chapter 1

Legal Issues That Can Be Examined via Surveys

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1.01 Chapter Overview

As the title *Trademark Surveys* indicates, this work focuses on the use of consumer surveys in trademark law. However, many trademark practitioners sometimes become involved in related intellectual property issues, most especially in patent and advertising disputes. Since the scientific underpinnings of consumer surveys remain essentially the same regardless of what issues are being studied, this introductory chapter adopts a broad perspective. In addition to identifying trademark issues on which survey research has been or could be conducted to assist triers of fact, it also indicates a number of other areas of law that have benefitted or could benefit from the introduction of consumer surveys. Far from comprehensive, this treatment of other areas is meant to be illustrative.

1.02 Definitional Issues

1.02.1 Trademark

While the phrase *trademark surveys* can be interpreted in various ways,\(^1\) throughout this work, the term *trademark* hews to the definition provided by the Lanham Act, namely: “[a]ny word, name, symbol, or device, or any combination thereof, (1) used by a person, or (2) which a person has a bona

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1. An example of the way in which the term *trademark surveys* is not being used here would be to gather one each of the 50 mass media magazines enjoying the largest circulation as of a given date, then tally the number of times one finds the registered trademark symbol, ®, the ™ designation, and the service mark SM designation appearing in full-page advertisements in these magazines. This survey of trademark symbols would have nothing to do with consumer reactions to these symbols.
fide intention to use in commerce and applies to register on the principal register . . . , to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." It bears noting that while this definition iterates items that can be seen or heard, manufacturers and sellers of goods may also rely on olfactory, tactile, and other sensory cues to identify and distinguish their goods from others.

1.02.2 Survey

As used throughout this work, "a survey is defined as any data collection operation that gathers information from human respondents by means of a standardized questionnaire in which the interest is in aggregates rather than particular individuals." Surveys are used to gather information regarding the survey respondents’ past, present, or future behavior and their mental contents (awareness, comprehension, knowledge, opinions, intentions, and the like).

Apparently not conducted for the purpose of being proffered as evidence in a litigated proceeding, the first trademark survey may have been conducted in 1917 on behalf of the General Electric Company, “to determine the significance to the public of the ‘Mazda’ trade mark.” The first survey proffered as evidence in a litigated matter may have been defendant’s survey in DuPont Cellophane Co. v. Waxed Products Co.

1.02.3 Consumer Behavior

Trademark surveys are directed to studying select consumer psychological states and processes that underlie consumer behavior in the marketplace. Consumer behavior may be defined as “the totality of consumers’ decisions with respect to the acquisition, consumption and disposition of goods, services, activities, experiences, people, and ideas by (human) decision-making units over time.” Consumer behavior thus entails considerably more than

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3. Stanley Presser, The Use of Survey Data in Basic Research in the Social Sciences, in 2 Surveying Subjective Phenomena 93, 95 (C. Turner & E. Martin eds., 1984). Note that the use of a “standardized questionnaire” is only one component of the larger “data collection operation.” Also note that a survey refers to an entire study or investigation, not to the questionnaire used in the survey. Thus, it is a misuse of scientific terminology to refer to questionnaires as surveys, as in “The study consisted of administering 220 surveys to respondents.” The correct way to describe the situation would be to say “The survey consisted of administering 220 questionnaires (or interviews) to respondents.”
purchasing products and services. It involves selecting TV shows to watch, magazines to read, forming impressions of companies, acquiring information from and forming impressions of advertising, voting for politicians, and so on. Trademarks and trade dress often are involved in each of these consumer choices. Because consumer behavior includes the consumption of many different kinds of objects, events and experiences, the terms goods or offerings are sometimes used to refer to and encompass all these entities.\footnote{By using the term offering, we follow the lead of Hoyer and MacInnis, \textit{id}.}

Consumer behavior also involves decisions regarding the use, consumption, and disposal of goods. In particular, genericism and secondary meaning both refer to how consumers understand and use marks, not necessarily at the time of purchase. Further, disposing of goods will often involve the use of marks and other information supplied by the source of the goods, all of which have the potential to cause consumer confusion, mistake, and deception.

\textbf{1.03 The Rationale Underlying the Use of Social Science Surveys in Trademark Litigation}

Trademark law protects the interests of both the sources of trademarks and the consumers who perceive and rely on trademarks as part of their daily lives. Commenting on how consumers use trademarks several years prior to enactment of the Lanham Act, Supreme Court Justice Felix Frankfurter wrote: “The protection of trademarks is the law’s recognition of the \textit{psychological function} of symbols.”\footnote{Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co., 316 U.S. 203 (1942) (emphasis added).} Fifteen years earlier, Frank Schechter, in a classic \textit{Harvard Law Review} article, defined dilution as “the gradual whittling away or dispersion of the identity and hold upon \textit{the public mind} of the mark or name by its use upon non-competing goods.”\footnote{F. I. Schechter, \textit{The Rational Basis of Trademark Protection}, 40 HARV. L. REV. 813 (1927) (emphasis added), reprinted in \textit{TRADEMARK REP.}, 334, 342 (1970).} In clarifying the test for genericism, the Supreme Court said it is the “primary significance of the term \textit{in the minds of the consumer public}” that is critical.\footnote{Kellogg Co. v. Nat’l Biscuit Co., 305 U.S. 111 (1938) (emphasis added).}

The Lanham Act\footnote{The Lanham (Trademark) Act, tit. 15 U.S.C.} prohibits marketplace entities from engaging in acts that are “likely to cause confusion, or to cause mistake” or cause “deception” or “dilution \textit{in the minds} of the relevant consuming public. With the law’s focus on mental states, there is widespread recognition that consumer psychology is directly relevant to trademark law. As but a few examples, J. Thomas McCarthy asserts that “secondary meaning is a fact \textit{only} in the
sense that the state of a buyer’s mind is a fact.”

Similarly, Richard Kirkpatrick writes: “[T]rademarks are intellectual or psychological in nature. It follows that the question of trademark infringement is primarily one of the psychology—cognitive and behavioral—of consumers.” Core concepts in trademark law—most especially genericism, secondary meaning, acquired distinctiveness, likely confusion, fame, dilution as to blurring, dilution as to tarnishment—refer to the meanings and associations that reside in the minds of the relevant publics.

It is generally not feasible to bring all consumers of a particular offering into the courtroom to testify regarding their states of mind. Outside the context of litigation, marketing and advertising practitioners confront essentially the same problem when attempting to assess consumer states of mind with respect to existing products, proposed new products, packaging, advertising, and so on. As a general rule, they rely on well-conducted survey research to obtain the answers to such questions. It therefore is not surprising that, as the methodological tool most often used by social scientists to probe states of mind, surveys are now routinely used to assess and evaluate core issues in trademark law.

It was not always this way. A certain amount of the impetus for the introduction of surveys into trademark litigation must be attributed to Judge Jerome Frank, who, in a now-famous dissent in a case involving undergarments for teenage girls, wrote:

As neither the trial judge nor any member of this court is (or resembles) a teen-age girl or mother or sister of such a girl, our judicial notice apparatus will not work well unless we feed it with information directly obtained from “teen-agers” or from their female relatives accustomed to shop for them.

What was a dissent has become the prevailing view, with many court opinions reflecting this view. As but a few examples, consider the following. “Surveys 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

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15. See Fed. R. Evid. 703.
16. Triangle Publ’ns, Inc. v. Rohrlich, 167 F.2d 969, 976; 77 U.S.P.Q. 196, 201–02 (2d Cir. 1948) (Frank, J. dissenting).
associations have been drawn in the public mind.”

“The use of consumer perception or opinion surveys is . . . of undeniable importance in the case of this kind as it is the most practical and most useful way of assessing public opinion.”

“[D]irect consumer evidence e.g., consumer surveys and testimony is preferable to indirect forms of evidence.”

While the introduction of survey evidence has become commonplace, not all trademark surveys have been accepted, accorded weight, or replaced a judge’s intuition. This is probably a good thing. Courts and counsel have become more informed and more discerning regarding the factors that differentiate between quality research and junk science. Yet there is a long way to go in this regard. This treatise is directed toward that educational effort.

1.04 The Frequency and Fate of Surveys Proffered in Trademark Litigation

A study of trademark cases (including applications for interim injunctions) that went to final judgment reported during a 10-year span from the mid-1990s through the mid-2000s revealed more cases where survey evidence was submitted (57.4 percent) than where surveys were not submitted. When submitted, surveys are more often accorded some weight (35.2 percent of cases) than being discounted or given no weight (22.2 percent of cases).

1.05 Deciding Which Legal Issue(s) to Address

The survey objective is the basis upon which the survey is designed. The objective tracks the legal issue that needs to be addressed. Survey results will be of little, if any, value if the wrong issue is addressed. Thus, identifying the pertinent legal issues and translating them into survey objectives is the critical first step in the evidentiary survey process. Insofar as intellectual property and especially trademark law is concerned, what legal issues can be addressed by a survey? Who decides which of these issues will be addressed?

Identifying the legal issues to be surveyed involves input from both the lawyer or legal team and the survey expert(s). The lawyer or legal

team is responsible for working knowledge of the pertinent law and the fact pattern underlying the legal dispute. The survey expert is responsible for conducting the survey “in accordance with accepted principles of survey research.” That said, instances do arise where survey experts may suggest issues or grounds for conducting surveys that had not been considered, but then are adopted by the legal team. For this reason, the best approach might be for the lawyer or legal team to identify the issues they believe merit study, then invite the survey expert to react to and perhaps augment these considerations, with counsel remaining open to the possibility that something useful may come of this.

Recognize that a survey designed for product development or marketing objectives, as conducted by major research houses throughout the United States, is not necessarily appropriate for addressing legal issues. Furthermore, an appropriate survey objective and design for one legal issue or fact pattern is not necessarily appropriate for another issue or fact pattern. Similarly, a survey offered by a trademark claimant in one case, may be afforded little weight if it was initially conducted for a different case. For this reason, it is the lawyer or legal team, not the survey expert, who is ultimately responsible for deciding which issues are to be surveyed and which are not.

It is imperative that the lawyer explain the relevant law to the expert. The lawyer should provide the expert with court opinions dealing with the issue at hand and addressing the use of survey evidence introduced to facilitate resolution of that issue (see section 2.73). The lawyer also needs to explain, in some detail, the marketplace environment in which plaintiff’s and defendant’s products or services are marketed (see chapter 3). Other than for Trademark Trial and Appeal (TTAB) proceedings, it is generally the case that the survey should emulate marketplace conditions as much as possible. It is advisable for the expert to actually explore the relevant marketplace. If competing products are not typically encountered side-by-side in the marketplace, then the survey should not present them in such a setting. If the marks are usually encountered with other packaging elements, the survey should present them in that same way. The more the expert knows about the law and the marketplace, the more effective the survey design will be.

23. Thane Int’l, Inc. v. Trek Bicycle Corp., 305 F.3d 894, 899, 902 (9th Cir. 2002); Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 879 (9th Cir. 1999).
25. This applies regardless of how experienced the survey expert may be.
The lawyer who merely provides a cursory explanation of the issues and then says, “You’re the expert. You do whatever is necessary,” is abdicating his or her responsibility and often is putting the expert in a no-win situation, unless the expert is savvy enough to seek out the relevant court opinions and marketplace information either from the lawyer or elsewhere. The expert cannot conduct an effective survey without understanding the law and marketplace facts. The lawyer must know and impart the legal knowledge required for the survey expert to draft a survey objective. The lawyer then needs to review the expert’s statement of the survey objective and determine whether it properly addresses the legal issue.

Shaping legal issues into survey objectives is a team effort. The survey expert may be called upon by opposing counsel to explain the basis for the survey objective and design. Thus, it is imperative that the expert conduct sufficient research at the outset to ensure a thorough understanding of the survey objectives, the relevant law and legal issues and the particular marketplace facts. The more information the expert has upon which to base the survey objective and design, the more persuasive he or she can be in explaining the value of the survey results to the fact finder.

An issue sometimes faced by the legal team is whether to test the opposing legal team’s theory of the case. This choice often arises when plaintiff argues likelihood of confusion. While it might make sense for defendant’s legal team to conduct its own survey of likely confusion, in some instances, it might be more productive to have defendant’s survey expert test the strength of plaintiff’s mark or whether it has even acquired secondary meaning.

### 1.10 Trademark Issues That Can Be Addressed by Surveys

Legal issues regularly tested by survey evidence include (1) whether a mark is generic and therefore not entitled to protection; (2) whether a mark has achieved secondary meaning; (3) whether a defendant’s use of a mark creates consumer confusion with a plaintiff’s mark; (4) whether a mark is “famous,” and (5) whether a “famous” mark has been diluted. As each of these specific issues will be more fully discussed in subsequent chapters, they are discussed only briefly here. However, not being addressed in subsequent chapters, somewhat fuller discussion is provided for other legal issues that have been or can be addressed by survey research. These include issues in trademark law (strength of a mark; aesthetic functionality; tacking and continued commercial impression; disclaimers; damages;
similarity of goods; brand valuation and goodwill,\textsuperscript{26} trade libel and product disparagement\textsuperscript{27} as well as issues that surface in related areas of intellectual property law (deceptive/misleading advertising; materiality of claims; assessing the value of patent features; and assessing “nonobviousness” for patents\textsuperscript{28}).

