Survey Says

Best Practices on Trademark Consumer Survey Admissibility

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Not all surveys are created equal. Litigants should follow best practices to ensure that their surveys are admitted and given the greatest possible weight by the courts.

Why do litigants need survey evidence? Survey evidence can be a powerful tool to help bolster a rights holder's claims or to help a defendant dispose of weak claims. Performing a consumer survey early in the case has several advantages for both sides. More and more, survey evidence is presented in connection with seeking preliminary injunctions and can make the difference in getting an injunction granted or denied. Further, doing a survey early can help position a case for an early settlement. For example, depending on your side, if the results show high consumer confusion or little to no confusion, litigants may be persuaded to come to an early resolution. Also, sharing the results of a strong survey early can set up a hook for seeking attorney's fees later in the case. For example, if a defendant continues to use a mark in the face of strong consumer confusion evidence for the duration of a matter, that could warrant a finding of fees. Even if a survey is not conducted at the outset of a litigation, it will be needed later to prove the likelihood of confusion, especially when actual confusion evidence is missing.

Further, while consumer surveys traditionally are used in trademark infringement matters, they can be an effective tool in copyright and patent matters, as well. For example, consumer survey evidence can be used to establish reasonable royalty rates, the royalty base, market value in assessing damages in patent, copyright, and trademark matters, or any combination thereof.

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This article will discuss the various types of consumer survey methods available and give guidance on how to select the right survey for your case. This article will also give advice on structuring a consumer survey that will be deemed valid and admissible by the courts.

Strength of the Claims

A trademark survey can damage your case if the results are less favorable than expected. A party must have a clear understanding of the strength of its claims before deciding to conduct a trademark survey. Otherwise, conducting a survey could compromise a party's litigation position if the results contradict or undermine its claims or defenses. Litigants should strongly consider conducting a pilot survey first to get an idea of the likely outcome.

Timing

A mark holder should consider conducting a consumer survey to establish secondary meaning before suit is actually filed. If the party waits until there is a pending litigation, it may be impossible to go back in time to establish secondary meaning when the mark was first infringed. This was the case in *Converse, Inc. v. Int'l Trade Comm'n Skechers U.S.A., Inc.*, 909 F.3d 1110 (Fed. Cir. 2018). The Federal Circuit in this case found that a contemporary survey had "little relevance" that was pertinent to historical secondary meaning. In general, a survey will be stronger when it tests consumers closer to the time of the alleged infringement. A survey at the onset of litigation can let either party know the relative strength or weakness of the disputed mark. An early survey may also provide settlement leverage to show the strength of the party's position or the weakness of the other side's position. Survey evidence can also be used to support or oppose a preliminary injunction at the outset of the case. *CytoSport, Inc. v. Vital Pharm., Inc.*, 617 F. Supp. 2d 1051, 1075 (E.D. Cal.), *aff'd*, 348 F. App'x 288 (9th Cir. 2009).

Cost and Benefits

Trademark surveys can be expensive. Parties may justify the cost where there is no existing evidence of actual confusion or a likelihood of confusion. A company may also be able to repurpose certain types of surveys for multiple cases. For example, surveys that test fame, secondary meaning, or whether something is perceived as generic or a brand, referred to in the parlance as "genericness," are not specific to a particular case and can be used in future litigation matters. And certain survey methods can sometimes tackle two legal issues at once. Likelihood of confusion and secondary meaning can sometimes be tested together. Further, it has become common practice to use internet surveys, which are generally much less expensive than traditional mall-intercept-style surveys.

Strategic Considerations

If money permits, and there is no strong evidence of confusion, it is always advantageous to do a consumer survey. It is best to start with a pilot survey to test the survey methods and also to get a feel for the outcome. A pilot survey can then be rolled into the full survey, if no adjustments need to be made.

If you are defending against the results from a consumer survey by a mark holder, you should hire an expert to attack the survey methods, universe, results, or a combination of these. If money allows, it is also advantageous then to conduct a counter-survey using a different methodology or structure that shows lower consumer confusion. It is important to hire a well-credentialed expert with experience conducting confusion surveys that have been deemed admissible by the courts and an expert with the ability to defend his or her report vigorously on cross-examination.

