. Cecil, *Judicially Compelled Disclosure of Research Data,* 1 Cts. Health Sci. & L. 434 (1991); Richard L. Marcus, *Discovery Along the Litigation/Science Interface,* 57 Brook. L. Rev. 381, 393–428 (1991); *see also Court-Ordered Disclosure of Academic Research: A Clash of Values of Science and Law,* Law & Contemp. Probs., Summer 1996, at 1.

63. *See* Loctite Corp. v. National Starch & Chem. Corp., 516 F. Supp. 190, 206 (S.D.N.Y. 1981) (marketing surveys conducted before litigation were designed to test for brand awareness, while the "single issue at hand . . . [was] whether consumers understood the term 'Super Glue' to designate glue from a single source").

64. In *Craig v. Boren,* 429 U.S. 190 (1976), the state unsuccessfully attempted to use its annual roadside survey of the blood alcohol level, drinking habits, and preferences of drivers to justify prohibiting the sale of 3.2% beer to males under the age of 21 and to females under the age of 18. The data were biased because it was likely that the male would be driving if both the male and female occupants of the car had been drinking. As pointed out in 2 Joseph L. Gastwirth, Statistical Reasoning in Law and Public Policy: Tort Law, Evidence, and Health 527 (1988), the roadside survey would have provided more relevant data if all occupants of the cars had been included in the survey (and if the type and amount of alcohol most recently consumed had been requested so that the consumption of 3.2% beer could have been isolated).

65. *See* Merisant Co. v. McNeil Nutritionals, LLC, 242 F.R.D. 315 (E.D. Pa. 2007).

B. Was Participation in the Design, Administration, and Interpretation of the Survey Appropriately Controlled to Ensure the Objectivity of the Survey?

An early handbook for judges recommended that survey interviews be "conducted independently of the attorneys in the case."[66] Some courts interpreted this to mean that any evidence of attorney participation is objectionable.[67] A better interpretation is that the attorney should have no part in carrying out the survey.[68] However, some attorney involvement in the survey design is necessary to ensure that relevant questions are directed to a relevant population.[69] The 2009 amendments to Federal Rule of Civil Procedure 26(a)(2)[70] no longer allow an inquiry into the nature of communications between attorneys and experts, and so the role of attorneys in constructing surveys may become less apparent. The key issues for the trier of fact concerning the design of the survey are the objectivity and relevance of the questions on the survey and the appropriateness of the definition of the population used to guide sample selection. These aspects of the survey are visible to the trier of fact and can be judged on their quality, irrespective of who suggested them. In contrast, the interviews themselves are not directly visible, and any potential bias is minimized by having interviewers and respondents blind to the purpose and sponsorship of the survey and by excluding attorneys from any part in conducting interviews and tabulating results.[71]

66. Judicial Conference of the United States, Handbook of Recommended Procedures for the Trial of Protracted Cases 75 (1960).

67. *See, e.g.*, Boehringer Ingelheim G.m.b.H. v. Pharmadyne Lab., 532 F. Supp. 1040, 1058 (D.N.J. 1980).

68. Upjohn Co. v. American Home Prods. Corp., No. 1-95-CV-237, 1996 U.S. Dist. LEXIS 8049, at *42 (W.D. Mich. Apr. 5, 1996) (objection that "counsel reviewed the design of the survey carries little force with this Court because [opposing party] has not identified any flaw in the survey that might be attributed to counsel's assistance"). For cases in which attorney participation was linked to significant flaws in the survey design, see Johnson v. Big Lots Stores, Inc., No. 04-321, 2008 U.S. Dist. LEXIS 35316, at *20 (E.D. La. April 29, 2008); United States v. Southern Indiana Gas & Elec. Co., 258 F. Supp. 2d 884, 894 (S.D. Ind. 2003); Gibson v. County of Riverside, 181 F. Supp. 2d 1057, 1069 (C.D. Cal. 2002).

69. *See* 6 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 32:166 (4th ed. 2003).

70. www.uscourts.gov/News/TheThirdBranch/10-11-01/Rules_Recommendations_Take_Effect_December_1_2010.aspx.

71. *Gibson,* 181 F. Supp. 2d at 1068.

C. Are the Experts Who Designed, Conducted, or Analyzed the Survey Appropriately Skilled and Experienced?

Experts prepared to design, conduct, and analyze a survey generally should have graduate training in psychology (especially social, cognitive, or consumer psychology), sociology, political science, marketing, communication sciences, statistics, or a related discipline; that training should include courses in survey research methods, sampling, measurement, interviewing, and statistics. In some cases, professional experience in teaching or conducting and publishing survey research may provide the requisite background. In all cases, the expert must demonstrate an understanding of foundational, current, and best practices in survey methodology, including sampling,[72] instrument design (questionnaire and interview construction), and statistical analysis.[73] Publication in peer-reviewed journals, authored books, fellowship status in professional organizations, faculty appointments, consulting experience, research grants, and membership on scientific advisory panels for government agencies or private foundations are indications of a professional's area and level of expertise. In addition, some surveys involving highly technical subject matter (e.g., the particular preferences of electrical engineers for various pieces of electrical equipment and the bases for those preferences) or special populations (e.g., developmentally disabled adults with limited cognitive skills) may require experts to have some further specialized knowledge. Under these conditions, the survey expert also should be able to demonstrate sufficient familiarity with the topic or population (or assistance from an individual on the research team with suitable expertise) to design a survey instrument that will communicate clearly with relevant respondents.

D. Are the Experts Who Will Testify About Surveys Conducted by Others Appropriately Skilled and Experienced?

Parties often call on an expert to testify about a survey conducted by someone else. The secondary expert's role is to offer support for a survey commissioned by the party who calls the expert, to critique a survey presented by the opposing party, or to introduce findings or conclusions from a survey not conducted in preparation for litigation or by any of the parties to the litigation. The trial court should take into account the exact issue that the expert seeks to testify about and the nature of the expert's field of expertise.[74] The secondary expert who gives an opinion

72. The one exception is that sampling expertise would be unnecessary if the survey were administered to all members of the relevant population. *See, e.g.*, McGovern & Lind, *supra* note 31.

73. If survey expertise is being provided by several experts, a single expert may have general familiarity but not special expertise in all these areas.

74. *See* Margaret A. Berger, The Admissibility of Expert Testimony, Section III.A, in this manual.

about the adequacy and interpretation of a survey not only should have general skills and experience with surveys and be familiar with all of the issues addressed in this reference guide, but also should demonstrate familiarity with the following properties of the survey being discussed:

1. Purpose of the survey;
2. Survey methodology,[75] including
   a. the target population,
   b. the sampling design used in conducting the survey,
   c. the survey instrument (questionnaire or interview schedule), and
   d. (for interview surveys) interviewer training and instruction;
3. Results, including rates and patterns of missing data; and
4. Statistical analyses used to interpret the results.

III. Population Definition and Sampling

A. Was an Appropriate Universe or Population Identified?

One of the first steps in designing a survey or in deciding whether an existing survey is relevant is to identify the target population (or universe).[76] The target population consists of all elements (i.e., individuals or other units) whose characteristics or perceptions the survey is intended to represent. Thus, in trademark litigation, the relevant population in some disputes may include all prospective and past purchasers of the plaintiff's goods or services and all prospective and past purchasers of the defendant's goods or services. Similarly, the population for a discovery survey may include all potential plaintiffs or all employees who worked for Company A between two specific dates. In a community survey designed to provide evidence for a motion for a change of venue, the relevant population consists of all jury-eligible citizens in the community in which the trial is to take place.[77]

75. *See* A & M Records, Inc. v. Napster, Inc., 2000 U.S. Dist. LEXIS 20668 (N.D. Cal. Aug. 10, 2000) (holding that expert could not attest credibly that the surveys upon which he relied conformed to accepted survey principles because of his minimal role in overseeing the administration of the survey and limited expert report).

76. Identification of the proper target population or universe is recognized uniformly as a key element in the development of a survey. *See, e.g.*, Judicial Conference of the U.S., *supra* note 66; MCL 4th, *supra* note 16, § 11.493; *see also* 3 McCarthy, *supra* note 69, § 32:166; Council of Am. Survey Res. Orgs., Code of Standards and Ethics for Survey Research § III.A.3 (2010).

77. A second relevant population may consist of jury-eligible citizens in the community where the party would like to see the trial moved. By questioning citizens in both communities, the survey can test whether moving the trial is likely to reduce the level of animosity toward the party requesting the change of venue. *See* United States v. Haldeman, 559 F.2d 31, 140, 151, app. A at 176–79 (D.C. Cir. 1976) (court denied change of venue over the strong objection of Judge MacKinnon, who cited survey evidence that Washington, D.C., residents were substantially more likely to conclude, before

The definition of the relevant population is crucial because there may be systematic differences in the responses of members of the population and nonmembers. For example, consumers who are prospective purchasers may know more about the product category than consumers who are not considering making a purchase.

The universe must be defined carefully. For example, a commercial for a toy or breakfast cereal may be aimed at children, who in turn influence their parents' purchases. If a survey assessing the commercial's tendency to mislead were conducted based on a sample from the target population of prospective and actual adult purchasers, it would exclude a crucial relevant population. The appropriate population in this instance would include children as well as parents.[78]

B. Did the Sampling Frame Approximate the Population?

The target population consists of all the individuals or units that the researcher would like to study. The sampling frame is the source (or sources) from which the sample actually is drawn. The surveyor's job generally is easier if a complete list of every eligible member of the population is available (e.g., all plaintiffs in a discovery survey), so that the sampling frame lists the identity of all members of the target population. Frequently, however, the target population includes members who are inaccessible or who cannot be identified in advance. As a result, reasonable compromises are sometimes required in developing the sampling frame. The survey report should contain (1) a description of the target population, (2) a description of the sampling frame from which the sample is to be drawn, (3) a discussion of the difference between the target population and the sampling frame, and, importantly, (4) an evaluation of the likely consequences of that difference.

A survey that provides information about a wholly irrelevant population is itself irrelevant.[79] Courts are likely to exclude the survey or accord it little

trial, that the defendants were guilty); *see also* People v. Venegas, 31 Cal. Rptr. 2d 114, 117 (Cal. Ct. App. 1994) (change of venue denied because defendant failed to show that the defendant would face a less hostile jury in a different court).

78. *See, e.g.*, Warner Bros., Inc. v. Gay Toys, Inc., 658 F.2d 76 (2d Cir. 1981) (surveying children users of the product rather than parent purchasers). Children and some other populations create special challenges for researchers. For example, very young children should not be asked about sponsorship or licensing, concepts that are foreign to them. Concepts, as well as wording, should be age appropriate.

79. A survey aimed at assessing how persons in the trade respond to an advertisement should be conducted on a sample of persons in the trade and not on a sample of consumers. *See* Home Box Office v. Showtime/The Movie Channel, 665 F. Supp. 1079, 1083 (S.D.N.Y.), *aff'd in part and vacated in part*, 832 F.2d 1311 (2d Cir. 1987); J & J Snack Food Corp. v. Earthgrains Co., 220 F. Supp. 2d 358, 371–72 (N.J. 2002). *But see* Lon Tai Shing Co. v. Koch + Lowy, No. 90-C4464, 1990 U.S. Dist. LEXIS 19123, at *50 (S.D.N.Y. Dec. 14, 1990), in which the judge was willing to find likelihood of consumer confusion from a survey of lighting store salespersons questioned by a survey researcher posing as a customer. The court was persuaded that the salespersons who were misstating the source

weight.[80] Thus, when the plaintiff submitted the results of a survey to prove that the green color of its fishing rod had acquired a secondary meaning, the court gave the survey little weight in part because the survey solicited the views of fishing rod dealers rather than consumers.[81] More commonly, however, the sampling frame and the target population have some overlap, but the overlap is imperfect: The sampling frame excludes part of the target population, that is, it is underinclusive, or the sampling frame includes individuals who are not members of the target population, that is, it is overinclusive relative to the target population. Coverage error is the term used to describe inconsistencies between a sampling frame and a target population. If the coverage is underinclusive, the survey's value depends on the proportion of the target population that has been excluded from the sampling frame and the extent to which the excluded population is likely to respond differently from the included population. Thus, a survey of spectators and participants at running events would be sampling a sophisticated subset of those likely to purchase running shoes. Because this subset probably would consist of the consumers most knowledgeable about the trade dress used by companies that sell running shoes, a survey based on this sampling frame would be likely to substantially overrepresent the strength of a particular design as a trademark, and the extent of that overrepresentation would be unknown and not susceptible to any reasonable estimation.[82]

Similarly, in a survey designed to project demand for cellular phones, the assumption that businesses would be the primary users of cellular service led surveyors to exclude potential nonbusiness users from the survey. The Federal Communications Commission (FCC) found the assumption unwarranted and concluded that the research was flawed, in part because of this underinclusive coverage.[83] With the growth in individual cell phone use over time, noncoverage error would be an even greater problem for this survey today.

of the lamp, whether consciously or not, must have believed reasonably that the consuming public would be likely to rely on the salespersons' inaccurate statements about the name of the company that manufactured the lamp they were selling.

80. *See* Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734 (E.D. Mich. 2003).

81. *See* R.L. Winston Rod Co. v. Sage Mfg. Co., 838 F. Supp. 1396, 1401–02 (D. Mont. 1993).

82. *See* Brooks Shoe Mfg. Co. v. Suave Shoe Corp., 533 F. Supp. 75, 80 (S.D. Fla. 1981), *aff'd*, 716 F.2d 854 (11th Cir. 1983); *see also* Hodgdon Power Co. v. Alliant Techsystems, Inc., 512 F. Supp. 2d 1178 (D. Kan. 2007) (excluding survey on gunpowder brands distributed at plaintiff's promotional booth at a shooting tournament); Winning Ways, Inc. v. Holloway Sportswear, Inc., 913 F. Supp. 1454, 1467 (D. Kan. 1996) (survey flawed in failing to include sporting goods customers who constituted a major portion of customers). *But see* Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 294–95 (7th Cir. 1998) (survey of store personnel admissible because relevant market included both distributors and ultimate purchasers).

83. *See* Gencom, Inc., 56 Rad. Reg. 2d (P&F) 1597, 1604 (1984). This position was affirmed on appeal. *See* Gencom, Inc. v. FCC, 832 F.2d 171, 186 (D.C. Cir. 1987); *see also* Beacon Mut. Ins. Co. v. Onebeacon Ins. Corp, 376 F. Supp. 2d 251, 261 (D.R.I. 2005) (sample included only defendant's insurance agents and lack of confusion among those agents was "nonstartling").

In some cases, it is difficult to determine whether a sampling frame that omits some members of the population distorts the results of the survey and, if so, the extent and likely direction of the bias. For example, a trademark survey was designed to test the likelihood of confusing an analgesic currently on the market with a new product that was similar in appearance.[84] The plaintiff's survey included only respondents who had used the plaintiff's analgesic, and the court found that the target population should have included users of other analgesics, "so that the full range of potential customers for whom plaintiff and defendants would compete could be studied."[85] In this instance, it is unclear whether users of the plaintiff's product would be more or less likely to be confused than users of the defendants' product or users of a third analgesic.[86]

An overinclusive sampling frame generally presents less of a problem for interpretation than does an underinclusive sampling frame.[87] If the survey expert can demonstrate that a sufficiently large (and representative) subset of respondents in the survey was drawn from the appropriate sampling frame, the responses obtained from that subset can be examined, and inferences about the relevant population can be drawn based on that subset.[88] If the relevant subset cannot be identified, however, an overbroad sampling frame will reduce the value of the survey.[89] If the sampling frame does not include important groups in the target population, there is generally no way to know how the unrepresented members of the target population would have responded.[90]

84. *See* American Home Prods. Corp. v. Barr Lab., Inc., 656 F. Supp. 1058 (D.N.J.), *aff'd*, 834 F.2d 368 (3d Cir. 1987).

85. *Id*. at 1070.

86. *See also* Craig v. Boren, 429 U.S. 190 (1976).

87. *See* Schwab v. Philip Morris USA, Inc. 449 F. Supp. 2d 992, 1134–35 (E.D.N.Y. 2006) ("Studies evaluating broadly the beliefs of low tar smokers generally are relevant to the beliefs of "light" smokers more specifically.").

88. *See* National Football League Props. Inc. v. Wichita Falls Sportswear, Inc. 532 F. Supp. 651, 657–58 (W.D. Wash. 1982).

89. *See* Leelanau Wine Cellars, Ltd. v. Black & Red, Inc., 502 F.3d 504, 518 (6th Cir. 2007) (lower court was correct in giving little weight to survey with overbroad universe); Big Dog Motorcycles, L.L.C. v. Big Dog Holdings, Inc., 402 F. Supp. 2d 1312, 1334 (D. Kan. 2005) (universe composed of prospective purchasers of all t-shirts and caps overinclusive for evaluating reactions of buyers likely to purchase merchandise at motorcycle dealerships). *See also* Schieffelin & Co. v. Jack Co. of Boca, 850 F. Supp. 232, 246 (S.D.N.Y. 1994).

90. *See, e.g.*, Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252, 263–64 (5th Cir. 1980) (court found both plaintiff's and defendant's surveys substantially defective for a systematic failure to include parts of the relevant population); Scott Fetzer Co. v. House of Vacuums, Inc., 381 F.3d 477 (5th Cir. 2004) (universe drawn from plaintiff's customer list underinclusive and likely to differ in their familiarity with plaintiff's marketing and distribution techniques).

C. Does the Sample Approximate the Relevant Characteristics of the Population?

Identification of a survey population must be followed by selection of a sample that accurately represents that population.[91] The use of probability sampling techniques maximizes both the representativeness of the survey results and the ability to assess the accuracy of estimates obtained from the survey.

Probability samples range from simple random samples to complex multistage sampling designs that use stratification, clustering of population elements into various groupings, or both. In all forms of probability sampling, each element in the relevant population has a known, nonzero probability of being included in the sample.[92] In simple random sampling, the most basic type of probability sampling, every element in the population has a known, equal probability of being included in the sample, and all possible samples of a given size are equally likely to be selected.[93] Other probability sampling techniques include (1) stratified random sampling, in which the researcher subdivides the population into mutually exclusive and exhaustive subpopulations, or strata, and then randomly selects samples from within these strata; and (2) cluster sampling, in which elements are sampled in groups or clusters, rather than on an individual basis.[94] Note that selection probabilities do not need to be the same for all population elements; however, if the probabilities are unequal, compensatory adjustments should be made in the analysis.

