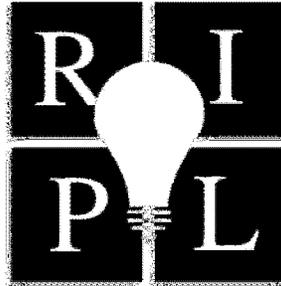


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TRADEMARK SURVEYS: DEVELOPMENT OF COMPUTER-BASED SURVEY METHODS

ROBERT H. THORNBURG

ABSTRACT

Courts have continually utilized surveys to show evidence of secondary meaning, genericness, dilution, and functionality in trademark litigation. In conducting a trademark survey, an expert must consider various factors that may affect the admissibility of the survey in court, including assuring the correct universe of respondents are questioned, implementing controls, and verifying the results. In light of these considerations, as well as the ever-changing environment of consumer shopping, the manner and mode of survey that a court accepts as appropriate must adapt to these conditions. The use and acceptance of online and computer-based surveys is not currently well received by the courts, but this should change due to the many advantages that on-line surveys offer to trademark litigants. These advantages, including more efficient, accurate and trustworthy results that far outweigh any perceived disadvantages a court may put forth in finding such surveys inadmissible.

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TRADEMARK SURVEYS: DEVELOPMENT OF COMPUTER-BASED SURVEY METHODS

ROBERT H. THORNBURG*

INTRODUCTION

Selecting and performing a consumer survey for use as evidence in a trademark dispute represents one of the most important decisions made by trial counsel during litigation. Because evidence of actual confusion is often unavailable in trademark infringement cases, the circumstantial evidence afforded by a trademark survey of consumer confusion in the relevant marketplace often is invaluable when asserting trademark rights. Trademark surveys assist in measuring the subjective mental associations of prospective purchasers by attempting to recreate potential purchasing environments in which an asserting senior and disputed junior mark are found in the marketplace.

Because trademark surveys often determine the outcome of trademark litigation, courts look to specific indicia of reliability regarding how a trademark survey was conducted and performed. These indicia include: (i) whether a sufficient number of individuals were surveyed, (ii) whether specific controls were created to measure if any portion of the survey was confusing in itself, (iii) whether the questions were too leading or followed a proper format, and (iv) if a specific percentage of survey respondents were called again to verify the accuracy of their answers. A substantial amount of case law exists which provides insight into how to conduct and prepare a trademark survey that will be admissible in court.

Many different types of environments exist for conducting trademark surveys, including the traditional Mall-Intercept Survey, the Telephone Survey, and perhaps the lesser-known Central Location Survey. All of these survey forms require a huge amount of manpower, with prices ranging in the hundreds of thousands of dollars. In addition, these environments are all subject to being discredited and devalued due to the risk that survey interviewers could falsify or mischaracterize data entries, or information could be given without sufficient verification.

Therefore, there is a need to develop and implement a more cost effective, efficient, and less error prone method of conducting trademark surveys. The fundamental purpose of this paper is to discuss the potential for replacing many of the traditional survey formats with Internet surveys conducted through an Internet-based interface. Since the purchasing environments for many of today's goods and services occur online rather than in the traditional retail shopping mall, an online format for conducting trademark surveys may provide a more appropriate forum for many of today's consumer goods. In addition, unlike traditional survey forms that require data entry from paper to electronic format, an online format allows for the direct entering of survey results by the survey participant rather than an interviewer.

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This paper addresses multiple issues that have essentially evaded the current commentary on trademark surveys. First, Part I of the paper provides the most current case law regarding trademark surveys and outlines the general requirements for admissibility. Part II discusses the three generally acceptable forms of trademark survey questions. Part III reviews the different issues tested by surveys in trademark litigation, including secondary meaning, genericness, functionality, and dilution. Part IV discusses the development of Internet-based trademark surveys and provides a general conclusion regarding the future of online surveys in trademark litigation.

I. USE OF SURVEYS IN TRADEMARK LAW

A. Introduction

Survey evidence is often used in trademark litigation to test the likelihood of confusion and trademark dilution because a survey gauges the “subjective mental associations and reactions of prospective purchasers.”¹ Since trademark holders are often unable to provide evidence of actual confusion when proving likelihood of confusion, courts often look toward surveys as strong circumstantial evidence in their infringement analysis.² While many commentators assert that survey evidence provides only probative evidence of actual confusion, case law purports that courts have heavily relied upon survey evidence to establish the existence of confusion.³

Courts generally accept consumer surveys as a means of evidence of likelihood of confusion among consumers.⁴ “To be admissible, the trademark survey must be conducted by qualified experts and impartial interviewers . . . [and] it must consist of non-leading questions presented to an appropriate ‘universe’ of respondents.”⁵ The responses must also be recorded and interpreted in an unbiased manner.⁶ Upon ascertaining a need for a consumer survey, trademark litigation counsel will often hire a survey expert to both design and conduct a survey.⁷ Upon completion of a consumer survey, the expert will appear at trial to testify regarding both the survey results and whether the survey was conducted using proper standards based upon the nature of the trademark and associated consumer group.⁸

¹ 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:158 at 32-189 (4th ed. 2003).

² See Keith M. Stolte, *Remedying Judicial Limitations on Trademark Remedies: Monetary Relief Should Not Require Proof of Actual Confusion*, 75 DENV. U. L. REV. 229 (1997).

³ *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 400 (8th Cir. 1987); see Lawrence E. Evans, Jr. & David H. Gunn, *Trademark Survey Evidence*, 20 TEX. TECH. L. REV. 1 (1989).

⁴ *Simon Prop. Group L.P. v. mySimon, Inc.*, 104 F. Supp. 2d 1033, 1038 (S.D. Ind. 2000).

⁵ *Id.*

⁶ *Spraying Sys. Co. v. Delavan, Inc.*, 975 F.2d 387, 394 (7th Cir. 1992) (affirming summary judgment based on finding that consumer survey of secondary meaning was too flawed to create a genuine issue of material fact because questions were biased and telephone survey was not reliable).

⁷ Shari Seidman Diamond, *Reference Guide on Survey Research*, in REFERENCE MANUAL ON SCIENTIFIC EVIDENCE 221, 228 (1994).

⁸ Patrick M. Bible, *Defining and Quantifying Dilution Under the Federal Trademark Dilution Act of 1995: Using Survey Evidence to Show Actual Dilution*, 70 U. COLO. L. REV. 295, 315 (1998).

B. Admissibility Under the Federal Rules

The question of whether a consumer survey is admissible lies not with the jury but rather with the judge who ascertains whether the survey expert's findings fall within the acceptable standards of the Federal Rules of Evidence.⁹ The ability for an expert to testify before the trier of fact comes from Rule 702, which provides, “[i]f scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training, or education, may testify thereto in the form of an opinion or otherwise”¹⁰ The ability for such expert to rely upon the survey itself in testifying comes from Rule 703.¹¹

Although consumer surveys that test likelihood of confusion are offered for the truth of the matter asserted, courts often find such surveys are not hearsay “because the survey merely recorded the present sense impression and existing state of mind of the interviewees”¹² Thus, surveys fall within either Rule 803(1) or 803(3).¹³ “While errors in survey methodology usually go to the weight of the evidence, a survey should be excluded under Rule 403¹⁴ when its probative value is substantially outweighed by its prejudicial effect or potential to mislead the jury.”¹⁵ Despite the broad admissibility provided by these hearsay exceptions, admissibility of many surveys is directly tempered by the relevancy requirement of Rule 403.