Types of Trademark Surveys

Experts and trial lawyers should work together to decide on the type of survey to conduct. The appropriate survey method depends on the legal issues and facts of the case.

Likelihood of Confusion

The most common type of trademark survey is the "likelihood of confusion" survey. Is the consumer confused by the party's name or trademark? Do consumers or potential consumers perceive they are buying one product or service and it is really a different product or service? Are these separate companies, or is there confusion about the source of the product or a perceived affiliation with another company?

The "Eveready" format is recognized by the courts as the "gold standard" of survey evidence. The name comes from the case *Union Carbide Corp. v. Ever-Ready Inc.*, 392 F. Supp. 280, 292 (N.D. Ill. 1975), *rev'd*, 531 F.2d 366 (7th Cir. 1976). This format is well suited for testing strong, famous, or well-known marks. Litigants can also use an Eveready survey in reverse-confusion cases, directing questions to potential customers of the plaintiff's products, not the defendant's products. Litigants can also sometimes use the results to demonstrate secondary meaning.

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Eveready-style surveys are not as suitable for lesser-known senior marks, since the consumer needs to be able to call the senior mark to mind easily. "Squirt" is an alternative survey format for testing the likelihood of confusion between marks that may not be top of mind and thus cannot be compared unaided. *Squirtco v. Seven-Up Co.*, 628 F.2d 1086, 1089 n.4 (8th Cir. 1980), originally set forth the Squirt survey standards. To use the Squirt format, the products must overlap. And the presentation of the products must be reproduced realistically as the consumer would find them in the marketplace. Squirt testing relies on the proximity of the products rather than the strength of the mark.

Genericness, Fame, and Dilution

Parties can use genericness, fame, and dilution surveys where the validity of a mark

is challenged on grounds of genericness or fame, or when dilution is asserted, and sometimes in all situations. Genericness asks if the product is perceived as generic or as a brand? Fame asks, "Is the mark famous?" The Federal Trademark Dilution Act states, "a mark is famous if it 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." Most dilution surveys expose respondents to the allegedly infringing mark (junior mark) and test whether they associate it with the senior mark. The Federal Trademark Dilution Act provides relief if the junior mark's use is likely to cause "dilution by blurring" or "dilution by tarnishment" of the senior mark.

A litigant should avoid under- and over-inclusiveness in the survey population.

Secondary Meaning

Secondary-meaning surveys assess whether a word, name, symbol, device, or trade dress has achieved trademark status by acquiring secondary meaning. These are association tests. The surveys do not test who makes a product, what a word or name means, or how well known a brand is, but rather, they test whether the name is associated with a certain source. This concept is related to likelihood of confusion or genericness. So a survey that tests one of these concepts may also double to show secondary meaning.

Methodological Considerations for Consumer Survey Admissibility

Those conducting a consumer survey should pay careful attention to the study design and how results are reported. There are several methodological considerations to contemplate when designing a study. These include selecting the correct universe of respondents, appropriately presentating the marks at issue, asking the right questions in the right way to the right respondents, and using a proper control when necessary. These factors are vital, since improper survey methods can lead to unfavorable outcomes and can negatively affect the weight and admissibility of the survey in court.

It is important to hire an expert with the right qualifications to design a methodologically sound survey for the issues at hand. Choosing the wrong expert can mean the difference between using a proper or improper "universe" or between having a solid or faulty methodology, which will be discussed more below. Relying on an improper universe or faulty method can crater the survey and lead to a court excluding it from trial.

Defining the Universe

The first step in designing an admissible survey is to define the universe of participants properly. The relevant legal questions determine the appropriate type of study. For example, likelihood of confusion studies should use potential purchasers, while genericness, fame, and dilution studies should use the general national consumer population.