Probability sampling offers two important advantages over other types of sampling. First, the sample can provide an unbiased estimate that summarizes the responses of all persons in the population from which the sample was drawn; that is, the expected value of the sample estimate is the population value being estimated. Second, the researcher can calculate a confidence interval that describes explicitly how reliable the sample estimate of the population is likely to be. If the sample is unbiased, the difference between the estimate and the exact value is called the sampling error.[95] Thus, suppose a survey collected responses from a simple random sample of 400 dentists selected from the population of all dentists

91. MCL 4th, *supra* note 16, § 11.493. *See also* David H. Kaye & David A. Freedman, Reference Guide on Statistics, Section II.B, in this manual.

92. The exception is that population elements omitted from the sampling frame have a zero probability of being sampled.

93. Systematic sampling, in which every *n*th unit in the population is sampled and the starting point is selected randomly, fulfills the first of these conditions. It does not fulfill the second, because no systematic sample can include elements adjacent to one another on the list of population members from which the sample is drawn. Except in unusual situations when periodicities occur, systematic samples and simple random samples generally produce the same results. Thomas Plazza, *Fundamentals of Applied Sampling*, *in* Handbook of Survey Research, *supra* note 1, at 139, 145.

94. *Id*. at 139, 150–63.

95. *See* David H. Kaye & David A. Freedman, *supra* note 91, Glossary, for a definition of sampling error.

licensed to practice in the United States and found that 80, or 20%, of them mistakenly believed that a new toothpaste, Goldgate, was manufactured by the makers of Colgate. A survey expert could properly compute a confidence interval around the 20% estimate obtained from this sample. If the survey were repeated a large number of times, and a 95% confidence interval was computed each time, 95% of the confidence intervals would include the actual percentage of dentists in the entire population who would believe that Goldgate was manufactured by the makers of Colgate.[96] In this example, the margin of error is ±4%, and so the confidence interval is the range between 16% and 24%, that is, the estimate (20%) plus or minus 4%.

All sample surveys produce estimates of population values, not exact measures of those values. Strictly speaking, the margin of error associated with the sample estimate assumes probability sampling. Assuming a probability sample, a confidence interval describes how stable the mean response in the sample is likely to be. The width of the confidence interval depends on three primary characteristics:

1. Size of the sample (the larger the sample, the narrower the interval);
2. Variability of the response being measured; and
3. Confidence level the researcher wants to have.[97]

Traditionally, scientists adopt the 95% level of confidence, which means that if 100 samples of the same size were drawn, the confidence interval expected for at least 95 of the samples would be expected to include the true population value.[98]

Stratified probability sampling can be used to obtain more precise response estimates by using what is known about characteristics of the population that are likely to be associated with the response being measured. Suppose, for example, we anticipated that more-experienced and less-experienced dentists might respond differently to Goldgate toothpaste, and we had information on the year in which each dentist in the population began practicing. By dividing the population of dentists into more- and less-experienced strata (e.g., in practice 15 years or more versus in practice less than 15 years) and then randomly sampling within experience stratum, we would be able to ensure that the sample contained precisely

96. Actually, because survey interviewers would be unable to locate some dentists and some dentists would be unwilling to participate in the survey, technically the population to which this sample would be projectable would be all dentists with current addresses who would be willing to participate in the survey if they were asked. The expert should be prepared to discuss possible sources of bias due to, for example, an address list that is not current.

97. When the sample design does not use a simple random sample, the confidence interval will be affected.

98. To increase the likelihood that the confidence interval contains the actual population value (e.g., from 95% to 99%) without increasing the sample size, the width of the confidence interval can be expanded. An increase in the confidence interval brings an increase in the confidence level. For further discussion of confidence intervals, see David H. Kaye & David A. Freedman, Reference Guide on Statistics, Section IV.A, in this manual.

proportionate representation from each stratum, in this case, more- and less-experienced dentists. That is, if 60% of dentists were in practice 15 years or more, we could select 60% of the sample from the more-experienced stratum and 40% from the less-experienced stratum and be sure that the sample would have proportionate representation from each stratum, reducing the likely sampling error.[99]

In proportionate stratified probability sampling, as in simple random sampling, each individual member of the population has an equal chance of being selected. Stratified probability sampling can also disproportionately sample from different strata, a procedure that will produce more precise estimates if some strata are more heterogeneous than others on the measure of interest.[100] Disproportionate sampling may also used to enable the survey to provide separate estimates for particular subgroups. With disproportionate sampling, sampling weights must be used in the analysis to accurately describe the characteristics of the population as a whole.

Although probability sample surveys often are conducted in organizational settings and are the recommended sampling approach in academic and government publications on surveys, probability sample surveys can be expensive when in-person interviews are required, the target population is dispersed widely, or members of the target population are rare. A majority of the consumer surveys conducted for Lanham Act litigation present results from nonprobability convenience samples.[101] They are admitted into evidence based on the argument that nonprobability sampling is used widely in marketing research and that "results of these studies are used by major American companies in making decisions of considerable consequence."[102] Nonetheless, when respondents are not selected randomly from the relevant population, the expert should be prepared to justify the method used to select respondents. Special precautions are required to reduce the likelihood of biased samples.[103] In addition, quantitative values computed from such samples (e.g., percentage of respondents indicating confusion) should be viewed as rough

99. *See* Pharmacia Corp. v. Alcon Lab., 201 F. Supp. 2d 335, 365 (D.N.J. 2002).

100. Robert M. Groves et al., Survey Methodology, Stratification and Stratified Sampling, 106–18 (2004).

101. Jacob Jacoby & Amy H. Handlin, *Non-Probability Sampling Designs for Litigation Surveys*, 81 Trademark Rep. 169, 173 (1991). For probability surveys conducted in trademark cases, see James Burrough, Ltd. v. Sign of Beefeater, Inc., 540 F.2d 266 (7th Cir. 1976); Nightlight Systems, Inc., v. Nite Lights Franchise Sys., 2007 U.S. Dist. LEXIS 95565 (N.C. Ga. July 17, 2007); National Football League Props., Inc. v. Wichita Falls Sportswear, Inc., 532 F. Supp. 651 (W.D. Wash. 1982).

102. National Football League Props., Inc. v. New Jersey Giants, Inc., 637 F. Supp. 507, 515 (D.N.J. 1986). A survey of members of the Council of American Survey Research Organizations, the national trade association for commercial survey research firms in the United States, revealed that 95% of the in-person independent contacts in studies done in 1985 took place in malls or shopping centers. Jacoby & Handlin, *supra* note 101, at 172–73, 176. More recently, surveys conducted over the Internet have been administered to samples of respondents drawn from panels of volunteers; *see infra* Section IV.G.4 for a discussion of online surveys. Although panel members may be randomly selected from the panel population to complete the survey, the panel population itself is not usually the product of a random selection process.

103. *See infra* Sections III.D–E.

indicators rather than as precise quantitative estimates.[104] Confidence intervals technically should not be computed, although if the calculation shows a wide interval, that may be a useful indication of the limited value of the estimate.

D. What Is the Evidence That Nonresponse Did Not Bias the Results of the Survey?

Even when a sample is drawn randomly from a complete list of elements in the target population, responses or measures may be obtained on only part of the selected sample. If this lack of response is distributed randomly, valid inferences about the population can be drawn with assurance using the measures obtained from the available elements in the sample. The difficulty is that nonresponse often is not random, so that, for example, persons who are single typically have three times the "not at home" rate in U.S. Census Bureau surveys as do family members.[105] Efforts to increase response rates include making several attempts to contact potential respondents, sending advance letters,[106] and providing financial or nonmonetary incentives for participating in the survey.[107]

The key to evaluating the effect of nonresponse in a survey is to determine as much as possible the extent to which nonrespondents differ from the respondents in the nature of the responses they would provide if they were present in the sample. That is, the difficult question to address is the extent to which nonresponse has biased the pattern of responses by undermining the representativeness of the sample and, if it has, the direction of that bias. It is incumbent on the expert presenting the survey results to analyze the level and sources of nonresponse, and to assess how that nonresponse is likely to have affected the results. On some occasions, it may be possible to anticipate systematic patterns of nonresponse. For example, a survey that targets a population of professionals may encounter difficulty in obtaining the same level of participation from individuals with high-volume practices that can be obtained from those with lower-volume practices. To enable the researcher to assess whether response rate varies with the volume of practice, it may be possible to identify in advance potential respondents

104. The court in Kinetic Concept, Inc. v. Bluesky Medical Corp., 2006 U.S. Dist. LEXIS 60187, *14 (W.D. Tex. Aug. 11, 2006), found the plaintiff's survey using a nonprobability sample to be admissible and permitted the plaintiff's expert to present results from a survey using a convenience sample. The court then assisted the jury by providing an instruction on the differences between probability and convenience samples and the estimates obtained from each.

105. 2 Gastwirth, *supra* note 64, at 501. This volume contains a useful discussion of sampling, along with a set of examples. *Id.* at 467.

106. Edith De Leeuw et al., *The Influence of Advance Letters on Response in Telephone Surveys: A Meta-analysis*, 71 Pub. Op. Q. 413 (2007) (advance letters effective in increasing response rates in telephone as well as mail and face-to-face surveys).

107. Erica Ryu et al., *Survey Incentives: Cash vs. In-kind; Face-to-Face vs. Mail; Response Rate vs. Nonresponse Error*, 18 Int'l J. Pub. Op. Res. 89 (2005).

with varying years of experience. Even if it is not possible to know in advance the level of experience of each potential member in the target population and to design a sampling plan that will produce representative samples at each level of experience, the survey itself can include questions about volume of practice that will permit the expert to assess how experience level may have affected the pattern of results.[108]

Although high response rates (i.e., 80% or higher)[109] are desirable because they generally eliminate the need to address the issue of potential bias from nonresponse,[110] such high response rates are increasingly difficult to achieve. Survey nonresponse rates have risen substantially in recent years, along with the costs of obtaining responses, and so the issue of nonresponse has attracted substantial attention from survey researchers.[111] Researchers have developed a variety of approaches to adjust for nonresponse, including weighting obtained responses in proportion to known demographic characteristics of the target population, comparing the pattern of responses from early and late responders to mail surveys, or the pattern of responses from easy-to-reach and hard-to-reach responders in telephone surveys, and imputing estimated responses to nonrespondents based on known characteristics of those who have responded. All of these techniques can only approximate the response patterns that would have been obtained if nonrespondents had responded. Nonetheless, they are useful for testing the robustness of the findings based on estimates obtained from the simple aggregation of answers to questions given by responders.

To assess the general impact of the lower response rates, researchers have conducted comparison studies evaluating the results obtained from surveys with

108. In *People v. Williams*, *supra* note 22, a published survey of experts in eyewitness research was used to show general acceptance of various eyewitness phenomena. *See* Saul Kassin et al., *On the "General Acceptance" of Eyewitness Testimony Research: A New Survey of the Experts,* 56 Am. Psychologist 405 (2001). The survey included questions on the publication activity of respondents and compared the responses of those with high and low research productivity. Productivity levels in the respondent sample suggested that respondents constituted a blue ribbon group of leading researchers. *Williams,* 830 N.Y.S.2d at 457 n.16. *See also* Pharmacia Corp. v. Alcon Lab., Inc., 201 F. Supp. 2d 335 (D.N.J. 2002).

109. Note that methods of computing response rates vary. For example, although response rate can be generally defined as the number of complete interviews with reporting units divided by the number of eligible reporting units in the sample, decisions on how to treat partial completions and how to estimate the eligibility of nonrespondents can produce differences in measures of response rate. *E.g.,* American Association of Public Opinion Research, Standard Definitions: Final Dispositions of Case Codes and Outcome Rates for Surveys (rev. 2008), *available at* www. Aapor.org/uploads/Standard_Definitions_07-08_Final.pdf.

110. Office of Management and Budget, Standards and Guidelines for Statistical Surveys (Sept. 2006), Guideline 1.3.4: Plan for a nonresponse bias analysis if the expected unit response rate is below 80%. *See* Albert v. Zabin, 2009 Mass. App. Unpub. LEXIS 572 (July 14, 2009) reversing summary judgment that had excluded surveys with response rates of 27% and 31% based on a thoughtful analysis of measures taken to assess potential nonresponse bias.

111. *E.g.*, Richard Curtin et al., *Changes in Telephone Survey Nonresponse Over the Past Quarter Century*, 69 Pub. Op. Q. 87 (2005); Survey Nonresponse (Robert M. Groves et al. eds., 2002).

varying response rates.[112] Contrary to earlier assumptions, surprisingly comparable results have been obtained in many surveys with varying response rates, suggesting that surveys may achieve reasonable estimates even with relatively low response rates. The key is whether nonresponse is associated with systematic differences in response that cannot be adequately modeled or assessed.

Determining whether the level of nonresponse in a survey seriously impairs inferences drawn from the results of a survey generally requires an analysis of the determinants of nonresponse. For example, even a survey with a high response rate may seriously underrepresent some portions of the population, such as the unemployed or the poor. If a general population sample is used to chart changes in the proportion of the population that knows someone with HIV, the survey would underestimate the population value if some groups more likely to know someone with HIV (e.g., intravenous drug users) are underrepresented in the sample. The survey expert should be prepared to provide evidence on the potential impact of nonresponse on the survey results.

In surveys that include sensitive or difficult questions, particularly surveys that are self-administered, some respondents may refuse to provide answers or may provide incomplete answers (i.e., item rather than unit nonresponse).[113] To assess the impact of nonresponse to a particular question, the survey expert should analyze the differences between those who answered and those who did not answer. Procedures to address the problem of missing data include recontacting respondents to obtain the missing answers and using the respondent's other answers to predict the missing response (i.e., imputation).[114]

E. What Procedures Were Used to Reduce the Likelihood of a Biased Sample?

If it is impractical for a survey researcher to sample randomly from the entire target population, the researcher still can apply probability sampling to some aspects of respondent selection to reduce the likelihood of biased selection. For example, in many studies the target population consists of all consumers or purchasers of a product. Because it is impractical to randomly sample from that population, research is often conducted in shopping malls where some members of the target population may not shop. Mall locations, however, can be sampled randomly from a list of possible mall sites. By administering the survey at several different

112. *E.g.*, Daniel M. Merkle & Murray Edelman, *Nonresponse in Exit Polls: A Comprehensive Analysis*, *in* Survey Nonresponse, *supra* note 111, at 243–57 (finding minimal nonresponse error associated with refusals to participate in in-person exit polls); *see also* Jon A. Krosnick, *Survey Research*, 50 Ann. Rev. Psychol. 537 (1999).

113. *See* Roger Tourangeau et al., The Psychology of Survey Response (2000).

114. *See* Paul D. Allison, *Missing Data*, *in* Handbook of Survey Research, *supra* note 1, at 630; *see also* Survey Nonresponse, *supra* note 111.

malls, the expert can test for and report on any differences observed across sites. To the extent that similar results are obtained in different locations using different onsite interview operations, it is less likely that idiosyncrasies of sample selection or administration can account for the results.[115] Similarly, because the characteristics of persons visiting a shopping center vary by day of the week and time of day, bias in sampling can be reduced if the survey design calls for sampling time segments as well as mall locations.[116]

In mall intercept surveys, the organization that manages the onsite interview facility generally employs recruiters who approach potential survey respondents in the mall and ascertain if they are qualified and willing to participate in the survey. If a potential respondent agrees to answer the questions and meets the specified criteria, he or she is escorted to the facility where the survey interview takes place. If recruiters are free to approach potential respondents without controls on how an individual is to be selected for screening, shoppers who spend more time in the mall are more likely to be approached than shoppers who visit the mall only briefly. Moreover, recruiters naturally prefer to approach friendly looking potential respondents, so that it is more likely that certain types of individuals will be selected. These potential biases in selection can be reduced by providing appropriate selection instructions and training recruiters effectively. Training that reduces the interviewer's discretion in selecting a potential respondent is likely to reduce bias in selection, as are instructions to approach every *n*th person entering the facility through a particular door.[117]

F. What Precautions Were Taken to Ensure That Only Qualified Respondents Were Included in the Survey?

In a carefully executed survey, each potential respondent is questioned or measured on the attributes that determine his or her eligibility to participate in the survey. Thus, the initial questions screen potential respondents to determine if they are members of the target population of the survey (e.g., Is she at least 14 years old? Does she own a dog? Does she live within 10 miles?). The screening questions must be drafted so that they do not appeal to or deter specific groups within the target population, or convey information that will influence the respondent's

115. Note, however, that differences in results across sites may arise from genuine differences in respondents across geographic locations or from a failure to administer the survey consistently across sites.

116. Seymour Sudman, *Improving the Quality of Shopping Center Sampling*, 17 J. Marketing Res. 423 (1980).

117. In the end, even if malls are randomly sampled and shoppers are randomly selected within malls, results from mall surveys technically can be used to generalize only to the population of mall shoppers. The ability of the mall sample to describe the likely response pattern of the broader relevant population will depend on the extent to which a substantial segment of the relevant population (1) is not found in malls and (2) would respond differently to the interview.

answers on the main survey. For example, if respondents must be prospective and recent purchasers of Sunshine orange juice in a trademark survey designed to assess consumer confusion with Sun Time orange juice, potential respondents might be asked to name the brands of orange juice they have purchased recently or expect to purchase in the next 6 months. They should not be asked specifically if they recently have purchased, or expect to purchase, Sunshine orange juice, because this may affect their responses on the survey either by implying who is conducting the survey or by supplying them with a brand name that otherwise would not occur to them.

The content of a screening questionnaire (or screener) can also set the context for the questions that follow. In *Pfizer, Inc. v. Astra Pharmaceutical Products, Inc.*,[118] physicians were asked a screening question to determine whether they prescribed particular drugs. The survey question that followed the screener asked "Thinking of the practice of cardiovascular medicine, what first comes to mind when you hear the letters XL?" The court found that the screener conditioned the physicians to respond with the name of a drug rather than a condition (long-acting).[119]

The criteria for determining whether to include a potential respondent in the survey should be objective and clearly conveyed, preferably using written instructions addressed to those who administer the screening questions. These instructions and the completed screening questionnaire should be made available to the court and the opposing party along with the interview form for each respondent.