Therefore, “it is important to design and conduct surveys using scientifically accepted methods so as to assure their admissibility and lend as much weight as possible to the findings.”¹⁶

C. Different Environments for Trademark Surveys

Apart from the admissibility issues inherent in introducing a trademark survey into evidence, another important criteria going to the weight of a survey is what survey format was used. Essentially, three types of survey formats exist:

⁹ MUELLER & KIRKPATRICK, MODERN EVIDENCE · DOCTRINE AND PRACTICE § 9.18, at 1527 (1995) (“Survey evidence, whether in the form of an opinion poll or a sampling of statistical or other data, is generally admissible . . .”).

¹⁰ FED. R. EVID. 702.

¹¹ The rule provides that

[t]he facts or data in the particular case upon which an expert bases an opinion or inference may be those perceived by or made known to the expert at or before the hearing. If of a type reasonably relied upon by experts in the particular field in forming opinions or inferences upon the subject, the facts or data need not be admissible in evidence

FED. R. EVID. 703.

¹² Piper Aircraft Corp. v. Wag-Aero, Inc., 741 F.2d 925, 929 (7th Cir. 1984).

¹³ *Id.*

¹⁴ The rule provides that “evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the jury” FED. R. EVID. 403.

¹⁵ MasterCard Int'l, Inc. v. First Nat'l Bank of Omaha, Nos. 02 CIV. 3691 (DLC), 03 CIV. 707 (DLC), 2004 U.S. Dist. LEXIS 2485, at *22 (S.D.N.Y. Feb. 23, 2004).

¹⁶ Bible, *supra* note 8, at 316.

- (i) Mall-Intercept Surveys,¹⁷
- (ii) Central Location Surveys, and
- (iii) Telephone Surveys.¹⁸

Selection of a survey format is often based on the type of consumer group that would purchase or be associated with the goods or services sold under a particular trademark. The ultimate choice is often largely based upon the (i) cost of the survey, (ii) reliability due to scrivener error, and (iii) risk of fabrication of data.

1. *Mall-Intercept Surveys*

By far, Mall-Intercept Surveys represent the most traditional and common form of trademark surveys currently used by survey experts.¹⁹ As the mall has generally been connected with the sale and promotion of multiple consumer goods heavily tied to trademark association, it is little wonder why trademark surveys for consumer goods often occur within these venues. The typical format for trademark surveys includes a team of interviewers who must screen the demographic within the general mall patron population to obtain the appropriate quota, which represents the typical purchaser of the trademarked goods in question.²⁰

Unlike other types of surveys, the key to mall surveys is that they allow for direct interaction between consumers and the trademark elements alleged to have secondary meaning or be the cause of likelihood of confusion. Mall-Intercept Surveys are often supervised directly by the trademark expert and conducted in multiple mall facilities throughout the country.²¹ Most Mall-Intercept Surveys begin with the interviewer selecting a mall patron who falls into a quota system,²² wherein the patron is selected based on the likelihood that they fall in the consumer group that would purchase the trademarked good or service.²³ Often, the interviewer will take the patron into a special area within the mall to administer the survey.²⁴ This typically involves a highly regulated environment where the alleged infringed product, the questioned product, and often a control are displayed.²⁵ Based upon the

¹⁷ See, e.g., *Anheuser-Busch, Inc. v. Caught-On-Bleu, Inc.*, 288 F. Supp. 2d 105 (D.N.H. 2003).

¹⁸ *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 229 U.S.P.Q. (BNA) 890 (S.D.N.Y. 1986).

¹⁹ See *Castrol, Inc. v. Pennzoil Quaker State Co.*, 169 F. Supp. 2d 332, 337 (D.N.J. 2001).

²⁰ *Pep Boys Manny, Moe & Jack of Cal. v. Goodyear Tire & Rubber Co.*, No 01-CV-5614, 2002 U.S. Dist. LEXIS 5925, at *28 (E.D. Pa. Apr. 5, 2002) (selecting quota for SUV products to include individuals eighteen years or older, who owned an SUV and who had purchased an SUV-type tire within the last twelve months or will purchase an SUV-type tire in the next twelve months).

²¹ *Id.* (discussing details of consumer survey that consisted of 409 interviews at twelve shopping malls in cities across the country).

²² *Cairns v. Franklin Mint Co.*, 24 F. Supp. 2d 1013, 1041 (C.D. Cal. 1998) (asserting that key to Mall-Intercept form is the selection of mall patrons to engage in a survey).

²³ *Elements/Jill Schwartz, Inc. v. Gloriosa Co.*, No. 01 CIV. 904 (DLC), 2002 U.S. Dist. LEXIS 12669, at *8 (S.D.N.Y. July 15, 2002).

²⁴ *Id.*

²⁵ *Id.*

display of these products, the mall patron is asked specific questions and the interviewer records the information to be gathered later by the survey expert.²⁶

The inherent flaw with the Mall-Intercept Survey is that selecting a quota is accomplished by observing an individual's external appearance without knowing the actual demographics that they represent. In this age of Internet and catalogue shopping for higher end goods, it is possible that Mall-Intercept Surveys are no longer providing the proper universe of the general consumer population. This is especially true when the proper consumer group is found within a particular economic class or racial group, which does not necessarily shop recreationally at malls. In addition, with many specialized or high end products purchased by affluent consumers, a Mall-Intercept Survey is inappropriate, as such consumers often do not frequent public malls. "[S]elf-selection' may be a problem with [M]all-[I]ntercept [S]urveys" in that only certain types of individuals may come forward and desire to be interviewed, wherein the decision is based largely on a desire to obtain a free gift.²⁷

Another potential flaw is in the selection of the interviewers themselves,²⁸ as they often are college-aged students working part-time or just temporarily on the survey project, and often will select friends or individuals not represented in the quota just to fulfill their employment requirements. Perhaps the most significant flaw with the Mall-Intercept Survey is its human element, in that data collected from the survey can either be improperly recorded or even misstated. Such flaws, if found in the cross-examination of a survey expert, could lead to exclusion of the trademark survey altogether.²⁹

Despite these inherent drawbacks, Mall-Intercept Surveys are still generally a reliable and effective method of trademark surveying.³⁰ As many trademark disputes relate to consumer goods that are purchased by mall patrons, this form of survey environment will continue to pervade the field.

2. Central Location Surveys

Unlike the Mall-Intercept Survey in which the mall patron visits the mall without any knowledge that they will engage in the survey, the Central Location Survey is a more proactive and direct form of acquiring survey evidence. In this survey environment, a market research company calls specific people to come to the company's facility to be interviewed.

The Central Location Survey improves upon the Mall-Intercept Survey in that a market research company can look toward the relevant consumer group tied to the trademarked good, and then research and contact members belonging to the most desirable quota. Thus, in comparison to the mostly superficial selection that occurs with interviewers selecting mall participants, the Central Location Survey allows for careful selection based upon demographic data and other internal statistics.

²⁶ *Id.*

²⁷ *Tyco Indus. Inc. v. Lego Sys., Inc.*, 5 U.S.P.Q.2d (BNA) 1023, 1031 (D.N.J. 1987).

²⁸ *Diamond*, *supra* note 7, at 257.

²⁹ *Id.* at 258.

³⁰ *Anheuser-Busch, Inc. v. Caught-on-Bleu, Inc.*, 288 F. Supp. 2d 105, 123 (D.N.H. 2003).