1.11 \textbf{Genericism}

Prof. McCarthy writes: “Consumer surveys have become almost \textit{de rigueur} in litigation over genericness. Judges are now used to survey evidence and often expect to receive evidentiary assistance by surveys in resolving generic disputes.”\textsuperscript{29}

The principal function of a trademark is to identify and distinguish one entity’s goods from those manufactured or sold by others and to indicate the source or origin of those goods, even if that source is unknown.\textsuperscript{30} Thus, a generic word that refers to all products of a particular class of goods cannot function as a trademark.\textsuperscript{31} “The concepts of ‘generic name’ and ‘trademark’ are mutually exclusive.”\textsuperscript{32} For example, the word SOFTSOAP was used by Minnetonka, Inc., as a trademark for the first liquid soap product marketed for household use in a pump-type dispenser similar to that used for hand lotion. The Patent and Trademark Office originally said SOFTSOAP was generic.\textsuperscript{33} It was generic for a green, liquid soap used for industrial purposes. Did that make it generic for white, creamy, liquid soap used in the home for hand washing at the kitchen and bathroom sinks?

What is the test for genericism? The test was set out years ago in \textit{Bayer Co. v. United Drug Co.}, framed as the question, “What do buyers understand by the word for whose use the parties are contending?”\textsuperscript{34} The Supreme Court later clarified the test by saying it is the “primary

\begin{itemize}
\item \textsuperscript{26} See Harolds Stores v. Dillard Dep’t Stores, 82 F.3d 1533, 1544 (10th Cir. 1996).
\item \textsuperscript{28} Winner Int’l Royalty Corp. v. Wang, 202 F.3d 1340, 1351 (Fed. Cir. 2000).
\item \textsuperscript{31} However, a combination of generic words may function as a trademark, e.g., American Airlines, The Metropolitan Opera.
\item \textsuperscript{32} 2 MCCARTHY, supra note 12, § 12.1 (4th ed.).
\item \textsuperscript{34} Bayer Co. v. United Drug Co., 272 F. 505 (S.D.N.Y. 1921). Note that this emphasizes consumers’ understanding of the term, which may be different from the consumers’ typical use of the term.
\end{itemize}
significance of the term in the minds of the consumer public" that is critical. This common law rule has now been codified in the Trademark Clarification Act of 1984 for determining when a registered mark has become generic: “The primary significance of the registered mark to the relevant public . . . shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.” Professor McCarthy frames the test as follows: “A mark answers the buyer’s questions ‘Who are you? Where do you come from?’ ‘Who vouches for you?’ But the [generic] name of the product answers the question ‘What are you?”

Possible survey objectives when genericism is at issue, such as with SOFTSOAP, might then be:

1. To determine whether the primary significance of the term SOFTSOAP, with consumers of body, face, or hand soap, is a brand name or a common name; and/or
2. To determine the common name for the product category of soap, used primarily to wash one’s hands, which comes in containers with a dispenser on top like that of hand lotion.

Unless educated in the relevant law, a survey expert will be unable to properly define the survey objective. The lawyer must therefore explain the legal issue and the test that will be used by the court or the TTAB in making its determination on that issue. In addition, the lawyer should provide the expert with court opinions in survey cases that the lawyer anticipates citing in briefs. These cases should be evaluated before the survey is designed. The expert can then frame an appropriate survey objective.

In addition, the lawyer needs to understand and identify the relevant buyer class for the goods at issue. In most cases, it is the consuming public of the category of goods into which the parties’ goods fall. Members of the


trade or professionals may or may not be part of the relevant buyer class. The rationale relied upon for identifying the relevant buyer class (the “survey universe,” see chapter 5) is important, as courts may find the universe of relevant buyers too broad or too narrow. If the expert does not know that the legal test for genericism involves relevant buyers as opposed to the general public, the wrong objective will be framed and the wrong universe surveyed. Using the wrong universe can result in the survey being given little weight or even deemed inadmissible. Also, a survey that tests only for consumer awareness of the term in question is irrelevant.

The Thermos model and the Teflon model are the two preferred models for genericness surveys. The Thermos model is based on a survey used to prove that “Thermos” was a generic name. In a Thermos study, the interviewer asks the respondent (1) if he or she is familiar with a type of product (for example, containers for keeping liquids hot or cold), (2) what type of store the respondent would select to purchase that type of product, and (3) what the respondent would ask for in the store when attempting to purchase the product. The Teflon model is based on a survey used to prove that “Teflon” was not a generic name. In a Teflon survey, the respondent is provided with a short summary of the difference between brand

38. G. Heileman Brewing Co. v. Anheuser-Busch, Inc., 873 F.2d 985, 995, 10 U.S.P.Q.2d 1801, 1809–10 (7th Cir. 1989); Atlanta Allergy & Asthma Clinic, P.A. v. Allergy & Asthma of Atlanta, LLC, 685 F. Supp. 2d 1360, 1373–74 (N.D. Ga. 2010) (argument that survey of broader universe would be more informative goes to weight of survey, not admissibility); Avery Dennison v. Sumpton, 189 F.3d 868 (9th Cir. 1999) (holding that survey focusing on respondents who purchased plaintiff’s products had no probative value because it inflated perceived brand awareness of plaintiff’s mark).
42. This survey design has been criticized because it does not account for the possibility that respondents who are very brand loyal may refer to the product type by the brand name, while recognizing that the term is a brand and not a common name. McCarthy, supra note 12, § 12:15.
names and common or generic names, and then is given a list of various names, including the term at issue, and asked to state whether each name is a brand name or a common name.\textsuperscript{43}

Secondary meaning surveys (discussed below) may also be relied upon as evidence of nongenericness where the survey results show that the term is recognized as a source identifying trademark. Also, likelihood-of-confusion survey results may be sufficient to establish the absence of genericness because confused respondents necessarily must perceive the senior user’s designation as a trademark.\textsuperscript{44}

For genericness survey results to be effective in proving trademark significance, majority usage prevails and it is best when the results show that more than 50 percent of respondents providing an opinion believe the term is a trademark.\textsuperscript{45}

1.12 Functionality

Trademarks cannot exist in the functional feature of a product. Just as a word referring to all products of a particular class of goods (e.g., sweater, ice cream, automobile) cannot function as a trademark, neither can a feature of a product if it is deemed “essential to the use or purpose of the article or if it affects the cost or quality of the article.”\textsuperscript{46} The test is whether the product feature in question exists for utilitarian reasons; that is, if it is a useful feature as opposed to a feature that serves no purpose other than to identify its source.\textsuperscript{47} Visually attractive and aesthetically pleasing designs have occasionally been categorized as aesthetically functional and not entitled to protection, but the theory has been kept to limited use.\textsuperscript{48} In \textit{Wal-Mart v. Samara Bros.}, the U.S. Supreme Court held a legal presumption that a product design cannot be inherently distinctive and does not serve as a brand identifier, thereby placing the burden on the trademark owner to prove its distinctiveness.

\textsuperscript{43} In re Hotels.com, L.P., 87 U.S.P.Q.2d 1100, 2008 WL 779325 (T.T.A.B. 2008), aff’d, 573 F.3d 1300, 91 U.S.P.Q.2d 1532 (Fed. Cir. 2009) (rejecting Teflon-type survey because of flawed assumption that respondents would understand difference between “domain name” and “brand name.”).

\textsuperscript{44} Gen. Motors Co. v. Urban Gorilla, LLC, 2010 U.S. Dist. LEXIS 136711, at *25 (D. Utah 2010) (survey evidence showing over 50 percent confusion supported inference that plaintiff’s product trade dress had acquired secondary meaning).

\textsuperscript{45} McCarthy, supra note 12, § 12:6.


\textsuperscript{47} McCarthy, supra note 12, § 7.63.

\textsuperscript{48} Id. at § 7:80; Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc., 457 F.3d 1062, 80 U.S.P.Q.2d 1293 (9th Cir. 2006).
claimant to rebut the presumption in order to prove trademark rights in
the design.\textsuperscript{49}

The issue of utilitarian functionality is generally not survey material
(although at least one survey has been conducted and submitted on whether
consumers associate a product feature as being essential to the function
of the product).\textsuperscript{50} Aesthetic functionality, however, may be a survey issue
when a trademark claimant must establish that its aesthetically pleasing
product design or trade dress has acquired trademark significance. A sur-
vey can measure whether consumers perceive the design as merely attrac-
tive ornamentation or as an indicator of the product’s source.\textsuperscript{51}

In defining the legal issue when a product feature is involved, the law-
ner should inquire as to whether there is a utility patent on the feature in
question, whether product advertising exists that references that feature,
whether other designs exist that are interchangeable with the one in issue,
and the effect of the feature on the product’s manufacturing process; that
is, does it contribute to a more effective or less costly process in some way?
The answers to these questions will help the lawyer identify the issue
and can also be used by the survey expert as background for the survey
report to reflect an understanding of the issue and the facts underlying
the survey.

\textbf{1.13 Secondary Meaning}

Arbitrary, fanciful and suggestive terms can inherently function as trade-
marks—they are “inherently distinctive” and therefore do not require

\textsuperscript{49} See Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 212 (2000); I.P.
(“To rebut this presumption Shelby must create an evidentiary basis for finding that the
source identifying function has subordinated the [car] design’s aesthetic functions”; finding
Plaintiff's survey entitled to no weight.) In contrast, respondents in defendant’s survey
who correctly identified the car as shown in photographs were asked: “What do you think
is the main reason why this car looks like or is shaped the way it is? Anything else?”
followed by “Actually, there are many reasons why a car could look the way it does. One
reason would be to have the shape tell people that the car is put out by, or comes from, one
particular company. Another reason would be because the shape is used to make the car
more attractive or more useful, such as by making it more aerodynamic or helping it cool
the engine. . . . As you look at the photos of this car, which of these do you think is the main
reason why this car looks the way it does? Is it to tell you who made or put out the car, or is
it to make the car more useful or more attractive?” A higher proportion of respondents who
identified the car as coming from a single source and then identified that source as Shelby
said the primary significance of the exterior shape of the car was to make the car more
useful or more attractive. \textit{Id.}

\textsuperscript{50} Coach, Inc. v. We Care Trading Co., 67 F. App’x 626, 629 (2d Cir. 2002).

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A showing of “secondary meaning.” The concept of secondary meaning applies to noninherently distinctive terms that require a showing of “secondary meaning” or “acquired distinctiveness” to establish that they now function as source identifying trademarks. Thus, secondary meaning surveys are often introduced as evidence of the existence of secondary meaning in words which are “merely descriptive,” for nonfunctional product features, and for trade dress or overall packaging appearance that is not inherently distinctive. Indeed, many courts make adverse inferences against a trademark claimant who fails to present evidence of secondary meaning in a noninherently distinctive mark, product design or trade dress.

In most cases, the issue to be addressed is whether the consumer believes the term or symbol in question “denotes a single thing coming from a single source” and not whether a word mark is descriptive or suggestive, or whether a nonverbal symbol is unique. It is not sufficient for the survey to show that the claimant’s mark is listed as the first among several sources with which respondents associate the designation or trade dress.

In a product design case, the issue is whether “in the minds of the relevant consumers, the primary significance of the design is to identify the source of the product rather than the product itself.” The survey objective may become one of determining who the relevant consumer thinks makes the product bearing the mark in question.

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relevant buyer class, rather than the general public, associates a name or symbol with a particular source.\(^{60}\)

A plaintiff claiming infringement of a noninherently distinctive mark must show that its mark had already acquired secondary meaning at the time the defendant entered the market.\(^{61}\) Thus, it is imperative for the claimant to conduct a secondary meaning survey as soon as possible after discovering the alleged infringement.\(^{62}\) The survey objective then becomes to determine who the relevant consumer thought made the plaintiff's product bearing the asserted mark at the time the defendant entered the market.

A common secondary meaning question is:

1. Do you associate [the claimed trademark] with a product/good of one company or more than one company?

Although the concept of “common anonymous source” indicates it generally is not needed,\(^{63}\) this first question is sometimes followed up with a question such as:

2. Why do you say this?\(^{64}\)

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62. STX, Inc., 708 F. Supp. at 1559 (court should accept secondary meaning survey timely conducted after filing of trademark infringement suit).


Secondary meaning survey cases for the expert’s review include *Ever-Ready*, and *Colby College*. Additional background for the survey expert may be found in McCarthy. Although the survey objective is to determine what a word or feature means to purchasers, the relevant purchaser varies and must be carefully defined.

### 1.13.1 Descriptive versus Suggestive

A term can be deemed “descriptive” in terms of an ordinary adjective, a geographically descriptive term, or a surname. A descriptive word cannot acquire trademark protection until secondary meaning can be shown to exist in the word, thus meaning that the word has ceased to function in a merely descriptive manner and instead indicates the source or origin of the product.