Likelihood of Confusion Universe

A likelihood of confusion survey should first determine which market to test: the senior or junior user of the mark. This depends on whether the plaintiff is alleging forward- or reverse-consumer confusion. A traditional trademark infringement or forward confusion occurs when the use of a trademark by a junior user is likely to lead consumers to believe—mistakenly—that the junior user's goods originate from, or are associated with, the senior user of the mark. Most often, the senior user tests for forward confusion, and the measurement occurs with the defendant's potential customers. When a junior user saturates the first user's market, a reverse-confusion survey measures the senior user's potential customers. Some cases merit testing both.

Recruiting the Sample of Potential Purchasers

The survey expert works with the lawyer to determine the universe sought, based on the type of study. As discussed, the appropriate survey universe for likelihood of confusion is the potential purchaser of a product. Attorneys should ask the client to help delineate the universe's potential customers or those of its competition. For example, attorneys should ask what their clients know about their purchasers' buying habits, such as how often their potential consumers buy the product or service. This will help the survey designer craft appropriate questions. For example, if a survey is testing the level of consumer confusion for gum packaging, it might ask the consumer, "Have you purchased gum in the last month, or do you plan to purchase gum in the next month?" For a more infrequent purchase such as televisions, the survey may ask, "Have you purchased a television in the last year or do you plan to purchase a television in the next year?"

A litigant should also consider other qualities in potential purchasers, such as gender, age, or geographic region. For example, certain genders or age groups might be more likely to purchase running clothes. The scope of regions to be tested depends on the junior or senior user's market base. A litigant should avoid under- and over-inclusiveness in the survey population. A litigant should assess relevant variables that contribute to the purchasing choice (*e.g.*, having a regional versus national product or service, age, gender, and timing). Traditionally, trademark infringement depended on the geographic location of the junior and the senior user. While geography is still important, internet and social media may broaden the market and potential customer base.

The European Society for Opinion and Marketing Research, also known as "ESOMAR," promulgates best practices for data-recruiting professionals, and an expert should follow these standards in acquiring the appropriate universe sample. Recruiting an appropriate sample can be expensive, and when testing business-to-business or other specialty markets, it may be more difficult or costly to find appropriate survey participants within the universe.

Improper Universe Examples

Let's now consider some cases that surveys used an improper universe.

- *Reinsdorf v. Skechers USA*, 922 F. Supp. 2d 866, 877–79 (C.D. Cal. 2013). The survey here was found improper. It tested respondents who were both male and

female potential purchasers of "athletic wear," even though the defendants mainly marketed the product to female consumers of "fashionable footwear."

- *Hutchinson v. Essence Commc'ns Inc.*, 769 F. Supp. 541, 559–60 (S.D.N.Y. 1991). In this case, the survey of only potential users of the senior product was found improper because it did not include potential users of the junior product.
- *Watec Co. Ltd. v. Liu*, 2002 WL 34373489, at *1–2 (C.D. Cal. May 21, 2002). The defendant's survey was held inadmissible because it "stacked the deck": 20 percent of respondents were actual customers of the defendant, ultimately providing no actual objective statistical information.
- *Big Dog Motorcycles LLC v. Big Dog Holdings Inc*, 402 F. Supp. 2d 1312, 1334–35 (D. Kan. 2005). A survey of prospective buyers of all t-shirts and caps was disregarded for having too broad a universe because it was not limited to prospective buyers from the junior user, those likely to buy t-shirts and caps at motorcycle dealerships.
- *Kwan Software Eng'g Inc. v. Foray Tech. LLC,* 2014 WL 572290, at *4–5 (N.D. Cal. 2014). The court threw out a survey that surveyed only people who used the software products in question in their work and failed to include the actual potential purchasers of the software, who are not always the ultimate users. In other words, it was purchasers, not users, who should have been surveyed.
- *A&H Sportswear Co. v. Victoria's Secret Stores*, 926 F. Supp. 1233, 1256 (E.D. Penn. 1996). The survey in this case compared similar marks on two types of products (MIRACLE BRA *bra* with the MIRACLESUIT *swimsuit*) after simply assuming that the same two marks on the same type of product (swimwear) would be confusing. The court did not give weight to the survey evidence of "reverse confusion" because of the faulty reasoning that comparing the MIRACLESUIT *swimsuit* and THE MIRACLE BRA *swimsuit* would be confusing.

