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# TRADEMARK SURVEY EVIDENCE: REVIEW OF CURRENT TRENDS IN THE NINTH CIRCUIT

Robert H. Thornburg†

## INTRODUCTION

In a field often vacant of any direct evidence to support claims or defenses, survey evidence represents an important consideration for trademark counsel. With evidence of actual confusion or dilution scant in trademark disputes, the evidence afforded by survey evidence is often invaluable. Surveys represent the most scientific means of measuring relevant consumers' subjective mental associations by attempting to recreate the potential purchasing environment in which a purported trademark or trade dress is found within a given market.<sup>1</sup> Selection of a survey expert, preparation of survey protocol, and implementation of the actual survey, often determine whether a party will succeed or fail at the summary judgment stage of a dispute.<sup>2</sup>

In the Ninth Circuit, "surveys in trademark cases may be considered so long as they are "conducted according to accepted principles."<sup>3</sup> Although historically considered hearsay, survey evidence is now admissible under Federal Rule of Evidence 703<sup>4</sup> and

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1. 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:158 (4th ed. 2003).

2. See, e.g., *Ways & Means, Inc. v. IVAC Corp.*, 506 F. Supp. 697, (N.D. Cal. 1979) (granting defendant's motion for summary judgment because plaintiff's telephone survey failed to meet acceptable standards to create genuine issue of material fact).

3. *Prudential Ins. Co. v. Gibraltar Fin. Corp.*, 694 F.2d 1150, 1156 (9th Cir. 1982) (finding that district court improperly excluded trademark survey evidence conducted by Prudential to show that between 14 and 31 percent of public identified its Gibraltar logo as a source of its insurance services).

4.

The facts or data in the particular case upon which an expert bases an opinion or inference may be those perceived by or made known to the expert at or before the hearing. If of a type reasonably relied upon by experts in the particular field in

is specifically discussed in the Advisory Committee notes.<sup>5</sup> According to the rule, the offeror of a survey has the burden of proof to show that the survey was conducted accordingly to acceptable survey principles.<sup>6</sup> More specifically, the offer must show:

- (i) the proper universe was examined;
- (ii) a representative sample was drawn from that universe;
- (ii) the mode of questioning the interviewees was proper;
- (iv) the persons conducting the survey are recognized experts;
- (v) the data gathered was accurately reported;
- (vi) the sample design was correct;
- (vi) the actual questionnaire given to interviewees was not leading; and
- (viii) the overall interviews were performed in accordance with objective statistics in the applicable field.<sup>7</sup>

Apart from these factors, the survey itself must “replicate[] the real world setting” in which the actual purchasing decision for the good or service occurs.<sup>8</sup>

Currently, three types of environments exist for conducting trademark surveys: the Mall-Intercept Survey, the Telephone Survey, and the Central Location Survey. In addition, the concept of Internet-

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forming opinions or inferences upon the subject, the facts or data need not be admissible in evidence . . . .

FED. R. EVID. 703.

5. “The rule also offers a more satisfactory basis for ruling upon the admissibility of public opinion poll evidence. Attention is directed to the validity of the techniques employed rather than to relatively fruitless inquiries whether hearsay is involved.” 51 F.R.D. 315, 404 (1971).

6. *Ways & Means, Inc.*, 506 F. Supp. at 704.

7. *Id.* (citing 1 J. Moore, FEDERAL PRACTICE AND PROCEDURE §2.71 (2d ed. 1974)).

8. *YKK Corp. v. JungWoo Zipper Co.*, 213 F. Supp. 2d 1195, 1203 (C.D. Cal. 2002) (finding it proper to question commercial clothing manufacturers, rather than the ultimate purchaser, in ascertaining whether defendant’s trade name on zipper created actual confusion with plaintiff’s mark).

based surveys has been suggested,<sup>9</sup> with some courts outside of the Ninth Circuit beginning to accept this format.<sup>10</sup> Apart from Internet-based surveys, currently accepted surveys require tremendous financial and logistical resources. For example, current survey experts in California charge between \$450 to \$600 per hour and require support staff billing at rates ranging between \$200–300 in orchestrating the actual surveys. With the addition of trademark counsel assisting in preparation of survey protocol, and the need for multiple survey sites throughout a geographic area, it is little wonder why the most basic of surveys cost in the hundreds of thousands of dollars.

Despite their costs, survey evidence has become a mainstay in trademark disputes within the Ninth Circuit. Surveys have been regularly used within the Ninth Circuit to test a variety of issues inherent in trademark law including:

- (1) whether a mark or trade dress has achieved secondary meaning,<sup>11</sup>
- (2) whether a “famous” mark has been diluted by a dissimilar product or service,<sup>12</sup>
- (3) whether a mark is generic or identifies a specific source for a good or service,<sup>13</sup> and
- (4) whether use of a mark creates consumer confusion.<sup>14</sup>

Surveys have been used in jurisdictions outside the Ninth Circuit to test whether a purported trade dress element is functional.<sup>15</sup> Thus,

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9. Robert H. Thornburg, *Trademark Surveys: Development of Computer-Based Survey Methods*, 4 J. MARSHALL REV. INTELL. PROPER. L. 91 (2005).

10. See, e.g., *1-800 Contacts, Inc. v. WhenU.Com*, 69 U.S.P.Q.2d (BNA) 1337 (S.D.N.Y. 2003); see also *MasterCard Int’l, Inc. v. First Nat’l Bank of Omaha, Inc.*, Nos. 02 CIV. 3691 (DLC), 03 CIV. 707 (DLC), 2004 U.S. Dist. LEXIS 2485, at \*28 (S.D.N.Y. Feb. 23, 2004).

11. See, e.g., *Grupo Gigante SA De CV v. Dallo & Co.*, 391 F.3d 1088, 1107 n.1 (9th Cir. 2004) (Graber, J., concurring).

12. See, e.g., *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 879–80 (9th Cir. 1999).

13. See, e.g., *Stuhlbarg Int’l Sales Co. Inc., v. John D. Brush & Co.*, 240 F.3d 832, 840 (9th Cir. 2001).

14. See, e.g., *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1265 (9th Cir. 2001).

survey evidence has been employed in almost every aspect of trademark law.

The Ninth Circuit's uniqueness with regard to trademark surveys is based largely upon its almost "carte blanche" refusal to exclude survey evidence based upon technical deficiencies. Unlike other circuits, the Ninth Circuit has pronounced that a survey's "[t]echnical unreliability goes to the *weight* accorded the survey, *not its admissibility*."<sup>16</sup> A district court's exclusion of a trademark survey due to unreliability often creates reversible error, as the Ninth Circuit has stood firm that such discrepancies should be evaluated by the fact-finder.<sup>17</sup> Thus, issues relating to potentially leading survey questions or improperly limited geographic area in which the survey was conducted only go to the survey's overall value.<sup>18</sup> This is directly opposite to most other circuits, where technical irregularities lead to a finding of inadmissibility.<sup>19</sup> In analyzing what "weight" to give a trademark survey, courts within the Ninth Circuit look towards a variety of factors, including, but not limited to the overall survey design and experience of the surveyor.<sup>20</sup>

Based upon the unique treatment and use of survey evidence within the Ninth Circuit, this paper provides a comprehensive review of current trends and issues inherent to performing a trademark survey for use at trial. Specifically, this paper seeks to articulate the pitfalls of the past and highlight the importance of preparation prior to introducing a trademark survey into evidence. Part I of the paper provides a general background relating to preparing trademark surveys within the Ninth Circuit, with emphasis on treatment of non-litigation surveys. Part II outlines the pitfalls associated with conducting secondary meaning surveys and how to properly quantify the relevant survey universe. Part III discusses the use of survey evidence to test consumer confusion and the general result required to

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15. *Windmill Corp. v. Kelly Foods Corp.*, Nos. 94-5874/94-5890, 95-4137, 1996 U.S. App. LEXIS 3473, at \*14-15 (6th Cir. Jan. 26, 1996).

16. *Prudential Ins. Co. v. Gibraltar Fin. Corp.*, 694 F.2d 1150, 1156 (9th Cir. 1982) (emphasis added).

17. *See, e.g., Wendt v. Host Int'l, Inc.*, 125 F.3d 806, 814 (9th Cir. 1997) (explaining that the district court's refusal to allow jury to review survey evidence was "abuse of discretion").