However, limitations still arise with the Central Location Survey. The most notable limitation is the inherent cost required to pay a research company for logistics, rent space, and personnel to perform the survey. Very often, the cost for a Central Location Survey would double the costs attributed to a Mall-Intercept Survey. However, when the type of consumer good is not attributable to purchase in a mall or retail environment, the Central Location Survey is much preferred.

3. Telephone Surveys

Unlike both the Mall-Intercept and the Central Location Surveys, the Telephone Survey provides a much cheaper, faster, and easier survey format. Telephone Surveys are widely recognized and admitted in trademark litigation as persuasive evidence of likelihood of confusion³¹ or secondary meaning.³² They have been used in trademark litigation for approximately forty years.³³ The overwhelming benefit of a Telephone Survey is that it is easier to supervise the interviewers to ensure that information is properly and accurately recorded. In addition, courts have given credit to Telephone Surveys because they often provide the best method to test the state of mind of consumers, since they are confronted with the key issues affecting a trademark dispute without prior contemplation in answering such surveys.³⁴

One inherent problem with Telephone Surveys is since the questions are not asked within the physical proximity of the participant, they must be carefully asked and presented to ensure that the answer goes toward the disputed issue of secondary meaning or likelihood of confusion.³⁵ Often, Telephone Surveys obtain only evidence of popularity of a given mark, rather than asking questions specifically directed toward secondary meaning or evidence of consumer confusion.³⁶ In order to be admissible, Telephone Surveys often ask yes/no questions, or ask questions in which the interviewer lists specific products that the participant will select.³⁷

Commentators have generally been wary of Telephone Surveys and assert that they should be discounted as there is no way to ensure that the telephone respondent is answering questions honestly and with sufficient knowledge.³⁸ Courts have shared this caution, based largely on the fact that Telephone Surveys cannot physically present the participant with disputed differences between two trademarks, nor

³¹ *Diana Princess of Wales Mem'l Fund v. Franklin Mint Co.*, Nos. 98-56822, 99-55157, 1999 U.S. App. LEXIS 34568, at *7-8 (9th Cir. Apr. 4, 1999).

³² *Dick's Sporting Goods, Inc. v. Dick's Clothing & Sporting Goods, Inc.*, No. 98-1653, 1999 U.S. App. LEXIS 19942, at *13-15 (4th Cir. Aug. 20, 1999).

³³ *See, e.g., Thomas Pride Mills, Inc. v. Monsanto Co.*, 155 U.S.P.Q. (BNA) 205 (N.D. Ga. 1967).

³⁴ *Simm v. La. State Bd. of Dentistry*, No. 01-2608, 2002 U.S. Dist. LEXIS 3195, at *17-18 (E.D. La. Feb. 22, 2002).

³⁵ *Spraying Sys. Co. v. Delavan, Inc.*, 975 F.2d 387, 395 (7th Cir. 1992) (affirming summary judgment based on finding that survey questions were biased, and therefore, not reliable to find secondary meaning).

³⁶ *See, e.g., Mattel, Inc. v. MCA Records, Inc.*, 28 F. Supp. 2d 1120, 1135 (C.D. Cal. 1998).

³⁷ *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 439 F. Supp. 1022, 1041 (D. Del. 1977).

³⁸ MCCARTHY, *supra* note 1, § 32:163, at 32-204 (asserting that "[s]urveys taken . . . by telephone should not be discounted or denigrated, but accepted as probative evidence if properly conducted").

provide a control. Instead, Telephone Surveys only provide naked questions.³⁹ This is especially true when the visual appearance of the asserted mark is the key to the secondary meaning or likelihood of confusion issue.⁴⁰

Regardless of these limitations, Telephone Surveys, like Central Location Surveys, provide the benefit of seeking a specific tailored quota to create a specific universe of potential consumers for a given trademarked product.⁴¹

D. Hiring the Right Survey Expert

In many obvious ways, the careful hiring of a trademark expert is one of the most important decisions made during a trademark dispute.⁴² Most often, the best kind of trademark expert is a university professor who teaches and researches in the area of consumer psychology. One crucial aspect of hiring a trademark expert is to find someone who is technically astute in how he or she performs the survey and who has a good demeanor for testifying before a jury.⁴³ Because both of these goals are often inapposite, many trademark litigators seek to hire two experts, one to perform the survey and one to testify at trial.⁴⁴

There is some contention that the very best trademark survey expert is one who can essentially create a survey to show any desired finding of likelihood of confusion, dilution, or secondary meaning by either creating a skewed line of questioning or numerical manipulation of already acquired data. Often, a good trademark survey expert will create an initial pilot survey in order to fine tune questions to maximize a desired finding and determine if the right quota of individuals was selected to achieve that finding. However, while pilot surveys and numerical methods are important tools for a good survey expert, the very best survey experts have achieved a level of prominence through honesty and integrity. Such attributes are often more important in hiring an expert than mathematical prowess.

E. Ascertaining the Proper Universe of a Survey

An initial, yet crucial, inquiry in determining when a trademark survey is admissible into evidence is whether the types of consumers questioned in the survey are from the proper universe.⁴⁵ Identification and selection of a proper universe are

³⁹ Cairns v. Franklin Mint Co., 24 F. Supp. 2d 1013, 1041 (C.D. Cal. 1998).

⁴⁰ Schieffelin & Co. v. Jack Co. of Boca, 850 F. Supp. 232, 240 (S.D.N.Y. 1994).

⁴¹ See Mobil Oil Corp. v. Pegasus Petroleum Corp., 229 U.S.P.Q. (BNA) 890 (S.D.N.Y. 1986).

⁴² Mark S. Nadel, *The Consumer Product Selection Process in an Internet Age: Obstacles to Maximum Effectiveness and Policy Options*, 14 HARV. J.L. & TECH. 183 (2000).

⁴³ See Applied Marketing Science, Inc., *FAQ on Legal Surveys*, at <http://www.ams-inc.com/litigation/faq.htm> (last visited Feb. 21, 2005) (noting that the most important criteria in looking for a survey expert are testifying skills, credentials and expertise).

⁴⁴ Diamond, *supra* note 7, at 232–33 (suggesting that the secondary expert's role is to testify at trial in support of the offered survey).

⁴⁵ See 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 32:47–48 (1st ed. 1973).

recognized as critical elements in a survey,⁴⁶ because “even if the proper questions are asked in a proper manner, if the wrong persons are asked, the results are likely to be irrelevant.”⁴⁷ However, most errors in ascertaining the proper universe for a trademark survey go to the weight of the survey evidence, rather than its admissibility.⁴⁸ Selection of respondents from the appropriate universe is important because “there may be systemic differences in the responses given by persons [with a particular] characteristic or preference and the responses given to those same questions given by persons who do not have that characteristic or preference.”⁴⁹

By selecting a proper universe, a trademark survey will have more value because it will correctly examine an accused mark’s impression on the potential consumer.⁵⁰ However, regardless of selecting the most appropriate universe, courts recognize that “no survey can construct a perfect replica of ‘real world’ buying patterns, [and that] a survey must use a stimulus that, at a minimum, tests for confusion by roughly simulating marketplace conditions.”⁵¹

1. Ascertaining Who Makes the Ultimate Purchasing Decision

When assessing the proper universe in trademark litigation, a court often looks at whether the survey interviews those individuals who help influence the actual purchasing decisions.⁵² Often, an initial survey must be performed in order to ascertain whether the correct group of survey participants was questioned. For example, the court in *United States Surgical Corp. v. Orris Inc.* looked toward initial evidence that over sixty-percent of surgeons participated in a given hospital’s purchasing decisions regarding medical equipment and instruments.⁵³ The court found sufficient evidence that a survey interviewing surgeons represented relevant consumer opinions regarding the disputed medical equipment.⁵⁴ When dealing with Internet consumers, the “rapidity with which the Internet changes” requires a universe of Internet users who are very familiar with online purchasing and shopping, as well as the Internet generally as it exists at the time the survey is given.⁵⁵

⁴⁶ *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 767 (E.D. Mich. 2003).