Presentation of the Mark and Survey Format

The survey must present the mark to the participants correctly. The consumers should be able to view the mark with sufficient detail. Display of the mark depends on the type of study. For example, secondary-meaning studies isolate the mark, while likelihood of confusion surveys recreate the reality of the marketplace.

Isolating the Trademark or Trade Dress

In a secondary-meaning study, isolating the mark—any word, name, symbol, device, or combination of trade dress—must be done precisely. For example, a survey can isolate a color or a symbol and determine whether the majority or minority of consumers associate that trade dress or symbol with the plaintiff. The survey measures the association between the plaintiff's claimed trademark and its product. (Note: It is more difficult to measure a specific pantone color on a computer with an online study where there is variability of color calibration.) The survey focuses respondents' attention on the trademark. (This is different from a survey where the study replicates marketplace conditions, such as a website purchase.) In isolating the mark, the survey should filter out the nonfunctional features.

For example, in *Brooks Shoe Mfg. Co. v. Suave Shoe Corp.,* 533 F. Supp. 75 (S.D. Fla. 1981), *aff'd*, 716 F.2d 854 (11th Cir. 1983), the issue was whether the "V" design on the plaintiff's athletic shoes had acquired secondary meaning. In the plaintiff's survey, only the word "Brooks" was masked, and 71 percent correctly identified the Brooks shoes and 33 percent identified Brooks based on the "V." In the defendant's survey, only 3 percent identified the "V" as a Brooks shoe when everything else was masked. The survey conducted with spectators and participants at organized track meets was underinclusive of consumers of athletic footwear. The court discounted the survey results and held that the plaintiff failed to prove secondary meaning.

Creating a Marketplace Condition

In likelihood of confusion studies, the mark should be shown to the consumer as it is found in the marketplace. The closer the survey comes to replicating marketplace conditions, the greater the evidentiary weight it will have.

Eveready and Squirt survey designs are both deemed acceptable survey formats by courts for measuring likelihood of confusion. Choosing the survey design that best fits depends on the strength of the trademark and how the products are sold. The Eveready format—the "gold standard" for likelihood of confusion—tests similarity of marks, similarity of products, and commercial strength (expressed as top-of-mind awareness).

A lesser-known trademark may be better assessed through a Squirt survey. The Squirt format includes both companies' products. The subject first views the plaintiff's product, followed by the defendant's product in a lineup or an array. In the *array* model, respondents view an array of several marks, two of which include the contested marks, and they are asked whether they see any connections of source between the marks. In the *lineup* model, respondents are first shown the plaintiff's brand, then they are shown a lineup of many marks, including the defendant's brand, and finally, they are asked whether any brands in the lineup are from the same source as the first mark.

Improper Methodology

The case *Black & Decker Corp. v. Positec USA Inc.*, 2017 WL 4010922 (N.D. Ill. Sep. 11, 2017), is an example of a likelihood of confusion survey that was held to use improper methodology. The court found that there were several mistakes made, including in the presentation of the mark to the survey participants. The court also found that (1) the expert admitted that the test was "observational" and not "causal," *i.e.*, the survey was not designed to establish whether the defendant's trade dress *caused* any consumer confusion, only whether any confusion *existed* on a general level; (2) the survey only tested "whether respondents could be induced to 'overlook the obvious' through the placement of defendant's product amidst boxes of plaintiff's products"; and (3) the test included both the plaintiff's and the defendant's products in the same image. This methodology conflicted with the Eveready standard, which would not ask respondents to compare the products directly and would not tell them which was the senior mark. The test also included one image of the defendant's product among ten images of the plain-

tiff's product, instead of a one-to-one, side-by-side comparison. This method also conflicted with the Squirt standard, which has often been used when products have been encountered side by side in the marketplace. Finally, the expert could not show that the survey "mirrored the situation in which the ordinary person would encounter the trademark" because there was no evidence that the two products were sold in the same store on the same display shelf, as was tested in the survey.