18. *See, e.g., Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1142-43 (9th Cir. 1997) (reversing and remanding due to lower court's exclusion of plaintiff's consumer survey, due to issues with survey universe, potentially leading questions, and the fact that the survey was limited only to Southern California market).

19. *See generally, Simon Prop. Group L.P. v. MySimon, Inc.*, 104 F. Supp. 2d 1033 (S.D. Ind. 2000).

20. *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1292-93 (9th Cir. 1992).

find a likelihood of confusion. Part IV discusses use of survey evidence to show whether or not a mark is generic. Part V comments upon the general distrust within the Ninth Circuit for surveys testing actual dilution. Part VI provides a general conclusion and overall remarks of the future role of survey evidence within the Ninth Circuit.

## I. GENERAL PRINCIPLES REGARDING SURVEY EVIDENCE

As stated previously, the true value of survey evidence rests upon its ability to gauge the mental associations and reactions of prospective purchasers.<sup>21</sup> Without evidence of actual confusion or dilution, parties asserting trademark or trade dress rights must look towards circumstantial evidence to support their claims. Often, due to the costs associated with trademark surveys within the Ninth Circuit, parties will attempt to circumvent the need for a full-blown survey. For example, a party may attempt to use a marketing survey or an industry survey not prepared for the purposes of the dispute. In addition, parties often will attempt to use a survey conducted in an unrelated litigation, as evidence in a subsequent dispute.

While the Ninth Circuit has consistently stated that the issues with surveys go to their weight as opposed to their admissibility,<sup>22</sup> the Circuit has nonetheless frowned upon circumventing a litigation specific survey. Rather, current trends suggest that district courts within the Ninth Circuit prefer multiple-surveys that are litigation specific, conducted within several geographic areas and at large metropolitan areas throughout the country.

### A. *Need for Multiple Surveys to Test Distinct Consumer Groups and Geographic Areas*

When a purported mark or dress is purchased by two distinct consumer populations, courts within the Ninth Circuit often suggest the need for more than one survey. In *Trovan, Ltd. v. Pfizer, Inc.*, plaintiff asserted trademark infringement claims against Pfizer for use of the mark TROVAN.<sup>23</sup> Because Trovan developed drugs for both humans and animals, plaintiff conducted not one, but two trademark surveys to show confusion.<sup>24</sup> While the survey's methodology was criticized by defendant for not properly testing confusion in the

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21. MCCARTHY, *supra* note 1.

22. *Prudential Ins. Co. v. Gibraltar Fin. Corp.*, 694 F.2d 1150, 1156 (9th Cir. 1982).

23. *Trovan, Ltd. v. Pfizer, Inc.*, No. CV-98-0094 LGB (MCx), 2000 U.S. Dist. LEXIS 7522 (C.D. Cal. May 24, 2000).

24. *Id.* at \*69-70.

market, the court found the two separate surveys to test the two groups who ultimately prescribed Trovan goods as evidence of consumer confusion.<sup>25</sup> Similarly, in *Southland Sod Farms v. Stover Seed Co.*, the plaintiff asserted Lanham Act claims for its turf sod, implementing a two-phase survey interviewing both commercial landscape professionals, as well as homeowners likely to purchase sod.<sup>26</sup>

When asserting that a purported trade dress or mark has achieved secondary meaning nationwide, the plaintiff must at least conduct multiple trademark surveys in major metropolitan areas throughout the country.<sup>27</sup> Logically, the larger the number of metropolitan areas surveyed, the more reliable such multiple surveys are towards establishing secondary meaning or confusion.<sup>28</sup> In *Wendt v. Host International, Inc.*, actor George Wendt ("Norm!"), formerly from the sitcom *Cheers*, asserted trade dress rights against defendant for its various airport restaurants under that sitcom name.<sup>29</sup> In order to ascertain whether the sitcom had trade dress in the bar style, Wendt executed two surveys at the defendant's Cleveland and Kansas City airport establishments.<sup>30</sup> The Ninth Circuit found that the surveys would be admissible as evidence of consumer association, despite the lower court's exclusion of the results.<sup>31</sup>

Finally, both parties will conduct opposing surveys on the issue of secondary meaning, both of which can be used by the court to ascertain whether sufficient consumer association exists.<sup>32</sup> In *Levi Strauss & Co. v. Blue Bell, Inc.*, "both Strauss and Blue Bell employed independent survey organizations to conduct surveys of purchasers of children's shirts" to ascertain whether Strauss could claim secondary meaning for its red tab on shirts.<sup>33</sup> Upon review of

25. *Id.* at \*70.

26. *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1142 (9th Cir. 1997).

27. *Acad. of Motion Picture Arts and Sci. v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1455-46 (9th Cir. 1991) (finding that multiple surveys conducted in Los Angeles, New York, and Chicago helped show secondary meaning throughout country).

28. *See, e.g., E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1292 (9th Cir. 1992) (finding that surveys conducted in 35 metro areas created strong evidence of actual confusion); *see also Locomotor U.S.A., Inc. v. Korus Co.*, Nos. 93-56032, 93-56622, 1995 U.S. App. LEXIS 401 (9th Cir. Jan 6, 1995) (finding that survey limited to only the San Francisco area was of no value).

29. *Wendt v. Host Int'l, Inc.*, 125 F.3d 806, 808-09 (9th Cir. 1997).

30. *Id.* at 814.

31. *Id.*

32. *See Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1358 (9th Cir. 1985).

33. *Id.* at 1361.

the format of both surveys, the lower court placed greater weight on the findings of Blue Bell's survey.<sup>34</sup> However, the court further employed both surveys as evidence that there was no reasonable likelihood of consumer confusion with regard to Blue Bell's shirt tabs.<sup>35</sup> Thus, the Ninth Circuit has employed not only an alleged infringing mark user's survey to disprove trademark rights, but also has used a purported trademark holder's own survey as evidence of no secondary meaning.

*B. Surveys Conducted for Non-Litigation Purposes or for Another Case, Often Not Accorded Weight Within the Ninth Circuit*

A survey offered by a purported mark holder as evidence of confusion or secondary meaning is often accorded little weight when it was developed for another case.<sup>36</sup> Similarly, in *Thane International, Inc. v. Trek Bicycle Corp.*, while the asserting mark holder had conducted three magazine-based surveys prior to litigation as a marketing tool to ascertain the strength of its brand name, the mark holder nonetheless was forced to commission a litigation survey in order to show confusion.<sup>37</sup> In *Avery Dennison Corp. v. Sumpton*, the Ninth Circuit severely criticized plaintiff Avery Dennison's submission of three market research studies to show brand awareness, finding that plaintiff failed to meet its burden to show its marks were sufficiently famous to support its dilution claims.<sup>38</sup> Specifically, the *Avery Dennison* court distrusted Plaintiff's non-litigation specific surveys because they interviewed former purchasers of its office products, rather than questioning all potential purchasers of the category of office products in question.<sup>39</sup>

However, not all Ninth Circuit precedent completely excludes outside surveys. In *Coca-Cola Co. v. Overland, Inc.*, plaintiff Coca-Cola relied upon an unrelated survey implemented in another case to show that its mark, COKE, was not generic.<sup>40</sup> While not completely clear why the Ninth Circuit chose to employ the non-litigation specific survey, the court did note that the survey evidence was based

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34. *Id.*

35. *Id.*

36. *See* M2 Software, Inc. v. M2 Communications, L.L.C., 281 F. Supp. 3d 1166, 1177 (C.D. Cal. 2003).

37. *Thane Int'l Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 899, 902 (9th Cir. 2002).

38. *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 879 (9th Cir. 1999).

39. *Id.*

40. *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1254 n.11 (9th Cir. 1982).



upon a litigation survey conducted for the case *E.I. DuPont de Nemours & Co. v. Yoshida International, Inc.*,<sup>41</sup> argued before the Eastern District of New York.<sup>42</sup> Thus, while it is possible to admit as evidence, a purported trademark holder should be wary of introducing a non-litigation specific survey in attempting to prove either confusion or secondary meaning.