IV. Survey Questions and Structure

A. Were Questions on the Survey Framed to Be Clear, Precise, and Unbiased?

Although it seems obvious that questions on a survey should be clear and precise, phrasing questions to reach that goal is often difficult. Even questions that appear clear can convey unexpected meanings and ambiguities to potential respondents. For example, the question "What is the average number of days each week you have butter?" appears to be straightforward. Yet some respondents wondered whether margarine counted as butter, and when the question was revised to include the introductory phrase "not including margarine," the reported frequency of butter use dropped dramatically.[120]

118. 858 F. Supp. 1305, 1321 & n.13 (S.D.N.Y. 1994).

119. *Id.* at 1321.

120. Floyd J. Fowler, Jr., *How Unclear Terms Affect Survey Data*, 56 Pub. Op. Q. 218, 225–26 (1992).

When unclear questions are included in a survey, they may threaten the validity of the survey by systematically distorting responses if respondents are misled in a particular direction, or by inflating random error if respondents guess because they do not understand the question.[121] If the crucial question is sufficiently ambiguous or unclear, it may be the basis for rejecting the survey. For example, a survey was designed to assess community sentiment that would warrant a change of venue in trying a case for damages sustained when a hotel skywalk collapsed.[122] The court found that the question "Based on what you have heard, read or seen, do you believe that in the current compensatory damage trials, the defendants, such as the contractors, designers, owners, and operators of the Hyatt Hotel, should be punished?" could neither be correctly understood nor easily answered.[123] The court noted that the phrase "compensatory damages," although well-defined for attorneys, was unlikely to be meaningful for laypersons.[124]

A variety of pretest activities may be used to improve the clarity of communication with respondents. Focus groups can be used to find out how the survey population thinks about an issue, facilitating the construction of clear and understandable questions. Cognitive interviewing, which includes a combination of think-aloud and verbal probing techniques, may be used for questionnaire evaluation.[125] Pilot studies involving a dress rehearsal for the main survey can also detect potential problems.

Texts on survey research generally recommend pretests as a way to increase the likelihood that questions are clear and unambiguous,[126] and some courts have recognized the value of pretests.[127] In many pretests or pilot tests,[128] the proposed survey is administered to a small sample (usually between 25 and 75)[129] of the

121. *See id*. at 219.

122. Firestone v. Crown Ctr. Redevelopment Corp., 693 S.W.2d 99 (Mo. 1985) (en banc).

123. *See id*. at 102, 103.

124. *See id*. at 103. When there is any question about whether some respondents will understand a particular term or phrase, the term or phrase should be defined explicitly.

125. Gordon B. Willis et al., *Is the Bandwagon Headed to the Methodological Promised Land? Evaluating the Validity of Cognitive Interviewing Techniques*, *in* Cognitive and Survey Research 136 (Monroe G. Sirken et al. eds., 1999). *See also* Tourangeau et al., *supra* note 113, at 326–27.

126. *See* Jon A. Krosnick & Stanley Presser, *Questions and Questionnaire Design*, *in* Handbook of Survey Research, *supra* note 1, at 294 ("No matter how closely a questionnaire follows recommendations based on best practices, it is likely to benefit from pretesting. . ."). *See also* Jean M. Converse & Stanley Presser, Survey Questions: Handcrafting the Standardized Questionnaire 51 (1986); Fred W. Morgan, *Judicial Standards for Survey Research: An Update and Guidelines*, 54 J. Marketing 59, 64 (1990).

127. *See e.g.*, Zippo Mfg. Co. v. Rogers Imports, Inc., 216 F. Supp. 670 (S.D.N.Y. 1963); Scott v. City of New York, 591 F. Supp. 2d 554, 560 (S.D.N.Y. 2008) ("[s]urvey went through multiple pretests in order to insure its usefulness and statistical validity.").

128. The terms *pretest* and *pilot test* are sometimes used interchangeably to describe pilot work done in the planning stages of research. When they are distinguished, the difference is that a pretest tests the questionnaire, whereas a pilot test generally tests proposed collection procedures as well.

129. Converse & Presser, *supra* note 126, at 69. Converse and Presser suggest that a pretest with 25 respondents is appropriate when the survey uses professional interviewers.

same type of respondents who would be eligible to participate in the full-scale survey. The interviewers observe the respondents for any difficulties they may have with the questions and probe for the source of any such difficulties so that the questions can be rephrased if confusion or other difficulties arise.[130] Attorneys who commission surveys for litigation sometimes are reluctant to approve pilot work or to reveal that pilot work has taken place because they are concerned that if a pretest leads to revised wording of the questions, the trier of fact may believe that the survey has been manipulated and is biased or unfair. A more appropriate reaction is to recognize that pilot work is a standard and valuable way to improve the quality of a survey[131] and to anticipate that it often results in word changes that increase clarity and correct misunderstandings. Thus, changes may indicate informed survey construction rather than flawed survey design.[132]

B. Were Some Respondents Likely to Have No Opinion? If So, What Steps Were Taken to Reduce Guessing?

Some survey respondents may have no opinion on an issue under investigation, either because they have never thought about it before or because the question mistakenly assumes a familiarity with the issue. For example, survey respondents may not have noticed that the commercial they are being questioned about guaranteed the quality of the product being advertised and thus they may have no opinion on the kind of guarantee it indicated. Likewise, in an employee survey, respondents may not be familiar with the parental leave policy at their company and thus may have no opinion on whether they would consider taking advantage of the parental leave policy if they became parents. The following three alternative question structures will affect how those respondents answer and how their responses are counted.

First, the survey can ask all respondents to answer the question (e.g., "Did you understand the guarantee offered by Clover to be a 1-year guarantee, a 60-day guarantee, or a 30-day guarantee?"). Faced with a direct question, particularly one that provides response alternatives, the respondent obligingly may supply an

130. Methods for testing respondent understanding include concurrent and retrospective think-alouds, in which respondents describe their thinking as they arrive at, or after they have arrived at, an answer, and paraphrasing (asking respondents to restate the question in their own words). Tourangeau et al., *supra* note 113, at 326–27; *see also* Methods for Testing and Evaluating Survey Questionnaires (Stanley Presser et al. eds., 2004).

131. *See* OMB Standards and Guidelines for Statistical Survey, *supra* note 110, Standard 1.4, Pretesting Survey Systems (specifying that to ensure that all components of a survey function as intended, pretests of survey components should be conducted unless those components have previously been successfully fielded); American Association for Public Opinion Research, Best Practices (2011) ("Because it is rarely possible to foresee all the potential misunderstandings or biasing effects of different questions or procedures, it is vital for a well-designed survey operation to include provision for a pretest.").

132. *See infra* Section VII.B for a discussion of obligations to disclose pilot work.

answer even if (in this example) the respondent did not notice the guarantee (or is unfamiliar with the parental leave policy). Such answers will reflect only what the respondent can glean from the question, or they may reflect pure guessing. The imprecision introduced by this approach will increase with the proportion of respondents who are unfamiliar with the topic at issue.

Second, the survey can use a quasi-filter question to reduce guessing by providing "don't know" or "no opinion" options as part of the question (e.g., "Did you understand the guarantee offered by Clover to be for more than a year, a year, or less than a year, or don't you have an opinion?").[133] By signaling to the respondent that it is appropriate not to have an opinion, the question reduces the demand for an answer and, as a result, the inclination to hazard a guess just to comply. Respondents are more likely to choose a "no opinion" option if it is mentioned explicitly by the interviewer than if it is merely accepted when the respondent spontaneously offers it as a response. The consequence of this change in format is substantial. Studies indicate that, although the relative distribution of the respondents selecting the *listed* choices is unlikely to change dramatically, presentation of an explicit "don't know" or "no opinion" alternative commonly leads to a 20% to 25% increase in the proportion of respondents selecting that response.[134]

Finally, the survey can include full-filter questions, that is, questions that lay the groundwork for the substantive question by first asking the respondent if he or she has an opinion about the issue or happened to notice the feature that the interviewer is preparing to ask about (e.g., "Based on the commercial you just saw, do you have an opinion about how long Clover stated or implied that its guarantee lasts?").[135] The interviewer then asks the substantive question only of those respondents who have indicated that they have an opinion on the issue.

Which of these three approaches is used and the way it is used can affect the rate of "no opinion" responses that the substantive question will evoke.[136] Respondents are more likely to say that they do not have an opinion on an issue if a full filter is used than if a quasi-filter is used.[137] However, in maximizing respondent expressions of "no opinion," full filters may produce an underreporting of opinions. There is some evidence that full-filter questions discourage respondents who actually have opinions from offering them by conveying the implicit suggestion that respondents can avoid difficult followup questions by saying that they have no opinion.[138]

133. Norbert Schwarz & Hans-Jürgen Hippler, *Response Alternatives: The Impact of Their Choice and Presentation Order*, *in* Measurement Errors in Surveys 41, 45–46 (Paul P. Biemer et al. eds., 1991).

134. Howard Schuman & Stanley Presser, Questions and Answers in Attitude Surveys: Experiments on Question Form, Wording and Context 113–46 (1981).

135. *See, e.g.*, Johnson & Johnson–Merck Consumer Pharmas. Co. v. SmithKline Beecham Corp., 960 F.2d 294, 299 (2d Cir. 1992).

136. Considerable research has been conducted on the effects of filters. For a review, see George F. Bishop et al., *Effects of Filter Questions in Public Opinion Surveys*, 47 Pub. Op. Q. 528 (1983).

137. Schwarz & Hippler, *supra* note 133, at 45–46.

138. *Id.* at 46.

In general, then, a survey that uses full filters provides a conservative estimate of the number of respondents holding an opinion, while a survey that uses neither full filters nor quasi-filters may overestimate the number of respondents with opinions, if some respondents offering opinions are guessing. The strategy of including a "no opinion" or "don't know" response as a quasi-filter avoids both of these extremes. Thus, rather than asking, "Based on the commercial, do you believe that the two products are made in the same way, or are they made differently?"[139] or prefacing the question with a preliminary, "Do you have an opinion, based on the commercial, concerning the way that the two products are made?" the question could be phrased, "Based on the commercial, do you believe that the two products are made in the same way, or that they are made differently, or don't you have an opinion about the way they are made?"

Recent research on the effects of including a "don't know" option shows that quasi-filters as well as full filters may discourage a respondent who would be able to provide a meaningful answer from expressing it.[140] The "don't know" option provides a cue that it is acceptable to avoid the work of trying to provide a more substantive response. Respondents are particularly likely to be attracted to a "don't know" option when the question is difficult to understand or the respondent is not strongly motivated to carefully report an opinion.[141] One solution that some survey researchers use is to provide respondents with a general instruction not to guess at the beginning of an interview, rather than supplying a "don't know" or "no opinion" option as part of the options attached to each question.[142] Another approach is to eliminate the "don't know" option and to add followup questions that measure the strength of the respondent's opinion.[143]

C. Did the Survey Use Open-Ended or Closed-Ended Questions? How Was the Choice in Each Instance Justified?

The questions that make up a survey instrument may be open-ended, closed-ended, or a combination of both. Open-ended questions require the respondent to formulate and express an answer in his or her own words (e.g., "What was the main point of the commercial?" "Where did you catch the fish you caught

139. The question in the example without the "no opinion" alternative was based on a question rejected by the court in Coors Brewing Co. v. Anheuser-Busch Cos., 802 F. Supp. 965, 972–73 (S.D.N.Y. 1992). *See also* Procter & Gamble Pharms., Inc. v. Hoffmann-La Roche, Inc., 2006 U.S. Dist. LEXIS 64363 (S.D.N.Y. Sept. 6, 2006).

140. Jon A. Krosnick et al., *The Impact of "No Opinion" Response Options on Data Quality: Non-Attitude Reduction or Invitation to Satisfice*? 66 Pub. Op. Q. 371 (2002).

141. Krosnick & Presser, *supra* note 126, at 284.

142. Anheuser-Busch, Inc. v. VIP Prods, LLC, No. 4:08cv0358, 2008 U.S. Dist. LEXIS 82258, at *6 (E.D. Mo. Oct. 16, 2008).

143. Krosnick & Presser, *supra* note 126, at 285.

in these waters?"[144]). Closed-ended questions provide the respondent with an explicit set of responses from which to choose; the choices may be as simple as *yes* or *no* (e.g., "Is Colby College coeducational?"[145]) or as complex as a range of alternatives (e.g., "The two pain relievers have (1) the same likelihood of causing gastric ulcers; (2) about the same likelihood of causing gastric ulcers; (3) a somewhat different likelihood of causing gastric ulcers; (4) a very different likelihood of causing gastric ulcers; or (5) none of the above."[146]). When a survey involves in-person interviews, the interviewer may show the respondent these choices on a showcard that lists them.

Open-ended and closed-ended questions may elicit very different responses.[147] Most responses are less likely to be volunteered by respondents who are asked an open-ended question than they are to be chosen by respondents who are presented with a closed-ended question. The response alternatives in a closed-ended question may remind respondents of options that they would not otherwise consider or which simply do not come to mind as easily.[148]

The advantage of open-ended questions is that they give the respondent fewer hints about expected or preferred answers. Precoded responses on a closed-ended question, in addition to reminding respondents of options that they might not otherwise consider,[149] may direct the respondent away from or toward a particular response. For example, a commercial reported that in shampoo tests with more than 900 women, the sponsor's product received higher ratings than

144. A relevant example from *Wilhoite v. Olin Corp.* is described in McGovern & Lind, *supra* note 31, at 76.

145. Presidents & Trustees of Colby College v. Colby College–N.H., 508 F.2d 804, 809 (1st Cir. 1975).

146. This question is based on one asked in American Home Products Corp. v. Johnson & Johnson, 654 F. Supp. 568, 581 (S.D.N.Y. 1987), that was found to be a leading question by the court, primarily because the choices suggested that the respondent had learned about aspirin's and ibuprofen's relative likelihood of causing gastric ulcers. In contrast, in McNeilab, Inc. v. American Home Products Corp., 501 F. Supp. 517, 525 (S.D.N.Y. 1980), the court accepted as nonleading the question, "Based only on what the commercial said, would Maximum Strength Anacin contain more pain reliever, the same amount of pain reliever, or less pain reliever than the brand you, yourself, currently use most often?"

147. Howard Schuman & Stanley Presser, *Question Wording as an Independent Variable in Survey Analysis*, 6 Soc. Methods & Res. 151 (1977); Schuman & Presser, *supra* note 134, at 79–112; Converse & Presser, *supra* note 126, at 33.

148. For example, when respondents in one survey were asked, "What is the most important thing for children to learn to prepare them for life?", 62% picked "to think for themselves" from a list of five options, but only 5% spontaneously offered that answer when the question was open-ended. Schuman & Presser, *supra* note 134, at 104–07. An open-ended question presents the respondent with a free-recall task, whereas a closed-ended question is a recognition task. Recognition tasks in general reveal higher performance levels than recall tasks. Mary M. Smyth et al., Cognition in Action 25 (1987). In addition, there is evidence that respondents answering open-ended questions may be less likely to report some information that they would reveal in response to a closed-ended question when that information seems self-evident or irrelevant.

149. Schwarz & Hippler, *supra* note 133, at 43.

other brands.[150] According to a competitor, the commercial deceptively implied that each woman in the test rated more than one shampoo, when in fact each woman rated only one. To test consumer impressions, a survey might have shown the commercial and asked an open-ended question: "How many different brands mentioned in the commercial did each of the 900 women try?"[151] Instead, the survey asked a closed-ended question; respondents were given the choice of "one," "two," "three," "four," or "five or more." The fact that four of the five choices in the closed-ended question provided a response that was greater than one implied that the correct answer was probably more than one.[152] Note, however, that the open-ended question also may suggest that the answer is more than one.

By asking "how many different brands," the question suggests (1) that the viewer should have received some message from the commercial about the number of brands each woman tried and (2) that different brands were tried. Similarly, an open-ended question that asks, "[W]hich company or store do you think puts out this shirt?" indicates to the respondent that the appropriate answer is the name of a company or store. The question would be leading if the respondent would have considered other possibilities (e.g., an individual or Webstore) if the question had not provided the frame of a company or store.[153] Thus, the wording of a question, open-ended or closed-ended, can be leading or non-leading, and the degree of suggestiveness of each question must be considered in evaluating the objectivity of a survey.

Closed-ended questions have some additional potential weaknesses that arise if the choices are not constructed properly. If the respondent is asked to choose one response from among several choices, the response chosen will be meaningful only if the list of choices is exhaustive—that is, if the choices cover all possible answers a respondent might give to the question. If the list of possible choices is incomplete, a respondent may be forced to choose one that does not express his or her opinion.[154] Moreover, if respondents are told explicitly that they are

150. *See* Vidal Sassoon, Inc. v. Bristol-Myers Co., 661 F.2d 272, 273 (2d Cir. 1981).

151. This was the wording of the closed-ended question in the survey discussed in *Vidal Sassoon*, 661 F.2d at 275–76, without the closed-ended options that were supplied in that survey.

152. Ninety-five percent of the respondents who answered the closed-ended question in the plaintiff's survey said that each woman had tried two or more brands. The open-ended question was never asked. *Vidal Sassoon*, 661 F.2d at 276. Norbert Schwarz, *Assessing Frequency Reports of Mundane Behaviors: Contributions of Cognitive Psychology to Questionnaire Construction*, *in* Research Methods in Personality and Social Psychology 98 (Clyde Hendrick & Margaret S. Clark eds., 1990), suggests that respondents often rely on the range of response alternatives as a frame of reference when they are asked for frequency judgments. *See, e.g.*, Roger Tourangeau & Tom W. Smith, *Asking Sensitive Questions: The Impact of Data Collection Mode, Question Format, and Question Context*, 60 Pub. Op. Q. 275, 292 (1996).