⁴⁷ *Id.* (quoting 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 32:159, at 32:250.3).

⁴⁸ *Trouble v. Wet Seal, Inc.*, 179 F. Supp. 2d 291, 307 (S.D.N.Y. 2001).

⁴⁹ *Wells Fargo*, 293 F. Supp. 2d at 767 (quoting MATTHEW BENDER, FEDERAL EVIDENCE PRACTICE GUIDE § [4][b][i] (2003)).

⁵⁰ *Conopco, Inc. v. Cosmair, Inc.*, 49 F. Supp. 2d 242, 253 (S.D.N.Y. 1999).

⁵¹ *Trouble*, 179 F. Supp. 2d at 308.

⁵² *Elec. Design & Sales, Inc. v. Elec. Data Sys. Corp.*, 954 F.2d 713, 718 (Fed. Cir. 1992) (noting that the relevant opinions for evaluating the likelihood of confusion include “those persons, such as some users, who might influence future purchasers”).

⁵³ *U.S. Surgical Corp. v. Orris, Inc.*, 983 F. Supp. 963, 968 (D. Kan. 1997).

⁵⁴ *Id.*

⁵⁵ *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 767 (E.D. Mich. 2003).

2. Men's Versus Women's Consumer Goods

One interesting aspect of the proper survey universe is the impact of both gender and age when determining who really has the ultimate purchasing decisions. When constructing the proper universe for women's clothing or apparel, the survey participants considered would likely be women over the age of eighteen.⁵⁶ Likewise, in *Chattanooga Manufacturing v. Nike, Inc.*, the Northern District of Illinois concluded that the proper universe for women's apparel is women only and therefore discredited a trademark survey that included men.⁵⁷

However, some courts have found that product areas traditionally associated with male purchasers should also include women. For example, the court in *Dick's Sporting Goods, Inc. v. Dick's Sporting and Clothing Goods, Inc.* found a survey regarding hunting and fishing gear unreliable because it failed to include women.⁵⁸ Additionally, another court credited a survey regarding the purchase of cigars where women consisted of eleven percent of the respondents.⁵⁹

3. The Proper Universe for Children's Consumer Goods

Assessing the proper universe for children has also plagued survey experts with the task of determining whether to seek a survey limited just to children or to adults who purchase for children. In *Toys "R" Us, Inc. v. Canarise Kiddie Shop, Inc.*,⁶⁰ both plaintiff and defendant sold moderately-priced children's clothing; plaintiff, in its Toys "R" Us stores and defendant, in its Kids "R" Us stores.⁶¹ Judge Glasser noted:

A common, if not nagging, experience of parenthood is the coercion of children that their clothing is of a current style and purchased in a designated place. Those vigorous promptings of children to which parents not infrequently succumb make the children, in reality, the true purchasers with the resultant lowering of the level of sophistication.⁶²

Similarly, in *Nabisco, Inc. v. PF Brands, Inc.*, the Southern District of New York found that PF was unlikely to succeed on its infringement claim because it failed to show that its target consumers, six to twelve year olds, were likely to be confused by the Nabisco product.⁶³ In *Avent America Inc. v. Playtex Products Inc.*, one expert established that the proper universe for assessing likelihood of confusion regarding the shape of baby bottles was solely women ranging between the ages of eighteen and

⁵⁶ See, e.g., *Trouble*, 179 F. Supp. 2d at 308.

⁵⁷ *Chattanooga Mfg. v. Nike, Inc.*, 140 F. Supp. 2d 917, 928 (N.D. Ill. 2001).

⁵⁸ *Dick's Sporting Goods, Inc. v. Dick's Sporting & Clothing Goods, Inc.*, No. 98-1653, 1999 U.S. App. LEXIS 19942, at *15 (4th Cir. Aug. 20, 1999).

⁵⁹ *Empresa Cubana Del Tabaco v. Culboro Corp.*, No. 97 Civ. 8399 (RWS), 2004 U.S. Dist. LEXIS 4935, at *77 (S.D.N.Y. Mar. 29, 2004).

⁶⁰ *Toys "R" Us, Inc. v. Canarise Kiddie Shop, Inc.*, 559 F. Supp. 1189 (E.D.N.Y. 1983).

⁶¹ *Id.* at 1193-94.

⁶² *Id.* at 1199.

⁶³ *Nabisco Inc., v. PF Brands, Inc.*, 50 F. Supp. 2d 188, 211 (S.D.N.Y. 1999).

forty-nine who had children under four years old and who had purchased one or more bottles within the last year.⁶⁴

Often, the proper universe for higher or lower priced children's items that are purchased by adults must include surveys of adults.⁶⁵ With respect to Legos, a children's toy, the District Court of New Jersey asserted that a Mall-Intercept Survey targeting parents rather than children represented an acceptable universe.⁶⁶ However, when a substantial portion of a magazine's readership is comprised of children under sixteen who are "not likely to bring a great deal of care and sophistication to their purchasing decisions," the proper universe should include that demographic.⁶⁷

Often, a product that has been directly and substantially marketed toward children requires that children be part of or predominate the universe of a trademark survey.⁶⁸ In relation to sporting goods, the District of New Jersey's *National Football League Properties, Inc. v. New Jersey Giants, Inc.* asserted that the proper universe should include both adults and children age fourteen years and older, and should not preclude women from the universe.⁶⁹ In *Nestle Co. v. Chester's Market, Inc.*, the court accepted a survey that completely excluded children regarding the consumption of homemade chocolate chip cookies, limiting the universe to only individuals eighteen years and older who actually baked such cookies.⁷⁰

As demonstrated by the aforementioned listing of various cases discussing the proper universe relating to children's goods, there remains no settled test for ascertaining an admissible group of survey participants, but rather experts must evaluate such universe on a case-by-case basis.

F. Obtaining the Proper Sample

Upon ascertaining the correct universe of individuals to be surveyed, a trademark survey expert must then calculate the correct number of people to be interviewed to create a proper "sample."⁷¹ District courts often exclude a trademark

⁶⁴ *Avent Am., Inc. v. Playtex Prods., Inc.*, No. 98 C 2663, 1999 U.S. Dist. LEXIS 1571, at *11 (N.D. Ill. Feb. 10, 1999).

⁶⁵ *See Am. Greetings Corp. v. Dan-Dee Imp., Inc.*, 619 F. Supp 1204 (D.N.J. 1985) *aff'd in relevant part*, 807 F.2d 1136 (3d Cir. 1986) (concluding that an appropriate survey universe involving toys included mothers of daughters ages four through twelve); *NFL Props. v. N.J. Giants*, 637 F. Supp. 507, 514 (D.N.J. 1986) (noting that the universe surveyed (1) consisted of persons over fourteen years of age who had either purchased a clothing item with a name, slogan or picture on it in the past twelve months or planned to do so in the next six months; (2) was not limited to purchasers of the parties' products; and (3) included persons who may have had no current purchasing intent).