*C. In Selecting the Proper Survey Environment, Both Mall-Intercept and Telephone Surveys Are Generally Accepted Within the Circuit*

By far, the two most popular environments in which to conduct trademark surveys within the Ninth Circuit are the Mall-Intercept Survey and Telephone Survey. While it appears that some form of computer-based survey may have been used and accepted by the court in *Playboy Enterprises, Inc. v. Netscape Communications Corporation*,<sup>43</sup> the Ninth Circuit has not directly found Internet-based surveys to be admissible. However, the survey in *Thane International*<sup>44</sup> highlights the court's acceptance and encouragement of Mall-Intercept Surveys. In *Trek*, the trademark holder's expert conducted the survey in eight shopping malls throughout the United States.<sup>45</sup> Based on the survey evidence, the Ninth Circuit reversed the lower court's grant of summary judgment against *Trek*.<sup>46</sup>

Similar to the *Thane* survey, admission of the Mall-Intercept Survey in *E. & J. Gallo Winery v. Gallo Cattle Co.* further demonstrates the Ninth Circuit's general acceptance of the survey environment.<sup>47</sup> There, survey expert Mervin Field conducted an exhaustive survey of 2500 adult shoppers at 35 different shopping malls throughout the United States.<sup>48</sup> Accordingly, the court found that the survey constituted reliable evidence of actual confusion.<sup>49</sup>

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41. 393 F. Supp. 502, 526 n.54 (E.D.N.Y. 1975).

42. *Coca-Cola Co.*, 692 F.2d at 1254 n.11.

43. *Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020 (9th Cir. 2004).

44. *See Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d. 894, 902 (9th Cir. 2002). Note that the survey expert selected eight locales located in major metropolitan areas throughout the country to demonstrate national recognition of *Trek's* trade name as a source of bicycles. *Id.*

45. *Id.*

46. *Id.* at 902-03.

47. *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1292 (9th Cir. 1992).

48. *Id.*

49. *Id.* at 1293.

Mall-Intercept Surveys are generally conducted when the disputed trademark or trade dress is used in connection with the sale and promotion of a general consumer good. Typical Mall-Intercept Surveys require a team of interviewers who screen a desired demographic within the general mall patron population to obtain the appropriate quota that represents the typical purchaser of the implicated goods or services.<sup>50</sup> The main benefit of mall-based surveys is that they allow direct interaction between consumers and the trademark elements alleged to have secondary meaning or be the cause of consumer confusion.<sup>51</sup> Such surveys require the direct supervision of the survey expert, and should be conducted in multiple mall facilities when asserting national trademark awareness.<sup>52</sup>

Similar to Mall-Intercept Surveys, the Ninth Circuit has also Facilities-based surveys located in or around the type of venue specific to the goods or services sold under a purported trademark or trade dress. In *Clicks Billiards, Inc. v. SixShooters, Inc.*, the Ninth Circuit evaluated a survey to establish trade dress rights in the visual look and appearance of Plaintiff's billiards parlor.<sup>53</sup> Plaintiff's expert, Dr. Sandra Cogan, conducted the survey at Plaintiff's billiards establishment.<sup>54</sup> The Ninth Circuit overruled the district court's assessment that the survey had little or no value, and found that the way the survey was conducted was admissible.<sup>55</sup> As discussed previously, the Ninth Circuit also accepted a similar Facilities-based Survey location in *Wendt v. Host International, Inc.*<sup>56</sup> In *Wendt*, the court found admissible surveys conducted in the alleged trade dress infringer's *Cheers*-styled restaurants located at both the Cleveland and Kansas City airports.<sup>57</sup>

In addition to Mall-Intercept or Facility-based Surveys, courts within the Ninth Circuit have also accepted the Telephone Survey.<sup>58</sup> In *Ways & Means, Inc. v. IVAC Corp.*, the Northern District of California found that a telephone-based survey was an acceptable

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50. See generally, *Pep Boys Manny, Moe & Jack of Cal. v. Goodyear Tire & Rubber Co.*, No. 01-CV-5614, 2002 U.S. Dist. LEXIS 5925, at \*28 (E.D. Pa. Apr. 5, 2002).

51. Thornburg, *supra* note 9, at 94.

52. See, e.g., *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 902 (9th Cir. 2002).

53. *Clicks Billiards, Inc. v. Sixshooters Inc.*, 251 F.3d 1252, 1262-64 (9th Cir. 2001).

54. *Id.* at 1262.

55. *Id.* at 1263-64.

56. *Wendt v. Host Int'l, Inc.*, 125 F.3d 806 (9th Cir. 1997).

57. *Id.* at 814.

58. *Ways & Means, Inc. v. IVAC Corp.*, 506 F. Supp. 697, 703-04 (N.D. Cal. 1979).

form of survey environment.<sup>59</sup> Telephone Surveys are also widely recognized and admitted in other jurisdictions.<sup>60</sup> In fact, they have been generally used and accepted in trademark disputes for over forty years.<sup>61</sup> The true benefits of a trademark survey are its ease of supervision, and that the information collected can be easily recorded and verified. Unlike the logistics and travel costs associated with Mall-Intercept Surveys, Telephone Surveys are often less expensive and can be performed in less time.

Thus, while the Ninth Circuit has generally accepted Mall-Intercept Surveys, Facilities-based Surveys, and Telephone Surveys, there exists no evidence why other surveys would not be similarly accepted. It is very likely that, within the next five years, the Ninth Circuit will confront an Internet-based survey format. While it remains unclear what course the court would take with such a survey, it is likely the court would find that such a new format would go to weight, rather than admissibility.

## II. TESTING FOR SECONDARY MEANING

Secondary meaning surveys are by far the most accepted and frequently used type of survey in trademark disputes. In this type of survey, the goal is to ascertain whether consumers associate a certain word, symbol, collocation of color, design, or good, as emanating from a single source.<sup>62</sup> The issue of timing as to when to conduct a trademark survey to ascertain secondary meaning is of crucial importance. While not directly discussed by the Ninth Circuit, the Second Circuit has provided that a timely secondary meaning survey should be conducted at or near a purported trademark holder's first knowledge of a junior use of its mark.<sup>63</sup> In *STX, Inc. v. Trik Stik, Inc.*, the Northern District of California stated that while "[i]t is unrealistic to expect a plaintiff to generate market studies until a potential infringer is discovered," courts should accept a timely secondary meaning survey conducted after filing a trademark suit.<sup>64</sup> Thus, it

59. *Id.*

60. *See, e.g., Dick's Sporting Goods, Inc. v. Dick's Clothing & Sporting Goods, Inc.*, No. 98-1653, 1999 U.S. App. LEXIS 19942, at \*12-15 (4th Cir. Aug. 20, 1999).

61. *Thomas Pride Mills, Inc. v. Monsanto Co.*, 155 U.S.P.Q. (BNA) 205, 207-08 (N.D. Ga. 1967).

62. *RJR Foods, Inc. v. White Rock Corp.*, 603 F.2d 1058, 1059 (2d Cir. 1979).

63. *See 20th Century Wear, Inc. v. Sanmark-Stardust, Inc.*, 747 F.2d 81, 90 (2d Cir. 1984).

64. *STX, Inc. v. Trik Stik, Inc.*, 708 F. Supp. 1551, 1559 (N.D. Cal. 1988).

remains imperative that a plaintiff conduct a trademark survey soon after the filing of the complaint.<sup>65</sup>

Under Ninth Circuit law, trademark surveys can provide “the most persuasive evidence of secondary meaning.”<sup>66</sup> The Ninth Circuit has gone so far as to say that “survey evidence will often provide *the most persuasive evidence* of consumer recognition and association.”<sup>67</sup> However, courts within the Ninth Circuit also recognize that secondary meaning can be proven through circumstantial evidence, apart from a survey.<sup>68</sup> When there is sufficient evidence through long-term use and large-scale advertising, for instance, a trademark survey may not be required to prove secondary meaning.<sup>69</sup> Likewise, proof of copying of a mark or dress by the alleged infringer “strongly supports an inference of secondary meaning,” lessening the need for a survey.<sup>70</sup>

Regardless of whether a trademark survey is in fact *required* under Ninth Circuit precedent, such evidence is clearly one of many ways to establish secondary meaning, which also include:

- (i) direct consumer testimony;
- (ii) exclusivity of use;
- (iii) manner of use;
- (iv) length of use;
- (v) level of advertising;

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65. *See id.*

66. Grupo Gigante SA De CV v. Dallo & Co., 391 F.3d 1088, 1107 n.1 (9th Cir. 2004) (Graber, J., concurring) (citing Comm. for Idaho’s High Desert, Inc. v. Yost, 92 F.3d 814, 822 (9th Cir. 1996)) (finding that although the survey only established that plaintiff’s customer’s were familiar with its GIGANTE chain of supermarket stores in Mexico, the survey was nonetheless admissible).