153. Smith v. Wal-Mart Stores, Inc, 537 F. Supp. 2d 1302, 1331–32 (N.D. Ga. 2008).

154. *See, e.g.*, American Home Prods. Corp. v. Johnson & Johnson, 654 F. Supp. 568, 581 (S.D.N.Y. 1987).

not limited to the choices presented, most respondents nevertheless will select an answer from among the listed ones.[155]

One form of closed-ended question format that typically produces some distortion is the popular agree/disagree, true/false, or yes/no question. Although this format is appealing because it is easy to write and score these questions and their responses, the format is also seriously problematic. With its simplicity comes acquiescence, "[T]he tendency to endorse any assertion made in a question, regardless of its content," is a systematic source of bias that has produced an inflation effect of 10% across a number of studies.[156] Only when control groups or control questions are added to the survey design can this question format provide reasonable response estimates.[157]

Although many courts prefer open-ended questions on the ground that they tend to be less leading, the value of any open-ended or closed-ended question depends on the information it conveys in the question and, in the case of closed-ended questions, in the choices provided. Open-ended questions are more appropriate when the survey is attempting to gauge what comes first to a respondent's mind, but closed-ended questions are more suitable for assessing choices between well-identified options or obtaining ratings on a clear set of alternatives.

D. If Probes Were Used to Clarify Ambiguous or Incomplete Answers, What Steps Were Taken to Ensure That the Probes Were Not Leading and Were Administered in a Consistent Fashion?

When questions allow respondents to express their opinions in their own words, some of the respondents may give ambiguous or incomplete answers, or may ask for clarification. In such instances, interviewers may be instructed to record any answer that the respondent gives and move on to the next question, or they may be instructed to probe to obtain a more complete response or clarify the meaning of the ambiguous response. They may also be instructed what clarification they can provide. In all of these situations, interviewers should record verbatim both what the respondent says and what the interviewer says in the attempt to get or provide clarification. Failure to record every part of the exchange in the order in which it occurs raises questions about the reliability of the survey, because neither the court nor the opposing party can evaluate whether the probe affected the views expressed by the respondent.

155. *See* Howard Schuman, *Ordinary Questions, Survey Questions, and Policy Questions*, 50 Pub. Opinion Q. 432, 435–36 (1986).

156. Jon A. Krosnick, *Survey Research*, 50 Ann. Rev. Psychol. 537, 552 (1999).

157. *See infra* Section IV.F.

If the survey is designed to allow for probes, interviewers must be given explicit instructions on when they should probe and what they should say in probing.[158] Standard probes used to draw out all that the respondent has to say (e.g., "Any further thoughts?" "Anything else?" "Can you explain that a little more?" Or "Could you say that another way?") are relatively innocuous and noncontroversial in content, but persistent continued requests for further responses to the same or nearly identical questions may convey the idea to the respondent that he or she has not yet produced the "right" answer.[159] Interviewers should be trained in delivering probes to maintain a professional and neutral relationship with the respondent (as they should during the rest of the interview), which minimizes any sense of passing judgment on the content of the answers offered. Moreover, interviewers should be given explicit instructions on when to probe, so that probes are administered consistently.

A more difficult type of probe to construct and deliver reliably is one that requires a substantive question tailored to the answer given by the respondent. The survey designer must provide sufficient instruction to interviewers so that they avoid giving directive probes that suggest one answer over another. Those instructions, along with all other aspects of interviewer training, should be made available for evaluation by the court and the opposing party.

E. What Approach Was Used to Avoid or Measure Potential Order or Context Effects?

The order in which questions are asked on a survey and the order in which response alternatives are provided in a closed-ended question can influence the answers.[160] For example, although asking a general question before a more specific question on the same topic is unlikely to affect the response to the specific question, reversing the order of the questions may influence responses to the general question. As a rule, then, surveys are less likely to be subject to order effects if the questions move from the general (e.g., "What do you recall being discussed

158. Floyd J. Fowler, Jr. & Thomas W. Mangione, Standardized Survey Interviewing: Minimizing Interviewer-Related Error 41–42 (1990).

159. *See, e.g.*, Johnson & Johnson–Merck Consumer Pharms. Co. v. Rhone-Poulenc Rorer Pharms., Inc., 19 F.3d 125, 135 (3d Cir. 1994); American Home Prods. Corp. v. Procter & Gamble Co., 871 F. Supp. 739, 748 (D.N.J. 1994).

160. *See* Schuman & Presser, *supra* note 134, at 23, 56–74. Krosnick & Presser, *supra* note 126, at 278–81. In *R.J. Reynolds Tobacco Co. v. Loew's Theatres, Inc.,* 511 F. Supp. 867, 875 (S.D.N.Y. 1980), the court recognized the biased structure of a survey that disclosed the tar content of the cigarettes being compared before questioning respondents about their cigarette preferences. Not surprisingly, respondents expressed a preference for the lower tar product. *See also* E. & J. Gallo Winery v. Pasatiempos Gallo, S.A., 905 F. Supp. 1403, 1409–10 (E.D. Cal. 1994) (court recognized that earlier questions referring to playing cards, board or table games, or party supplies, such as confetti, increased the likelihood that respondents would include these items in answers to the questions that followed).

in the advertisement?") to the specific (e.g., "Based on your reading of the advertisement, what companies do you think the ad is referring to when it talks about rental trucks that average five miles per gallon?").[161]

The mode of questioning can influence the form that an order effect takes. When respondents are shown response alternatives visually, as in mail surveys and other self-administered questionnaires or in face-to-face interviews when respondents are shown a card containing response alternatives, they are more likely to select the first choice offered (a primacy effect).[162] In contrast, when response alternatives are presented orally, as in telephone surveys, respondents are more likely to choose the last choice offered (a recency effect).[163] Although these effects are typically small, no general formula is available that can adjust values to correct for order effects, because the size and even the direction of the order effects may depend on the nature of the question being asked and the choices being offered. Moreover, it may be unclear which order is most appropriate. For example, if the respondent is asked to choose between two different products, and there is a tendency for respondents to choose the first product mentioned,[164] which order of presentation will produce the more accurate response?[165] To control for order effects, the order of the questions and the order of the response choices in a survey should be rotated,[166] so that, for example, one-third of the respondents have Product A listed first, one-third of the respondents have Product B listed first, and one-third of the respondents have Product C listed first. If the three different orders[167] are distributed randomly among respondents, no response alternative will have an inflated chance of being selected because of its position, and the average of the three will provide a reasonable estimate of response level.[168]

161. This question was accepted by the court in *U-Haul Int'l, Inc. v. Jartran, Inc.,* 522 F. Supp. 1238, 1249 (D. Ariz. 1981), *aff'd*, 681 F.2d 1159 (9th Cir. 1982).

162. Krosnick & Presser, *supra* note 126, at 280.

163. *Id*.

164. Similarly, candidates in the first position on the ballot tend to attract extra votes. J.M. Miller & Jon A. Krosnick, *The Impact of Candidate Name Order on Election Outcomes*, 62 Pub. Op. Q. 291 (1998).

165. *See* Rust Env't & Infrastructure, Inc. v. Teunissen, 131 F.3d 1210, 1218 (7th Cir. 1997) (survey did not pass muster in part because of failure to incorporate random rotation of corporate names that were the subject of a trademark dispute).

166. *See, e.g.* Winning Ways, Inc. v. Holloway Sportswear, Inc., 913 F. Supp. 1454, 1465–67 (D. Kan. 1996) (failure to rotate the order in which the jackets were shown to the consumers led to reduced weight for the survey); Procter & Gamble Pharms., Inc. v. Hoffmann-La Roche, Inc., 2006 U.S. Dist. LEXIS 64363, 2006-2 Trade Cas. (CCH) P75465 (S.D.N.Y. Sept. 6, 2006).

167. Actually, there are six possible orders of the three alternatives: ABC, ACB, BAC, BCA, CAB, and CBA. Thus, the optimal survey design would allocate equal numbers of respondents to each of the six possible orders.

168. Although rotation is desirable, many surveys are conducted with no attention to this potential bias. Because it is impossible to know in the abstract whether a particular question suffers much, little, or not at all from an order bias, lack of rotation should not preclude reliance on the answer to the question, but it should reduce the weight given to that answer.

F. If the Survey Was Designed to Test a Causal Proposition, Did the Survey Include an Appropriate Control Group or Question?

Many surveys are designed not simply to describe attitudes or beliefs or reported behaviors, but to determine the source of those attitudes or beliefs or behaviors. That is, the purpose of the survey is to test a causal proposition. For example, how does a trademark or the content of a commercial affect respondents' perceptions or understanding of a product or commercial? Thus, the question is not merely whether consumers hold inaccurate beliefs about Product A, but whether exposure to the commercial misleads the consumer into thinking that Product A is a superior pain reliever. Yet if consumers already believe, before viewing the commercial, that Product A is a superior pain reliever, a survey that simply records consumers' impressions after they view the commercial may reflect those preexisting beliefs rather than impressions produced by the commercial.

Surveys that merely record consumer impressions have a limited ability to answer questions about the origins of those impressions. The difficulty is that the consumer's response to any question on the survey may be the result of information or misinformation from sources other than the trademark the respondent is being shown or the commercial he or she has just watched.[169] In a trademark survey attempting to show secondary meaning, for example, respondents were shown a picture of the stripes used on Mennen stick deodorant and asked, "[W]hich [brand] would you say uses these stripes on their package?"[170] The court recognized that the high percentage of respondents selecting "Mennen" from an array of brand names may have represented "merely a playback of brand share";[171] that is, respondents asked to give a brand name may guess the one that is most familiar, generally the brand with the largest market share.[172]

Some surveys attempt to reduce the impact of preexisting impressions on respondents' answers by instructing respondents to focus solely on the stimulus as a basis for their answers. Thus, the survey includes a preface (e.g., "based on the commercial you just saw") or directs the respondent's attention to the mark at issue (e.g., "these stripes on the package"). Such efforts are likely to be only partially successful. It is often difficult for respondents to identify accurately the

169. *See, e.g.,* Procter & Gamble Co. v. Ultreo, Inc., 574 F. Supp. 2d. 339, 351–52 (S.D.N.Y. 2008) (survey was unreliable because it failed to control for the effect of preexisting beliefs).

170. Mennen Co. v. Gillette Co., 565 F. Supp. 648, 652 (S.D.N.Y. 1983), *aff'd*, 742 F.2d 1437 (2d Cir. 1984). To demonstrate secondary meaning, "the [c]ourt must determine whether the mark has been so associated in the mind of consumers with the entity that it identifies that the goods sold by that entity are distinguished by the mark or symbol from goods sold by others." *Id.*

171. *Id.*

172. *See also* Upjohn Co. v. American Home Prods. Corp., No. 1-95-CV-237, 1996 U.S. Dist. LEXIS 8049, at *42–44 (W.D. Mich. Apr. 5, 1996).

source of their impressions.[173] The more routine the idea being examined in the survey (e.g., that the advertised pain reliever is more effective than others on the market; that the mark belongs to the brand with the largest market share), the more likely it is that the respondent's answer is influenced by (1) preexisting impressions; (2) general expectations about what commercials typically say (e.g., the product being advertised is better than its competitors); or (3) guessing, rather than by the actual content of the commercial message or trademark being evaluated.

It is possible to adjust many survey designs so that causal inferences about the effect of a trademark or an allegedly deceptive commercial become clear and unambiguous. By adding one or more appropriate control groups, the survey expert can test directly the influence of the stimulus.[174] In the simplest version of such a survey experiment, respondents are assigned randomly to one of two conditions.[175] For example, respondents assigned to the experimental condition view an allegedly deceptive commercial, and respondents assigned to the control condition either view a commercial that does not contain the allegedly deceptive material or do not view any commercial.[176] Respondents in both the experimental and control groups answer the same set of questions about the allegedly deceptive message. The effect of the commercial's allegedly deceptive message is evaluated by comparing the responses made by the experimental group members with those of the control group members. If 40% of the respondents in the experimental group responded indicating that they received the deceptive message (e.g., the advertised product has fewer calories than its competitor), whereas only 8% of the respondents in the control group gave that response, the difference between 40% and 8% (within the limits of sampling error[177]) can be attributed only to the allegedly deceptive message. Without the control group, it is not possible to determine how much of the 40% is attributable to respondents' preexisting beliefs

173. *See* Richard E. Nisbett & Timothy D. Wilson, *Telling More Than We Can Know: Verbal Reports on Mental Processes*, 84 Psychol. Rev. 231 (1977).

174. *See* Shari S. Diamond, *Using Psychology to Control Law: From Deceptive Advertising to Criminal Sentencing*, 13 Law & Hum. Behav. 239, 244–46 (1989); Jacob Jacoby & Constance Small, *Applied Marketing: The FDA Approach to Defining Misleading Advertising*, 39 J. Marketing 65, 68 (1975). *See also* David H. Kaye & David A. Freedman, Reference Guide on Statistics, Section II.A, in this manual.

175. Random assignment should not be confused with random selection. When respondents are assigned randomly to different treatment groups (e.g., respondents in each group watch a different commercial), the procedure ensures that within the limits of sampling error the two groups of respondents will be equivalent except for the different treatments they receive. Respondents selected for a mall intercept study, and not from a probability sample, may be assigned randomly to different treatment groups. Random selection, in contrast, describes the method of selecting a sample of respondents in a probability sample. *See supra* Section III.C.

176. This alternative commercial could be a "tombstone" advertisement that includes only the name of the product or a more elaborate commercial that does not include the claim at issue.

177. For a discussion of sampling error, see David H. Kaye & David A. Freedman, Reference Guide on Statistics, Section IV.A, in this manual.

or other background noise (e.g., respondents who misunderstand the question or misstate their responses). Both preexisting beliefs and other background noise should have produced similar response levels in the experimental and control groups. In addition, if respondents who viewed the allegedly deceptive commercial respond differently than respondents who viewed the control commercial, the difference cannot be merely the result of a leading question, because both groups answered the same question. The ability to evaluate the effect of the wording of a particular question makes the control group design particularly useful in assessing responses to closed-ended questions,[178] which may encourage guessing or particular responses. Thus, the focus on the response level in a control group design is not on the absolute response level, but on the difference between the response level of the experimental group and that of the control group.[179]

In designing a survey-experiment, the expert should select a stimulus for the control group that shares as many characteristics with the experimental stimulus as possible, with the key exception of the characteristic whose influence is being assessed.[180] Although a survey with an imperfect control group may provide better information than a survey with no control group at all, the choice of an appropriate control group requires some care and should influence the weight that the survey receives. For example, a control stimulus should not be less attractive than the experimental stimulus if the survey is designed to measure how familiar the experimental stimulus is to respondents, because attractiveness may affect perceived familiarity.[181] Nor should the control stimulus share with the experimental stimulus the feature whose impact is being assessed. If, for example, the control stimulus in a case of alleged trademark infringement is itself a likely source of consumer confusion, reactions to the experimental and control stimuli may not

178. The Federal Trade Commission has long recognized the need for some kind of control for closed-ended questions, although it has not specified the type of control that is necessary. *See* Stouffer Foods Corp., 118 F.T.C. 746, No. 9250, 1994 FTC LEXIS 196, at *31 (Sept. 26, 1994).

179. *See, e.g.*, Cytosport, Inc. v. Vital Pharms., Inc., 617 F. Supp. 2d 1051, 1075–76 (E.D. Cal. 2009) (net confusion level of 25.4% obtained by subtracting 26.5% in the control group from 51.9% in the test group).

180. *See, e.g.,* Skechers USA, Inc. v. Vans, Inc., No. CV-07-01703, 2007 WL 4181677, at *8–9 (C.D. Cal. Nov. 20, 2007) (in trade dress infringement case, control stimulus should have retained design elements not at issue); Procter & Gamble Pharms., Inc. v. Hoffman-LaRoche, Inc., No. 06-Civ-0034, 2006 U.S. Dist. LEXIS 64363, at *87 (S.D.N.Y. Sept. 6, 2006) (in false advertising action, disclaimer was inadequate substitute for appropriate control group).

181. *See, e.g.*, Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club L.P., 34 F.3d 410, 415–16 (7th Cir. 1994) (court recognized that the name "Baltimore Horses" was less attractive for a sports team than the name "Baltimore Colts."); *see also* Reed-Union Corp. v. Turtle Wax, Inc., 77 F.3d 909, 912 (7th Cir. 1996) (court noted that one expert's choice of a control brand with a well-known corporate source was less appropriate than the opposing expert's choice of a control brand whose name did not indicate a specific corporate source); Louis Vuitton Malletier v. Dooney & Bourke, Inc., 525 F. Supp. 2d 576, 595 (S.D.N.Y. 2007) (underreporting of background "noise" likely occurred because handbag used as control was quite dissimilar in shape and pattern to both plaintiff and defendant's bags).

differ because both cause respondents to express the same level of confusion.[182] In an extreme case, an inappropriate control may do nothing more than control for the effect of the nature or wording of the survey questions (e.g., acquiescence).[183] That may not be enough to rule out other explanations for different or similar responses to the experimental and control stimuli. Finally, it may sometimes be appropriate to have more than one control group to assess precisely what is causing the response to the experimental stimulus (e.g., in the case of an allegedly deceptive ad, whether it is a misleading graph or a misleading claim by the announcer; or in the case of allegedly infringing trade dress, whether it is the style of the font used or the coloring of the packaging).

Explicit attention to the value of control groups in trademark and deceptive-advertising litigation is a relatively recent phenomenon, but courts have increasingly come to recognize the central role the control group can play in evaluating claims.[184] A LEXIS search using *Lanham Act* and *control group* revealed only 4 federal district court cases before 1991 in which surveys with control groups were discussed, 16 in the 9 years from 1991 to 1999, and 46 in the 9 years between 2000 and 2008, a rate of growth that far exceeds the growth in Lanham Act litigation. In addition, courts in other cases have described or considered surveys using control group designs without labeling the comparison group a control group.[185] Indeed, one reason why cases involving surveys with control groups may be underrepresented in reported cases is that a survey with a control group produces

182. *See, e.g.*, Western Publ'g Co. v. Publications Int'l, Ltd., No. 94-C-6803, 1995 U.S. Dist. LEXIS 5917, at *45 (N.D. Ill. May 2, 1995) (court noted that the control product was "arguably more infringing than" the defendant's product) (emphasis omitted). *See also* Classic Foods Int'l Corp. v. Kettle Foods, Inc., 2006 U.S. Dist. LEXIS 97200 (C.D. Cal. Mar. 2, 2006); McNeil-PPC, Inc. v. Merisant Co., 2004 U.S. Dist. LEXIS 27733 (D.P.R. July 29, 2004).