⁶⁶ *Tyco Indus., Inc. v. Lego Sys., Inc.*, 5 U.S.P.Q.2d (BNA) 1023, 1041 (D.N.J. 1987).

⁶⁷ *Blake Publ'g Corp. v. O'Quinn Studios, Inc.*, 202 U.S.P.Q. (BNA) 848, 858 (S.D.N.Y. 1979).

⁶⁸ *E.S. Originals, Inc. v. Stride Rite Corp.*, 656 F. Supp. 484, 492 (S.D.N.Y. 1987) (asserting that despite the nature of mid-priced children's athletic shoes, children should predominate or be part of the universe due to overwhelming advertising directed towards children only).

⁶⁹ *NFL Props.*, 637 F. Supp. at 514.

⁷⁰ *Nestle Co. v. Chester's Market, Inc.*, 571 F. Supp. 763, 771 (D. Conn. 1983).

⁷¹ *Volkswagen Aktiengesellschaft v. Uptown Motors*, No. 91 CIV. 3447 (DLC), 1995 U.S. Dist. LEXIS 13869, at *20 (S.D.N.Y. July 13, 1995).

survey “when the sample is clearly not representative of the universe it is intended to reflect.”⁷² However, despite technical and methodological deficiencies in a trademark survey regarding selecting the proper sample of a particular universe, in most cases, such errors go toward the weight of the survey but not the survey’s admissibility.⁷³

Thus, as asserted in *1-800 Contacts, Inc. v. WhenU.com*, the true evidentiary value of a consumer trademark survey not only depends largely upon whether a proper universe of interviewees was ascertained, but also whether a representative sample was drawn and actually interviewed.⁷⁴ The Third Circuit has pronounced that interviewing the correct sample of individuals found within a universe is a crucial factor when weighing the overall credibility of a trademark survey.⁷⁵ The party seeking to admit the survey has the burden of proof to show that a proper sample was obtained.⁷⁶ An example of a proper sample was discussed in *Pebble Beach Co. v. Tour 18 I*, where the trademark holders interviewed 235 individuals who had golfed the Tour 18 golf course in Texas to ask if they believed that Tour 18 had obtained permission and approval from Pebble Beach and Pinehurst to use their infamous golf course designs.⁷⁷

G. The Importance of Controls in Trademark Surveys

Besides selecting the proper universe of prospective individuals who help make the ultimate purchasing decision for a good or service, a trademark survey expert must also carefully select and choose the proper control for the survey.⁷⁸ A control question or group is generally preferred to eliminate background noise or confusion regarding the survey.⁷⁹ The *Novartis* court found that the control group:

[F]unctions as a baseline and provides a measure of the degree to which respondents are likely to give an answer . . . not as a result of the [product at issue], but because of other factors, such as the survey’s questions, the survey’s procedures . . . or some other potential influence on a respondent’s answer such as pre-existing beliefs.⁸⁰

⁷² *Bank of Utah v. Commercial Sec. Bank*, 369 F.2d 19, 27 (10th Cir. 1966).

⁷³ *Harolds Stores v. Dillard Dep’t Stores*, 82 F.3d 1533, 1544 (10th Cir. 1996).

⁷⁴ *1-800 Contacts, Inc. v. WhenU.com*, 309 F. Supp. 2d 467, 499 (S.D.N.Y. 2003).

⁷⁵ *J & J Snack Foods Corp. v. Earthgrains Co.*, 220 F. Supp. 2d 358, 369 (D.N.J. 2002).

⁷⁶ *Harlem Wizards Entm’t Basketball, Inc. v. NBA Props.*, 952 F. Supp. 1084, 1098 (D.N.J. 1997).

⁷⁷ *Pebble Beach Co. v. Tour 18 I, Ltd.*, 942 F. Supp. 1513, 1549 (S.D. Tex. 1996) (finding that plaintiffs survey of actual customers included a proper universe “since it is actual . . . customers that are more likely to have been exposed to the potentially confusing uses of plaintiffs’ service marks”).

⁷⁸ See generally *Upjohn Co. v. Am. Home Prods. Corp.*, No. 1:95:CV:237, 1996 U.S. Dist. LEXIS 8049, at *43–46 (W.D. Mich. Apr. 5, 1996).

⁷⁹ MCCARTHY, *supra* note 1, § 32.54[1][b][iii].

⁸⁰ *Novartis Consumer Health, Inc. v. Johnson & Merck Consumer Pharms. Co.*, 129 F. Supp. 2d 351, 365 n.10 (D.N.J. 2000).

Implementing an appropriate control group allows the expert to test the influence of the stimulus.⁸¹

Even when a survey expert properly identifies and employs a control group to offset underlying errors in survey procedure and format, selecting a proper universe for a likelihood of confusion survey remains the most dispositive factor in whether a survey is accorded any weight.⁸² However, when a survey completely fails to employ any control or uses a control that is wholly insufficient to reduce the court's belief that there would be a large degree of noise, then such error may result in excluding the survey completely.⁸³

An example of the common form of survey control for likelihood of confusion is discussed in *Pharmacia Corp. v. Alcon Laboratories Inc.* The expert hired to survey two competing drug names used a non-consumer drug name based on typical terms used in the drug business as a control to remove survey participants that did not know the names of commonly known drugs.⁸⁴ Often, a survey will use not one, but two controls in order to filtrate potential noise and accord a more accurate statistical survey to prove confusion.⁸⁵

Control groups or control surveys are not only frequently used in likelihood of confusion surveys, but are also used in false advertising claims under the Lanham Act.⁸⁶ One type of "noise" common to such surveys is the pre-existing belief about what an ad in a particular category is going to communicate.⁸⁷ The purpose of a control study in a false advertising survey is to identify the portion of the survey population that has an extrinsic belief prior to viewing a questioned advertisement.⁸⁸ The lack of such a control study can undermine the weight of the survey in a false advertising claim.⁸⁹ However, "[a] survey with an imperfect control group generally provides better information than a survey with no control group at all, but the choice of the specific control group requires some care and should influence the weight that the survey receives."⁹⁰

H. Verification of Survey Results

Another important consideration in creating and organizing a trademark survey is to devise a specific strategy of verifying the survey results.⁹¹ Often in a Mall-Intercept Survey or a Telephone Survey, the interviewer will request the participant's contact information including a home/work phone number. Once the

⁸¹ *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 769 (E.D. Mich. 2003).

⁸² *Nat'l Distillers Prods. Co., v. Refreshment Brands, Inc.*, 198 F. Supp. 2d 474, 484 (S.D.N.Y. 2002).

⁸³ *CSC Brands L.P. v. Herdez Corp.*, 191 F. Supp. 2d 1145, 1152 (E.D. Cal. 2001).

⁸⁴ *Pharmacia Corp. v. Alcon Labs.*, 201 F. Supp. 2d 335, 358 (D.N.J. 2002).

⁸⁵ *See, e.g., Masterfoods USA v. Arcor USA, Inc.*, 230 F. Supp. 2d 302, 305 (W.D.N.Y. 2002).

⁸⁶ *SmithKline Beecham Consumer Healthcare, L.P. v. Johnson & Johnson*, No. 01 Civ. 2775 (DAB), 2001 U.S. Dist. LEXIS 7061, at *36 (S.D.N.Y. June 1, 2001).