The Eveready format is more reliable and leads to fewer measurement errors because it uses open-ended questions. It is unaided, meaning it does not suggest a response to the participant.

Other case examples demonstrating improper mark presentation follow:

- *Malletier v. Dooney & Bourke Inc.*, 525 F. Supp. 2d 558, 593 (S.D.N.Y. 2007). The court found the survey improper because the defendant's product was not shown in enough visual detail to allow respondents to see all details of disputed designs.
- *Pinterest Inc. v. Pintrips Inc.*, 140 F. Supp. 3d 997, 1016–18 (N.D. Cal. 2015). The court here declined to consider, after a bench trial, the plaintiff's survey evidence of confusion when the survey failed to place the defendant's logo, in the form of a website button, on a hypothetical website in the position where it would actually appear.
- *Water Pik Inc. v. Med-Systems Inc.*, 726 F.3d 1136, 1145–47 (10th Cir. 2013). The survey was found improper in this case because it presented the mark differently than the mark appeared on the actual packaging. And a side-by-side comparison was also found improper because it was not how consumers encounter the marks in actual stores.

Improper Control Group

Finally, for certain trademark surveys, it is vital to include a proper control, and the failure to include a control (or proper control) for unreliable responses can be detrimental. In Malletier, 525 F. Supp. 2d at 595–96, the one factor in favor of excluding the survey was that its control product, from a third party, was far too unlike the plaintiff's and the defendant's products and gave an artificially low estimate of the normal degree of confusion within the type of product. In *Water Pik*, 726 F.3d at 1148–49, the survey was unreliable because there was little difference in the confusion rate between the plaintiff's and defendant's products, on the one hand, and confusion rate between a third-party product and defendant's product, on the other hand.

Survey Questions and Instructions

Best practices have been identified for Eveready, Squirt, and secondary-meaning survey format questions.

Eveready Format Questions

The Eveready format is more reliable and leads to fewer measurement errors because it uses open-ended questions. It is unaided, meaning it does not suggest a response to the participant. It tests a consumer's confusion of top-of-mind marks. Respondents view the allegedly infringing mark or trade dress as it is found in the marketplace. The open-ended questions minimize guessing. The original Eveready survey asked three questions: "Who do you think puts out the lamp shown here? What makes you think so? Please name any other products put out by the same concern which you think puts out the lamp shown here." *Union Carbide Corp. v. Ever-Ready Inc.*, 392 F. Supp. 280, 292 (N.D. Ill. 1975), *rev'd*, 531 F.2d 366 (7th Cir. 1976).

Squirt Format Questions

The original Squirt questions asked, "Do you think that SQUIRT and QUIRST are put out by the same company or by different companies?" Adding an open-ended, follow-up question such as, "What makes you think that?" strengthens this format. Sponsorship or affiliation confusion questions often follow. "Do you believe whoever puts this out is sponsored or affiliated with another company? If yes, what other company? Why do you say that?" The participant's responses to the "why" questions often come from the person's stored knowledge of the senior user's mark, and there is a fit between senior knowledge and junior stimulus.

Although more complex than a traditional Squirt survey, these methods are still relatively straightforward. They yield robust results that are less subject to the attacks on the traditional Squirt method and more readily replicate the experience of the actual consumer. The problems of leading questions and suggesting the existence of a link between any two marks are mitigated, but not eliminated.

It is important to note that the courts and the Trademark Trial and Appeal Board (TTAB) tend to disfavor the Squirt method, except in narrow circumstances. The survey method has been found to be "leading" the respondent to conclude there is a connection between the products shown. A court is more likely to admit a Squirt survey that incorporates proper distracter questions, includes a proper control group, and that uses a follow-up "why" question for coding responses.

Secondary-Meaning Format Questions

Secondary-meaning survey questions address consumer association with a particular mark. Questions ask about association without giving the company name. "Do you associate [xx] with the [product identification] of one, or more than one, company?"