67. *See also* Duncan McIntosh Co. v. Newport Dunes Marina L.L.C., 324 F. Supp. 2d 1078, 1084 (9th Cir. 2004) (emphasis added); Vision Sports, Inc. v. Melville Corp., 888 F.2d 609, 615 (9th Cir. 1989) (citing Levi Strauss & Co. v. Blue Bell, Inc., 778 F.2d 1352, 1358 (9th Cir. 1985) (“An expert survey of purchasers can provide the most persuasive evidence on secondary meaning.”))

68. *See* Duncan McIntosh Co., 324 F. Supp. 2d at 1084; *see also* MCCARTHY, *supra* note 1, § 32:190 at 32–319 to 32–320 (4th ed. 2003).

69. *See* Sunburst Prods., Inc. v. Derrick Law Co., Nos. 89-56025, 89-56113, 90-55194, 1991 U.S. App. LEXIS 352, at \*7 n.4 (9th Cir. Jan. 9, 1991) (citing Clamp Mfg. Co. v. Enco Mfg. Co., 870 F.2d 512, 517 (9th Cir. 1989)).

70. Vision Sports, Inc. v. Melville Corp., 888 F.2d 609, 615 (citing Audio Fidelity, Inc. v. High Fidelity Recordings, Inc., 283 F.2d 551, 558 (9th Cir. 1960)).

- (vi) amount of sales; and
- (vii) establishment in the marketplace.<sup>71</sup>

Whether a trademark or dress can be shown to have achieved secondary meaning through a survey or any other indicia of consumer association, the issue is always a question of fact reviewed under the clearly erroneous standard.<sup>72</sup>

The Ninth Circuit has ruled that failure to perform a secondary meaning survey is indeed not fatal, especially when dealing with higher end products having a recognized quality. In *Moscow Distillery Cristall v. Pepsico, Inc.*, defendant Pepsi appealed a jury finding that it infringed Russian-based plaintiff's mark CRISTALL for vodka, asserting that there was insufficient evidence of secondary meaning.<sup>73</sup> Pepsi argued that there was no direct evidence that domestic consumers associated the name CRISTALL with the foreign distillery, as plaintiff failed to perform a consumer survey.<sup>74</sup> The Ninth Circuit found that although no survey evidence existed, it was reasonable that consumers would distinguish plaintiff's CRISTALL name from other Stolichnaya vodkas, and identify plaintiff as the source.<sup>75</sup> This was due largely to the higher quality of plaintiff's vodka, especially in comparison to defendant Pepsi's lower grade Stolichnaya vodka.<sup>76</sup> The Ninth Circuit affirmed the lower court, finding that plaintiff likely had achieved secondary meaning for its mark.<sup>77</sup>

#### A. *Quantifying the Relevant Trademark Survey Universe*

When evaluating the proper "survey universe" in ascertaining whether a mark has achieved secondary meaning, the Ninth Circuit emphasizes that the "nature of the service provided," rather than the composition of the market to which the plaintiff actively targeted its

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71. See *Filipino Yellow Pages, Inc. v. Asian Journal Publ'n, Inc.*, 198 F.3d 1143 (9th Cir. 1999) (finding that plaintiff's evidence of secondary meaning, which did not include a survey, lacked substantial probative value to find secondary meaning for term FILIPINO YELLOW PAGES).

72. *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 514 (9th Cir. 1989); see also *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1381 (9th Cir. 1987).

73. *Moscow Distillery Cristall v. Pepsico, Inc.*, 48 U.S.P.Q.2d (BNA) 1217 (9th Cir. 1998).

74. *Id.* at 1219.

75. *Id.*

76. *Id.*

77. *Id.* at 1220.

services, controls.<sup>78</sup> *Japan Telecom, Inc. v. Japan Telecom America, Inc.* dealt with a dispute involving two telecommunication service providers in Southern California, both of which advertised mainly to the Japanese-American business community.<sup>79</sup> The Ninth Circuit commented that although the composition of the two parties' market was limited to a specific business community, because the nature of the services provided was much larger, a proper survey universe would be larger.<sup>80</sup>

As shown below, the Ninth Circuit has discussed a variety of situations where the value of survey evidence purporting to show secondary meaning has negligible value because the survey universe was limited only to the most typical users within the known culture, rather than the eventual end users or those who make the actual purchasing decisions.

1. When Dealing with Goods Generally Related to a Specific Culture, Survey Universe Should Extend Beyond That Culture to Include Other Potential Purchasers

Similar to the outcome in *Japan Telecom*, the Ninth Circuit recently remanded a trademark dispute based upon an insufficient survey universe limited only to a specific ethnic background. In *Grupo Gigante SA De CV v. Dallo & Co.*, the plaintiff, an operator of a large chain of grocery stores in Mexico called GIGANTE, asserted that the mark had attained secondary meaning within the United States.<sup>81</sup> In conducting a trademark survey to demonstrate secondary meaning, plaintiff conducted a small survey consisting of only 78 people in San Diego County.<sup>82</sup> The survey universe was limited to only Spanish-speaking individuals who had recently purchased Mexican-style food at either a supermarket or similar food store.<sup>83</sup> Of the 78 Spanish-speaking survey respondents, twenty-four asserted that

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78. *Grupo Gigante SA De CV v. Dallo & Co.*, 391 F.3d 1088, 1107 (9th Cir. 2004) (Graber, J., concurring) (citing *Japan Telecom, Inc. v. Japan Telecom Am., Inc.*, 287 F.3d 866, 875 (9th Cir. 2002)).

79. *Japan Telecom, Inc. v. Japan Telecom Am., Inc.*, 287 F.3d 866 (9th Cir. 2002).

80. *See id.* at 875.

81. *Grupo Gigante SA De CV*, 391 F.3d at 1091–92.

82. *Id.* at 1107.

83. *Id.* (citing *Grupo Gigante S.A. de CV. v. Dallo & Co.*, 119 F. Supp. 2d 1083, 1093 (C.D. Cal. 2000)).

they were aware that GIGANTE was a supermarket located in Mexico.<sup>84</sup>

The nature and value of plaintiff's trademark survey drew sharp criticism from Circuit Judge Graber. In her concurring opinion, Graber found that "the survey result [was] highly questionable in view of its narrowly defined survey population."<sup>85</sup> As the clientele of a Mexican food store would draw both Hispanic and Non-Hispanic customers, the relevant universe should not have been limited solely to Hispanic-Americans.<sup>86</sup> Rather, the trademark survey conducted by plaintiff did nothing more than show a general familiarity by the Hispanic-American community with the plaintiff's stores in Mexico.<sup>87</sup> Thus, the Ninth Circuit found that the lower court's reliance upon the trademark survey was "problematic" due to the improper universe, and found it was only of slight marginal value.<sup>88</sup> Accordingly, while the lower court found that the GIGANTE mark had achieved sufficient secondary meaning to be "moderately strong," the Ninth Circuit remanded, finding that the survey evidence was insufficient due to a deficient survey universe.<sup>89</sup>

## 2. Proper Survey Universe Should Extend Beyond the Alleged Mark Holder's Customer Base

While a limited universe based upon assumptions that only a specific ethnic group would purchase an implicated good or service is improper, the probative value of a survey is further limited when a mark holder uses only its known customer base in the survey.<sup>90</sup> In *Avery Dennison v. Sumpton*, the trademark survey only focused on respondents who purchased plaintiff's products.<sup>91</sup> Because such a universe would inflate the perceived brand awareness of an implicated product, the Ninth Circuit found the survey had no probative value.<sup>92</sup>

84. *Id.*

85. *Id.*

86. *Id.*

87. *Grupo Gigante SA De CV*, 391 F.3d at 1106.

88. *Id.* at 1107-08.

89. *Id.* at 1109.

90. *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868 (9th Cir. 1999).

91. *Id.* at 879.

92. *Id.*

3. The Survey Universe for Goods or Services Purchased Typically by Commercial Non-Public Buyers, Should Include Public or End Users of Such Goods.