A survey can be used to help distinguish between descriptive words and suggestive words. The objective is to determine whether the word is descriptive, that is, conveys a product characteristic, function, or quality to someone who is unfamiliar with the product. For example, in *Aetna Health Care Sys., Inc. v. Health Care Choice, Inc.*, the following question was asked: “Does the term or name ‘choice’ immediately describe to you a feature of prepaid health care plans?” Seventy-five percent of those people asked that question said no, and the court found *CHOICE* was not a descriptive word when applied to a prepaid health care plan.

### 1.13.2 Commonplace versus Inherently Distinctive

The concept of inherent distinctiveness applies to nonverbal symbols such as trade dress. It means the nonverbal symbol is unique to the goods or services for which it is to function as a trademark (i.e., source identifier). To be unique, it has been suggested that it must be more than merely a refinement of a current symbol. Its uniqueness gives it the status of a

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66. President & Trs. of Colby Coll. v. Colby Coll.—N.H., 508 F.2d 804 (1st Cir. 1975); see also Clicks Billiards, Inc. v. Sixshooters Inc., 251 F.3d 1252, 1258 (9th Cir. 2001); E.T. Browne Drug Co. v. Cococare Prods., 538 F.3d 185, 190 (3d Cir. 2008); Heartland Bank v. Heartland Home Fin., Inc., 335 F.3d 810, 820 (8th Cir. 2003); Bos. Beer Co. v. Slesar Bros. Brewing Co., 9 F.3d 175 (1st Cir. 1993).
68. Federal Trademark Act § 2(e).
70. *In re Chippendales USA*, Inc., 622 F.3d 1346 (Fed. Cir. 2010).
suggestive, arbitrary, or fanciful mark so that it functions as a trademark as soon as it is adopted, without proof of secondary meaning.

The U.S. Supreme Court ruled in *Two Pesos, Inc. v. Taco Cabana, Inc.* that trade dress that is inherently distinctive is protectable under section 43(a) of the Lanham Act without a showing of secondary meaning:

> [A]dding a secondary meaning requirement could have anticompetitive effects, creating particular burdens on the start-up of small companies. It would present special difficulties for a business . . . that seeks to start a new product in a limited area and then expand into new markets. Denying protection for inherently distinctive nonfunctional trade dress until after secondary meaning has been established would allow a competitor, which has not adopted a distinctive trade dress of its own, to appropriate the originator's dress in other markets and to deter the originator from expanding into and competing in these areas.  

However, in its subsequent *Wal-Mart* decision, the Supreme Court ruled that a presumption existed against inherent distinctiveness in product shapes (as opposed to packaging designs). Thus, it is wise to conduct survey evidence to prove secondary meaning in product shape cases rather than simply rely on an argument of inherent distinctiveness.

### 1.13.3 Abandonment, Continuing Commercial Impression, and Tacking

There is a relationship between secondary meaning and abandonment, as discussed in *New Colt Holding Corp. v. RJG Holdings*.

In this respect, the Second Circuit distinguished its decision from *Ferrari S.P.A. Esercizio v. Roberts* because the Sixth Circuit “found that even though Ferrari had ceased production of its 365 GTB/4 Daytona in 1974, the car design maintained secondary meaning in the eyes of the public because Ferrari continued to design cars with a very similar appearance and continued to manufacture parts for 365 GTB/4 Daytona owners.” . . . Loss of secondary meaning during the period of non-production is therefore essential to a finding of abandonment. . . .

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72. Id. at 774–75.
It bears mentioning however, that even “[o]nce a registered trademark has been abandoned, any subsequent user of the mark must measure its rights from the time the subsequent use begins, and cannot rely upon any residual secondary meaning in the mark from the original period of use.” This is the case even if the original user resumes use of the abandoned trade dress. . . . [S]econdary meaning must be established at the time Defendants entered the market. . . . Similarly for Plaintiffs, focusing on the storied history of their revolver may not help them in establishing secondary meaning if they cannot demonstrate that such goodwill persists to this day.75

Under the Lanham Act, abandonment of a trademark occurs in two general situations. In the first, a mark is deemed abandoned if its “use has been discontinued with intent not to resume such use.”76 In the second, a mark is deemed abandoned “[w]hen any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark.”77

The first situation focuses on the intent of the trademark owner not to resume use. In many cases, the intent not to resume use is proved circumstantially “with the necessary inference being drawn from a showing of a sustained period of non-use.”78 The Lanham Act specifically provides that nonuse for three consecutive years shall be prima facie evidence of abandonment.79 While the intent of the trademark owner is determinative, the perspective of the consuming public also is, or should be, relevant. A trademark is “a shorthand way that merchants communicate data to the public about the attributes and qualities of their goods and services. If a mark continues to have such significance to the public, a court should hesitate to declare it abandoned.”80

In determining whether a mark continues to have such significance, courts and administrative tribunals often attempt to assess whether

77. Id.
79. 15 U.S.C. § 1127. “‘Use’ of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.” Id. “Thus, neither promotional use of the mark on goods in a different course of trade nor mere token use constitutes ‘use’ under the Lanham Act.” Iowa Health Sys. v. Trinity Health Corp., 177 F. Supp. 2d 897, 919 (N.D. Iowa 2001).
80. Schechter & Thomas, supra note 78, at 759.
the mark has a “continuing commercial impression.”\footnote{Spice Islands, Inc. v. Frank Tea & Spice Co., 505 F.2d 1293, 1296 (C.C.P.A. 1974).} The “commercial impression” of a trademark is the meaning or idea it conveys or the mental reaction it evokes.\footnote{Id.} “Continuing commercial impression” may manifest in one of two ways. In the first instance, although a mark has not been used for a period of time, the public continues to have accurate lingering impressions associated with it. An example would be the discontinued production of a classic automobile.\footnote{Ferrari S.p.A. v. McBurnie, 11 U.S.P.Q.2d 1843, 1846 (S.D. Cal. 1989).} In the second instance, corporations periodically make slight modifications to their marks and trade dress, often in an effort to update and modernize them. Famous examples are the likeness of Betty Crocker and the trade dress of Ivory Soap, both of which have undergone numerous iterations since their inceptions.

A number of federal courts have recognized the doctrine of “tacking” in trademark cases, pursuant to which a trademark owner can claim priority in a mark based on the first-use date of a similar but technically distinct mark. Under this constructive-use theory, the trademark owner seeks to tack the first-use date in the earlier mark onto the subsequent mark.\footnote{Levi Strauss & Co. v. GTFM, Inc., 196 F. Supp. 2d 971, 984 (N.D. Cal. 2002).} Tacking does not apply when a plaintiff does not assert priority of use in connection with a new mark.\footnote{Van Dyne-Crotty, Inc. v. Wear-Guard Corp., 926 F.2d 1156 (Fed. Cir. 1991).} Where tacking applies, it provides an effective defense to a claim of abandonment.

Courts have frequently specified that the standard for tacking is very strict. In \textit{Van Dyne-Crotty, Inc. v. Wear-Guard Corp.},\footnote{See id. at 1159.} the Federal Circuit set forth a test that has been widely applied in that circuit and elsewhere in subsequent years.\footnote{Id. at 1159 (internal quotation marks and citation omitted).} It stated that in order for tacking to apply, “[t]he marks must create the same continuing commercial impression, and the later mark should not materially differ from or alter the mark attempted to be tacked.”\footnote{Id. at 1159 (internal quotation marks and citation omitted).} In addition, “[t]he previously used mark must be the legal equivalent of the mark in question or indistinguishable there from, and the consumer should consider both as the same mark.”\footnote{Id. The court applied the foregoing standard and determined as a matter of law that the mark CLOTHES THAT WORK was not the legal equivalent for tacking purposes of CLOTHES THAT WORK. FOR THE WORK YOU DO. Id. at 1160.}

It follows that improper tacking is an attempt to tack marks that are not legal equivalents conveying the same continuing commercial impression. The effect of improper tacking is the same as the effect of
abandonment—"the owner of the senior mark can no longer claim priority from the date of use of the senior mark."90 The party seeking to tack bears the burden of establishing the required elements.91

In *Navistar Int’l Transp. Corp. v. Freightliner Corp.*,92 the district court set forth a somewhat different three-part test for applying tacking: “(1) do the marks make the same commercial impression?; (2) are the two impressions continuous?; and finally, (3) are the marks being used on the same or substantially similar goods or services?”93 With respect to the second prong, the court clarified that the same impression must continue from the old mark to the new mark.94 *Navistar* also determined that the doctrine of legal equivalents had no place in the tacking inquiry.95 Because the tacking standard, whatever its precise formulation, is so strict,96 tacking claims are generally unsuccessful.97

Some courts have concluded that the question of tacking is a question of fact, rather than law.98 They have done so, appropriately, on the basis that the impressions of consumers are critical, as they are with respect

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93. *Id.* at *3* (footnotes omitted).
94. *Id.* at *3 n.6.
95. As set forth in *Navistar*, the doctrine of legal equivalents “holds that trademark rights in a picture mark encompass rights in a word if the picture evokes the mental impression of the word (or vice versa).” *Id.* at *5*. According to *Navistar*, this doctrine is distinct from continuing commercial impression. *Id.* In one recent case, the Board identified two separate tacking standards—“prior use of the salient feature of a trade name, . . . or prior use of a trademark legally equivalent to a current mark.” Chesapeake Bank v. Chesapeake Bank of Md., Oppos. No. 91114353, 2004 WL 240313, at *10 n.13 (T.T.A.B. 2004).
96. McCarthy notes that “[i]n the late 1980s, the Trademark Board and the Federal Circuit began to apply the continuing commercial impression test with much more rigor and strictness than in the past.” 2 McCarthy, supra note 12, § 17:26; see also Think Computer Corp. v. H. Co. Computer Prods., Inc., Oppos. No. 91125553, 2004 WL 2368482, at *3 (T.T.A.B. 2004) (requiring proof of tacking by clear and convincing evidence, at least where prior use is asserted).
to the likelihood-of-confusion test for infringement. The *Navistar* court stated: "Because the inquiry is how consumers perceive the marks, there must be some evidence demonstrating those perceptions."  

Consumer survey evidence has been proffered in at least two cases as support for arguing continuing commercial impression. The first of these involved the shade of orange used on Kubota tractors. At the time Kubota Corporation of Japan introduced its tractors in the United States, other competitors included John Deere, Ford/New Holland (originally separate companies and, more recently, simply "New Holland"), and Massey-Ferguson. For many years, each of these tractor brands used a different primary color on the exteriors of their tractors: John Deere used green; Ford/New Holland used blue; and Massey-Ferguson used red. Since 1969, all Kubota tractors sold in the United States had their bodies painted a bright orange. In 2002, 33 years after entering the United States, a survey conducted showing that Kubota’s trade dress had acquired distinctiveness and achieved secondary meaning in the minds of the relevant public was proffered as evidence in *Kubota Corp. & Kubota Tractor Corp. v. DaeDong-USA, Inc.*  

Defendant, another tractor manufacturer, was selling tractors in the United States under the name Kioti and had its tractor bodies painted in what, to the naked eye, appeared to be identical to the shade of orange used on Kubota tractors. After submission of the original survey, DaeDong argued that since Kubota was now using a shade of orange that differed from the original shade of orange, the secondary meaning survey based on testing Kubota’s current tractors could not be relied upon to establish secondary meaning for the original shade of orange. In 2003, Kubota commissioned a second survey to determine whether, in the minds of relevant consumers, its new shade of orange conveyed a continuing commercial impression. Ninety-two percent of the survey respondents found the two shades of Kubota orange either to be indistinguishable or, if distinguishable, to be essentially the same; the survey findings played a substantial role in leading to a pretrial settlement.

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99. *Navistar*, 1998 WL 911776, at *4 n.8 (“Our emphasis on the impressions of consumers is bolstered by Seventh Circuit precedent in an analogous trademark context—the ‘likelihood of confusion’ test for infringement.”). The *Navistar* court deemed irrelevant the fact that consumer perception evidence is not required to prove likelihood of confusion. This was because the standard for tacking is even higher than it is for showing a likelihood of confusion. Id. at *4.

100. Id. at *4; see also Chesapeake Bank v. Chesapeake Bank of Md., Oppos. No. 91114353, 2004 WL 240313 (T.T.A.B. 2004) (denying summary judgment as to priority, in light of issues of fact relating to continuing commercial impression, including similarity of marks, context of their use, and customer perception).

101. *Kubota Corp. & Kubota Tractor Corp. v. DaeDong-USA, Inc.*, No. CIV-F-02-6013 OWW (E.D. Cal. 2002).
In the second matter, Lawman Armor Corporation sought to register THE UNBREAKABLE AUTOLOCK as a mark for metal antitheft locks for motor vehicles, arguing that it represented a continuing commercial impression of THE UNBREAKABLE AUTOLOCK, a mark for which it already held a registration. In support of its contention, it commissioned and proffered a consumer survey that the U.S. Patent and Trademark Office examining attorney deemed unpersuasive. Upon appeal, the TTAB concluded: “We do not find the results of the applicant’s survey persuasive.”

In light of the Navistar court’s observation, “Because the inquiry is how consumers perceive the marks, there must be some evidence demonstrating those perceptions,” abandonment, continuing commercial impression, and tacking appear to be trademark issues where counsel and courts could benefit from the application of survey research.