For example, in the case *Sunbeam Corp v. Equity Indus. Corp.*, 635 F. Supp. 625, 630 (E.D. Va. 1986), the issue was whether the shape of a food processor had acquired secondary meaning. After showing respondents an unmarked sample of the product and asking if they knew who put out the processor and what its brand name was, the survey asked, "Do you associate the appearance of this food processor with one company or more than one company?" If enough respondents answer "one company" to such a question, the plaintiff potentially could

show secondary meaning. "More than one company" responses, on the other hand, would demonstrate a lack of distinctiveness. The *Sunbeam* court, however, found that the plaintiff's survey was fatally flawed because of the leading questions. (The defendant also submitted a survey and the judge found it was flawed because it failed to focus respondents on the appearance or design configuration.)

In secondary-meaning surveys, it is important to include a "don't know" or "no opinion" option as an internal control to eliminate guessing. Use follow-up questions, such as, "What company or companies do you believe put out this product?" and "Why do you say that?" It is also important to use a control group to assess response patterns. The expert can then calculate net association rates. For example, in *America Online v. AT&T,* the survey showed 41 percent associated "You have mail" with one internet provider, and 9 percent associated, "New mail has arrived" with one provider. Calculating for net association (41 percent–9 percent) shows a 32 percent rate of association.

Mistakes with Survey Questions

Another common pitfall in trademark cases is using improper survey questions. For example, respondents should not be asked leading questions. Respondents should be able to answer, "I don't know" as a proper response to ensure accuracy of results. Examples of cases finding improper survey questions follow:

- *Water Pik*, 726 F.3d at 1147–48. The survey was improper because respondents viewed side-by-side images of products and then asked leading yes/no questions, including whether the makers had an affiliation and whether one maker had received permission from another.
- *Brighton Collectibles, Inc. v. RK Texas Leather Mfg.*, 923 F. Supp. 2d 1245, 1257 (S.D. Cal. 2013). Survey showing respondents successive images of handbags and then asking which were made by the same company was found to be improperly leading because it only "tested the ability of participants to pick the most obvious match" and was excluded.
- *Click's Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1264 (9th Cir. 2001). The district court noted issues with the secondary-meaning survey that asked whether respondents associated a particular billiards parlor with plaintiff's trade-dress, and then asked what visual elements caused that association. Respondents gave vague references to unprotectable features of trade-dress such as cleanliness and good service. The appellate court noted the flaws, but found the survey nevertheless presented enough evidence to preclude summary judgment.
- *Malletier*, 525 F. Supp. 2d at 597. The survey was excluded because it did not allow for an "I don't know" response from respondents.
- *CytoSport Inc. v. Vital Pharm. Inc.,* 894 F. Supp. 2d 1285, 1291 (E.D. Cal. 2012). The court excluded survey evidence of confusion where interviewers failed to provide an "I don't know" response choice and expert surveyor admitted that "respondents were guessing."
- *Reinsdorf,* 922 F. Supp. 2d at 878. The survey's closed-ended questions, without an "I don't know" response choice, rendered the survey improper and inadmissible.

Credibility and Strength of Expert

An expert's credibility and expertise are critical factors when it comes to getting these surveys admitted into evidence. Litigants should select an expert who has the right qualifications, a proven record of withstanding cross-exam, and has not been disqualified or had his or her reports disregarded. The expert's rates and the time it would take him or her to conduct the survey and write the report are also important considerations.

When lawyers face surveys from the opposing side, they should hire an expert to critique the survey and explore the option of conducting their own, competing survey. A court may disqualify an expert or exclude a survey from evidence if it has flaws in the universe, presentation of the marks, or question structure. Further, a court can disqualify an expert if he or she does not have the appropriate foundational education and experience to serve as an expert witness.

Conclusion

Surveys can be a powerful tool for both trademark plaintiffs and defendants. They can provide hard, clear evidence in an area of law that is often defined by intangible rights and impalpable harms. But not all surveys are created equal. Litigants should follow these best practices to ensure their surveys are admitted and given the greatest possible weight by the courts. FD