⁸⁷ *Id.*

⁸⁸ *Johnson & Johnson Merck Consumer Pharms. Co. v. SmithKline Beecham Corp.*, 960 F.2d 294, 301 (2d Cir. 1992).

⁸⁹ *Id.*

⁹⁰ *SmithKline Beecham*, 2001 U.S. Dist. LEXIS 7061, at *39.

⁹¹ *Brooks Shoe Mfg. Co. v. Suave Shoe Corp.*, 533 F. Supp. 75, 80 (S.D. Fla. 1981).

entire survey is completed, the survey expert will hire or select a review board that will call back a certain percentage of the participants and ask the same questions again.⁹² For example, in *Schieffelin & Co. v. Jack Co.*, plaintiff Schieffelin had to pare the sample size of the trademark survey for DOM PERIGNON[®] from 200 to 176 after post-survey verification due to inaccuracies with former survey participants.⁹³

In addition to hiring a review board, interviewers should also be required to swear by affidavit that the information they recorded was accurate and truthful.⁹⁴ Surveys that have been verified by a review board, but failed to require the interviewer to swear to the truthfulness of the recording of the initial information may be questioned by courts.⁹⁵ As previously mentioned, this overall concern with the interviewer rather than the participant stems from the temporary hiring of survey staff and the fact that many survey employees are college students who are worried more about filling a quota than the accuracy of the statements recorded.

Trademark litigation surveys require a very high standard of verification to ensure accuracy and to accord proper weight to the evidence.⁹⁶ Typically, twenty-five percent of all survey participants should be called back and asked the same questions to verify accuracy. Respondents' contact information is usually more readily available in Telephone and Mall-Intercept Surveys. Just as with ascertaining a proper universe and appropriate controls, the amount and methods used for verification go to the weight of the survey rather than its admissibility.⁹⁷

II. ACCEPTABLE FORMS OF TRADEMARK SURVEYS

Apart from selecting the proper survey universe and underlying control to remove any potential noise, an important task for a trademark expert is to create specific survey questions in a format that will be acceptable and admissible in court. The true value of a good survey expert is to phrase and ask questions in a manner that will likely create a high degree of consumer confusion, secondary meaning, or dilution, but still be found admissible in court. The nature of a question and how it is presented often determine the outcome of the survey and therefore are very important considerations. However, such questions must be phrased and must parallel other former question formats that have been found to be acceptable by

⁹² *Schieffelin & Co. v. Jack Co. of Boca*, 850 F. Supp. 232, 247 (S.D.N.Y. 1994).

⁹³ *Id.*

⁹⁴ *Brooks Shoe*, 533 F. Supp. at 80.

⁹⁵ *Id.*

⁹⁶ *Exxon Corp. v. Xoil Energy Res., Inc.*, 552 F. Supp. 1008, 1022 (S.D.N.Y. 1981)

The evidentiary value of plaintiff's survey is lessened considerably by the absence of practices and procedures which courts have found useful in assessing the validity of survey results in trademark infringement cases, including: use of only non-leading questions; verification by re-interviewing a substantial number of those interviewed

Id.

⁹⁷ *Nestle Co. v. Chester's Market, Inc.*, 571 F. Supp. 763, 775 (D. Conn. 1983) (admitting survey apart from questions of accuracy, despite presenting evidence before sufficient verification).

courts in trademark matters. Otherwise, a court will often question the validity of survey results that have been skewed due to lack of clarity in questioning.⁹⁸

Typically, courts will admit a survey having a proper universe and control group regardless that the survey has a suspect question format. In such cases, the court will allow the fact-finder to weigh the survey evidence based upon how the skewed nature of the questions affected the results.⁹⁹ However, the very best survey experts are those who can create specific questions that will not cause doubts or concern for the fact-finder.¹⁰⁰

There are three types of trademark survey question formats that have been found acceptable by courts to test likelihood of consumer confusion:

- (1) *Exxon Format*: Asks respondents to indicate the first thing that comes to mind when seeing the junior mark;
- (2) *Eveready Format*: Asks respondents to name the company that they think puts out the junior mark; and
- (3) *Squirt Format*: Asks whether the junior and senior marks are put out by the same or different companies.

In addition to these three formats, survey respondents are often asked, “Why do you say that?” The key is to try to form survey questions that are specific but are not too leading.

A. *The Exxon Format*

What has become known as the “*Exxon Format*” for trademark survey questions arose out of the Fifth Circuit case *Exxon Corp. v. Texas Motor Exchange of Houston, Inc.*¹⁰¹ In the *Exxon Format*, the respondents are shown the junior mark and asked, “what is the first thing that comes to your mind when looking at this name?” If respondents fail to state a specific company, the question is rephrased and they are asked, “What company comes to mind?” An important aspect of this test is it requires a follow-up question calling for explanations of the previous answer, e.g., “What was there about that mark that made you say that?” The importance of these questions rests in the fact that if the senior mark comes to mind when displaying the junior mark, then confusion exists between the two marks.

Some commentators have voiced general concerns with the *Exxon Format* in that, when asked about what comes to mind in seeing a particular product, the respondent will likely answer with the most similar name, rather than the actual mark in mind.¹⁰² However, the general errors associated with these responses have

⁹⁸ Diamond, *supra* note 7, at 243.

⁹⁹ *Holiday Inns, Inc. v. Holiday Out in Am.*, 481 F.2d 445, 447 (5th Cir. 1973).

¹⁰⁰ 628 F.2d 500, 507 (5th Cir. 1980).

¹⁰¹ *Id.* at 504.

¹⁰² Itamar Simonson, *The Effect of Survey Method on Likelihood of Confusion Estimates: Conceptual Analysis and Empirical Test*, 83 TRADEMARK REP. 364, 367–68 (2001).

been well documented and can often be corrected mathematically once the survey is completed by the survey expert.¹⁰³ Moreover, answers directed toward what comes to mind regarding similarity of name, may also factor favorably for a trademark holder seeking to demonstrate that a likelihood of consumer confusion exists.¹⁰⁴

B. The Eveready Format

As a more indirect measure of gauging likelihood of confusion, the Eveready Format has quickly become one of the most popular and well accepted forms of trademark survey. The Eveready Format was found acceptable by the Seventh Circuit in *Union Carbide Corp. v. Ever-Ready Inc.*¹⁰⁵ The format entails showing respondents the junior product and asking:

- (1) Who do you think makes this brand?
- (2) What makes you think so?
- (3) Name any other products made by this brand.¹⁰⁶

Responses to this survey that include the name of the senior manufacturer or the product name connote evidence of likelihood of confusion.

One potential drawback of the Eveready Format is that it creates a potentially leading or suggestive question. These questions cause the respondent who would normally not associate a senior and junior mark in making normal purchasing decisions to ultimately question their similarity.¹⁰⁷ Put simply, the Eveready Format often suggests confusion when in reality none exists. However, such potentially leading questions are often exactly what a trademark holder desires in proposing a trademark survey.

C. The Squirt Format

The Squirt Format represents the most recently accepted form of trademark survey questions. This format is based upon the 1980 decision by the Eighth Circuit in *Squirt Co. v. Seven Up Co.*¹⁰⁸ The original Squirt Format asked respondents "Do you think SQUIRT and SQUIRST are put out by the same company or different companies?"¹⁰⁹ Commentators assert that the advantage of the Squirt Format is that it provides the most direct measure of confusion.¹¹⁰ However, the Squirt Format has been criticized in that it may underestimate the level of consumer confusion when two names are very similar, as consumers may believe it is illogical that the same company would use both names. One difference with the Squirt Format as compared

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366, 381 (7th Cir. 1976).