1.14 Likelihood of Confusion

“[T]he test of likelihood of confusion is the touchstone of trademark infringement.” It is the likelihood that one party’s use of a trademark is such that a likelihood of confusion exists as to the source of the product, its affiliation, connection, or sponsorship. The legal test is “whether there is any likelihood 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.”

There are three main categories (as distinguished from “types”) of trademark confusion, each of which calls for a slightly different survey focus. The first category pertains to traditional trademark infringement, known as “forward confusion.” “Forward confusion” occurs when the use of a trademark by a second party (a junior user) is likely to lead consumers to mistakenly believe the junior user’s goods originate from or are associated with the first (or senior) user of the mark. Surveys for forward confusion should focus on whether the relevant consuming public believes that both products have a common origin, or come from affiliated sources or that the

103. Id. at *3.
104. Id. at *4.
105. Id. at *4; see also Chesapeake Bank v. Chesapeake Bank of Md., Oppos. No. 91114353, 2004 WL 240313 (T.T.A.B. 2004) (denying summary judgment as to priority, in light of issues of fact relating to continuing commercial impression, including similarity of marks, context of their use, and customer perception).
106. McCARTHY, supra note 12, § 23:1. See also section 7.53.
108. The “types” being (1) confusion as to source of origin, (2) confusion as to affiliation, association, connection or relationship, and (3) confusion as to authorization, sponsorship or permission.
junior user is operating with authorization from the senior user. In contrast, the second category, “reverse confusion,” occurs when a junior user engages in such extensive promotion of goods under a senior user’s mark that the market is saturated and the senior user’s mark is overwhelmed, resulting in a likelihood that consumers will mistakenly believe the senior user’s goods originate from or are associated with the junior user.  

Surveys testing for reverse confusion should focus on whether consumers of the senior user’s product believe the senior user’s product emanates from, or is sponsored by, the junior user. A third type of confusion, “initial interest confusion,” permits a finding of infringement when there is temporary confusion that is dispelled before the purchase is made. Surveys constructed to gauge initial interest confusion should focus on whether consumers’ attention was initially captured by mistaken association of the defendant’s goods with the goodwill built up in the plaintiff’s goods, even if at the time of purchase there was no confusion as to the origin.

The likelihood-of-confusion survey will attempt to determine who consumers believe owns or operates a particular business or which company produces or puts out a particular product. The survey may attempt to determine whether consumers believe the alleged infringer obtained permission to use another’s mark before the goods in question were sold. It may or may not be of value to determine what comes to mind when looking at a particular product or trademark. “[A] high level of association does not necessarily amount to confusion.” On the other hand, “[l]ikelihood of confusion will be found whenever consumers are likely to assume that a

111. Id. § 32:159.
112. Brookfield Commc’ns, Inc. v. W. Coast Ent. Corp., 174 F.3d 1036 (9th Cir. 1999); Blockbuster Ent. Grp. v. Layleco, Inc., 869 F. Supp. 505 (E.D. Mich. 1994) (“Because the names are so similar and the products sold are identical, some unwitting customers might enter a Video Busters store and think it is somehow connected to Blockbuster. Those customers probably will realize shortly that Video Busters is not related to Blockbuster, but under Esercizio and Grotrian that is irrelevant.”).
115. Pebble Beach Co. v. Tour 18 I, 155 F.3d 526 (5th Cir. 1998); U.S. Polo Ass’n, Inc. v. PRL USA Holdings, Inc., 800 F. Supp. 2d 515, 532–35 (S.D.N.Y. 2011) (lack of controls can render a likelihood of confusion survey useless).
mark is associated with another source or sponsor because of similarities between the two marks.”

Discussed in greater detail in chapter 7, section 7.53, the most common formats for likelihood-of-confusion surveys are (1) the Eveready format, (2) the Squirt format, and, to a lesser extent, (3) the Exxon format.

1.14.1 Eveready Format

In the Eveready format, the survey respondent is shown the defendant’s product and then is asked three questions:

1. Who puts out this product (or this brand)?
2. What makes you think so?
3. Please name any other products put out by the same concern that puts out this product (or this brand)?

To address the issue of confusion about affiliation, connection, association, or sponsorship, two additional questions may be added:

1. Do you think that this product was approved or sponsored by another company?
2. What company do you think approved or sponsored this product?

1.14.2 Squirt Format

The original Squirt survey format involved a side-by-side line up of both the defendant’s and the plaintiff’s products, with the respondent being asked the following questions:

1. Do you think [the defendant’s product] is made by the same company that makes [the plaintiff’s product], or do you think it is made by a different company?
2. What makes you think that?

Sometimes the format is varied to show the plaintiff’s and defendant’s products to the respondent at different times, one alone and the other in a group with other competitive products that appear in the marketplace with the parties’ products. The respondent is then asked to state whether

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117. Acad. of Motion Picture Arts & Scis., 944 F.2d at 1456 (emphasis added); see also Stern’s Miracle-Gro Prods., Inc. v. Shark Prods., Inc., 823 F. Supp. 1077 (S.D.N.Y. 1993).
120. Exxon Corp. v. Tex. Motor Exch. of Hous., Inc., 628 F.2d 500 (5th Cir. 1980).
any products in the first or second group came from the same company that made a product in the other group. This is sometimes referred to as a “sequential array” survey.¹²²

Some case law suggests a Squirt format should not be used if the parties’ products do not appear in close proximity in the marketplace.¹²³

1.14.3 Exxon Format

The Exxon survey format involves a form of word association test in which the respondents are shown the defendant’s mark and then asked two questions:

1. What is the first thing that comes to mind when you look at this [name/logo/design]?
2. What is it about the [name/logo/design] that makes you say that?

The Exxon format has been criticized because the fact that a defendant’s mark may call to mind the plaintiff’s mark does not necessarily indicate the existence of confusion (i.e., is a mere name association test).

1.15 Strength of a Mark

A factor that is often considered when determining likelihood of confusion is the strength of plaintiff’s mark.¹²⁴ While famous marks are necessarily strong marks, it does not follow that strong marks are necessarily famous marks. Strong marks are those well known among consumers of the type of product or service at issue; famous marks are well known among the “general consuming public” regardless of whether they are consumers of the type of product at issue. Prof. McCarthy observes: “To be confused, the customer must have the senior user’s mark in mind.”¹²⁵ Weak marks may thus have greater difficulty demonstrating confusion. The Federal Circuit has stated repeatedly that there is no excuse for even approaching the well-known trademark of a competitor inasmuch as “[a] strong mark . . . casts a long shadow which competitors must avoid.”¹²⁶

¹²⁴ See Frisch’s Rest., Inc. v. Elby’s Big Boy of Steubenville, Inc., 670 F.2d 642, 648 (6th Cir. 1982) (“The stronger the mark, the more likely it is that encroachment on it will produce confusion.”); Champions Golf Club, Inc. v. The Champions Golf Club, Inc., 78 F.3d 1111, 1117 (6th Cir. 1996); Herman Miller, Inc. v. Palazzetti Imps. & Exps., Inc., 270 F.3d 298 (6th Cir. 2001).
¹²⁵ McCarthy, supra note 12, § 11.24.
Two broad approaches are used for gauging the strength of a mark. Often termed “conceptual strength,” one approach relates to the mark’s position along the distinctiveness continuum, being considered stronger as one goes from generic, descriptive, suggestive, through to arbitrary and fanciful. Sometimes termed “commercial strength,” the second approach considers the mark’s strength in the relevant marketplace. Although this may be gauged by various indirect surrogates (e.g., length of time in the marketplace, amount of advertising dollars spent on the mark), there often is no substitute for direct consumer survey evidence. Pertinent court commentary includes the following:

“The stronger the mark, the greater the protection it receives. . . .”

A trademark’s strength is determined by the quality of the mark and, more importantly, by the degree to which it is recognized in the marketplace. Marks can be classified as generic, descriptive, suggestive, or arbitrary and fanciful. “[W]ithin this spectrum, the strength of a mark, and of its protection, increases as one moves away from generic and descriptive marks toward arbitrary marks.”

Marketplace recognition depends on “advertising, length of time in business, public recognition, and uniqueness.”

Perhaps the clearest explanation was provided by the court in Renaissance Greeting Cards, Inc. v. Dollar Tree Stores:

The Fourth Circuit has emphasized that the strength or distinctiveness of the mark is the “paramount factor” in determining likelihood of confusion. In evaluating the strength of a mark, it is useful to consider two separate categories of a mark’s strength: (1) conceptual strength: the placement of the mark along a spectrum focusing on the inherent potential distinctiveness of the term; and (2) commercial strength: the marketplace’s recognition as of the time the mark is asserted in litigation. Of these two considerations, the second is more important, because a conceptually weak but commercially strong mark can still gain protection through secondary meaning, as illustrated by such examples as AMERICAN Airlines, PAYLESS Drug Stores and KENTUCKY FRIED CHICKEN. On the other hand, a conceptually strong mark that is relatively unknown in the marketplace will not be likely to cause any confusion among consumers of other products. To afford

protection to marks simply on the basis of their conceptual distinctiveness would be contrary to the ultimate inquiry under this factor, namely, “the degree to which the designation is associated by prospective purchasers with a particular source.”

Normally, the fact that the PTO has registered the trademark is persuasive evidence of a mark’s conceptual strength because the PTO registers only fanciful, arbitrary or suggestive marks, or descriptive marks shown to have acquired secondary meaning. Indeed, as described above, the word RENAISSANCE is “suggestive” as that term has been defined. However, the categories of distinctiveness are only a rough measure of the mark’s conceptual distinctiveness.

The categorization of marks as either generic, descriptive, suggestive, or arbitrary or fanciful is premised on the common sense notion that the less descriptive a mark is of the product, the more likely it is that the mark is distinctive with respect to the product. Yet, this may not always be true, as some words that do not describe any particular product, but have some attractive connotation, become so commonly-used as to diminish their ability to distinguish one product from another. This phenomenon was recognized by the Fourth Circuit as long ago as 1941, in a dispute between a whiskey distiller and a beer brewer, both users of the trademark ARROW for their products.128

A “customer survey may frequently be the best evidence that a litigant could present on the issue of a mark’s strength.”129 Moreover, there are occasions when it is appropriate to counter a likelihood-of-confusion survey with a survey on the strength of the senior user’s mark.130

1.16 Dilution
What if there is no likelihood of confusion but the use of a trademark will tarnish, degrade, or dilute the distinctive quality of another’s mark? A famous mark can be protected from such consequences under the Federal Trademark Dilution Act of 1995 (FTDA)131 as revised by the Trademark Dilution Revision Act of 2006 (TDRA).132 However, as indicated by the Supreme


Court, evidence rather than speculation or argument is essential when seeking relief under the dilution statute: “Whatever difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation. The evidence in the present record is not sufficient to support the summary judgment on the dilution count.”

The statutory definitions provided for blurring and tarnishment both contain the phrase “association arising from the similarity between a mark or trade name and a famous mark.” Testing mental associations is critical, as “the relevant public must make some connection or association between the mark and both parties.” So, too, is determining similarity. The TDRA says “the court may consider . . . [t]he degree of similarity between the [second comer’s] mark or trade name and the famous mark.” Although we are not aware of any such research proffered in a litigated matter, how survey research can be used to establish or otherwise confirm similarity is discussed in section 1.17, infra. How survey research may be used to establish fame, blurring of associations and tarnishment are discussed below.

1.16.1 Fame

The dilution statute applies only to marks that are famous. The Trademark Dilution Revision Act of 2006 defines a “famous mark” as one that is “widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.” Thus, whether it is argued that defendant’s mark causes dilution via blurring or dilution via tarnishment, as a threshold matter, one must demonstrate that the mark for which protection is being sought qualifies as being famous. Direct or indirect evidence can help establish a mark’s fame.

Indirect evidence generally involves relying upon indications such as sales figures and advertising expenditures over an extended period of time, the frequency with which the mark has been mentioned in the popular press, or rankings in nationally and internationally reliable sources.
sources. In certain (likely obvious) instances, a court may decide that indirect evidence is sufficient; marks like Coca-Cola, General Motors, Intel, Microsoft, Facebook, Google, and Samsung would seem to qualify. However, the ultimate question is the impact that such indirect factors as advertising have upon the mind of the “general consuming public.” As noted by the Ninth Circuit, “Money spent to support a weak mark may make it costly, but not famous.” For this reason, it seems preferable for direct evidence of fame to be adduced via consumer surveys.

1.16.2 Blurring
Assessing blurring requires measuring two elements—the evocation of associations coupled with the diminishing of distinctiveness. Associations are nothing other than mental connections people make between thoughts, ideas, knowledge, feelings, and so on. In the case of dilution, the associations at issue are those the relevant public makes as a result of exposure to defendant’s allegedly diluting mark. Prepared with intellectual property attorneys and issues in mind, a discussion of the process by which such mental associations are made is provided elsewhere.