Similar to improper limitations based upon ethnicity, secondary meaning surveys for typically commercial goods should not limit their universe to only commercial, non-public buyers. In *Southland Sod Farmers v. Stover Seed Co.*, the court analyzed the declaration of plaintiff's survey expert regarding consumer association relating to specific advertisements dealing in turf grass.<sup>93</sup> Plaintiff's survey expert created a two-phase trademark survey, one targeted directly to home owners who had or planned to install a lawn, while another was targeted directly at commercial landscape contractors.<sup>94</sup>

The District Court found that plaintiff's expert declaration was insufficient to withstand summary judgment, as it was primarily directed to the lay public, despite the fact that the questioned goods were directed specifically to a commercial audience.<sup>95</sup> While the Ninth Circuit found it improper to exclude the declaration altogether, the court did agree that the proper survey universe would not have been focused or directed to just a commercial audience.<sup>96</sup> Moreover, despite serious issues as to the survey's leading questions and limited geographic scope, the Ninth Circuit found such deficiencies went only to weight.<sup>97</sup>

4. When Dealing with Goods Geared Specifically Towards an Age Group, Proper Universe Must Extend Beyond the Age Bracket of the Actual Users of Such Goods, to Include Those Who Actually Make the Purchasing Decisions.

When dealing with goods typically geared towards a specific age group, the Ninth Circuit has warned that the proper universe may extend beyond the age bracket of the common user of such goods.<sup>98</sup> In *Vision Sports, Inc. v. Melville Corp.*, plaintiff asserted both trademark and trade dress infringement against defendant Melville regarding plaintiff's hang tags for its line of clothing catering to

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93. *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1142-43 (9th Cir. 1997).

94. *Id.* at 1142.

95. *Id.*

96. *Id.* at 1142-43.

97. *Id.* at 1143.

98. *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989).



skateboard enthusiasts.<sup>99</sup> Plaintiff asserted that Melville's hang-tag, which included the word STREET in large red block letters over the word CLOSED in white block letters against a black background, was too similar to plaintiff's dress.<sup>100</sup> Based upon several non-litigation related surveys submitted by plaintiff, along with other evidence of awareness of its mark and dress, the District Court issued a preliminary injunction against defendant's hang-tag.<sup>101</sup>

On appeal, the Ninth Circuit focused on the nature of plaintiff's survey, and whether it showed secondary meaning.<sup>102</sup> First, the Ninth Circuit found that the background design of a hang-tag, apart from a prevalent word mark within the hang-tag, could create in the minds of the consuming public a commercial impression, separate and apart from the word mark itself.<sup>103</sup> In conducting trademark surveys, plaintiff tested whether such consumer association existed by showing the hang-tag without the word mark, and relying only on the graphic elements and overall format of the hang-tag itself.<sup>104</sup> The Ninth Circuit found that Vision's consumer survey, which limited the test hang-tags only to the purported source identifying color scheme and graphic display, was a proper specimen to show secondary meaning.<sup>105</sup> The court also found that the greater than 80% finding of consumer association was also probative of secondary meaning.<sup>106</sup>

However, the court agreed with defendant that the overall universe was questionable, as it only targeted 10 to 18-year-old males who participated in or viewed skateboarding events.<sup>107</sup> Such limitations severely narrowed the probative value of the survey.<sup>108</sup> The court suggested that if the "survey had included all individuals ages 15 to 25 *who purchase* sports wear or active wear, the percentage of respondents identifying" plaintiff's hang-tag design would have been less than 80%.<sup>109</sup> Moreover, as such sporting goods for young males would likely be actually purchased by parents or

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99. *Id.* at 611.

100. *Id.*

101. *Id.* at 612.

102. *See id.* at 614-15.

103. *Id.* at 613.

104. *Vision Sports, Inc.*, 888 F.2d at 613 n.5.

105. *Id.* at 615.

106. *Id.*

107. *Id.*

108. *Id.*

109. *Id.* (emphasis added).

guardians, the universe was further suspect.<sup>110</sup> However, the court still affirmed the lower court's finding of secondary meaning, based upon combining the survey evidence with sales and advertising evidence proffered by plaintiff.<sup>111</sup>

*B. Required Percentages of Survey Needed to Show Secondary Meaning.*

While the Ninth Circuit in *Vision Sports* suggested that the 80% consumer association with the purported trade dress was sufficient in showing secondary meaning, courts within the Ninth Circuit typically require lower results in finding sufficient consumer awareness.<sup>112</sup> The Ninth Circuit in *California Cooler, Inc. v. Loretto Winery, Ltd.*, for instance, found that plaintiff's asserted mark, "California Cooler," had achieved secondary meaning based upon evidence showing that 75% of people questioned in a commissioned survey volunteered that the name was a specific "brand of wine cooler."<sup>113</sup>

*C. Failure to Offer Survey Evidence to Show Secondary Meaning*

As mentioned previously, unlike with confusion survey evidence, which is often only "probative," the Ninth Circuit has recently asserted that survey evidence constitutes "the most persuasive evidence of secondary meaning."<sup>114</sup> Accordingly, numerous district court decisions highlight the reality that without a valid survey, a descriptive mark or trade dress will likely be found to lack secondary meaning. In *Echo Drain v. Newsted*, the Central District of California found that Echo Drain's failure to offer either an expert report or survey evidence, led to insufficient evidence for it to find genuine issues to preclude granting the defendant's motion for summary judgment.<sup>115</sup>

Similarly, in *Yellow Cab Co. of Sacramento v. Yellow Cab Co. of Elk Grove*, the Eastern District of California found that plaintiff's offering of the declaration of a single customer created only limited

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110. See *Vision Sports, Inc.*, 888 F.2d at 615.

111. *Id.*

112. *Id.*

113. *California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1456 (9th Cir. 1985) (affirming lower court grant of preliminary injunction, as district court did not err in finding that term "California Cooler" was not generic but had achieved secondary meaning).

114. *Grupo Gigante SA De CV v. Dallo & Co.*, 391 F.3d 1088, 1107 n.1 (9th Cir. 2004) (Graber, J., concurring).

115. *Echo Drain v. Newsted*, 307 F. Supp. 2d 1116, 1122 (C.D. Cal. 2003).

probative value as to secondary meaning, compared to the value of a properly conducted trademark survey.<sup>116</sup> Thus, trademark surveys continue to be not only the most persuasive evidence of secondary meaning, but may be in reality the only means to preclude summary judgment on the issue under Ninth Circuit precedent.<sup>117</sup>

### III. EVALUATING LIKELIHOOD OF CONSUMER CONFUSION

Trademark “[s]urveys are commonly introduced as probative evidence of actual confusion.”<sup>118</sup> While the Ninth Circuit does not require any party to conduct a trademark survey to demonstrate actual confusion in the market, it does recognize that surveys are valuable tools to help “bolster” a mark holder’s infringement claims.<sup>119</sup> Moreover, the Ninth Circuit has commented that “[t]he lack of survey evidence counts against finding actual confusion.”<sup>120</sup> Apart from trademark survey evidence of confusion, the Ninth Circuit also allows proof of likelihood of confusion through: (i) other evidence of actual confusion such as consumer telephone calls; (ii) judicial comparison of both marks or dress; and (iii) the overall context of both uses in the marketplace.<sup>121</sup> Indeed, the Ninth Circuit has suggested that “proof of exact copying” of a plaintiff’s potential mark or dress without any evidence through survey, may nonetheless be sufficient evidence to show secondary meaning to accord rights.<sup>122</sup>

The Ninth Circuit has commented that its sole purpose in evaluating confusion surveys is not to reweigh both survey and circumstantial evidence of consumer confusion, but rather to ascertain

116. *Yellow Cab Co. of Sacramento v. Yellow Cab Co. of Elk Grove*, 266 F. Supp. 2d 1199, 1206 (E.D. Cal. 2003).

117. *See Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1358–59 (9th Cir. 1985).

118. *Playboy Enters. Inc. v. Netscape Communications Corp.*, 354 F.3d 1020, 1026 n.28 (9th Cir. 2004) (citing *Schering Corp. v. Pfizer, Inc.*, 189 F.3d 218, 225 (2d Cir. 1999)); *see also Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1265 (9th Cir. 2001).

119. *Morrison Entm’t Group, Inc. v. Nintendo of Am., Inc.*, 56 Fed. Appx. 782, 785 (9th Cir. 2003) (finding insufficient evidence of consumer confusion, due partially to lack of survey evidence).

120. *Oregon Arms, Inc. v. Oregon Arms Ltd.*, Nos. 99-35768, 99-35902, 2000 U.S. App. LEXIS 30215, at \*9 (9th Cir. Nov. 27, 2000) (quoting *Merriam-Webster, Inc. v. Random House, Inc.*, 35 F.3d 65, 72 (2d Cir. 1994)).