183. *See* text accompanying note 156, *supra*.

184. *See, e.g.*, SmithKline Beecham Consumer Healthcare, L.P. v. Johnson & Johnson-Merck, 2001 U.S. Dist. LEXIS 7061, at *37 (S.D.N.Y. June 1, 2001) (survey to assess implied falsity of a commercial not probative in the absence of a control group); Consumer American Home Prods. Corp. v. Procter & Gamble Co., 871 F. Supp. 739, 749 (D.N.J. 1994) (discounting survey results based on failure to control for participants' preconceived notions); ConAgra, Inc. v. Geo. A. Hormel & Co., 784 F. Supp. 700, 728 (D. Neb. 1992) ("Since no control was used, the . . . study, standing alone, must be significantly discounted."), *aff'd*, 990 F.2d 368 (8th Cir. 1993).

185. Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club L.P., No. 94727-C, 1994 U.S. Dist. LEXIS 19277, at *10–11 (S.D. Ind. June 27, 1994), *aff'd*, 34 F.3d 410 (7th Cir. 1994). In *Indianapolis Colts*, the district court described a survey conducted by the plaintiff's expert in which half of the interviewees were shown a shirt with the name "Baltimore CFL Colts" on it and half were shown a shirt on which the word "Horses" had been substituted for the word "Colts." *Id.* The court noted that the comparison of reactions to the horse and colt versions of the shirt made it possible "to determine the impact from the use of the word 'Colts.'" *Id.* at *11. *See also* Quality Inns Int'l, Inc. v. McDonald's Corp., 695 F. Supp. 198, 218 (D. Md. 1988) (survey revealed confusion between McDonald's and McSleep, but control survey revealed no confusion between McDonald's and McTavish). *See also* Simon Prop. Group L.P. v. MySimon, Inc., 104 F. Supp. 2d 1033 (S.D. Ind. 2000) (court criticized the survey design based on the absence of a control that could show that results were produced by legally relevant confusion).

less ambiguous findings, which may lead to a resolution before a preliminary injunction hearing or trial occurs.

A less common use of control methodology is a control question. Rather than administering a control stimulus to a separate group of respondents, the survey asks all respondents one or more control questions along with the question about the product or service at issue. In a trademark dispute, for example, a survey indicated that 7.2% of respondents believed that "The Mart" and "K-Mart" were owned by the same individuals. The court found no likelihood of confusion based on survey evidence that 5.7% of the respondents also thought that "The Mart" and "King's Department Store" were owned by the same source.[186]

Similarly, a standard technique used to evaluate whether a brand name is generic is to present survey respondents with a series of product or service names and ask them to indicate in each instance whether they believe the name is a brand name or a common name. By showing that 68% of respondents considered Teflon a brand name (a proportion similar to the 75% of respondents who recognized the acknowledged trademark Jell-O as a brand name, and markedly different from the 13% who thought aspirin was a brand name), the makers of Teflon retained their trademark.[187]

Every measure of opinion or belief in a survey reflects some degree of error. Control groups and, as a second choice, control questions are the most reliable means for assessing response levels against the baseline level of error associated with a particular question.

G. What Limitations Are Associated with the Mode of Data Collection Used in the Survey?

Three primary methods have traditionally been used to collect survey data: (1) in-person interviews, (2) telephone interviews, and (3) mail questionnaires.[188] Recently, in the wake of increasing use of the Internet, researchers have added Web-based surveys to their arsenal of tools. Surveys using in-person and telephone interviews, too, now regularly rely on computerized data collection.[189]

186. S.S. Kresge Co. v. United Factory Outlet, Inc., 598 F.2d 694, 697 (1st Cir. 1979). Note that the aggregate percentages reported here do not reveal how many of the same respondents were confused by both names, an issue that may be relevant in some situations. *See* Joseph L. Gastwirth, *Reference Guide on Survey Research*, 36 Jurimetrics J. 181, 187–88 (1996) (review essay).

187. E.I. du Pont de Nemours & Co. v. Yoshida Int'l, Inc., 393 F. Supp. 502, 526–27 & n.54 (E.D.N.Y. 1975); *see also* Donchez v. Coors Brewing Co., 392 F.3d 1211, 1218 (10th Cir. 2004) (respondents evaluated eight brand and generic names in addition to the disputed name). A similar approach is used in assessing secondary meaning.

188. Methods also may be combined, as when the telephone is used to "screen" for eligible respondents, who then are invited to participate in an in-person interview.

189. Wright & Marsden, *supra* note 1, at 13–14.

The interviewer conducting a computer-assisted interview (CAI), whether by telephone (CATI) or face-to-face (CAPI), follows the computer-generated script for the interview and enters the respondent's answers as the interview proceeds. A primary advantage of CATI and other CAI procedures is that skip patterns can be built into the program. If, for example, the respondent answers *yes* when asked whether she has ever been the victim of a burglary, the computer will generate further questions about the burglary; if she answers *no*, the program will automatically skip the followup burglary questions. Interviewer errors in following the skip patterns are therefore avoided, making CAI procedures particularly valuable when the survey involves complex branching and skip patterns.[190] CAI procedures also can be used to control for order effects by having the program rotate the order in which the questions or choices are presented.[191]

Recent innovations in CAI procedures include audio computer-assisted self-interviewing (ACASI) in which the respondent listens to recorded questions over the telephone or reads questions from a computer screen while listening to recorded versions of them through headphones. The respondent then answers verbally or on a keypad. ACASI procedures are particularly useful for collecting sensitive information (e.g., illegal drug use and other HIV risk behavior).[192]

All CAI procedures require additional planning to take advantage of the potential for improvements in data quality. When a CAI protocol is used in a survey presented in litigation, the party offering the survey should supply for inspection the computer program that was used to generate the interviews. Moreover, CAI procedures do not eliminate the need for close monitoring of interviews to ensure that interviewers are accurately reading the questions in the interview protocol and accurately entering the respondent's answers.

The choice of any data collection method for a survey should be justified by its strengths and weaknesses.

1. In-person interviews

Although costly, in-person interviews generally are the preferred method of data collection, especially when visual materials must be shown to the respondent under controlled conditions.[193] When the questions are complex and the interviewers are skilled, in-person interviewing provides the maximum opportunity to

190. Willem E. Saris, Computer-Assisted Interviewing 20, 27 (1991).

191. *See, e.g.*, Intel Corp. v. Advanced Micro Devices, Inc., 756 F. Supp. 1292, 1296–97 (N.D. Cal. 1991) (survey designed to test whether the term *386* as applied to a microprocessor was generic used a CATI protocol that tested reactions to five terms presented in rotated order).

192. *See, e.g.*, N. Galai et al., *ACASI Versus Interviewer-Administered Questionnaires for Sensitive Risk Behaviors: Results of a Cross-Over Randomized Trial Among Injection Drug Users* (abstract, 2004), *available at* http://gateway.nlm.nih.gov/MeetingAbstracts/ma?f=102280272.html.

193. A mail survey also can include limited visual materials but cannot exercise control over when and how the respondent views them.

clarify or probe. Unlike a mail survey, both in-person and telephone interviews have the capability to implement complex skip sequences (in which the respondent's answer determines which question will be asked next) and the power to control the order in which the respondent answers the questions. Interviewers also can directly verify who is completing the survey, a check that is unavailable in mail and Web-based surveys. As described *infra* Section V.A, appropriate interviewer training, as well as monitoring of the implementation of interviewing, is necessary if these potential benefits are to be realized. Objections to the use of in-person interviews arise primarily from their high cost or, on occasion, from evidence of inept or biased interviewers. In-person interview quality in recent years has been assisted by technology. Using computer-assisted personal interviewing (CAPI), the interviewer reads the questions off the screen of a laptop computer and then enters responses directly.[194] This support makes it easier to follow complex skip patterns and to promptly submit results via the Internet to the survey center.

2. Telephone interviews

Telephone surveys offer a comparatively fast and lower-cost alternative to in-person surveys and are particularly useful when the population is large and geographically dispersed. Telephone interviews (unless supplemented with mailed or e-mailed materials) can be used only when it is unnecessary to show the respondent any visual materials. Thus, an attorney may present the results of a telephone survey of jury-eligible citizens in a motion for a change of venue in order to provide evidence that community prejudice raises a reasonable suspicion of potential jury bias.[195] Similarly, potential confusion between a restaurant called McBagel's and the McDonald's fast-food chain was established in a telephone survey. Over objections from defendant McBagel's that the survey did not show respondents the defendant's print advertisements, the court found likelihood of confusion based on the survey, noting that "by soliciting audio responses[, the telephone survey] was closely related to the radio advertising involved in the case."[196] In contrast, when words are not sufficient because, for example, the survey is assessing reactions to the trade

194. Wright & Marsden, *supra* note 1, at 13.

195. *See, e.g.,* State v. Baumruk, 85 S.W.3d 644 (Mo. 2002). (overturning the trial court's decision to ignore a survey that found about 70% of county residents remembered the shooting that led to the trial and that of those who had heard about the shooting, 98% believed that the defendant was either definitely guilty or probably guilty); State v. Erickstad, 620 N.W.2d 136, 140 (N.D. 2000) (denying change of venue motion based on media coverage, concluding that "defendants [need to] submit qualified public opinion surveys, other opinion testimony, or any other evidence demonstrating community bias caused by the media coverage"). For a discussion of surveys used in motions for change of venue, see Neal Miller, *Facts, Expert Facts, and Statistics: Descriptive and Experimental Research Methods in Litigation*, *Part II*, 40 Rutgers L. Rev. 467, 470–74 (1988); National Jury Project, Jurywork: Systematic Techniques (2d ed. 2008).

196. McDonald's Corp. v. McBagel's, Inc., 649 F. Supp. 1268, 1278 (S.D.N.Y. 1986).

dress or packaging of a product that is alleged to promote confusion, a telephone survey alone does not offer a suitable vehicle for questioning respondents.[197]

In evaluating the sampling used in a telephone survey, the trier of fact should consider:

1. Whether (when prospective respondents are not business personnel) some form of random-digit dialing[198] was used instead of or to supplement telephone numbers obtained from telephone directories, because a high percentage of all residential telephone numbers in some areas may be unlisted;[199]
2. Whether any attempt was made to include cell phone users, particularly the growing subpopulation of individuals who rely solely on cell phones for telephone services;[200]
3. Whether the sampling procedures required the interviewer to sample within the household or business, instead of allowing the interviewer to administer the survey to any qualified individual who answered the telephone;[201] and
4. Whether interviewers were required to call back multiple times at several different times of the day and on different days to increase the likelihood of contacting individuals or businesses with different schedules.[202]

197. *See* Thompson Med. Co. v. Pfizer Inc., 753 F.2d 208 (2d Cir. 1985); Incorporated Publ'g Corp. v. Manhattan Magazine, Inc., 616 F. Supp. 370 (S.D.N.Y. 1985), *aff'd without op.*, 788 F.2d 3 (2d Cir. 1986).

198. Random-digit dialing provides coverage of households with both listed and unlisted telephone numbers by generating numbers at random from the sampling frame of all possible telephone numbers. James M. Lepkowski, *Telephone Sampling Methods in the United States*, *in* Telephone Survey Methodology 81–91 (Robert M. Groves et al. eds., 1988).

199. Studies comparing listed and unlisted household characteristics show some important differences. *Id*. at 76.

200. According to a 2009 study, an estimated 26.5% of households cannot be reached by landline surveys, because 2.0% have no phone service and 24.5% have only a cell phone. Stephen J. Blumberg & Julian V. Luke, Wireless Substitution: Early Release of Estimates Based on the National Health Interview Survey, July–December 2009 (2010), *available at* http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201005.pdf. People who can be reached only by cell phone tend to be younger and are more likely to be African American or Hispanic and less likely to be married or to own their home than individuals reachable on a landline. Although at this point, the effect on estimates from landline-only telephone surveys appears to be minimal on most topics, on some issues (e.g., voter registration) and within the population of young adults, the gap may warrant consideration. Scott Keeter et al., *What's Missing from National RDD Surveys? The Impact of the Growing Cell-Only Population*, Paper presented at the 2007 Conference of AAPOR, May 2007.

201. This is a consideration only if the survey is sampling individuals. If the survey is seeking information on the household, more than one individual may be able to answer questions on behalf of the household.

202. This applied equally to in-person interviews.

Telephone surveys that do not include these procedures may not provide precise measures of the characteristics of a representative sample of respondents, but may be adequate for providing rough approximations. The vulnerability of the survey depends on the information being gathered. More elaborate procedures are advisable for achieving a representative sample of respondents if the survey instrument requests information that is likely to differ for individuals with listed telephone numbers versus individuals with unlisted telephone numbers, individuals rarely at home versus those usually at home, or groups who are more versus less likely to rely exclusively on cell phones.

The report submitted by a survey expert who conducts a telephone survey should specify:

1. The procedures that were used to identify potential respondents, including both the procedures used to select the telephone numbers that were called and the procedures used to identify the qualified individual to question),
2. The number of telephone numbers for which no contact was made; and
3. The number of contacted potential respondents who refused to participate in the survey.[203]

Like CAPI interviewing,[204] computer-assisted telephone interviewing (CATI) facilitates the administration and data entry of large-scale surveys.[205] A computer protocol may be used to generate and dial telephone numbers as well as to guide the interviewer.

3. Mail questionnaires

In general, mail surveys tend to be substantially less costly than both in-person and telephone surveys.[206] Response rates tend to be lower for self-administered mail surveys than for telephone or face-to-face surveys, but higher than for their Web-based equivalents.[207] Procedures that raise response rates include multiple mailings, highly personalized communications, prepaid return envelopes, incentives or gratuities, assurances of confidentiality, first-class outgoing postage, and followup reminders.[208]

203. Additional disclosure and reporting features applicable to surveys in general are described in Section VII.B, *infra*.

204. See text accompanying note 194, *supra*.

205. *See* Roger Tourangeau et al., The Psychology of Survey Response 289 (2000); Saris, *supra* note 190.

206. *See* Chase H. Harrison, *Mail Surveys and Paper Questionnaires*, *in* Handbook of Survey Research, *supra* note 1, at 498, 499.

207. *See* Mick Couper et al., *A Comparison of Mail and E-Mail for a Survey of Employees in Federal Statistical Agencies,* 15 J. Official Stat. 39 (1999); Mick Couper, Web Surveys: A Review of Issues and Approaches 464, 473 (2001).

208. *See, e.g.*, Richard J. Fox et al., *Mail Survey Response Rate: A Meta-Analysis of Selected Techniques for Inducing Response*, 52 Pub. Op. Q. 467, 482 (1988); Kenneth D. Hopkins & Arlen R.

A mail survey will not produce a high rate of return unless it begins with an accurate and up-to-date list of names and addresses for the target population. Even if the sampling frame is adequate, the sample may be unrepresentative if some individuals are more likely to respond than others. For example, if a survey targets a population that includes individuals with literacy problems, these individuals will tend to be underrepresented. Open-ended questions are generally of limited value on a mail survey because they depend entirely on the respondent to answer fully and do not provide the opportunity to probe or clarify unclear answers. Similarly, if eligibility to answer some questions depends on the respondent's answers to previous questions, such skip sequences may be difficult for some respondents to follow. Finally, because respondents complete mail surveys without supervision, survey personnel are unable to prevent respondents from discussing the questions and answers with others before completing the survey and to control the order in which respondents answer the questions. Although skilled design of questionnaire format, question order, and the appearance of the individual pages of a survey can minimize these problems,[209] if it is crucial to have respondents answer questions in a particular order, a mail survey cannot be depended on to provide adequate data.

4. Internet surveys

A more recent innovation in survey technology is the Internet survey in which potential respondents are contacted and their responses are collected over the Internet. Internet surveys in principle can reduce substantially the cost of reaching potential respondents. Moreover, they offer some of the advantages of in-person interviews by enabling the respondent to view pictures, videos, and lists of response choices on the computer screen during the survey. A further advantage is that whenever a respondent answers questions presented on a computer screen, whether over the Internet or in a dedicated facility, the survey can build in a variety of controls. In contrast to a mail survey in which the respondent can examine and/or answer questions out of order and may mistakenly skip questions, a computer-administered survey can control the order in which the questions are displayed so that the respondent does not see a later question before answering an earlier one and so that the respondent cannot go back to change an answer previously given to an earlier question in light of the questions that follow it. The order of the questions or response options can be rotated easily to control for order effects. In addition, the structure permits the survey to remind, or even require, the respondent to answer a question before the next question is presented. One advantage of computer-administered surveys over interviewer-administered

Gullickson, *Response Rates in Survey Research: A Meta-Analysis of the Effects of Monetary Gratuities*, 61 J. Experimental Educ. 52, 54–57, 59 (1992); Eleanor Singer et al., *Confidentiality Assurances and Response: A Quantitative Review of the Experimental Literature*, 59 Pub. Op. Q. 66, 71 (1995); *see generally* Don A. Dillman, Internet Mail and Mixed-Mode Surveys: The Tailored Design Method (3d ed. 2009).

209. Dilman, *supra* note 208, at 151–94.

surveys is that they eliminate interviewer error because the computer presents the questions and the respondent records her own answers.

Internet surveys do have limitations, and many questions remain about the extent to which those limitations impair the quality of the data they provide. A key potential limitation is that respondents accessible over the Internet may not fairly represent the relevant population whose responses the survey was designed to measure. Although Internet access has not approached the 95% penetration achieved by the telephone, the proportion of individuals with Internet access has grown at a remarkable rate, as has the proportion of individuals who regularly use a computer. For example, according to one estimate, use of the Internet among adults jumped from 22% in 1997 to 60% in 2003.[210] Despite this rapid expansion, a digital divide still exists, so that the "have-nots" are less likely to be represented in surveys that depend on Internet access. The effect of this divide on survey results will depend on the population the survey is attempting to capture. For example, if the target population consists of computer users, any bias from systematic underrepresentation is likely to be minimal. In contrast, if the target population consists of owners of television sets, a proportion of whom may not have Internet access, significant bias is more likely. The trend toward greater access to the Internet is likely to continue, and the issue of underrepresentation may disappear in time. At this point, a party presenting the results of a Web-based survey should be prepared to provide evidence on how coverage limitations may have affected the pattern of survey results.