In the applied world of marketing and advertising, associations are recognized as playing an exceptionally important and central role in consumer evaluations, decision making, and behavior. It is for this reason that purveyors of goods often pay tens of millions of dollars to have celebrities stand next to or endorse their products, relying upon the associations

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139. According to Business Week, Intel ranked as the fifth most valuable brand name in the world. Diane Brady et al., Cult Brands, BUS. WEEK, Aug. 2, 2004, at 64. Using a set of seven criteria, Interbrand, a world-known brand consulting company based in the United Kingdom, determined that the top ten brands in the world in 1990 were Coca-Cola, Kellogg’s, McDonald’s, Kodak, Marlboro, IBM, American Express, Sony, Mercedes Benz, and Nescafe. See David A. Aaker, Building Strong Brands 313–14 (1996).
141. Entrepreneur Media, Inc. v. Smith, 279 F.3d 1135, 1144 (9th Cir. 2002).
144. See id.
146. See, e.g., Aaker, supra note 139, passim; Hoey & MacInnis, supra note 6, passim.
this generates in the minds of consumers to influence consumer impressions, evaluations and purchasing behavior.\textsuperscript{147}

While measuring dilution requires measuring mental associations, the fact that exposure to defendant’s mark causes people to call plaintiff’s famous mark to mind appears to be a necessary, but not sufficient condition. Blurring is more than mere association; it is “association . . . that impairs the distinctiveness of the famous mark.”\textsuperscript{148} A claim of dilution via blurring that fails to demonstrate that the famous mark’s distinctiveness has been impaired may itself fail. As to what constitutes distinctiveness, perhaps the clearest definition was provided in the House Report accompanying the FTDA. There, distinctiveness was described as “the public’s perception that the [famous] mark signifies something unique, singular or particular.”\textsuperscript{149} Blurring, namely, the weakening of associations coupled with the diminishing of distinctiveness, can be assessed via survey research.

1.16.3 Tarnishment

In contrast to blurring, which merely diminishes the uniqueness of a mark, tarnishment adds negative associations that change the perception of the mark in the public mind. Surveys can be used to prove new negative mental associations with a mark due to secondary use of that mark, although such evidence may not be necessary in some instances, as “any new mark with a lewd or offensive-to-some sexual association raises a strong inference of tarnishment.”\textsuperscript{150} In such a case, survey evidence showing no harm to the famous mark’s reputation can be used to rebut the presumption that the famous mark has been tarnished.\textsuperscript{151}

Where survey research is necessitated, it requires measuring two elements: the evocation of associations, and harm to the reputation of plaintiff’s famous mark.\textsuperscript{152} Harm to reputation involves injury to the thoughts and feelings the relevant public holds regarding plaintiff and its famous


\textsuperscript{148} 15 U.S.C.A. § 1125(c)(2)(B) (emphasis added). This was also true in regard to the FTDA. As the U.S. Supreme Court stated in \textit{Moseley}: “It is quite clear that the statute intends distinctiveness, in addition to fame, as an essential element.” \textit{Moseley v. Victoria’s Secret Catalogue, Inc.}, 537 U.S. 418, 425 n.5 (2003).

\textsuperscript{149} H.R. REP. No. 104-374, at 3 (1995).

\textsuperscript{150} \textit{Victoria’s Secret Catalogue, Inc. v. Moseley}, 605 F.3d 382, 389 (6th Cir. 2010).

\textsuperscript{151} \textit{Id.}

\textsuperscript{152} 15 U.S.C.A. § 1125(c)(2)(C).
mark, and how the public is inclined to behave toward that mark (for example, being inclined to buy less of it, or to speak ill of it to others). Social psychologists have historically considered thoughts, feelings and behavioral intentions (sometimes referred to as predispositions to respond) to be the three basic components of “attitudes.” Thus, from a psychological perspective, the essential difference between blurring and tarnishment is in the nature of the associations. In blurring, knowledge of defendant’s mark simply adds associations to the plaintiff’s famous mark (as it appears in consumers’ memory) that renders it less unique, singular, or particular. No attention need be given to the content of these associations; that is, whether the consumer’s beliefs, feelings, or intentions regarding attributes, or qualities, of the mark have been negatively influenced. In contrast, assessing tarnishment requires focusing on the content of these associations. The operative question is: Do associations to the first comer’s famous mark generated by the second comer’s use of its mark harm the image or reputation of the first comer and its mark?

1.17 Similarity

Similarity, a key ingredient in both confusion and dilution analysis, has two aspects—similarities between the goods or services and similarity between the marks at issue.

Insofar as confusion is concerned, “the degree of similarity between the two marks” is the second of the Second Circuit’s Polaroid factors, is one of six factors considered in the Eighth Circuit, and comes into play in

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154. See id.
155. See id.
156. See id.
two of the Ninth Circuit’s *Sleekcraft* factors,\(^\text{161}\) with the latter set of factors being relied upon by the Sixth Circuit as well.\(^\text{162}\) Similarity is the first of the eight *Lapp* factors identified by the Third Circuit,\(^\text{163}\) and the second and third of the Westchester digits relied upon by the Fifth Circuit.\(^\text{164}\)

Determining degree of similarity is an important threshold consideration for courts conducting a likelihood-of-confusion analysis.\(^\text{165}\) “When evaluating the similarity of marks, courts consider the overall impression

\(^{161}\) See AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348 (9th Cir. 1979); Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 790 (9th Cir. 1981); see also Jarritos, Inc. v. Los Jarritos, No. C 05-02380 JSW, 2007 WL 1302506, at *13 (N.D. Cal. 2007): The similarity of the marks is a critical question. . . . “[T]he greater the similarity between the two marks at issue, the greater the likelihood of confusion.” . . . The Ninth Circuit has developed certain axioms to guide the similarity analysis: (1) “the marks must be considered in their entirety and as they appear in the marketplace;” (2) “similarity is adjudged in terms of appearance, sound, and meaning;” and (3) “similarities are weighed more heavily than differences.” *Id.* (quoting GoTo.Com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1205–06 (9th Cir. 2000)).

\(^{162}\) Frisch’s Rest., Inc. v. Shoney’s Inc., 759 F.2d 1261, 1265 (6th Cir. 1985) (“In *Frisch’s Restaurants*, this circuit articulated eight factors for evaluating the ‘likelihood of confusion’ . . . These factors were culled from the Ninth Circuit cases of AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348 (9th Cir. 1979), and Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 790 (9th Cir. 1981).”).

\(^{163}\) “The Third Circuit Court of Appeals devised a non-exhaustive list of ten factors, commonly known as the ‘*Lapp*’ factors, to consider in determining whether there is a likelihood of confusion between marks. These factors are used to test for likelihood of confusion for goods that directly compete with each other, as well as for non-competing goods. The factors are: (1) The degree of similarity between the owner’s mark and the alleged infringing mark.” World Wrestling Federation Ent., Inc. v. Big Dog Holdings, Inc., 280 F. Supp. 2d 413, 419 (3d. Cir. 2003) (internal citations omitted).

\(^{164}\) “In assessing whether use of a mark creates a likelihood of confusion as to affiliation or endorsement, we consider the ‘digits of confusion,’ a list of factors that tend to prove or to disprove that consumer confusion is likely. Those factors are (1) the type of mark allegedly infringed; (2) the similarity between the two marks; (3) the similarity of the products or services; (4) the identity of retail outlets and purchasers; (5) the identity of the advertising media used; (6) the defendant’s intent; and (7) any evidence of actual confusion.” Scott Fetzer Co. v. House of Vacuums Inc., 381 F.3d 477, 485 (5th Cir. 2004) (internal citation omitted).

\(^{165}\) See, e.g., Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., No. 08-3331-cv (2d Cir. 2009); Levi Strauss & Co. v. Abercrombie & Fitch Trading Co., No. 09-16322 (9th Cir. 2011). See also Thane Int’l, Inc. v. Trek Bicycle Corp. 305 F.3d 894, 908 n.7 (9th Cir. 2002) (“The test we expounded in *Playboy Enterprises* incorporates consideration of the likely perception of consumers as to whether the marks are ‘essentially the same,’ and therefore may accommodate circumstances in which the senior mark is so highly distinctive that consumers are likely to view a junior mark that is a bit different as ‘essentially the same’ as the senior one.”); Virgin Enters. Ltd. v. Nawab, 335 F.3d 141, 149 (2d Cir. 2003) (“When the secondary user’s mark ‘is not identical but merely similar to the plaintiff’s mark, it is important to assess the degree of similarity between them.’”).
created by a mark.” 166 “When the secondary user’s mark is not identical but merely similar to the plaintiff’s mark, it is important to assess the degree of similarity between them in assessing the likelihood that consumers will be confused.” 167 “Similarity of the marks is tested on three levels: sight, sound, and meaning.” 168

“The fact that the two marks appear similar is not dispositive. Rather, the question is whether such similarity is more likely than not to cause consumer confusion.” 169 In evaluating this factor, a court must consider “all factors that could reasonably be expected to be perceived by and remembered by potential purchasers . . . [including the] context in which the respective marks are generally presented.” 170

According to the Trademark Dilution Revision Act, dilution by blurring is “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark,” while dilution by tarnishment is “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” 171 Thus, establishing or otherwise confirming similarity is a prerequisite for seeking relief under TRDA.

Examination of case law on confusion and dilution suggests that similarity always has been determined judgmentally. The first comer claims the second comer’s mark or dress is identical or highly similar to its famous mark/dress either in terms of appearance, sound, or meaning,
and the trier of fact either agrees or disagrees. The relevant consuming public, however, may not parse marks in the same detailed ways that courts might, so what a court considers as being similar or dissimilar, the consuming public might not, and vice versa. Marks that are identical pose no problem. However, in other instances, the second comer may argue, perhaps successfully, that the marks are not sufficiently similar to cause concern or be actionable.

Courts are tasked with assessing “similarity in the marketplace,” which requires a more complex analysis of the marks considered side-by-side. That said, direct comparison of the marks is necessarily a component of the broader similarity analysis the court must conduct. In those instances where similarity of the marks may not be so obvious, rather than having counsel suggest and court make the determination, since it is their state of mind that is most relevant, one could have that determination made by the appropriate “general consuming public.” This is precisely what the Ninth Circuit called for in Sleekcraft: “Neither expert testimony nor survey evidence was introduced below to support the trial court’s finding that the marks were easily distinguishable to the eye and the ear. . . . The district judge based his conclusion on a comparison of the marks. After making the same comparison, we are left with a definite and firm conviction that his conclusion is incorrect.”

Given such an invitation, it is surprising to find that in the 30 years since that decision, examination of case law turned up no reports of survey evidence on similarity. Doing so clearly would comport with the Ninth Circuit’s more recent opinion in Jada Toys, Inc. v. Mattel, Inc.: “In order to be nearly identical, two marks “must be ‘similar

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172. “In applying this factor, courts consider whether the similarity of the marks is likely to cause confusion among potential customers.” Arrow Fastener, 59 F.3d at 394; Jim Beam Brands Co. v. Beamish Crawford Ltd., 937 F.2d 729, 735 (2d Cir. 1991) (“in determining the similarity of marks in an infringement action, a court must examine the visual appearance of each mark in the context of its use”); cert. denied, 502 U.S. 1094 (1992). In judging similarity, courts must “appraise the overall impression created by . . . the context in which they are found and consider the totality of factors that could cause confusion among prospective purchasers.” Nabisco, Inc. v. Warner-Lambert Co., 220 F.3d 43, 47 (2d Cir. 2000) (quoting Streetwise Maps, 159 F.3d at 744).

173. Some courts have interpreted the “degree of similarity” standard as requiring that the marks be “identical or nearly identical.” See, e.g., Levi Strauss & Co. v. Abercrombie & Fitch Trading Co., No. 09-16322 (9th Cir. Feb. 8, 2011).

174. AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348 (9th Cir. 1979) (emphasis added); see also Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 790 (9th Cir. 1981).

175. An alternate approach that relies not on consumer surveys but on statistical models purportedly capable of predicting likelihood of confusion between drug names by measuring the similarity in spelling and pronunciation of pairs of drug names was deemed “far too malleable for them to have any reliable predictive value in real-world situations. Accordingly, for the following reasons the Court will accord [the expert’s] conclusions little weight in determining whether the names . . . are confusingly similar.” Pharmacia Corp. v. Alcon Labs., Inc., 201 F. Supp. 2d 335, 357 (D.N.J. 2002).
enough that a significant segment of the target group of customers sees the two marks as essentially the same.\footnote{176}

Well-established psychometric procedures (in particular, multidimensional scaling and conjoint measurement) exist for measuring the similarity/dissimilarity of things, including such items as appearance and meaning.\footnote{177} Moreover, these procedures lend themselves to survey research.\footnote{178} However, there are no reported instances where empirical research employing such procedures, or any other consumer research procedure, has been used to support—or refute—a claim of similarity.\footnote{179} Of course, to avoid having respondents’ minds contaminated by questions asked earlier, similarity could not be assessed using the same respondents used for testing confusion, blurring, or tarnishment. Testing similarity would have to be accomplished using a separate sample drawn from the same universe; doing so would no doubt increase survey costs.