121. *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1404 n.14 (9th Cir. 1997) (affirming grant of preliminary injunction despite lack of survey evidence of actual confusion).

122. *Committee for Idaho’s High Desert, Inc. v. Yost*, 92 F.3d 814, 822–23 (9th Cir. 1996) (affirming district court finding that name “Committee for Idaho’s High Desert” had acquired secondary meaning, despite lack of survey evidence).

whether the survey was conducted under accepted principles.<sup>123</sup> However, the combination of survey evidence coupled with expert testimony as to confusion often will outweigh circumstantial evidence introduced on the issue of consumer confusion.<sup>124</sup> Thus, the Ninth Circuit views surveys as “ample and legitimate evidence in trademark cases” for ascertaining whether consumer confusion exists.<sup>125</sup>

The circuit has excluded survey results when they result in an essentially conclusory expert opinion based upon only a handful of survey questionnaires.<sup>126</sup> In *Locomotor U.S.A., Inc. v. Korus Company*, the Ninth Circuit sharply criticized plaintiff’s confusion survey on multiple grounds, finding it showed only *de minimis* confusion at best.<sup>127</sup> First, the survey questioned only a handful of commercial retailers in the form of affidavits, rather than a typical survey format questionnaire.<sup>128</sup> Second, the survey was limited only to the San Francisco area.<sup>129</sup> Third, the conclusory nature of the expert’s affidavit with regard to confusion was suspect, as it showed no analysis of the data provided by the handful of retailers questioned.<sup>130</sup> Finally, as the nature of the implicated products were inexpensive and purchased by casual shoppers who would invest little time in the purchasing decision, the survey should have been more detailed and used a larger number of potential consumers of the products.<sup>131</sup> Thus, the Ninth Circuit affirmed the lower court’s finding that plaintiff Locomotor failed, as a matter of law, to show a likelihood of consumer confusion.<sup>132</sup>

Moreover, the Ninth Circuit has ruled that while confusion surveys are often a “significant measure of consumer confusion,” they are not in themselves dispositive of the issue of likelihood of confusion.<sup>133</sup> *Sunburst Products, Inc. v. Derrick Law Co.* dealt with an implicated SHARK watch and FREE STYLE watch trade dress

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123. *Levi Strauss & Co v. Blue Bell, Inc.*, 778 F.2d 1352, 1360 (9th Cir. 1985).

124. *Id.*

125. *Id.* (citing *Anti-Monopoly, Inc. v. Gen. Mills Fun Group, Inc.*, 684 F.2d 1316, 1323 (9th Cir. 1982)).

126. *See Locomotor U.S.A., Inc. v. Korus Co.*, Nos. 93-56032, 93-56622, 1995 U.S. App. LEXIS 401, at \*12–13 (9th Cir. Jan. 6, 1995).

127. *Id.*

128. *Id.* at \*12.

129. *Id.*

130. *Id.* at \*13.

131. *See id.*

132. *Locomotor U.S.A., Inc.*, 1995 U.S. App. LEXIS 401, at \*13–14.

133. *Sunburst Prods., Inc. v. Derrick Law Co.*, Nos. 89-56025, 89-56113, 90-55194, 1991 U.S. App. LEXIS 352, at \*23 (9th Cir. Jan. 9, 1991).

and logo, in which the lower court issued a preliminary injunction against defendant Derrick Law.<sup>134</sup> For the preliminary injunction hearing, plaintiff Sunburst relied greatly on survey evidence purporting to show consumer confusion between its SHARK watch and defendant's ReebokVersion3 watch.<sup>135</sup> On appeal, Sunburst argued that the lower court failed to place significant evidence on its confusion survey in denying certain portions of its requested injunction.<sup>136</sup>

Finding that the District Court did not improperly weigh Sunburst's survey evidence during its full evidentiary hearing on the issue, the Ninth Circuit found that defendants properly raised several issues regarding the survey's conclusions.<sup>137</sup> Specifically, the Ninth Circuit held that survey evidence is not dispositive in itself on the issue of likelihood of consumer confusion;<sup>138</sup> the District Court's visual comparison of both implicated watches, and its finding of certain dissimilarities, was sufficient to overcome many of the survey's findings.<sup>139</sup> Accordingly, the Ninth Circuit affirmed the scope of the District Court's preliminary injunction.<sup>140</sup>

#### A. *Percentage of Confusion Likely to Warrant Finding of Confusion*

A trademark survey finding a level of more than 25% of consumers identifying an implicated mark or dress is associated with plaintiff's mark or dress, is sufficient evidence of consumer confusion.<sup>141</sup> In *Thane International, Inc. v. Trek Bicycle Corp.*, bicycle manufacturer Trek asserted its trademark rights against Thane International's line of stationary bikes sold under the name OrbiTREK.<sup>142</sup> Trek introduced a survey as evidence of actual confusion between the marks TREK and OrbiTREK.<sup>143</sup> Conducted by University of Southern California business professor David A. Stewart, the survey consisted of interviews with 400 people over the age of 18 who had purchased either a bicycle or exercise equipment

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134. *Id.* at \*1.

135. *Id.* at \*23.

136. *Id.*

137. *Id.*

138. *Id.* at \*23–24.

139. *Sunburst Prods., Inc.*, 1991 U.S. App. LEXIS 352, at \*24.

140. *Id.* at \*25.

141. *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 902–03 (9th Cir. 2002).

142. *Id.* at 900.

143. *Id.* at 902.

within the last three years, or planned to do so within a year.<sup>144</sup> Stewart's interviews were conducted at shopping malls in eight metropolitan areas.<sup>145</sup>

The interviews consisted of showing respondents pictures of both Trek and Orbitrek products.<sup>146</sup> Upon analysis, Stewart testified that 27.7% of the respondents were confused with respect to the source of the OrbiTREK products, based upon the similarity of its name with TREK.<sup>147</sup> In commenting on the proper weight to accord the Trek survey, the Ninth Circuit found that a reasonable jury "could" find that relevant consumers would likely be confused by the OrbiTREK name.<sup>148</sup> Thus, the court essentially found that as little as 27.7% of confusion, after removal of underlying survey noise through a control, was sufficient to create evidence of likelihood of confusion.<sup>149</sup>

The Ninth Circuit has also found that confusion between 40% nationally, and 47% within the relevant geographic use of the mark, was "eminently trustworthy" in finding actual confusion in the marketplace.<sup>150</sup> In *E. & J. Gallo Winery v. Gallo Cattle Co.*, defendant Gallo Cattle, owned by the younger brother of plaintiff, appealed the District Court's grant of summary judgment regarding the use of the GALLO trademark on retail packages of cheese.<sup>151</sup> Prior to its motion for summary judgment, plaintiff E. & J. Gallo performed a detailed survey organized by expert Mervin Field, which consisted of interviewing nearly 3,500 adults in 35 different shopping malls throughout the United States.<sup>152</sup>

Shown photographs of defendant's cheese label and asked which "company [the respondent] believe[d] put[] out this cheese," over 40% of individuals nationally, and 45% of those questioned in California answered the plaintiff.<sup>153</sup> Specifically, the interviewees were shown one of eight labels, four of which contained a disclaimer that the cheese was not affiliated with plaintiff, and four that did not

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144. *Id.*

145. *Id.*

146. *Id.*

147. *Thane Int'l, Inc.*, 305 F.3d at 902-03.

148. *Id.* at 903.

149. *See id.* at 902 n.6.

150. *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1292-93 (9th Cir. 1992).

151. *Id.* at 1283.

152. *Id.* at 1292.