¹⁰⁶ *Simonson*, *supra* note 102, at 369.

¹⁰⁷ *Id.*

¹⁰⁸ *Squirt Co. v. Seven Up Co.*, 628 F. 2d 1086 (8th Cir. 1980).

¹⁰⁹ *Id.*; *see also* *La Maur, Inc. v. Revlon, Inc.*, 245 F. Supp. 839, 842 (D. Minn. 1965).

¹¹⁰ *Simonson*, *supra* note 102, at 370.

to the Eveready Format is that the Squirt Format presents both the junior and senior marks side by side when conducting the survey.¹¹¹ Like the Eveready Format, the Squirt Format has been generally criticized for leading respondents to consider an association between two marks that they may not normally have considered.¹¹² Despite these criticisms, the Squirt Format remains one of the most pervasive and acceptable forms of trademark survey used in litigation.

III. TYPES OF TRADEMARK ISSUES TESTED BY SURVEYS

While the majority of trademark law regarding survey formats addresses the kind of questions relating to issues of likelihood of consumer confusion, the various types of trademark issues tested by surveys continues to expand.¹¹³ As discussed in *Schering Corp. v. Pfizer Inc.*, trademark “[s]urveys are, for example, routinely admitted in trademark and false advertising cases to show actual confusion, genericness of a name, or secondary meaning, all of which depend on establishing that certain associations have been drawn in the public mind.”¹¹⁴ Because of this, courts frequently accept and encourage the use of multiple surveys to address issues central to a specific trademark dispute.¹¹⁵

In addition to whether confusion exists in the marketplace, surveys are routinely used to test whether a mark has achieved secondary meaning.¹¹⁶ Currently, trademark surveys have been used or are being developed for the following types of trademark issues:

- (i) Whether false advertising is occurring in the marketplace;¹¹⁷
- (ii) Whether a former trademark has now become “generic”;¹¹⁸
- (iii) Whether a type of product configuration is a protectable trade dress element or if it is “functional”;¹¹⁹ and
- (iv) Whether use of a famous trademark used on a non-related product or service causes “dilution.”¹²⁰

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ One of the main reasons for expanding trademark surveys to include issues in trademark law other than merely likelihood of confusion is directly attributable to Judge Wilfred Feinberg’s seminal decision in *Zippo Mfg. Co. v. Rogers Imports, Inc.*, 216 F. Supp. 670 (S.D.N.Y. 1963), which set the foundation for employing surveys to address other consumer association issues. *Schering Corp. v. Pfizer Inc.*, 189 F.3d 218, 225 (2d Cir. 1999).

¹¹⁴ *Schering*, 189 F.3d at 225.

¹¹⁵ *See generally Volkswagen Aktiengesellschaft v. Uptown Motors*, No. 91 CIV. 3447 (DLC), 1995 U.S. Dist. LEXIS 13869 (S.D.N.Y. July 13, 1995).

¹¹⁶ *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1043 (2d Cir. 1992) (providing general discussion on how trademarks are used to assess secondary meaning).

¹¹⁷ *Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1182 n.8 (9th Cir. 2003).

¹¹⁸ *See, e.g., Ty Inc. v. Softbelly’s, Inc.*, 353 F.3d 528, 531 (7th Cir. 2003).

¹¹⁹ *See, e.g., OddzOn Prods. v. Just Toys*, 122 F.3d 1396, 1405 (Fed. Cir. 1997).

¹²⁰ *See, e.g., ETW Corp. v. Jireh Publ’g, Inc.*, 332 F.3d 915, 919 (6th Cir. 2003).

Therefore, courts greatly encourage the use of varying survey formats in order to relieve the judge of making specific consumer association related findings for products and services they are not personally accustomed to making.¹²¹

A. Secondary Meaning Surveys

Apart from surveys testing likelihood of consumer confusion, secondary meaning surveys are by far the most accepted and requested type of trademark survey. Surveys testing secondary meaning attempt to ascertain whether consumers associate a certain word, symbol, collocation of color, design, or good as emanating from a single source.¹²² However, a trademark survey need not ask whether the consumer can identify the actual source of a product by name.¹²³

1. Issue of Timing

One troublesome aspect of using secondary meaning surveys is the frequent delay between the defendant's first entry into the marketplace and the filing of a trademark lawsuit, there is no way to ascertain whether the trademark holder had secondary meaning at the first instance of alleged infringement.¹²⁴ The common sense approach to this dilemma has been expressed in *STX, Inc. v. Trik Stik, Inc.*, which stated that "[i]t is unrealistic to expect a plaintiff to generate market studies until a potential infringer is discovered," courts should accept a timely secondary meaning survey conducted after filing a trademark suit.¹²⁵ In discussing the issue of survey timing, one commentator has provided the view that, while a trademark may not have acquired secondary meaning on the day of a defendant's market entry, a defendant's subsequent use of the word or symbol may lead to secondary meaning.¹²⁶ However, this more contemporary view has not been adopted by any court.

2. Isolating the Trademark with an Artificial Prop

Another important aspect of creating a proper secondary meaning survey is to properly isolate the trademark elements that the mark holder asserts have secondary meaning and are in common with the alleged infringer. As discussed in *Spraying Systems Co. v. Delavan, Inc.*, the weight of a secondary meaning survey is greatly undermined when the survey fails to isolate the critical portion of the various word mark or symbol asserted as being infringed.¹²⁷ In the context of a trade dress secondary meaning survey, it is important to "mask" any other indicia of origin to

¹²¹ Carol Barnhart, Inc. v. Econ. Cover Corp., 773 F.2d 411, 419 (2d Cir. 1985).

¹²² See, e.g., RJR Foods, Inc. v. White Rock Corp., 603 F.2d 1058, 1059 (2d Cir. 1979).

¹²³ Centaur Communications Ltd. v. A/S/M Communications Inc., 830 F.2d 1217, 1221 (2d Cir. 1987).

¹²⁴ 20th Century Wear, Inc. v. Sanmark-Stardust, Inc., 747 F.2d 81, 90 (2d Cir. 1984).

¹²⁵ STX, Inc. v. Trik Stik, Inc., 708 F. Supp. 1551, 1559 (N.D. Cal. 1988).

¹²⁶ Vincent N. Palladino, *Surveying Secondary Meaning*, 84 TRADEMARK REP. 155, 159 (1993).

¹²⁷ *Spraying Sys. Co. v. Delavan, Inc.*, 762 F. Supp. 772, 779 (7th Cir. 1992).

isolate the proper trade dress element because a product configuration will often contain the manufacturer's name.¹²⁸ As discussed in *Brooks Shoe Manufacturing Co. v. Suave Shoe Corp.*, when a trade dress holder's name such as BROOKS appears on the side of their shoe, but the holder seeks to protect the "V" appearing on the side of the shoe, the survey expert should isolate the "V" by creating an artificial prop shoe without the BROOKS mark.¹²⁹

While creating a sufficient prop by masking non-asserted trademark elements is important, such efforts should not create an artificial product or design that fails to replicate how the product appears in the marketplace.¹³⁰ The classic example of this was discussed in *American Basketball Ass'n v. AMF Voit, Inc.*, which dealt with whether the color scheme of the ABA's red, white, and blue basketballs had acquired secondary meaning.¹³¹ In *AMF*, the court rejected the survey because no logo was on the surveyed basketball.¹³² While this essentially created a catch 22 situation, the court held that at least some masked logo needed to be present.¹³³

3. Format of Questions for Secondary Meaning Surveys

The underlying ideal in formatting secondary meaning surveys is to follow the "anonymous source rule," which seeks to determine whether or not a trade name or trade dress is associated with the asserting mark holder without asking survey participants to give the mark holder's name.¹³⁴ The most simple secondary meaning question format is:

- (1) Do you associate the claimed trademark with a product/good of one or more than one company?
- (2) Why do you say this?