\section*{1.18 Proposed Remedies}

\subsection*{1.18.1 Disclaimers}

When the potential exists for a more than de minimis level of marketplace confusion, various remedies are available. One remedy is the use of disclaimers\footnote{180} such as “Not associated or connected with . . .” or “Not approved by . . .” as would be affixed directly to the (allegedly) infringing product and/or appear on promotional items describing said products or services. As they represent a narrow remedy, some courts are inclined to favor use

\begin{itemize}
\item \footnote{176. Jada Toys, Inc. v. Mattel, Inc., 496 F.3d 974, 981 (9th Cir. 2007) (quoting Thane Int’l v. Trek Bicycle Corp., 305 F.3d 894, 905–06 (9th Cir. 2002)) (emphasis added).}
\item \footnote{177. Multidimensional scaling (MDS) is a set of related statistical techniques often used in data visualization for exploring similarities or dissimilarities in data. Conjoint analysis involves the measurement of psychological judgments or perceived similarities or differences between alternatives. For a tutorial on conjoint analysis, see Conjoint Analysis Tutorial, http://marketing.byu.edu/htmlpages/tutorials/conjoint.htm (last visited Feb. 8, 2008).
\item \footnote{178. At issue in \textit{E! Entertainment Television, Inc. v. Entertainment One GP Ltd.}, CV 09-01778 (9th Cir. 2009), were plaintiff’s marks “E!” and “E! Entertainment” and defendant’s marks “E1” and “E1 Entertainment.” Upon examination, the district court concluded that plaintiff’s and defendant’s marks were sufficiently different so as to render confusion or dilution unlikely. Yet there is reason to believe that had members of the relevant consumer universe been tested using any of these psychometric approaches, the findings would have led to a different conclusion.
\item \footnote{179. A review of all documents generated by a Westlaw search conducted on July 25, 2010, confined to all federal cases using the terms “survey” and “similarity” in the same paragraph yielded no cases where consumer research had been used to assess similarity.
\item \footnote{180. By disclaimers, we do not mean disclaimers such as might be entered on the principal register (see McCarthy, supra note 12, §§ 19.62–19.72), but those intended to be attached to consumer offerings.}
of disclaimers over enjoining product names\(^{181}\) or, in advertising matters, placing prohibitions on speech.\(^{182}\) Beyond courts sometimes proposing disclaimers,\(^{183}\) it is not surprising to find defendants, as a defense against anticipated claims of infringement, actually using a disclaimer prior to being sued,\(^{184}\) or proposing to use one in the future; in the latter situation, plaintiffs sometimes find the proposed disclaimer acceptable.\(^{185}\)

On the other hand, a number of courts recognize that disclaimers may be ineffective cures.\(^{186}\) In *Jacobs v. Beecham*, Justice Holmes wrote: “To call pills Beecham’s pills is to call them the plaintiff’s pills. The statement that the defendant makes them does not save the fraud. That is not what the public would notice or is intended to notice, and, if it did, its natural interpretation would be that the defendant had bought the original business out and was carrying it on.”\(^{187}\) The argument against disclaimers, at least where the second user intentionally infringed the first user’s mark, was also described by Nims:

\(^{181}\) As an early example from an action for copyright infringement and false representations under section 43(a) of the Lanham Act, the Second Circuit stated broadly: “Disclaimers are a favored way of alleviating consumer confusion as to source of sponsorship.” Consumers Union of the U.S., Inc. v. Gen. Signal Corp., 724 F.2d 1044, 1053, 221 U.S.P.Q. 400, 408 (2d Cir. 1983), *reh’g denied*, 730 F.2d 47 (2d Cir. 1984). “Even though magazine publisher’s ‘POLO’ title infringed fashion designer’s ‘Polo’ mark, First Amendment concerns warranted consideration of disclaimer relief rather than order permanently enjoining publisher from using ‘POLO’ title; designer sold no literary products itself, and publisher had acquired title from and, at least in part for continuation of, official publication of U.S. Polo Association.” Westchester Media v. PRL USA Holdings, Inc., 214 F.3d 658 (5th Cir. 2000).

\(^{182}\) See, e.g., Novartis Consumer Health, Inc. v. Johnson & Johnson-Merck, 290 F.3d 578 (3d Cir. 2002).


\(^{184}\) See, e.g., Bic Corp. v. Far E. Source Corp., 23 F. App’x 36 (2d Cir. 2001).

\(^{185}\) See, e.g., Audi AG v. Shokan Coachworks, Inc., 592 F. Supp. 2d 246, 258 (N.D.N.Y. 2008) (“Audi AG and [Volkswagen] agree that Shokan’s new logo, in which ‘Shokan’ appears in a green shape with rectangular sides and an arced top and bottom, and the advertisement attached as Exhibit A, meet the requirements of paragraphs 3 and 4, and shall not be challenged as infringing upon Audi AG’s trademarks or trade dress.”).

\(^{186}\) “VTC’s argument is unpersuasive because the disclaimer does not alleviate the confusion problem, even among sophisticated consumers.” Vail Assocs., Inc. v. Vend-Tel-Co., 516 F.3d 853, 882 (10th Cir. 2008).

\(^{187}\) Jacobs v. Beecham, 221 U.S. 263, 272 (1911). Much of what was assumed by Justice Holmes, namely, that consumers may not notice disclaimers or, if they did notice them, would misinterpret them, has subsequently been demonstrated empirically.
To find . . . that the defendant has intentionally attempted to pass off his goods as the plaintiff’s, and then to permit him to continue the same acts, with an explanation which gives notice that the defendant is committing a fraud but the public should disregard it, is neither logical, nor is it the practical effective relief to which plaintiffs are entitled.\textsuperscript{188}

Even if disclaimers did serve to eliminate or reduce confusion to de minimis levels, the trademark holder may continue to suffer damage.

VTC’s service therefore attracts consumers at both ends of the degree of care spectrum. But all potential customers, no matter the degree of care being exercised, may experience initial interest confusion if the consumer “seeks a particular trademark holder’s product and instead is lured to the product of a competitor by the competitor’s use of the same or a similar mark.” Even though initial confusion is dispelled, the consumer may stay with the competitor.

A disclaimer does not alleviate the damage wrought by initial interest confusion.\textsuperscript{189}

Survey research has been used to show that many disclaimers of the “Not associated or connected with . . .” or “Not approved by . . .” variety are ineffective in reducing likely confusion and may even lead to an increase in likely confusion. The first such demonstration came in \textit{NFL Properties v. Wichita Falls Sportswear}.\textsuperscript{190} A national probability survey involving 3,766 respondents interviewed at home were exposed to unlicensed football replica jerseys that either did or did not contain a disclaimer label sewn into the hem bearing the language proposed by the court (“Not authorized or sponsored by the NFL”). The findings were telling: Without exposure to the disclaimer, 59.1 percent of consumers were confused; with exposure to the disclaimer, 58.0 percent were confused.

Shortly after an article discussing the \textit{NFL Properties v. Wichita Falls Sportswear} survey appeared in the \textit{Trademark Reporter},\textsuperscript{191} two Second Circuit decisions, citing that article, reversed the burden of proof in disclaimer cases, so that it became defendants’ burden to show that

\begin{itemize}
  \item \textsuperscript{188} HARRY D. NIMS, \textit{UNFAIR COMPETITION AND TRADEMARKS} §§ 366f, 379a (4th ed. 1947).
  \item \textsuperscript{189} Vail Assocs., \textit{Inc.}, 516 F.3d at 882 (quoting Australian Gold, Inc. v. Hatfield, 436 F.3d 1228, 1238 (10th Cir. 2006)).
  \item \textsuperscript{191} Jacob Jacoby & Robert L. Raskopf, \textit{Disclaimers in Trademark Infringement Litigation: More Trouble Than They Are Worth?}, 76(1) \textit{TRADEMARK REP.} 35 (1986).
\end{itemize}
disclaimers were effective rather than the plaintiff-trademark owners’ burden to show that they were not.  

Subsequent survey research showed disclaimers to be ineffective under a variety of conditions. The surveys proffered in three cases are particularly revealing. As described in greater detail elsewhere, both plaintiff and defendants proffered surveys in Schering Corp. v. Schering AG. Though both surveys showed the disclaimers to be ineffective in dissolving confusion, what makes plaintiff’s survey particularly interesting is that the respondents, prescribing physicians and pharmacists, were randomly assigned to one of three groups. Those in the first group were exposed to a product brochure containing a prominently placed disclaimer that said, “Schering AG, West Germany, is not connected with and is not related to Schering-Plough Corporation or Schering Corporation, Kenilworth, New Jersey.” A second group was exposed to the same brochure, except that it contained no disclaimer. The third group was also exposed to the same brochure, except that this time, the brochure had an explicit “claimer” saying that “Schering AG, West Germany, is connected with and is related to Schering-Plough Corporation and Schering Corporation, Kenilworth, New Jersey.” Other than removing the word “not,” so that it conveyed precisely the opposite meaning, this claimer was exactly the same as the disclaimer and appeared in exactly the same position in the brochure. The findings revealed that the proportion of respondents coming away with the understanding that the two companies were related was approximately the same in the “No disclaimer” and “claimer” groups (approximately 53 percent for physicians and 64 percent for pharmacists), while the percentages were only slightly lower for those in the “Disclaimer” groups (approximately 47 percent for physicians and 45 percent for pharmacists). Defendant’s survey, which tested only physicians on the disclaimer, found approximately the same level of residual confusion.

Plaintiff’s survey of disclaimer efficacy in Pebble Beach v. Tour 18 I Ltd. is interesting because of the large number of times the respondents, all actual users of defendant’s golf course, were exposed to defendant’s dis-
claimer. Defendant owned and operated two public golf courses in Texas, which had been created to replicate some of the country’s most famous golf course holes, including those of Augusta (Georgia), Pebble Beach (California) Pinehurst (North Carolina), and Sea Pines (South Carolina). In an effort to minimize confusion and/or liability, Tour 18’s promotional materials carried disclaimers such as “The design of this course was inspired by great holes from 16 different golf courses. None of the courses endorse, sponsor or are affiliated with Tour 18.” Disclaimers were provided in advertising and brochures, on hanging signs at each hole and, perhaps most significantly, on the score cards the golfers used at each hole. Clearly, while playing at Tour 18, golfers would not be confused into believing they were golfing at one of the famous golf courses. However, plaintiff believed golfers might be confused into believing that the famous courses had authorized Tour 18 to copy their designs or use their names. This is precisely what the survey of individuals who had golfed at Tour 18 found. Despite having been exposed to multiple disclaimers, a nontrivial proportion of all the respondents held such understandings (15 percent regarding the design of the holes and 17 percent regarding the names). Among respondents who claimed to be unaware of the pending lawsuit, the percentages were higher (40 percent regarding the hole designs and 29 percent regarding the names).

It might be expected that disclaimers would be ineffective when they were small197 (or, in the language of one court, “microscopic”198), but effective when they were large. A factor that makes a third matter noteworthy is that the disclaimer label affixed to the product measured 13 inches × 4.5 inches. That matter involved sale of imported Kubota tractors through unauthorized distribution channels, the gray market. In initial hearings, the International Trade Commission determined that Kubota, a Japanese manufacturer of farm machinery, would be protected from infringement if Kubota tractors not available for sale in the United States but imported as gray market goods carried a disclaimer consisting of seven specific points, such as “Kubota Corporation has not authorized the sale of this tractor model in the United States.”199 Unlike most other products for which disclaimers are considered a possible remedy, the tractors cost several thousand dollars each. Hence, one would expect prospective purchasers to exercise a reasonable degree of care in arriving at their evaluations and purchase decisions. Other unique aspects

of this matter are that (1) there were seven specific disclaimers, each addressing a different issue of concern to plaintiff (e.g., there were no English-language brochures available to describe how to use the equipment safely); (2) while all respondents resided and were tested in the United States, these seven specific disclaimers were the only verbiage in English appearing on the tractors; all the other verbiage was in Japanese, thereby making the disclaimers in English relatively prominent; and (3) the information on the disclaimer label was printed in black letters against a white background and prefaced by the word “Notice” in large, red capital letters, and the label was surrounded by a red border, thereby calling attention to it.200

Prospective purchasers were asked to examine an actual tractor with the disclaimer label prominently affixed thereon. After doing so, they were brought into a shielded interviewing facility and asked questions to determine whether they had noticed, read, and understood any of the disclaimer statements. In response to an open-ended question asking what they remembered seeing, only 33 percent mentioned something pertaining to the disclaimer label. Along with several control statements, the seven disclaimer statements were then read to the respondents. Less than half claimed to recall most of the seven disclaimer statements specified by the court. Despite the evidence showing the ineffectiveness of the disclaimers, the court said it would ignore the survey because it was conducted by an expert whose prior research and testimony in other infringement cases pointed to the ineffectiveness of disclaimers.201

Though some courts make the presumption that disclaimers are or will be effective,202 the prevailing view seems to be that defendants suggesting that disclaimers be used as a remedy need to offer evidence of their effectiveness.