153. *Id.*

contain such disclaimer.<sup>154</sup> These figures were both collated by the expert, and reduced for abnormalities within the results.<sup>155</sup> While the defendant argued that the questions were unduly leading, the court found the results were not only reliable, but “eminently trustworthy.”<sup>156</sup>

Questions with regard to format of a confusion survey may be overcome when the results show a large degree of perceived confusion.<sup>157</sup> In *Academy of Motion Picture Arts and Sciences v. Creative House Promotions, Inc.*, plaintiff sought trademark protection against defendant’s “Star Award” which it claimed was too similar to plaintiff’s gold figure “Oscar” statuette.<sup>158</sup> At trial, the court ruled against plaintiff by finding no confusion.<sup>159</sup> On appeal, plaintiff asserted that the high instances of 70% confusion found in its survey warranted reversal or remand.<sup>160</sup> Conducted in the country’s three largest metropolitan areas (namely, New York, Chicago, and Los Angeles), the survey focused on white-collar professionals who were associated with both the defendant’s Star Award and the Oscars.<sup>161</sup>

The Ninth Circuit found that the failure of plaintiff’s survey to address confusion by the recipients and later viewers of the award who were not exposed to defendant’s marketing presentations, nonetheless warranted some evidence of actual confusion.<sup>162</sup> In addition, other evidence of actual confusion, including phone calls to plaintiff who believed that the Star Award was bestowed on actors, created further persuasive proof of confusion.<sup>163</sup> Thus, based upon the large finding of confusion via its survey, in addition to other outside evidence of actual confusion, the Ninth Circuit found that plaintiff had created a sufficient showing of confusion among consumers.<sup>164</sup>

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154. *Id.* at 1292 n.6.

155. *Id.* at 1292.

156. *E. & J. Gallo Winery*, 967 F.2d at 1292-93.

157. *Acad. of Motion Picture Arts and Sci. v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1455-56 (9th Cir. 1991).

158. *Id.* at 1449.

159. *Id.*

160. *See id.* at 1449, 1455-56.

161. *Id.* at 1455-56.

162. *Id.* at 1456.

163. *Acad. of Motion Picture Arts and Sci.*, 944 F.2d at 1456.

164. *Id.*

*B. Survey Evidence Showing Less Than 10% Confusion Creates Proof of Non-Infringement*

As a general matter, the Ninth Circuit is typically opposed to employing a survey conducted specifically to prove no actual confusion between two marks or dress to defeat a claim of likelihood of consumer confusion.<sup>165</sup> Rather, alleged infringers attempting to disprove confusion resort to statistically showing how a purported mark or dress holder's survey in fact shows no likelihood of confusion.<sup>166</sup> Typically, survey results finding less than 10% confusion warrant a finding that the alleged infringing mark or dress does not create a likelihood of consumer confusion.<sup>167</sup>

In *Cairns v. Franklin Mint Co.*, the court found that aggregated responses to the plaintiff's genericness survey, showing only 6.9% of respondents believed the questioned service came from a particular organization, created insufficient evidence of confusion.<sup>168</sup> Similarly, in *Visa International Service Association v. Eastern Financial Credit Union*, 6.7% confusion between two disputed marks was found not only insufficient to show actual confusion for purposes of preliminary injunction, but supported a finding of no confusion.<sup>169</sup>

In analyzing the few cases before the Ninth Circuit which have analyzed what percentage of confusion is proof of a likelihood of confusion, the court appears to be consistent that approximately 25% confusion is not sufficient, when the survey's accuracy has been validly criticized. The Ninth Circuit in *Playboy Enterprises, Inc. v. Netscape Communications Corp.*, found that while not before the court on appeal, an expert's finding of only 22% confusion, along with valid criticism regarding the handling of the survey, supported a finding of no likelihood of confusion.<sup>170</sup>

The Ninth Circuit, in at least one case, has found that survey results which showed more than 30% consumer confusion, was

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165. *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175 (9th Cir. 1988) (finding lower court did not abuse its discretion in denying alleged infringer's request to extend discovery in order to conduct survey to show no actual confusion).

166. See *Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020 (9th Cir. 2004).

167. See *Cairns v. Franklin Mint Co.*, 24 F. Supp. 2d 1013, 1040 (C.D. Cal. 1998) (quoting *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 467 n.15 (4th Cir. 1996)).

168. *Id.* at 1040.

169. *Visa Int'l Serv. Ass'n v. E. Fin. Fed. Credit Union*, 24 U.S.P.Q.2d (BNA) 1365, 1368 (9th Cir. 1992).

170. *Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020, 1026-27 (9th Cir. 2004).



insufficient to show actual confusion.<sup>171</sup> In *Prudential Insurance Co. v. Gibraltar Financial Corp.*, the District Court excluded from evidence Prudential's trademark survey on the issue of actual confusion, which showed that 14–31% of the public identified defendant Gibraltar's logo with Prudential.<sup>172</sup> The Ninth Circuit found that the District Court's exclusion of the survey evidence "failed to prejudice Prudential because the survey showed only that the Prudential rock and the Gibraltar rock were *linked in the public eye*."<sup>173</sup> As both marks had co-existed for 28 years, the Ninth Circuit found that the survey evidence proffered by Prudential was insufficient to show consumer confusion.<sup>174</sup>

#### IV. ASCERTAINING WHETHER A MARK IS GENERIC

"Consumer surveys have become almost *de rigueur* in litigation over genericness."<sup>175</sup> The Ninth Circuit has often looked towards survey evidence in finding a disputed trademark is still protectable and not generic.<sup>176</sup> Often, survey evidence is the most prominent and important evidence available to the court in order to ascertain whether a mark is generic.<sup>177</sup> While the value of genericness surveys run akin to secondary meaning surveys, courts within the Ninth Circuit acknowledging such importance, require specifically framed questions and certain levels of survey results to deem that a disputed mark remains protectable.

##### *A. Surveys Testing Genericness Should Ask Whether Consumers Associate Good with a Brand or With a Type of Product.*

Under Ninth Circuit precedent, purported trademark or trade dress holders should provide not only a competent survey, but also expert testimony discussing the survey when attempting to show a mark is not generic. In *Stuhlbarg International Sales Co. v. John D.*

171. *Prudential Ins. Co. v. Gibraltar Fin. Corp.*, 694 F.2d 1150, 1155–56 (9th Cir. 1982).

172. *Id.* at 1155.

173. *Id.* at 1156 (emphasis added).

174. *Id.*

175. *Big Island Candies, Inc. v. Cookie Corner*, 269 F. Supp. 2d 1236, 1250 (D. Haw. 2003) (quoting 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §12:14 (4th ed. 2003)).

176. *See, e.g., Stuhlbarg Int'l Sales Co., v. John D. Brush & Co.*, 240 F.3d 832 (9th Cir. 2001) (finding FIRE-SAFE mark was not generic and should be afforded trademark protection based upon survey evidence).

177. *See Big Island Candies, Inc.*, 269 F. Supp. 2d at 1250.

*Brush & Co.*, defendant Brush submitted a trademark survey attempting to show that the name FIRE-SAFE was not-generic.<sup>178</sup> Essentially, the survey found that 44% of consumers were “aware” of the term FIRE-SAFE.<sup>179</sup> However, plaintiff Stuhlbarg asserted that several technical issues with the Brush survey warranted finding it inadmissible.<sup>180</sup> Specifically, Stuhlbarg criticized the types of questions, in that they did not ask whether the term FIRE-SAFE was a “brand name” or just a “common name” used to describe a type of product.<sup>181</sup> The Ninth Circuit agrees, emphasizing that a genericness survey should question whether a disputed mark creates “consumer awareness” as to a specific brand or source.<sup>182</sup>

However, as both the trial court and Ninth Circuit did not have sufficient information as to (i) the survey’s design, (ii) actual questions asked, and (iii) overall methodology, the court found that the Brush survey should be “ascribed little weight.”<sup>183</sup> Further, the court criticized Brush’s litigation tactic of failing to present additional evidence that the term FIRE-SAFE was not generic, including expert testimony via deposition.<sup>184</sup> Thus, the Ninth Circuit found that the District Court did not commit an abuse of discretion by finding a likelihood of success that the term would be generic and thus unenforceable.<sup>185</sup>

*B. Survey Must Ask “What Are You” Rather Than “Who Are You” When Testing Whether a Mark Is Generic.*

At least one court within the Ninth Circuit has found that improper format for survey questions may lead to the exclusion of survey evidence as to genericness. In *Big Island Candies, Inc. v. Cookie Corner*, plaintiff Big Island sued defendants alleging trade dress infringement regarding its chocolate dipped shortbread cookie design.<sup>186</sup> Defendant Cookie Corner filed its motion for summary judgment, arguing that the cookie design was generic and not

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178. *Stuhlbarg Int’l Sales Co. v. John D. Brush & Co.*, 240 F.3d 832, 840 (9th Cir. 2001).

179. *Id.*

180. *See id.*

181. *See id.*

182. *See id.*

183. *See id.*

184. *Stuhlbarg Int’l Sales Co.*, 240 F.3d at 840.