Even if noncoverage error is not a significant concern, courts evaluating a Web-based survey must still determine whether the sampling approach is adequate. That evaluation will depend on the type of Internet survey involved, because Web-based surveys vary in fundamental ways.

At one extreme is the list-based Web survey. This Web survey is sent to a closed set of potential respondents drawn from a list that consists of the e-mail addresses of the target individuals (e.g., all students at a university or employees at a company where each student or employee has a known e-mail address).

At the other extreme is the self-selected Web survey in which Web users in general, or those who happen to visit a particular Web site, are invited to express their views on a topic and they participate simply by volunteering. Whereas the list-based survey enables the researcher to evaluate response rates and often to assess the representativeness of respondents on a variety of characteristics, the self-selected Web survey provides no information on who actually participates or how representative the participants are. Thus, it is impossible to evaluate nonresponse error or even participation rates. Moreover, participants are very likely to self-select on the basis of the nature of the topic. These self-selected pseudosurveys resemble reader polls published in magazines and do not meet standard criteria for legitimate surveys

210. Jennifer C. Day et al., Computer and Internet Use in the United States: 2003, 8–9 (U.S. Census Bureau 2005).

admissible in court.[211] Occasionally, proponents of such polls tout the large number of respondents as evidence of the weight the results should be given, but the size of the sample cannot cure the likely participation bias in such voluntary polls.[212]

Between these two extremes is a large category of Web-based survey approaches that researchers have developed to address concerns about sampling bias and nonresponse error. For example, some approaches create a large database of potential participants by soliciting volunteers through appeals on well-traveled sites.[213] Based on the demographic data collected from those who respond to the appeals, a sample of these panel members are asked to participate in a particular survey by invitation only. Responses are weighted to reduce selection bias.[214] An expert presenting the results from such a survey should be prepared to explain why the particular weighting approach can be relied upon to achieve that purpose.[215]

Another approach that is more costly uses probability sampling from the initial contact with a potential respondent. Potential participants are initially contacted by telephone using random-digit dialing procedures. Those who lack Internet access are provided with the technology to participate. Members from the panel are then invited to participate in a particular survey, and the researchers know the characteristics of participants and nonparticipants from the initial telephone contact.[216] For all surveys that rely on preselected panels, whether nonrandomly or randomly selected, questions have been raised about panel conditioning (i.e., the effect of having participants in earlier surveys respond to later surveys) and the relatively low rate of response to survey invitations. An expert presenting results from a Web-based survey should be prepared to address these issues and to discuss how they may have affected the results.

Finally, the recent proliferation of Internet surveys has stimulated a growing body of research on the influence of formatting choices in Web surveys. Evidence from this research indicates that formatting decisions can significantly affect the quality of survey responses.[217]

211. *See, e.g.,* Merisant Co. v. McNeil Nutritionals, LLC, 242 F.R.D. 315 (E.D. Pa. 2007) (report on results from AOL "instant poll" excluded).

212. *See, e.g.*, Couper (2001), *supra* note 207, at 480–81 (a self-selected Web survey conducted by the National Geographic Society through its Web site attracted 50,000 responses; a comparison of the Canadian respondents with data from the Canadian General Social Survey telephone survey conducted using random-digit dialing showed marked differences on a variety of response measures).

213. *See, e.g.,* Ecce Panis, Inc. v. Maple Leaf Bakery, Inc. 2007 U.S. Dist. LEXIS 85780 (D. Ariz. Nov. 7, 2007).

214. *See, e.g.,* Philip Morris USA, Inc. v. Otamedia Limited, 2005 U.S. Dist. LEXIS 1259 (S.D.N.Y. Jan. 28, 2005).

215. *See, e.g.,* A&M Records, Inc. v. Napster, Inc. 2000 WL 1170106 (N.D. Cal. Aug. 10, 2000) (court refused to rely on results from Internet panel survey when expert presenting the results showed lack of familiarity with panel construction and weighting methods).

216. *See, e.g.,* Price v. Philip Morris, Inc., 219 Ill. 2d 182, 848 N.E.2d 1 (2005).

217. *See, e.g.,* Mick P. Couper et al., *What They See Is What We Get: Response Options for Web Surveys*, 22 Soc. Sci. Computer Rev. 111 (2004) (comparing order effects with radio button and

A final approach to data collection does not depend on a single mode, but instead involves a mixed-mode approach. By combining modes, the survey design may increase the likelihood that all sampling members of the target population will be contacted. For example, a person without a landline may be reached by mail or e-mail. Similarly, response rates may be increased if members of the target population are more likely to respond to one mode of contact versus another. For example, a person unwilling to be interviewed by phone may respond to a written or e-mail contact. If a mixed-mode approach is used, the questions and structure of the questionnaires are likely to differ across modes, and the expert should be prepared to address the potential impact of mode on the answers obtained.[218]

V. Surveys Involving Interviewers

A. Were the Interviewers Appropriately Selected and Trained?

A properly defined population or universe, a representative sample, and clear and precise questions can be depended on to produce trustworthy survey results only if "sound interview procedures were followed by competent interviewers."[219] Properly trained interviewers receive detailed written instructions on everything they are to say to respondents, any stimulus materials they are to use in the survey, and how they are to complete the interview form. These instructions should be made available to the opposing party and to the trier of fact. Thus, interviewers should be told, and the interview form on which answers are recorded should indicate, which responses, if any, are to be read to the respondent. Moreover, interviewers should be instructed to record verbatim the respondent's answers, to indicate explicitly whenever they repeat a question to the respondent, and to record any statements they make to or supplementary questions they ask the respondent.

Interviewers require training to ensure that they are able to follow directions in administering the survey questions. Some training in general interviewing techniques is required for most interviews (e.g., practice in pausing to give the respondent enough time to answer and practice in resisting invitations to express the interviewer's beliefs or opinions). Although procedures vary, there is evidence that interviewer performance suffers with less than a day of training in general interviewing skills and techniques for new interviewers.[220]

drop-box formats); Andy Peytchev et al., *Web Survey Design: Paging Versus Scrolling*, 70 Pub. Op. Q. 212 (2006) (comparing the effects of presenting survey questions in a multitude of short pages or in long scrollable pages).

218. Don A. Dillman & Benjamin L. Messer, *Mixed-Mode Surveys, in* Wright & Marsden, *supra* note 1, at 550, 553.

219. Toys "R" Us, Inc. v. Canarsie Kiddie Shop, Inc., 559 F. Supp. 1189, 1205 (E.D.N.Y. 1983).

220. Fowler & Mangione, *supra* note 158, at 117; Nora Cate Schaeffer et al., *Interviewers and Interviewing, in* Handbook of Survey Research, *supra* note 1, at 437, 460.

The more complicated the survey instrument is, the more training and experience the interviewers require. Thus, if the interview includes a skip pattern (where, e.g., Questions 4–6 are asked only if the respondent says *yes* to Question 3, and Questions 8–10 are asked only if the respondent says *no* to Question 3), interviewers must be trained to follow the pattern. Note, however, that in surveys conducted using CAPI or CATI procedures, the interviewer will be guided by the computer used to administer the questionnaire.

If the questions require specific probes to clarify ambiguous responses, interviewers must receive instruction on when to use the probes and what to say. In some surveys, the interviewer is responsible for last-stage sampling (i.e., selecting the particular respondents to be interviewed), and training is especially crucial to avoid interviewer bias in selecting respondents who are easiest to approach or easiest to find.

Training and instruction of interviewers should include directions on the circumstances under which interviews are to take place (e.g., question only one respondent at a time outside the hearing of any other respondent). The trustworthiness of a survey is questionable if there is evidence that some interviews were conducted in a setting in which respondents were likely to have been distracted or in which others could overhear. Such evidence of careless administration of the survey was one ground used by a court to reject as inadmissible a survey that purported to demonstrate consumer confusion.[221]

Some compromises may be accepted when surveys must be conducted swiftly. In trademark and deceptive advertising cases, the plaintiff's usual request is for a preliminary injunction, because a delay means irreparable harm. Nonetheless, careful instruction and training of interviewers who administer the survey, as well as monitoring and validation to ensure quality control,[222] and complete disclosure of the methods used for all of the procedures followed are crucial elements that, if compromised, seriously undermine the trustworthiness of any survey.

B. What Did the Interviewers Know About the Survey and Its Sponsorship?

One way to protect the objectivity of survey administration is to avoid telling interviewers who is sponsoring the survey. Interviewers who know the identity of the survey's sponsor may affect results inadvertently by communicating to respondents their expectations or what they believe are the preferred responses of the survey's sponsor. To ensure objectivity in the administration of the survey, it is standard interview practice in surveys conducted for litigation to do double-blind

221. *Toys "R" Us*, 559 F. Supp. at 1204 (some interviews apparently were conducted in a bowling alley; some interviewees waiting to be interviewed overheard the substance of the interview while they were waiting).

222. *See* Section V.C, *infra*.

research whenever possible: Both the interviewer and the respondent are blind to the sponsor of the survey and its purpose. Thus, the survey instrument should provide no explicit or implicit clues about the sponsorship of the survey or the expected responses. Explicit clues could include a sponsor's letterhead appearing on the survey; implicit clues could include reversing the usual order of the *yes* and *no* response boxes on the interviewer's form next to a crucial question, thereby potentially increasing the likelihood that *no* will be checked.[223]

Nonetheless, in some surveys (e.g., some government surveys), disclosure of the survey's sponsor to respondents (and thus to interviewers) is required. Such surveys call for an evaluation of the likely biases introduced by interviewer or respondent awareness of the survey's sponsorship. In evaluating the consequences of sponsorship awareness, it is important to consider (1) whether the sponsor has views and expectations that are apparent and (2) whether awareness is confined to the interviewers or involves the respondents. For example, if a survey concerning attitudes toward gun control is sponsored by the National Rifle Association, it is clear that responses opposing gun control are likely to be preferred. In contrast, if the survey on gun control attitudes is sponsored by the Department of Justice, the identity of the sponsor may not suggest the kinds of responses the sponsor expects or would find acceptable.[224] When interviewers are well trained, their awareness of sponsorship may be a less serious threat than respondents' awareness. The empirical evidence for the effects of interviewers' prior expectations on respondents' answers generally reveals modest effects when the interviewers are well trained.[225]

C. What Procedures Were Used to Ensure and Determine That the Survey Was Administered to Minimize Error and Bias?

Three methods are used to ensure that the survey instrument was implemented in an unbiased fashion and according to instructions. The first, monitoring the interviews as they occur, is done most easily when telephone surveys are used. A supervisor listens to a sample of interviews for each interviewer. Field settings make monitoring more difficult, but evidence that monitoring has occurred provides an additional indication that the survey has been reliably implemented. Some

223. *See* Centaur Communications, Ltd. v. A/S/M Communications, Inc., 652 F. Supp. 1105, 1111 n.3 (S.D.N.Y. 1987) (pointing out that reversing the usual order of response choices, yes or no, to no or yes may confuse interviewers as well as introduce bias), *aff'd*, 830 F.2d 1217 (2d Cir. 1987).

224. *See, e.g.*, Stanley Presser et al., *Survey Sponsorship, Response Rates, and Response Effects*, 73 Soc. Sci. Q. 699, 701 (1992) (different responses to a university-sponsored telephone survey and a newspaper-sponsored survey for questions concerning attitudes toward the mayoral primary, an issue on which the newspaper had taken a position).

225. *See, e.g.*, Seymour Sudman et al., *Modest Expectations: The Effects of Interviewers' Prior Expectations on Responses*, 6 Soc. Methods & Res. 171, 181 (1977).

monitoring systems, both telephone and field, now use recordings, procedures that may require permission from respondents.

Second, validation of interviews occurs when respondents in a sample are recontacted to ask whether the initial interviews took place and to determine whether the respondents were qualified to participate in the survey. Validation callbacks may also collect data on a few key variables to confirm that the correct respondent has been interviewed. The standard procedure for validation of in-person interviews is to telephone a random sample of about 10% to 15% of the respondents.[226] Some attempts to reach the respondent will be unsuccessful, and occasionally a respondent will deny that the interview took place even though it did. Because the information checked is typically limited to whether the interview took place and whether the respondent was qualified, this validation procedure does not determine whether the initial interview as a whole was conducted properly. Nonetheless, this standard validation technique warns interviewers that their work is being checked and can detect gross failures in the administration of the survey. In computer-assisted interviews, further validation information can be obtained from the timings that can be automatically recorded when an interview occurs.

A third way to verify that the interviews were conducted properly is to examine the work done by each individual interviewer. By reviewing the interviews and individual responses recorded by each interviewer and comparing patterns of response across interviewers, researchers can identify any response patterns or inconsistencies that warrant further investigation.

When a survey is conducted at the request of a party for litigation rather than in the normal course of business, a heightened standard for validation checks may be appropriate. Thus, independent validation of a random sample of interviews by a third party rather than by the field service that conducted the interviews increases the trustworthiness of the survey results.[227]

VI. Data Entry and Grouping of Responses

A. What Was Done to Ensure That the Data Were Recorded Accurately?

Analyzing the results of a survey requires that the data obtained on each sampled element be recorded, edited, and often coded before the results can be tabulated

226. *See, e.g.*, Davis v. Southern Bell Tel. & Tel. Co., No. 89-2839, 1994 U.S. Dist. LEXIS 13257, at *16 (S.D. Fla. Feb. 1, 1994); National Football League Properties, Inc. v. New Jersey Giants, Inc., 637 F. Supp. 507, 515 (D.N.J. 1986).

227. In *Rust Environment & Infrastructure, Inc. v. Teunissen,* 131 F.3d 1210, 1218 (7th Cir. 1997), the court criticized a survey in part because it "did not comport with accepted practice for independent validation of the results."

and processed. Procedures for data entry should include checks for completeness, checks for reliability and accuracy, and rules for resolving inconsistencies. Accurate data entry is maximized when responses are verified by duplicate entry and comparison, and when data-entry personnel are unaware of the purposes of the survey.

B. What Was Done to Ensure That the Grouped Data Were Classified Consistently and Accurately?

Coding of answers to open-ended questions requires a detailed set of instructions so that decision standards are clear and responses can be scored consistently and accurately. Two trained coders should independently score the same responses to check for the level of consistency in classifying responses. When the criteria used to categorize verbatim responses are controversial or allegedly inappropriate, those criteria should be sufficiently clear to reveal the source of disagreements. In all cases, the verbatim responses should be available so that they can be recoded using alternative criteria.[228]

VII. Disclosure and Reporting

A. When Was Information About the Survey Methodology and Results Disclosed?

Objections to the definition of the relevant population, the method of selecting the sample, and the wording of questions generally are raised for the first time when the results of the survey are presented. By that time it is often too late to correct methodological deficiencies that could have been addressed in the planning stages of the survey. The plaintiff in a trademark case[229] submitted a set of proposed survey questions to the trial judge, who ruled that the survey results

228. *See, e.g.*, Revlon Consumer Prods. Corp. v. Jennifer Leather Broadway, Inc., 858 F. Supp. 1268, 1276 (S.D.N.Y. 1994) (inconsistent scoring and subjective coding led court to find survey so unreliable that it was entitled to no weight), *aff'd*, 57 F.3d 1062 (2d Cir. 1995); Rock v. Zimmerman, 959 F.2d 1237, 1253 n.9 (3d Cir. 1992) (court found that responses on a change-of-venue survey incorrectly categorized respondents who believed the defendant was insane as believing he was guilty); Coca-Cola Co. v. Tropicana Prods., Inc., 538 F. Supp. 1091, 1094–96 (S.D.N.Y.) (plaintiff's expert stated that respondents' answers to the open-ended questions revealed that 43% of respondents thought Tropicana was portrayed as fresh squeezed; the court's own tabulation found no more than 15% believed this was true), *rev'd on other grounds*, 690 F.2d 312 (2d Cir. 1982); *see also* Cumberland Packing Corp. v. Monsanto Co., 140 F. Supp. 2d 241 (E.D.N.Y. 2001) (court examined verbatim responses that respondents gave to arrive at a confusion level substantially lower than the level reported by the survey expert).

229. Union Carbide Corp. v. Ever-Ready, Inc., 392 F. Supp. 280 (N.D. Ill. 1975), *rev'd*, 531 F.2d 366 (7th Cir. 1976).

would be admissible at trial while reserving the question of the weight the evidence would be given.[230] The Seventh Circuit called this approach a commendable procedure and suggested that it would have been even more desirable if the parties had "attempt[ed] in good faith to agree upon the questions to be in such a survey."[231]

The *Manual for Complex Litigation, Second,* recommended that parties be required, "before conducting any poll, to provide other parties with an outline of the proposed form and methodology, including the particular questions that will be asked, the introductory statements or instructions that will be given, and other controls to be used in the interrogation process."[232] The parties then were encouraged to attempt to resolve any methodological disagreements before the survey was conducted.[233] Although this passage in the second edition of the Manual has been cited with apparent approval,[234] the prior agreement that the Manual recommends has occurred rarely, and the *Manual for Complex Litigation, Fourth*, recommends, but does not advocate requiring, prior disclosure and discussion of survey plans.[235] As the Manual suggests, however, early disclosure can enable the parties to raise prompt objections that may permit corrective measures to be taken before a survey is completed.[236]

Rule 26 of the Federal Rules of Civil Procedure requires extensive disclosure of the basis of opinions offered by testifying experts. However, Rule 26 does not produce disclosure of all survey materials, because parties are not obligated to disclose information about nontestifying experts. Parties considering whether to commission or use a survey for litigation are not obligated to present a survey that produces unfavorable results. Prior disclosure of a proposed survey instrument places the party that ultimately would prefer not to present the survey in the position of presenting damaging results or leaving the impression that the results are not being presented because they were unfavorable. Anticipating such a situation,

230. Before trial, the presiding judge was appointed to the court of appeals, and so the case was tried by another district court judge

231. *Union Carbide*, 531 F.2d at 386. More recently, the Seventh Circuit recommended filing a motion in limine, asking the district court to determine the admissibility of a survey based on an examination of the survey questions and the results of a preliminary survey before the party undertakes the expense of conducting the actual survey. Piper Aircraft Corp. v. Wag-Aero, Inc., 741 F.2d 925, 929 (7th Cir. 1984). On one recent occasion, the parties jointly developed a survey administered by a neutral third-party survey firm. Scott v. City of New York, 591 F. Supp. 2d 554, 560 (S.D.N.Y. 2008) (survey design, including multiple pretests, negotiated with the help of the magistrate judge).