OneBeacon has argued that it should not be enjoined from using its mark in Rhode Island, but rather should be allowed to cure the actionable confusion via disclaimers. . . . The Court, however, is not convinced such a solution would be effective. First of all, the efficacy of disclaimers generally is in doubt. See Home Box Office, Inc. v. Showtime/The Movie Channel, Inc., 832 F.2d 1311, 1315-16 (2d Cir.1987) (recognizing “body of academic lit-

200. Id.
201. Id.
202. “A reasonable person who was considering buying a t-shirt that references Al-Qaeda or the Holocaust would likely read the associated webpage at least well enough to see the . . . prominent disclaimer dispelling any notion of a possible association with the company.” Smith v. Wal-Mart Stores, Inc., 537 F. Supp. 2d 1302, 1329 (N.D. Ga. 2008).
erature that questions the effectiveness of disclaimers in preventing consumer confusion as to the source of a product”); see also Jacob Jacoby & George J. Szybillo, Why Disclaimers Fail, 84 Trademark Rep. 224, 224 (1994). . . . Second, OneBeacon has put on no evidence to suggest a disclaimer would be effective in this case.203

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To counteract the likelihood of confusion, Defendants propose affixing a disclaimer sticker to their packaging that would state that the product is not associated with GRANDMA SYCAMORE’S. Disclaimers, however, are generally disfavored and the reference to GRANDMA SYCAMORE’S could actually cause additional confusion to a casual observer.

The Tenth Circuit has adopted a very demanding standard when a defendant seeks to avoid an injunction for trademark infringement by using a product disclaimer that disavows any association with the plaintiff’s products. Under this standard: “The proponent of a disclaimer bears a ‘heavy burden . . . to come forward with evidence sufficient to demonstrate that any proposed [disclaimer] materials would significantly reduce the likelihood of consumer confusion.” In Australian Gold, the Tenth Circuit rejected the defendant’s request for a disclaimer, noting that the defendant offered no evidence to meet its burden of proving that a disclaimer would avoid confusion, and that mere “conclusory allegations” were insufficient. . . .

Defendants have submitted no evidence nor offered any argument to meet their heavy burden of proving how or why a disclaimer sticker would avoid the consumer confusion proven by Plaintiff. This fact alone requires the Court to deny this form of relief.204

Case law may be summarized as follows. Where defendant offers a disclaimer, in many venues, it will need survey evidence demonstrating its efficacy. When it is the court who, in the absence of evidence, presumes a disclaimer would be sufficient, where time allows, it may prove worthwhile for plaintiff to conduct survey research to assess the proposed disclaimer’s efficacy.

1.18.2 Damages

Injunctive relief is the typical remedy for trademark infringement in cases of unintentional infringement. It is said “something more” than mere infringement is needed for damages to be available. That “something more” can be evidence of intent, actual confusion, or actual losses suffered by plaintiff, evidence difficult to obtain.

Surveys can be used to address the issue of actual losses in much the same way that surveys are used to address the issue of actual confusion. Survey evidence is accepted as evidence of confusion. Surveys can also provide evidence of losses. In disregarding surveys showing confusion in a case calling for an equitable accounting of profits, the court said: “While evidence of confusion is highly relevant to the issue of injunctive relief, evidence that the confusion was actually influencing consumer decisions would be more germane to the issue of accounting in which the element of unjust enrichment is a key factor.”

An appropriate survey objective to address damages would therefore be to determine whether consumers purchase one product or service in place of another due to source confusion arising out of trademark infringement. Another appropriate survey objective would be to determine whether tarnishment of a mark affected consumer’s purchasing decisions.

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205. McCarthy, supra note 12, § 30.58.
207. Masters v. UHS of Del., Inc., 631 F.3d 464 (8th Cir. 2011) (A showing of actual confusion entitles the owner of a trademark to damages, but this does not imply the converse: a plaintiff cannot recover damages without a showing of actual confusion.).
208. Famous Horse Inc. v. 5th Ave. Photo Inc., 624 F.3d 106 (2d Cir. 2010) (correct standard for damages under Lanham Act is whether actual loss of sales occurred or will occur).
209. McCarthy, supra note 12, § 30.58.
210. Anheuser-Busch, Inc. v. Balducci Publ’ns, 28 F.3d 769 (8th Cir. 1994) (“The requested nominal damages seem proper given the survey evidence suggesting actual confusion.”).
212. Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97 (2d Cir. 2009); Anheuser-Busch, Inc., 28 F.3d 769.
1.20 Other Intellectual Property Issues That Can Be Addressed by Surveys

Surveys are often used to assess other issues in related areas of intellectual property law. In a number of instances, these are commissioned by trademark attorneys who also practice advertising or patent law. Many of the same scientific requirements apply to these surveys as well, with courts generally holding them to the same standards as they do trademark surveys.

1.21 Advertising Issues

As reflected by the language of section 43(a) of the Lanham Act (15 U.S.C.A. 1125) (which focuses on actions “likely to cause confusion, or to cause mistake, or to deceive”), a great many similarities exists between surveys conducted in support of trademark litigation (especially likely confusion) and those conducted in support of advertising litigation (especially likely deception).

Perhaps drawing from the tort law of misrepresentation, many attorneys initially viewed “false advertising” and “deceptive advertising” as equivalent. However, in Lanham Act actions, a distinction is generally drawn between explicitly false advertising and implicitly deceptive or misleading advertising.\(^{213}\) The essential issues are summarized in *Scotts Co. v. United Industries Corp.*:

> For liability to arise under the false advertising provisions of the Lanham Act, “the contested statement or representation must be either false on its face or, although literally true, likely to mis-

\(^{213}\) In developing the Food and Drug Administration’s definition of and approach to measuring misleading prescription drugs advertising in 1974, a subtle distinction between deceptive (as the terms was being employed by the Federal Trade Commission) and misleading advertising (the term preferred at the FDA) was noted by this chapter’s lead author. Deceptive advertising presumes that the source of the communication operated with an intent to deceive. In contrast, though the net effect may be the same, misleading advertising makes no such presumption, holding instead that the recipients of the communication may have been misled as a result of the source’s communication or by their own prior experiences or current expectations. When the reasons for being misled are relatively unique to respondents and do not reach threshold, then there is no reason to hold the advertising at fault. However, when a not insubstantial proportion of relevant recipients are misled for the same reasons and in the same way, then it likely is a function of the advertising. For a brief description of the definition and empirical approach, see Jacob Jacoby & Constance B. Small, *The FDA Approach to Defining Misleading Advertising*, 39 J. MKTG. 65 (1975), reprinted in *Advertising Law in the New Media Age* 223 (Jeffrey S. Edelstein ed., Practicing Law Inst. 1999).
lead and to confuse consumers given the merchandising context.” “Where the advertisement is literally false, a violation may be established without evidence of consumer deception.” But if “a plaintiff’s theory of recovery is premised upon a claim of implied falsehood, a plaintiff must demonstrate, by extrinsic evidence, that the challenged [advertisements or other promotions] tend to mislead or confuse consumers.”

1.21.1 False Advertising or Packaging

The distinction between false advertising and advertising that is deceptive or misleading is fundamental. This distinction may be clarified by reference to exhibit 1.1.215 Point 1 at the top of the triangle represents Product X (or Service X), an entity that possesses certain objectively verifiable features and characteristics. Suppose Product X was a breakfast cereal; it would be possible to verify its composition, such as whether it contained raisins or blueberries.

214. Scotts Co. v. United Indus. Corp., 315 F.3d 264, 273–74 (4th Cir. 2002) (quoting C.B. Fleet Co. v. SmithKline Beecham Consumer Healthcare, L.P., 131 F.3d 430, 434 (4th Cir. 1997); Cashmere & Camel Hair Mfrs. Inst. v. Saks Fifth Ave., 284 F.3d 302, 311 (1st Cir. 2002); Johnson & Johnson-Merck Consumer Pharm. Co. v. Smithkline Beecham Corp., 960 F.2d 294, 297 (2d Cir. 1992)). See also S.C. Johnson & Son, Inc. v. Carter-Wallace, Inc., 614 F. Supp. 1278, 1319, 225 U.S.P.Q. 1022, 1050–51 (S.D.N.Y. 1985), aff’d in part and vacated in part, 781 F.2d 198, 228 U.S.P.Q. 367 (Fed. Cir. 1986):There are two types of actionable false advertising: (1) advertising which makes claims which are literally false on their face, and (2) advertising which, although literally true on its face, is perceived by a significant proportion of the relevant market as making “subliminal” or “implicit” claims which are provably false. With regard to the second type of false advertising, the courts sometimes say that the advertising has a tendency to “mislead, confuse or deceive.” . . . To prove the second type of false advertising the plaintiff must come forward with specific scientific survey evidence of consumer reaction. The Court’s own perception of whether or not the advertising is misleading is irrelevant and insufficient.

215. Jacob Jacoby, Amy H. Handlin & Alex Simonson, Survey Evidence in Deceptive Advertising Cases Under the Lanham Act: An Historical Review of Comments from the Bench, 84 TRADEMARK REP. 541, 578 (1994). Exhibit 1.1 and portions of sections 1.21.1 and 1.21.2 are reprinted with permission from the TRADEMARK REPORTER.
Point 2 at the bottom left of the triangle represents a communication from the source regarding Product X. These communications may take various forms such as television and radio commercials, print advertising, packaging, and product brochures, and so on. The link between the communication and Product X (identified in exhibit 1.1 as link “A”) identifies the focus of false advertising. In our example, if an advertisement claimed that Product X contained blueberries (when, in fact, it did not), then that ad would be “false on its face” and there would be no need to consider the consumer’s state of mind. Thus, link “A” focuses on “advertising claim substantiation,” an issue that surfaces when the veracity of the claim is in question.

Although most forms of advertising substantiation require no consumer research (no consumer survey is required to determine whether the breakfast cereal does or does not contain blueberries), when the claim has to do with consumer beliefs, preferences, usage behavior, and so on, consumer surveys are called for. If the manufacturer advertises that its Brand X tastes better than a competitor’s Brand Y, then the manufacturer of Brand X may be called on to provide data to substantiate its claim.
1.21.2 Deceptive or Misleading Advertising

If unable to prove an advertisement’s claim is objectively false, counsel may wish to argue that the advertisement is “impliedly false,” that is, false by implication or, in a word, deceptive. While false advertising need have nothing whatever to do with what is in the minds of consumers, deceptive advertising is all about consumers’ beliefs generated by exposure to the advertisement.

Point 3 on the lower right of the triangle represents the contents of the consumer’s mind. Link “B” refers to what the consumer believes the communication said or implied about the Product X. Link “C” refers to what the consumer believes regarding the product itself. These beliefs may or may not be compatible. As an example, upon viewing a commercial for a skin cream, the consumer may simultaneously believe “Yes, I believe that the ad said or implied Cream X would remove freckles” and “No, I do not believe that Cream X removes freckles.”

Regardless of whether the explicit contents of the advertising are true or false (link “A”), a claim can be considered deceitful or misleading when a not insubstantial number of consumers extract a common incorrect belief from the ad (link “B”) that is likely to exert a material impact upon their purchase behavior.

While consumers’ beliefs about what the ad is saying (link “B”) and their beliefs about the product itself (link “C”) may be correlated, the key to assessing likely deception concerns the former. Surveys seeking to measure likely consumer deception need to focus on what consumers believe the ad said or implied about the product (link “B”), not on what consumers believe about the product itself (link “C”).

As the Second Circuit noted, “It is not for the judge to determine, based solely upon his or her own intuitive reaction, whether the advertisement is deceptive. Rather, as we have reiterated in the past, ‘[t]he question in such cases is—what does the person to whom the advertisement is addressed find to be the message?’”

1.21.3 Materiality

Another issue on which consumer surveys can and have been proffered is in regard to the materiality of claims or alleged claims. The operative question there is whether the claim is likely to influence the viewer’s or listener’s purchase decision. In many instances, if an ad makes a claim, it

is presumed to be material. In other instances, the advertiser may assert the claim either was nonactionable puffery (see section 1.21.4) or, notwithstanding the presumption of materiality, actually was not material to consumer purchase decisions or behavior.\footnote{Kraft, Inc. v. FTC, 970 F.2d 311, 316 (7th Cir. 1992); \textit{see also} J. Jacoby & G.J. Szybillo, \textit{The FTC v. Kraft: A Case of Heads We Win, Tails You Lose?}, 14(1) \textit{J. PUB. POLICY & MKTG.} 1 (1995).}

In the event plaintiff proves falsity, it must additionally prove the materiality of the false representations. Plaintiff contends that the advertisements are material because they are “clearly” and “obviously” likely to influence the purchasing decision of consumers. Plaintiff argues that because consumers are deceived into believing defendant’s false claim of superiority, the false statement is likely to make a difference to them in deciding which dog food to buy.

The court agrees with defendant’s contention that plaintiff has offered no proof that defendant’s misrepresentation is material in that it is likely to influence any purchasing decision.\footnote{Hill’s Pet Nutrition, Inc. v. Nutro Prods., Inc., 258 F. Supp. 2d 1197, 1212 (D. Kan. 2003).}

Even when an ad is literally false, if consumers do not rely on the false statement for reaching their purchase decisions, courts may reject plaintiff’s claims.\footnote{Nat’l Basketball Ass’n v. Nutro Prods., Inc., 105 F.3d 841, 855 (2d Cir. 1997); \textit{Johnson & Johnson Vision Care, Inc. v. 1-800-Contacts}, 299 F.3d 1242, 1250 (11th Cir. 2002).} For reasons such as these, plaintiffs may consider it necessary to conduct a survey to demonstrate that the advertiser’s claim was likely to be material.\footnote{Defendants may wish to conduct a survey testing the reverse hypothesis.} Defendants may wish to conduct a survey testing the reverse hypothesis.