185. *Id.*

186. *Big Island Candies, Inc. v. Cookie Corner*, 269 F. Supp. 2d 1236, 1237 (D. Haw. 2003).

protectable.<sup>187</sup> In order to prove its cookie acted as a source identifier, plaintiff proffered the results of a consumer survey.<sup>188</sup>

Under the survey protocol, respondents were first shown a picture of the plaintiff's cookie wrapped in cellophane with the printed words "Big Island Candies."<sup>189</sup> Respondents first asked whether they had ever seen such a cookie before, and then asked, "Who makes this product?"<sup>190</sup> Between 16.9–29.4% identified the plaintiff as making the product.<sup>191</sup> Defendants criticized the survey questions in that they essentially asked, "Who are you?" rather than "What are you?"<sup>192</sup> In analyzing the nature of the plaintiff's survey questions, the district court found the survey was of no help in defeating defendant's motion for summary judgment.<sup>193</sup> Specifically, the format of the questions did not test for genericness.<sup>194</sup> A more acceptable question would have been whether consumers associated the cookie with a particular source.<sup>195</sup> Moreover, the inclusion of the plaintiff's word mark on the test subject was also improper.<sup>196</sup> As plaintiff's survey failed to test consumer precepts of the cookie design, the court found that the design was generic.<sup>197</sup>

*C. Results in Genericness Surveys Must Show That Greater Than Fifty Percent of Consumers Identify Good or Service as Coming From a Specific Brand or Source.*

Similar to the percentages required to show secondary meaning, the Ninth Circuit typically requires over 50% of survey respondents to identify an implicated good as coming from a specific brand or source, rather than identifying just a type of good. The Ninth Circuit in *California Cooler, Inc. v. Loretto Winery, Ltd.*, found that survey evidence proffered by the plaintiff showing that 75% of relevant consumers found the name "California Coolers" was a specific brand of wine cooler amounted to sufficient evidence of a non-generic

187. *Id.*

188. *Id.* at 1249–50.

189. *Id.* at 1250.

190. *Id.*

191. *Id.*

192. *Big Island Candies, Inc.*, 269 F. Supp. 2d at 1249–50.

193. *Id.* at 1250.

194. *Id.*

195. *Id.*

196. *Id.*

197. *Id.* at 1250–51.

mark.<sup>198</sup> Likewise, the court in *Coca-Cola Co. v. Overland, Inc.*, found that a survey showing that over 76% of consumers sampled recognized “Coke” as a brand name, rather than a term identifying soda in general, was sufficient evidence to show the name remains a Coca-Cola trademark.<sup>199</sup>

## V. USE OF SURVEYS TO TEST ACTUAL DILUTION

Although courts within the Ninth Circuit routinely rely upon survey evidence to test confusion, secondary meaning, and genericness, surveys are seldom used effectively to test for dilution. Put simply, there exists “no standard criteria for surveying dilution.”<sup>200</sup> Often, consumer survey evidence is not necessary to prove actual dilution, if other circumstantial evidence is available, especially when the senior and junior marks are identical.<sup>201</sup> This is mainly because it is almost impossible to prepare a proper dilution survey that effectively detects the requisite “whittling away” found when dilution supposedly occurs.<sup>202</sup>

In order to prove dilution within the Ninth Circuit, the plaintiff must establish that:

- (1) Plaintiff owns valid registrations of the purported marks;
- (2) defendant’s marks are a colorable imitation of plaintiff’s marks;
- (3) plaintiff’s marks are distinctive or have acquired secondary meaning;
- (4) defendant’s use was without consent; and
- (5) defendant’s marks threaten to dilute the distinctiveness of plaintiff’s mark or tarnish its reputation.<sup>203</sup>

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198. *California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1456 (9th Cir. 1985).

199. *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1254 n.11 (9th Cir. 1982).

200. *Hershey Foods Corp. v. Mars, Inc.*, 998 F. Supp. 500, 518 (M.D. Pa. 1998).

201. *Am. Honda Motor Co. v. Pro-Line ProtoForm*, 325 F. Supp. 2d 1081, 1085 (C.D. Cal. 2004) (citing *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003)).

202. *See Quill Natural Spring Water, Ltd. v. Quill Corp.*, No. 91 C 8071, 1994 WL 559237, at \*12–14 (N.D. Ill. Oct. 7, 1994).

203. *E. & J. Gallo Winery v. Gallo Cattle Co.*, 12 U.S.P.Q.2d (BNA) 1657, 1675 (E.D. Cal. 1989).

As dilution is essentially the erosion of the public's ability to identify a very strong mark with the mark holder alone, a proper dilution survey would have to show such whittling away of a mark's strength.<sup>204</sup> Likely, one would have to employ a pre-litigation survey conducted well before the alleged dilution and a second survey conducted at the time of the onset of litigation to show the public's reduced ability to identify the plaintiff's mark.

The only direct discussion by the Ninth Circuit with regard to a dilution survey occurred in *Nissan Motor Co. v. Nissan Computer Corporation*.<sup>205</sup> In *Nissan*, plaintiff appealed the District Court's grant of defendant's motion for summary judgment as to trademark dilution caused by defendant's use of NISSAN for its computer services.<sup>206</sup> Several years prior to the lawsuit, plaintiff had conducted three Allison-Fisher surveys finding that it enjoyed 55% awareness among consumers in 1985, 60% consumer awareness in 1986, and 65% awareness in 1991.<sup>207</sup> During discovery, plaintiff attempted to use these three surveys as evidence of famousness, sufficient to prove trademark dilution.<sup>208</sup>

In evaluating whether such staggered pre-litigation surveys could be used as evidence in evaluating claims of dilution, the court cautioned that it could not "say as a matter of law, on this record, and that the survey, expert, and advertising evidence [would] permit only the conclusion that the NISSAN mark was famous as of 1991."<sup>209</sup> However, based upon the evidence provided, the Ninth Circuit did find sufficient genuine issues did exist as to trademark dilution sufficient to remand to the trial court for further consideration.<sup>210</sup>

## VI. CONCLUSION

The Ninth Circuit will continue to be one of the most influential courts with regard to the development of trademark survey principles. Its general rule allowing for admissibility of surveys in general, and allowing for technical issues with a survey to go towards weight, represents a distinct difference from other circuits addressing

204. See generally, E. & J. Gallo Winery v. Consorzio del Gallo Nero, 782 F. Supp. 457, 469 (N.D. Cal. 1991).

205. 378 F.3d 1002 (9th Cir. 2004).

206. *Id.* at 1006-07.

207. *Id.* at 1014.

208. *Id.*

209. *Id.*

210. *Nissan Motor Co.*, 378 F.3d at 1020.

trademark disputes. While this rule certainly allows the fact finder an additional source of circumstantial evidence in evaluating a trademark or trade dress, it also may result in pre-trial laziness. By allowing survey defects to go only to weight, the Ninth Circuit may have risked lowering the bar such that undeveloped surveys may be presented to the factfinder. Furthermore, it may place too many variables into the hands of a lay jury not experienced in handling the multiple issues inherent in conducting a proper trademark survey.

The cases highlighted above represent the result of the open admission of trademark survey evidence. As shown, the Ninth Circuit's general openness to survey evidence has led to multiple reversals and remand to the District Court for further consideration. This often results in greater litigation costs associated with maintaining a trademark dispute within the circuit. However, it also leads to more flexibility in how to prepare a trademark survey. As the arena of trademark survey law continues to expand, especially in the field of establishing trade dress rights, this general openness within the Circuit may allow for new methods and tools in executing surveys. As shown in the recent *Clicks Billboards, Inc. v. SixShooters, Inc.*, the trademark survey environment has expanded outside the limitations of the mall or telephone survey, and into the actual locales in which the implicated goods or services are purchased.<sup>211</sup> Thus, the Ninth Circuit may provide the best opportunity for development of a proper dilution survey, or for the protocol in which to conduct an accepted computer-based Internet survey.

Regardless, the development and use of trademark surveys remains a pivotal part of maintaining both trademark claims and defenses. The current trends highlighted in this article only further support the notion that well executed surveys, conducted in multiple locations, to the proper universe of consumers, is almost dispositive of many of the issues found in trademark disputes. The Ninth Circuit will continue to pave the way in guiding trademark counsel in the proper methods and roles this tool will play in the practice of trademark law.

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211. *Click Billboards, Inc. v. SixShooters, Inc.*, 251 F.3d 1252 (9th Cir. 2001).

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