232. MCL 2d, *supra* note 16, § 21.484.

233. *See id.*

234. *See, e.g.*, National Football League Props., Inc. v. New Jersey Giants, Inc., 637 F. Supp. 507, 514 n.3 (D.N.J. 1986).

235. MCL 4th, *supra* note 16, § 11.493 ("including the specific questions that will be asked, the introductory statements or instructions that will be given, and other controls to be used in the interrogation process.").

236. *See id.*

parties do not decide whether an expert will testify until after the results of the survey are available.

Nonetheless, courts are in a position to encourage early disclosure and discussion even if they do not lead to agreement between the parties. In *McNeilab, Inc. v. American Home Products Corp.*,[237] Judge William C. Conner encouraged the parties to submit their survey plans for court approval to ensure their evidentiary value; the plaintiff did so and altered its research plan based on Judge Conner's recommendations. Parties can anticipate that changes consistent with a judicial suggestion are likely to increase the weight given to, or at least the prospects of admissibility of, the survey.[238]

B. Does the Survey Report Include Complete and Detailed Information on All Relevant Characteristics?

The completeness of the survey report is one indicator of the trustworthiness of the survey and the professionalism of the expert who is presenting the results of the survey. A survey report generally should provide in detail:

1. The purpose of the survey;
2. A definition of the target population and a description of the sampling frame;
3. A description of the sample design, including the method of selecting respondents, the method of interview, the number of callbacks, respondent eligibility or screening criteria and method, and other pertinent information;
4. A description of the results of sample implementation, including the number of
    a. potential respondents contacted,
    b. potential respondents not reached,
    c. noneligibles,
    d. refusals,
    e. incomplete interviews or terminations, and
    f. completed interviews;
5. The exact wording of the questions used, including a copy of each version of the actual questionnaire, interviewer instructions, and visual exhibits;[239]

237. 848 F.2d 34, 36 (2d Cir. 1988) (discussing with approval the actions of the district court). *See also* Hubbard v. Midland Credit Mgmt, 2009 U.S. Dist. LEXIS 13938 (S.D. Ind. Feb. 23, 2009) (court responded to plaintiff's motions to approve survey methodology with a critique of the proposed methodology).

238. Larry C. Jones, *Developing and Using Survey Evidence in Trademark Litigation*, 19 Memphis St. U. L. Rev. 471, 481 (1989).

239. The questionnaire itself can often reveal important sources of bias. *See* Marria v. Broaddus, 200 F. Supp. 2d 280, 289 (S.D.N.Y. 2002) (court excluded survey sent to prison administrators based

6. A description of any special scoring (e.g., grouping of verbatim responses into broader categories);
7. A description of any weighting or estimating procedures used;
8. Estimates of the sampling error, where appropriate (i.e., in probability samples);
9. Statistical tables clearly labeled and identified regarding the source of the data, including the number of raw cases forming the base for each table, row, or column; and
10. Copies of interviewer instructions, validation results, and code books.[240]

Additional information to include in the survey report may depend on the nature of sampling design. For example, reported response rates along with the time each interview occurred may assist in evaluating the likelihood that nonresponse biased the results. In a survey designed to assess the duration of employee preshift activities, workers were approached as they entered the workplace; records were not kept on refusal rates or the timing of participation in the study. Thus, it was impossible to rule out the plausible hypothesis that individuals who arrived early for their shift with more time to spend on preshift activities were more likely to participate in the study.[241]

Survey professionals generally do not describe pilot testing in their survey reports. They would be more likely to do so if courts recognized that surveys are improved by pilot work that maximizes the likelihood that respondents understand the questions they are being asked. Moreover, the Federal Rules of Civil Procedure may require that a testifying expert disclose pilot work that serves as a basis for the expert's opinion. The situation is more complicated when a nontestifying expert conducts the pilot work and the testifying expert learns about the pilot testing only indirectly through the attorney's advice about the relevant issues

on questionnaire that began, "We need your help. We are helping to defend the NYS Department of Correctional Service in a case that involves their policy on intercepting Five-Percenter literature. Your answers to the following questions will be helpful in preparing a defense.").

240. These criteria were adapted from the Council of American Survey Research Organizations, *supra* note 76, § III.B. Failure to supply this information substantially impairs a court's ability to evaluate a survey. *In re* Prudential Ins. Co. of Am. Sales Practices Litig., 962 F. Supp. 450, 532 (D.N.J. 1997) (citing the first edition of this manual). *But see* Florida Bar v. Went for It, Inc., 515 U.S. 618, 626–28 (1995), in which a majority of the Supreme Court relied on a summary of results prepared by the Florida Bar from a consumer survey purporting to show consumer objections to attorney solicitation by mail. In a strong dissent, Justice Kennedy, joined by three other Justices, found the survey inadequate based on the document available to the court, pointing out that the summary included "no actual surveys, few indications of sample size or selection procedures, no explanations of methodology, and no discussion of excluded results . . . no description of the statistical universe or scientific framework that permits any productive use of the information the so-called Summary of Record contains." *Id.* at 640.

241. *See* Chavez v. IBP, Inc., 2004 U.S. Dist. LEXIS 28838 (E.D. Wash. Aug. 18, 2004).

in the case. Some commentators suggest that attorneys are obligated to disclose such pilot work.[242]

C. In Surveys of Individuals, What Measures Were Taken to Protect the Identities of Individual Respondents?

The respondents questioned in a survey generally do not testify in legal proceedings and are unavailable for cross-examination. Indeed, one of the advantages of a survey is that it avoids a repetitious and unrepresentative parade of witnesses. To verify that interviews occurred with qualified respondents, standard survey practice includes validation procedures,[243] the results of which should be included in the survey report.

Conflicts may arise when an opposing party asks for survey respondents' names and addresses so that they can re-interview some respondents. The party introducing the survey or the survey organization that conducted the research generally resists supplying such information.[244] Professional surveyors as a rule promise confidentiality in an effort to increase participation rates and to encourage candid responses, although to the extent that identifying information is collected, such promises may not effectively prevent a lawful inquiry. Because failure to extend confidentiality may bias both the willingness of potential respondents to participate in a survey and their responses, the professional standards for survey researchers generally prohibit disclosure of respondents' identities. "The use of survey results in a legal proceeding does not relieve the Survey Research Organization of its ethical obligation to maintain in confidence all Respondent-identifiable information or lessen the importance of Respondent anonymity."[245] Although no surveyor–respondent privilege currently is recognized, the need for surveys and the availability of other means to examine and ensure their trustworthiness argue for deference to legitimate claims for confidentiality in order to avoid seriously compromising the ability of surveys to produce accurate information.[246]

242. *See* Yvonne C. Schroeder, *Pretesting Survey Questions*, 11 Am. J. Trial Advoc. 195, 197–201 (1987).

243. *See supra* Section V.C.

244. *See, e.g.*, Alpo Petfoods, Inc. v. Ralston Purina Co., 720 F. Supp. 194 (D.D.C. 1989), *aff'd in part and vacated in part*, 913 F.2d 958 (D.C. Cir. 1990).

245. Council of Am. Survey Res. Orgs., *supra* note 76, § I.A.3.f. Similar provisions are contained in the By-Laws of the American Association for Public Opinion Research.

246. United States v . Dentsply Int'l, Inc., 2000 U.S. Dist. LEXIS 6994, at *23 (D. Del. May 10, 2000) (Fed. R. Civ. P. 26(a)(1) does not require party to produce the identities of individual survey respondents); Litton Indus., Inc., No. 9123, 1979 FTC LEXIS 311, at *13 & n.12 (June 19, 1979) (Order Concerning the Identification of Individual Survey-Respondents with Their Questionnaires) (citing Frederick H. Boness & John F. Cordes, *The Researcher–Subject Relationship: The Need for Protection and a Model Statute*, 62 Geo. L.J. 243, 253 (1973)); *see also* Applera Corp. v. MJ Research, Inc., 389 F. Supp. 2d 344, 350 (D. Conn. 2005) (denying access to names of survey respondents); Lampshire

Copies of all questionnaires should be made available upon request so that the opposing party has an opportunity to evaluate the raw data. All identifying information, such as the respondent's name, address, and telephone number, should be removed to ensure respondent confidentiality.

VIII. Acknowledgment

Thanks are due to Jon Krosnick for his research on surveys and his always sage advice.

v. Procter & Gamble Co., 94 F.R.D. 58, 60 (N.D. Ga. 1982) (defendant denied access to personal identifying information about women involved in studies by the Centers for Disease Control based on Fed. R. Civ. P. 26(c) giving court the authority to enter "any order which justice requires to protect a party or persons from annoyance, embarrassment, oppression, or undue burden or expense.") (citation omitted).

Glossary of Terms

The following terms and definitions were adapted from a variety of sources, including Handbook of Survey Research (Peter H. Rossi et al. eds., 1st ed. 1983; Peter V. Marsden & James D. Wright eds., 2d ed. 2010); Measurement Errors in Surveys (Paul P. Biemer et al. eds., 1991); Willem E. Saris, Computer-Assisted Interviewing (1991); Seymour Sudman, Applied Sampling (1976).

branching. A questionnaire structure that uses the answers to earlier questions to determine which set of additional questions should be asked (e.g., citizens who report having served as jurors on a criminal case are asked different questions about their experiences than citizens who report having served as jurors on a civil case).

CAI (computer-assisted interviewing). A method of conducting interviews in which an interviewer asks questions and records the respondent's answers by following a computer-generated protocol.

CAPI (computer-assisted personal interviewing). A method of conducting face-to-face interviews in which an interviewer asks questions and records the respondent's answers by following a computer-generated protocol.

CATI (computer-assisted telephone interviewing). A method of conducting telephone interviews in which an interviewer asks questions and records the respondent's answers by following a computer-generated protocol.

closed-ended question. A question that provides the respondent with a list of choices and asks the respondent to choose from among them.

cluster sampling. A sampling technique allowing for the selection of sample elements in groups or clusters, rather than on an individual basis; it may significantly reduce field costs and may increase sampling error if elements in the same cluster are more similar to one another than are elements in different clusters.

confidence interval. An indication of the probable range of error associated with a sample value obtained from a probability sample.

context effect. A previous question influences the way the respondent perceives and answers a later question.

convenience sample. A sample of elements selected because they were readily available.

coverage error. Any inconsistencies between the sampling frame and the target population.

double-blind research. Research in which the respondent and the interviewer are not given information that will alert them to the anticipated or preferred pattern of response.

error score. The degree of measurement error in an observed score (see true score).

full-filter question. A question asked of respondents to screen out those who do not have an opinion on the issue under investigation before asking them the question proper.

mall intercept survey. A survey conducted in a mall or shopping center in which potential respondents are approached by a recruiter (intercepted) and invited to participate in the survey.

multistage sampling design. A sampling design in which sampling takes place in several stages, beginning with larger units (e.g., cities) and then proceeding with smaller units (e.g., households or individuals within these units).

noncoverage error. The omission of eligible population units from the sampling frame.

nonprobability sample. Any sample that does not qualify as a probability sample.

open-ended question. A question that requires the respondent to formulate his or her own response.

order effect. A tendency of respondents to choose an item based in part on the order of response alternatives on the questionnaire (see primacy effect and recency effect).

parameter. A summary measure of a characteristic of a population (e.g., average age, proportion of households in an area owning a computer). Statistics are estimates of parameters.

pilot test. A small field test replicating the field procedures planned for the full-scale survey; although the terms *pilot test* and *pretest* are sometimes used interchangeably, a pretest tests the questionnaire, whereas a pilot test generally tests proposed collection procedures as well.

population. The totality of elements (individuals or other units) that have some common property of interest; the target population is the collection of elements that the researcher would like to study. Also, universe.

population value, population parameter. The actual value of some characteristic in the population (e.g., the average age); the population value is estimated by taking a random sample from the population and computing the corresponding sample value.

pretest. A small preliminary test of a survey questionnaire. See pilot test.

primacy effect. A tendency of respondents to choose early items from a list of choices; the opposite of a recency effect.

probability sample. A type of sample selected so that every element in the population has a known nonzero probability of being included in the sample; a simple random sample is a probability sample.

probe. A followup question that an interviewer asks to obtain a more complete answer from a respondent (e.g., "Anything else?" "What kind of medical problem do you mean?").

quasi-filter question. A question that offers a "don't know" or "no opinion" option to respondents as part of a set of response alternatives; used to screen out respondents who may not have an opinion on the issue under investigation.

random sample. See probability sample.

recency effect. A tendency of respondents to choose later items from a list of choices; the opposite of a primacy effect.

sample. A subset of a population or universe selected so as to yield information about the population as a whole.

sampling error. The estimated size of the difference between the result obtained from a sample study and the result that would be obtained by attempting a complete study of all units in the sampling frame from which the sample was selected in the same manner and with the same care.

sampling frame. The source or sources from which the individuals or other units in a sample are drawn.

secondary meaning. A descriptive term that becomes protectable as a trademark if it signifies to the purchasing public that the product comes from a single producer or source.

simple random sample. The most basic type of probability sample; each unit in the population has an equal probability of being in the sample, and all possible samples of a given size are equally likely to be selected.

skip pattern, skip sequence. A sequence of questions in which some should not be asked (should be skipped) based on the respondent's answer to a previous question (e.g., if the respondent indicates that he does not own a car, he should not be asked what brand of car he owns).

stratified sampling. A sampling technique in which the researcher subdivides the population into mutually exclusive and exhaustive subpopulations, or strata; within these strata, separate samples are selected. Results can be combined to form overall population estimates or used to report separate within-stratum estimates.

survey-experiment. A survey with one or more control groups, enabling the researcher to test a causal proposition.

survey population. See population.

systematic sampling. A sampling technique that consists of a random starting point and the selection of every *n*th member of the population; it is generally analyzed as if it were a simple random sample and generally produces the same results..

target population. See population.

trade dress. A distinctive and nonfunctional design of a package or product protected under state unfair competition law and the federal Lanham Act § 43(a), 15 U.S.C. § 1125(a) (1946) (amended 1992).

true score. The underlying true value, which is unobservable because there is always some error in measurement; the observed score = true score + error score.

universe. See population.

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Roger Tourangeau, Lance J. Rips, & Kenneth Rasinski, The Psychology of Survey Response (2000).

2 McCarthy on Trademarks and Unfair Competition § 11:90 (4th ed.)

McCarthy on Trademarks and Unfair Competition, Fourth Edition
Database updated December 2014
J. Thomas McCarthy
Chapter 11. The Spectrum of Distinctiveness of Marks
VI. STRENGTH OF MARKS
D. THIRD PARTY USES AND REGISTRATIONS

References

§ 11:90. Third party registrations—Evidence of meaning of terms

West's Key Number Digest
West's Key Number Digest, Trademarks 1310

A real evidentiary value of third party registrations per se is to show the sense in which a term, word, prefix or suffix of a mark is used in ordinary parlance. That is, third party registrations are similar to dictionaries showing how language is generally employed. [1] For example, introduction of many third party registrations for electronic products of marks with a -TRONICS or -TRONIX suffix could be evidence that those third parties and the public consider such a suffix descriptive and weak, such that there would be no likely confusion between DAKTRONICS and TEKTRONIX. [2]

Third party registrations are also probative to determine a common, weak significance of a part of a composite mark. Third party registrations are relevant to prove that some segment of the composite marks which both contesting parties use has a normally understood and well-recognized descriptive or suggestive meaning, leading to the conclusion that that segment is relatively weak. Such registrations could also show that the PTO, by registering several marks with such a common segment, recognizes that portions of such composite marks other than the common segment are sufficient to distinguish the marks as a whole and to make confusion unlikely. That is, the presence of such a descriptive or suggestive weak segment in conflicting composite marks is not per se sufficient to make confusion likely. [3] For example, in one case, third party registrations showed that a five-sided box-with-a-roof design used in the real estate field is commonly perceived as a stylized representation of a house, as such is suggestive of housing and real estate, is a relatively weak segment, and therefore is not sufficient to make applicant's five-sided design confusingly similar to opposer's five-sided design. [4]

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Footnotes

1 Sams, Third Party Registrations in T.T.A.B. Proceedings, 72 Trademark Rep. 297 (1982).

2 Tektronix, Inc. v. Daktronics, Inc., 534 F.2d 915, 189 U.S.P.Q. 693 (C.C.P.A. 1976). *Accord*: Interstate Brands Corp. v. Celestial Seasonings, Inc., 576 F.2d 926, 928, 198 U.S.P.Q. 151 (C.C.P.A. 1978) (There was no error in the Trademark Board's use of nine third-party registrations to show the meaning of "zing" in the same way that dictionaries are used.).

3 *See, e.g.,* Spraying Systems Co. v. Delavan, Inc., 762 F. Supp. 772, 19 U.S.P.Q.2d 1121, 1125 (N.D. Ill. 1991), aff'd, 975 F.2d 387, 24 U.S.P.Q.2d 1181 (7th Cir. 1992) (Third party registration of composites containing the "–JET" suffix were probative to show that it was descriptive for spray nozzles. "When the sole aim is to determine whether or not '-JET' is a descriptive term, it is unimportant that [the trademark proponent] was able to show that many of the registered trademarks were not in current use."); Knight Textile Corp. v. Jones Investment Co., 75 U.S.P.Q.2d 1313, 2005 WL 1691588 (T.T.A.B. 2005) (No confusion was likely between senior ESSENTIALS and junior NORTON MCNAUGHTON ESSENTIALS (both for women's apparel) because the basic word "essentials" was "highly suggestive" of clothing that is "essential" to a person's wardrobe. Twenty three third-party registrations of the term "essentials" helped to prove that both others in the field and the PTO have considered the word ESSENTIALS to have suggestive significance as applied to clothing.); Truescents LLC v. Ride Skin Care, L.L.C., 81 U.S.P.Q.2d 1334, 2006 WL 3326525 (T.T.A.B. 2006) (No confusion was likely between senior GENUINE SKIN and junior GENUINE RIDE SKIN CARE and design

(both for skin care products) because the basic word “genuine” was a weak, laudatory term. Forty-six third-party registrations in which the term “genuine” appeared and was disclaimed helped to prove that “genuine” has a laudatory and descriptive meaning indicating the product is real and authentic.); Rocket Trademarks Pty Ltd. v. Phard S.p.A., 98 U.S.P.Q.2d 1066, 1075, 2011 WL 810221 (T.T.A.B. 2011) (No confusion was likely between senior ELEMENT and junior ZU ELEMENTS (both for apparel). Third party registrations evidenced that “element” was suggestive of clothing that is an “element” of a person's wardrobe.).