\subsection*{1.21.4 Puffery}

Puffery has been described as “an exaggerated, blustering, and boasting statement upon which no reasonable buyer would be justified in relying,”\footnote{\textit{Pizza Hut, Inc.}, 227 F.3d at 497.} as a statement that “is not specific and measurable, and cannot be reasonably interpreted as providing a benchmark by which the veracity of the statement can be ascertained,”\footnote{Am. Italian Pasta Co., v. New World Pasta Co., 371 F.3d 387, 391 (8th Cir. 2004).} and as “a general claim of superiority over comparable products that is so vague that it can be understood as
nothing more than a mere expression of opinion.”

In *Evercare Co. v. 3M Co.*, cross-plaintiff 3M alleged that, far from being puffery, statements made on the wrapping of Evercare’s lint rollers—“50% Stickier,” “Removes even more lint, dust, dandruff and pet hair,” and “Dry Cleaner Grade”—conveyed a strong superiority meaning to a substantial proportion of consumers and that this was a material factor in their purchase decisions. When surveys indicated this was indeed the case, defendant secured a favorable pretrial settlement.

### 1.22 Patent Issues

Consumer surveys are able to provide dispositive evidence on at least two fundamental issues in patent law. One issue is whether the feature claimed by plaintiff in a patent infringement action is valued and drives customer demand for the product. The second pertains to design patents and focuses on whether “ordinary observers” perceive an allegedly infringing design as being *substantially similar* to the original design.

#### 1.22.1 Value of Patent Features

Three opinions issued in 2009 may be cited for bringing renewed emphasis to the proposition that, to prevail on a claim for damages resulting from infringement, plaintiff needs to demonstrate it was the patent-related feature that was a basis for customer demand of defendant’s allegedly infringing product.

Writing in *Lucent v. Gateway*, the Federal Circuit noted: “In one sense, our law on the entire market value rule is quite clear. For the entire market value rule to apply, the patent-
tee must prove that the patent-related feature is the basis for customer demand.”

Proffered in *i4i v. Microsoft*, the court relied on the findings of traditional survey research to evaluate customer demand. However, to increase the odds of success, the survey must show a direct link between the specific patented feature and demand. Not satisfying this requirement can lead to surveys having little probative value. In another matter, survey evidence intended to demonstrate the value of internal cell phone antennas to consumers was rejected because it failed to assess how the consumers valued the purported advantages of the feature at issue.

Traditional surveys rely on asking questions and obtaining verbal reports from respondents who either purchased the item in the past, or say they are likely to do so in the future. However, asking questions of *past purchasers* is highly subject to faulty memory, especially for surveys conducted years, months, weeks, or days after the purchase. Asking past purchasers to indicate the role that specific product features played in their purchase decisions is also likely to yield answers colored by their postpurchase experiences. Although a product feature may not have played a role in their prepurchase deliberations, positive postpurchase experiences with that feature can cause them to overestimate the value of the feature, to the point where they believe they must have considered it prior to purchase. The reverse effect is also possible. On the other hand, asking prospective purchasers to indicate factors they think will influence their purchase decision is subject to other problems. Clearly, prospective customers may not be aware of some product features until they are actively engaged in the process of considering whether to purchase the product; hence, they could not possibly report on the materiality of these features to their purchase decision. Moreover, research shows that features customers *say* will be important when reaching their decision often turn out not to weigh heavily—or even be considered—at time of purchase. An alternative approach to establishing consumer usage (or nonusage) of patented features that relied on simulations of actual purchasing behavior has been successfully used in several patent feature matters settled out of court.

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227. *Lucent*, 580 F.3d at 37 (internal quotation marks and citation omitted).


1.22.2 Design Patents

Considered from a consumer psychological perspective, trade dress confusion and design patent confusion appear to engage similar psychological mechanisms. Yet survey research has been proffered in only a handful of design patent cases where, with one reported exception\(^\text{231}\) and generally for good reason, they have been accorded little or no weight.\(^\text{232}\)

Enunciated by the U.S. Supreme Court more than 130 years ago, the test for design patent infringement\(^\text{233}\) requires:

[I]f in the eye of an ordinary observer giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.\(^\text{234}\)

Several issues come to the fore with this definition, which has come to be known as the “ordinary observer” test. First, a number of courts have used the phrase “substantially similar,”\(^\text{235}\) raising the question of whether that is equivalent to “substantially the same.”


\(^{233}\) “[W]e conclude that the point of novelty test, as a second and free-standing requirement for proof of design patent infringement, is inconsistent with the ordinary observer test laid down in Gorham, is not mandated . . . and is not needed . . .” Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 665, 672 (Fed Cir. 2008).

\(^{234}\) Gorham Mfg. Corp. v. White, 81 U.S. 511, 528 (1871).

Second, who qualifies as an ordinary observer? One thing is clear. The Gorham opinion expressly excluded “experts” from those who qualify as “ordinary observers,” holding that the focus must be on observations made “by ordinary observers, by those who buy and use” the article in question. Perhaps relying on the term “use” in the preceding quote, at least one court has interpreted ordinary observer to include individuals who are not purchasers, but only users of the item at issue. Another court has written: “[O]ur precedent [is] that the ordinary observer is a person who is either a purchaser of, or sufficiently interested in, the item that displays the patented designs.” In a similar vein, another court noted: “[P]lainiffs are correct in asserting that survey participants need not intend to actually purchase one of the products.”

The broadest perspective may have been offered by the Sixth Circuit at a point in time when regional courts still had jurisdiction over patent law issues:

The ordinary observer is not any observer, but one who, with less than the trained facility of the expert, is “a purchaser of things in similar design,” or “one interested in the subject” . . . one who, though not an expert, has reasonable familiarity with such objects, and is capable of forming a reasonable judgment when confronted with a design therefore as to whether it presents to his eye distinctiveness from or similarity with those which have preceded it.

Third, the scrollwork design at issue in Gorham was purely ornamental. When “the design includes both functional and ornamental features, in determining this overall similarity of design, the ordinary observer must

237. Id. at 528.
238. “While it is true . . . that the ordinary observer test in a patent infringement analysis focuses on the purchaser . . . , it is also clear that the test is meant to be objective in that it looks at the product throughout its useful life. In this case, the Court is unwilling to rule that survey evidence that accounts for a patient’s perspective is completely irrelevant to the inquiry.” Puritan-Bennett Corp. v. Penox Techs., 2004 U.S. Dist. LEXIS 6896, at *14 (S.D. Ind. 2004). The court gave little or no weight to the survey because it failed to include “medical equipment distributors, at the least, and possibly hospitals and physicians, at best, to ensure that all relevant purchasers’ views are included.” Id. at *78.
239. Arminak & Assocs., Inc., 501 F.3d at 1323 (emphasis added).
241. Applied Arts Corp. v. Grand Rapids Metalcraft Corp., 67 F.2d 428, 430 (6th Cir. 1933) (emphasis added). This broad definition was recently reaffirmed by the U.S. Court of Appeals for the Federal Circuit, who wrote that to hold a that the purchaser of a retail product’s component parts qualified as “the hypothetical ordinary observer fits squarely with our precedent that the ordinary observer is a person who is either a purchaser of, or sufficiently interested in, the item that displays the patented designs . . . .” Arminak & Assocs., Inc., 501 F.3d at 1324.
be deceived by the features common to the claimed and accused designs that are ornamental, not functional.” That said, “It is the appearance of the design as a whole which is controlling in determining infringement. There can be no infringement based on the similarity of specific features if the overall appearance of the designs are dissimilar.”

1.23 Copyright Issues

The concept of “substantial similarity” also underlies the determination of copyright infringement.

With respect to assessing design patent infringement, it appears appropriate to ask members of the relevant public (namely, “ordinary observers”) whether they thought the allegedly infringing product looked substantially similar to the prior art. However, some case law has suggested it might not be appropriate to ask members of the relevant public in a copyright matter whether they thought the allegedly infringing was substantially similar to the copyrighted material. As explained by the Second Circuit:

The “substantial similarity” that supports an inference of copying sufficient to establish infringement . . . is not a concept familiar to the public at large. It is a term to be used in the courtroom to strike a delicate balance between the protection to which authors are entitled under an act of Congress and the freedom that exists for all others to create their works outside the area protected against infringement . . . When a trial judge has correctly ruled that two works are not substantially similar as a matter of law, that conclusion is not altered by the availability of survey evidence indicating that some people applying some standard of their own were reminded by one work of another.

More recent case law from the Second and Federal Circuits suggest that, if done properly, asking the relevant lay observer questions regarding substantial similarity may no longer be a concern.


243. Oddzon Prods., Inc. v. Just Toys, Inc., 122 F.3d 1396, 1406 (Fed. Cir. 1997); see also Arner v. Sharper Image Corp., 39 U.S.P.Q.2d 1282, 1995 U.S. Dist LEXIS 21156, at *31, *39 (C.D. Cal. 1995) (“Furthermore, the focus of a design patent infringement case is on whether the design, the ornamentation and the ‘overall appearance’ of an accused article is ‘substantially similar’ to a plaintiff’s claimed design.”).

To prove infringement under the Copyright Act, plaintiff must prove 1) ownership of a valid copyright and 2) copying of protected elements of his copyrighted works. . . . Substantial similarity in turn rests on whether the average “lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.”

When the allegedly infringing work exhibits plagiarism (namely, the direct copying of exact words), as is the situation with false advertising, there would be no need for survey research. However, when the allegedly infringing work exhibits pirating (namely, lifting and using ideas, but conveying them via different words), properly conducted survey research could prove quite helpful to the tier of fact.

1.30 Other Legal Issues That Can Be Addressed by Surveys

Many issues adjudicated by courts of law likely could benefit from the application of scientifically based survey research. Since case law in regard to trademark issues has been at the forefront of developing standards for surveys proffered as evidence in litigated matters, litigators and survey researchers called in to address issues in these other domains might look to developments in regard to trademark surveys in general, and this work in particular, for guidance. This section identifies a number of issues and domains where the introduction of survey research to assist triers of fact in resolving litigated disputes either is already surfacing or would likely be considered a reasonable development.

Prof. McCarthy discusses establishing rights by reputation and one can easily see how surveys can be used to identify an entity's reputation. Regardless of whether plaintiff is an individual (famous or otherwise) or a larger entity, survey research also can be used to examine allegations of harm to an entity's (e.g., a celebrity's, a firm's, a product's) reputation either by defamation, libel, slander, or disparagement. In Pro-Football, Inc. v. Harjo, though defendant's survey evidence regarding the term “Redskins” being disparaging was accepted by a regulatory agency, on appeal, it was rejected by the federal court in the District of Columbia. In Dongguk University v. Yale University, plaintiff claimed that the actions

246. MCCARTHY, supra note 12, § 26.16.
Legal Issues That Can Be Examined via Surveys

and pronouncements of Yale officials severely damaged plaintiff’s reputation in its own country, South Korea, and commissioned a national probability telephone survey of 1,306 respondents, 18 years old or older, selected to be representative of the entire adult population of that country.248

Other areas where surveys already have or could prove useful are in regard to personal injury and product liability. In cases where product users failed to read or understand label warnings, were injured, then sued, claiming inadequate warnings, surveys can be done to assess label comprehension (or miscomprehension). Surveys can be conducted to determine the product usage practices of the “reasonable consumer,” or whether mandated language for products and equipment or the language used in consumer contacts are adequately understood.

In no particular order, surveys can be used: in class actions, to support or refute certification of a class; in pornography cases, to determine community standards; in employment cases, to determine whether discrimination exists in a firm’s hiring, firing or promotion practices; in change of venue matters, to determine community sentiment or to rebut testimony from cherry-picked witnesses; where Frye applies, to determine expert consensus; in divorce cases, to determine “celebrity status”; to determine whether a jury satisfies the “fair cross-section” requirement and whether jurors understand jury instructions.

By no means does the above represent an exhaustive list of legal issues and domains where surveys might be used to assist attorneys in developing strategies or triers of fact in their deliberations. The purpose in mentioning these topics is to assist attorneys in broadening their horizons when it comes to gainfully employing survey research.

1.40 Legal Issues and Survey Standards

Regardless of the legal issue being addressed, to be considered scientific, surveys need to adhere to scientific standards commonly accepted by the scientific community. Not doing so would undermine the value and credibility of surveys as scientific measuring instruments in judicial proceedings. Yet as survey research begins being used to shed light on an increasing number of legal issues, one can imagine courts applying different criteria and standards to surveys that focus on measuring different legal issues. To the extent that these judicial pronouncements refer to the underlying scientific procedures, these pronouncements need to consistent


As the principal domain in which social science survey methodology is routinely used to shed light on key legal issues, and perhaps as a matter of self-interest as well, the experts who design trademark surveys and the counsel who retain these experts and proffer these surveys in court have a unique opportunity to help shape the law on survey issues.