4 Red Carpet Corp. v. Johnstown American Enterprises, Inc., 7 U.S.P.Q.2d 1404 (T.T.A.B. 1988). *Accord*: Top Tobacco, L.P. v. North Atlantic Operating Co., Inc., 101 U.S.P.Q.2d 1163, 1173, 2011 WL 6099691 (T.T.A.B. 2011) (That the USPTO has allowed a number of tobacco-related mark registrations including the word CLASSIC to co-exist is evidence that CLASSIC has a recognized meaning such that the inclusion of the word in a combination may be insufficient for confusion to be likely. But the Board still found CLASSIC AMERICAN BLEND to be confusingly similar to CLASSIC CANADIAN, both for smoking tobacco.).

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6 McCarthy on Trademarks and Unfair Competition § 32:173.50 (4th ed.)

McCarthy on Trademarks and Unfair Competition, Fourth Edition
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Chapter 32. Procedure in Trademark Infringement and Unfair Competition Litigation
X. SURVEY EVIDENCE
C. PROPER FORMATS AND METHODS

References

§ 32:173.50. Survey Formats—Two commonly used formats to test for confusion

Two survey formats which have been used to test for confusion of source or connection[1] are commonly referred to as the "*Eveready*" format and the "*Squirt*" format. The "*Eveready*" format (discussed in detail in the following section) is especially appropriate when the senior mark is strong and widely recognized. The "*Eveready*" survey format does not inform respondents what the senior mark is, but assumes that they are aware of the mark from their prior experience. Swann has remarked of the "*Eveready*" format that: "In cases involving strong marks, the *Eveready* test should be considered the gold standard for fundamental cognitive and marketing reasons."[2]

The "*Squirt*" format presents a respondent with both of the conflicting marks. Thus, it does *not* assume that the respondent is familiar with the senior mark. The method of telling the respondent what the senior mark is can be either direct or subtle. A direct method is to ask in some fashion if the respondent thinks that goods or services bearing marks A and B are from the same source or different sources. In the case that gave rise to the "*Squirt*" label for this type of survey,[3] respondents in Chicago were played radio ads for SQUIRT and QUIRST soft drinks and two other products. Then the respondent was asked: "Do you think SQUIRT and QUIRST are put out by the same company or by different companies?" A follow-up question was also asked: "What makes you think that?" A number of courts have felt that such a direct comparison question is improperly leading.[4] Some courts have felt that, compared with the *Eveready* method, the *Squirt* approach does not properly replicate marketplace conditions because it artificially tells respondents about a mark that they did not know about and then asks about connections with that mark.[5]

Some courts see nothing inherently wrong with a *Squirt*-type survey, saying that it should be admitted and analyzed the same as any other survey data.[5.50]

A more subtle form of "*Squirt*" survey is a product line-up survey in which the respondent is shown an array of branded products, including the contesting brands, and is asked questions about the relation between the companies that sell the products with the contesting marks.[6] Some courts will admit such a survey only if it reflects a significant number of real world situations in which both marks are likely to be seen in the marketplace sequentially or side-by-side.[6.50]

The "*Squirt*" survey method will often produce different results from the "*Eveready*" format for the same contesting marks.[7] Swann has opined that: "The *Squirt* format is the alternative for testing the likelihood of confusion between marks that are weak, but are simultaneously or sequentially accessible in the marketplace for comparison."[8]

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Footnotes

1 Confusion of "connection" is used here as a shorthand for confusion of sponsorship, affiliation or connection.

2 J.B. Swann, Likelihood of Confusion Studies and the Straightened Scope of Squirt, 98 Trademark Rptr 739, 746 (2008) ("With respect to strong marks, therefor, the Eveready format is a relevant, reliable and objective test of likelihood of confusion."); M. Rappeport, A Replication Problem in Survey Design: Including a Critique of the Decision in THOIP v. Disney, 100 Trademark Rep. 1360,

1371 (2010) (Speaking of *Eveready*-type surveys: "Such surveys do not measure whether consumers will be confused when they actually get information about both products, but only whether consumers who actually *already* have substantial information about the plaintiff's product are likely to be confused."); J.B.Swann, Likelihood of Confusion, in Trademark and Deceptive Advertising Surveys, 53 (ABA, Eds Diamond & Swann 2012) ("Over time [the *Eveready* survey format] has become (with the addition of a control) the gold standard in cases where the senior mark is top of mind, i.e. highly accessible (*internally available)* in memory, enhancing the likelihood that it will be cognitively cued by a similar junior user.").

3 SquirtCo. v. Seven-Up Co., 628 F.2d 1086, 207 U.S.P.Q. 897 (8th Cir. 1980) (A variation of the survey was conducted in Phoenix, where the radio ads were not played for shoppers in a grocery store who had bought soft drinks that day. The court affirmed the finding that QUIRST infringed on the senior SQUIRT mark.).

4 See discussion of the leading question criticism of this type of survey question at § 32:172. The court in the Squirt case discussed criticisms of the survey but did not decide if the survey was proper other than to recite the rule that deficiencies go to weight of the evidence rather than admissibility. The court did seem to rest its affirmance in part on the survey evidence.

See J.B. Swann, Likelihood of Confusion Studies and the Straightened Scope of Squirt, 98 Trademark Rptr 739, 752 (2008) ("Historically, … Squirt studies have been rejected because they utilize closed-ended questions and opprobrium is likely to continue with respect to questions that have a clearly 'leading' effect or to a Squirt test without a control cell."); J.B.Swann, Likelihood of Confusion, in Trademark and Deceptive Advertising Surveys, 64–71, (ABA, Eds Diamond & Swann 2012) (Discussing criticism of the *Squirt* format.).

See discussion in 24 Hour Fitness USA, Inc. v. 24/7 Tribeca Fitness, LLC., 447 F. Supp. 2d 266, 279 (S.D. N.Y. 2006) aff'd, 247 Fed. Appx. 232 (2d Cir. 2007) (Line-up variation of a "Squirt" survey was found not persuasive to prove likely confusion concerning word marks because of criticisms of the method and control question.).

5 E.g. National Distillers Prods. Co. v. Refreshment Brands, Inc., 198 F Supp. 2d 474, 484 (S.D.N.Y. 2002) (Court said an Eveready survey showing no confusion was more reliable than a Squirt-type survey which had a "major flaw:" it made respondents "artificially aware" of the senior mark. No infringement was found.); Kargo Global, Inc. v. Advance Magazine Publishers, Inc., 2007 WL 2258688, *8 (S.D. N.Y. 2007) (Criticizing plaintiff for using a "Squirt"-type survey and its failure to use an Eveready-type survey. Survey was excluded.).

5.50 Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Management, Inc., 618 F.3d 1025, 1037–1038, 96 U.S.P.Q.2d 1585 (9th Cir. 2010) (In an internet survey, persons were shown pictures of the plaintiff's and defendant's branded products and asked questions about whether they thought that the branded products came from the same company, related companies or did not know. Held that District Court was clearly erroneous in excluding a survey from evidence.).

6 See discussion of the product line-up survey method at § 32:177.

6.50 THOIP v. Walt Disney Co., 690 F. Supp. 2d 218, 240 (S.D. N.Y. 2010) ("I conclude that the [Gary] Ford [sequential showing] Survey failed to sufficiently replicate the manner in which consumers encountered the parties' products in the marketplace …." The survey was found inadmissible and an *Eveready*-type survey was found admissible.), later proceedings THOIP v. Walt Disney Co., 788 F. Supp. 2d 168, 99 U.S.P.Q.2d 1323 (S.D. N.Y. 2011) (*Squirt*-type sequential array survey "failed to replicate actual marketplace conditions."). *See* E & J Gallo v. Proximo Spirits, Inc., 103 U.S.P.Q.2d 1640, 1654, 2012 WL 273076 (E.D. Cal. 2012), subsequent determination, 103 U.S.P.Q.2d 1656, 2012 WL 273077 (E.D. Cal. 2012) (Finding that *Eveready*-type survey was "highly probative" of an absence of likely confusion over opposing expert's opinion that a *Squirt*-type survey should have been used showing both of the contesting trade dresses. On summary judgment, no likely confusion was found.).

7 See Simonson, "The Effect of Survey Method on Likelihood of Confusion Estimates: Conceptual Analysis and Empirical Test," 83 Trademark Rptr. 364 (1993) (comparing the inherent bias of an *Eveready* format with a *Squirt* format "line-up" survey. "Indeed, the empirical study showed substantial method sensitivity, with estimates derived from one technique often two to three times greater than those generated by other techniques."); J.B.Swann, Likelihood of Confusion, in Trademark and Deceptive Advertising Surveys, 55, n.20 (ABA, Eds Diamond & Swann 2012) ("[S]ubstantial differences between *Eveready* and *Squirt* results may often be explained by the different cognitive tasks that each format entails."). See e.g. National Distillers Prods. Co. v. Refreshment Brands, Inc., 198 F Supp.2d 474, 483–484 (S.D.N.Y. 2002) (An *Eveready*-type survey showed a zero level of confusion while a *Squirt*-type survey showed a 38% level of confusion of affiliation. The court rejected the *Squirt* survey results and found no infringement.).

8 J.B. Swann, Likelihood of Confusion Studies and the Straightened Scope of Squirt, 98 Trademark Rptr 739, 755–756 (2008) (Adding that: "[T]here simply appears to be no way to test whether a weak mark will be confused with another's use in a commercial arena where the weak mark does not appear."); J.B.Swann, Likelihood of Confusion, in Trademark and Deceptive Advertising Surveys, 70 (ABA, Eds Diamond & Swann 2012) (A *Squirt* survey should not be used where typical exposure to the two brands is not "sufficiently close in space or time."). *See* E & J Gallo Winery v. Proximo Spirits, Inc., 2011 WL 5922090 (E.D. Cal. 2011) (Discussing Swann article and allowing into evidence an *Eveready*-type survey over argument that a *Squirt*-type survey should have been used showing both of the contesting trade dresses.), decision on summary judgment at E & J Gallo v. Proximo Spirits, Inc., 103 U.S.P.Q.2d 1640,

1654, 2012 WL 273076 (E.D. Cal. 2012), subsequent determination, 103 U.S.P.Q.2d 1656, 2012 WL 273077 (E.D. Cal. 2012) (*Eveready*-type survey was "highly probative" of an absence of likely confusion.).

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6 McCarthy on Trademarks and Unfair Competition § 32:174 (4th ed.)

McCarthy on Trademarks and Unfair Competition, Fourth Edition
Database updated December 2014
J. Thomas McCarthy
Chapter 32. Procedure in Trademark Infringement and Unfair Competition Litigation
X. SURVEY EVIDENCE
C. PROPER FORMATS AND METHODS

References

§ 32:174. Survey Formats—Eveready confusion format

West's Key Number Digest
West's Key Number Digest, Trade Regulation 580

A now-standard survey format used to prove likely confusion in cases where plaintiff makes some products which defendant does not is the *Eveready* format. [1] This has become a standard and widely accepted format to prove the likelihood or non-likelihood of confusion. [1.50] To prove that consumers were likely to confuse the source of defendant' s EVER-READY lamps with plaintiff Union Carbide's EVEREADY batteries, flashlights and bulbs, Union Carbide introduced the results of a survey with the following questions:

1. 1. [Screening question to eliminate persons in the bulb or lamp industries.]

2. 2. Who do you think puts out the lamp shown here? (A picture of defendant's EVER-READY lamp with its mark is shown).

3. 3. What makes you think so?

4. 4. Please name any other products put out by the same concern which puts out the lamp shown here.

The results were that the number who associated the products displayed with Union Carbide were:

By answering "Union Carbide": 6 (0.6%)

By indicating Union Carbide products such as batteries as being put out by the same concern: 551 (54.6%)

TOTAL 557 (55.2%)

While the district court said that the survey was entitled to "little, if any, weight," the Seventh Circuit held that the trial court was clearly erroneous in not crediting the survey: "Those who indicated that they believed other Carbide products were manufactured by the same company that produced the bulbs or lamps shown must be considered cases of confusion." The questions were held not to be leading, for "this is not a case where the interviewer stated the similar parts of the plaintiff's name several times in questions and then asked about the defendant company." [2]

Further, although the survey was not designed to prove secondary meaning, the court of appeals held that it tdid prove secondary meaning because the results support the conclusion that "an extremely significant portion of the population associates Carbide's products with a single anonymous source." Thus, if the survey results are so strong and conclusive as to establish actual confusion, then some courts view the results as also being evidence of secondary meaning. [3]

In a reverse confusion case, an *Eveready*-type question should be asked of potential customers of the *plaintiff's* products, not of the defendant's products. [4]

An *Ever-Ready* format of survey can easily be combined with additional questions probing whether there is a likelihood of confusion as to sponsorship, affiliation or approval. As the Trademark Board observed: "While these types of [survey]

questions were not expressly addressed in *Ever-Ready*, a leading commentator [McCarthy] suggests and court opinions have found, that affiliation and connection queries are appropriate in light of the specific language of the Lanham Act." [5]

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Footnotes

1 Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366, 188 U.S.P.Q. 623 (7th Cir. 1976), cert. denied, 429 U.S. 830, 50 L. Ed. 2d 94, 97 S. Ct. 91, 191 U.S.P.Q. 416 (1976).

1.50 **Second Circuit**

U.S. Polo Ass'n, Inc. v. PRL USA Holdings, Inc., 800 F. Supp. 2d 515, 535, 101 U.S.P.Q.2d 1487 (S.D. N.Y. 2011), aff'd, 2013 WL 490796 (2d Cir. 2013) (*Eveready*—type survey questions are not improperly leading. "That form and sequence of questioning has become standard methodology in trademark infringement surveys, … following the methodology used in *Union Carbide Corp. v. Ever—Ready, Inc.* … ."); Akiro LLC v. House of Cheatham, Inc., 2013 WL 2181088, *11 (S.D. N.Y. 2013) (The *Eveready* survey method is "a standard, generally accepted survey format.")

Seventh Circuit

James Burrough Ltd. v. Sign of Beefeater, Inc., 540 F.2d 266, 278, 192 U.S.P.Q. 555, 564 (7th Cir. 1976) ("The questions, upon which the results are based, do not appear slanted or leading … the survey qualifies as a reliable reproduction of prospective consumer reaction. Its results may therefore be extrapolated to encompass the consuming public and utilized in determining likelihood of confusion, deception or mistake."); Simon Property Group L.P. v. mySimon, Inc., 104 F. Supp. 2d 1033, 1049, 54 Fed. R. Evid. Serv. 604 (S.D. Ind. 2000) ("This format is obviously well-suited to determine whether one trademark will confuse consumers who are not likely to encounter the two trademarks together.").

Ninth Circuit

E. & J. Gallo Winery v. Gallo Cattle Co., 12 U.S.P.Q.2d 1657, 1674, 1989 WL 159628 (E.D. Cal. 1989), aff'd, 955 F.2d 1327, 21 U.S.P.Q.2d 1824 (9th Cir. 1992), opinion amended and superseded, 967 F.2d 1280, 1292–1293 (9th Cir. 1992) (It was proper to admit and rely upon an *Eveready* type survey to find infringement.); E & J Gallo v. Proximo Spirits, Inc., 103 U.S.P.Q.2d 1640, 2012 WL 273076 (E.D. Cal. 2012), subsequent determination, 103 U.S.P.Q.2d 1656, 2012 WL 273077 (E.D. Cal. 2012) (*Eveready*-type survey was "highly probative" of an absence of likely confusion. On summary judgment, no likelihood of confusion was found.)

Trademark Board. Starbucks U.S. Brands, LLC and Starbucks Corperation D.B.A. Starbucks Coffee Company v. Marshall S. Ruben, 78 U.S.P.Q.2d 1741, 2006 WL 402564 (T.T.A.B. 2006) ("[G]iven the way in which this survey format carefully follows the *Ever-Ready* likelihood of confusion survey format, we find that it is reliable and therefore of probative value on the issue of likelihood of confusion herein." A likelihood of confusion was found.).

Commentary. Simonson, The Effect of Survey Method on Likelihood of Confusion Estimates: Conceptual Analysis and Empirical Test, 83 Trademark Rep. 364 (1993) (comparing the inherent bias of an *Eveready* format with a "line-up" survey—dubbed a *Squirt* format).

2 *See* Sterling Drug, Inc. v. Bayer AG, 14 F.3d 733, 29 U.S.P.Q.2d 1321, 1326 (2d Cir. 1994) (The following question was found "not suggestive of any particular response": "What type of product or products, if any, are made by the company or companies mentioned in the sign?").

3 *See* § 15:11.

4 Sterling Drug, Inc. v. Bayer AG, 14 F.3d 733, 29 U.S.P.Q.2d 1321, 1326 (2d Cir. 1994) (since the issue is whether the senior user's products, such as BAYER aspirin, are made by the junior user, it is appropriate to survey customers of the senior user's BAYER aspirin product).

5 Starbucks U.S. Brands, LLC and Starbucks Corporation d.b.a. Starbucks Coffee Company v. Marshall S. Ruben, 78 U.S.P.Q.2d 1741, 2006 WL 402564 (T.T.A.B. 2006) ("[G]iven the way in which this survey format carefully follows the *Ever-Ready* likelihood of confusion survey format, we find that it is reliable and therefore of probative value on the issue of likelihood of confusion herein." A likelihood of confusion was found.). *See* § 32:175.

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