A greater number of affirmative responses to question (1) suggests that the product has acquired secondary meaning.

This type of format was directly applied in *Storck USA L.P. v. Farley Candy Co., Inc.*, which sought to establish whether a gold and white candy wrapper for hard candy had acquired secondary meaning.¹³⁵ In *Stork*, the survey expert asked, "[d]o you think pieces of butter-flavored hard candy with wrappings that look like these are put out by one company or by more than one company?"¹³⁶ A modified form of the standard question was used in *Sunbeam Corp. v. Equity Industries Corp.*, which addressed whether a food processor design had acquired secondary meaning.¹³⁷ In *Sunbeam*, the question was "Do you associate the appearance of this food processor

¹²⁸ Palladino, *supra* note 126, at 163.

¹²⁹ *Brooks Shoe Mfg. Co. v. Suave Shoe Corp.*, 533 F. Supp. 75, 81 (S.D. Fla. 1981).

¹³⁰ *Am. Footwear Corp. v. Gen. Footwear Ltd.*, 609 F.2d 655, 660–61 (2d Cir. 1979).

¹³¹ *Am. Basketball Ass'n v. AMF Voit, Inc.*, 358 F. Supp. 981, 986 (S.D.N.Y. 1973).

¹³² *Id.*

¹³³ *See id.*

¹³⁴ Palladino, *supra* note 126, at 165.

¹³⁵ *Storck USA L.P. v. Farley Candy Co., Inc.*, 797 F. Supp. 1399, 1411 (N.D. Ill. 1992).

¹³⁶ *Id.*

¹³⁷ *Sunbeam Corp. v. Equity Indus. Corp.*, 635 F. Supp. 625, 630 (E.D. Va. 1986).

with one company or more than one company?”¹³⁸ Thus, multiple variations of the standard question have been proposed and accepted by courts for both trade names and trade dress designs.

B. Genericness Surveys

“Consumer surveys have become almost *de rigeur* in litigation over genericness. Judges . . . often expect to receive evidentiary assistance by surveys in resolving generic disputes.”¹³⁹ A mark is “generic” when it is a common descriptive name for a class of products, is not connected to any specific brand, and has not been afforded trademark protection.¹⁴⁰ The Third Circuit has discussed what makes an identifier generic:

When a producer introduces a product that differs from an established product class in a significant, functional characteristic, and uses the common descriptive term of that characteristic as its name, that new product becomes its own genus, and the term denoting the genus becomes generic if there is no commonly used alternative that effectively communicates the same functional information.¹⁴¹

When performing a trademark survey testing genericness, the survey expert is trying to quantify the context of how a mark is used by consumers. However, the most important inquiry required of a genericness survey is to ascertain whether a mark services a dual use, and more particularly, whether it operates in consumers minds as both a form of a product as well as a particular source for that product.

Often, the most successful products and their accompanying trademarks fall victim to their own success and are forced into a genericness fight with a competitor. Trademarks like Band-Aid®, Post-It®, Jell-O®, and Xerox® have all essentially fallen victim to some sort of genericness claim, in that they now represent products just as much as a source of those products. By far, the most frequently used survey format for genericness surveys is the “Teflon” type survey. Most genericness surveys provide an alternative to allow participants to answer that they view a name as both a product and a good. In addition, it is important to allow for follow up questions for answers that essentially respond, “I don’t know.” Unlike surveys for likelihood of confusion or secondary meaning, the percentage of individuals who identify the name with a product, rather than a particular good, must be greater than 50%.¹⁴²

Most reported genericness surveys seek to qualify whether consumers associate a word with a brand or source, rather than merely a type of product. In *J & J Snack Foods, Corp. v. Nestle USA, Inc.*, the defendants ordered a genericness survey for

¹³⁸ *Id.* at 630.

¹³⁹ MCCARTHY, *supra* note 1, § 12:14.

¹⁴⁰ *Harlem Wizards Entm’t Basketball, Inc. v. NBA Prop., Inc.*, 952 F. Supp. 1084, 1092 (D.N.J. 1999).

¹⁴¹ *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 293 (3d Cir. 1986).

¹⁴² MCCARTHY, *supra* note 1, § 12:6 (noting that for a genericness survey, “[m]ajority usage of the word is controlling”).

plaintiff's registered mark BREAK & BAKE.¹⁴³ The report essentially asked questions regarding the descriptiveness of the plaintiff's mark.¹⁴⁴ Essentially, the format of the questions sought to elicit the opinion of the survey participant as to whether they believed that BREAK & BAKE was a common name or brand name.¹⁴⁵ The result of the survey found that 20% believed the name belonged to Pillsbury and 18% thought it belonged to a non-existent company called BREAK & BAKE.¹⁴⁶ Despite such figures essentially showing that 60% of participants did not believe that BREAK & BAKE belonged to a particular brand or company, the court declined to find that the mark was generic.

Genericness surveys must do more than ask participants "What is the product." In *Big Island Candies, Inc. v. Cookie Corner*, the court entertained a genericness survey provided by Big Island Candies (hereinafter "BIC") which asked participants "Who are you" type questions.¹⁴⁷ Specifically, the question was phrased as "Who makes this product?"¹⁴⁸ The court pointed out that the survey's apparent author was the BIC president, rather than an independent survey expert, which led the court to cast doubts on its reliability.¹⁴⁹ Thus, the court placed no weight on the survey.¹⁵⁰

Accordingly, the trademark survey must create lines of questions that specifically ask whether a consumer associates a name as a product or a brand. Often, such survey evidence is used with other forms of evidence to show genericness. Another type of evidence used in genericness cases is general market research, but such evidence as proof of genericness is far less reliable than a survey.

C. Functionality Surveys

As a general matter, the doctrine of "functionality" seeks to prevent the overreach of perpetual trademark protection for product configurations that do not promote competition by protecting the source's reputation and goodwill, but rather function solely to inhibit legitimate competition regarding a useful utilitarian product feature.¹⁵¹ Functionality often arises in the context of trade dress under Section 43(a) of the Lanham Act, which protects non-registered product configurations that serve as source identifiers.¹⁵² The Supreme Court articulated in *Qualitex Co. v. Jacobson Products Co.* that the essential issue regarding functionality of a product feature is whether the grant of exclusive protection accorded under the Lanham Act would create a "significant" non-reputation related competitive advantage.¹⁵³

¹⁴³ J & J Snack Foods, Corp. v. Nestle USA, Inc., 149 F. Supp. 2d 136, 149 (D.N.J. 2001).

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ *Id.* at 149–50.

¹⁴⁷ *Big Island Candies, Inc. v. Cookie Corner*, 269 F. Supp. 2d 1236, 1250 (D. Haw. 2003)

¹⁴⁸ *Id.*

¹⁴⁹ *Id.* at 1252.

¹⁵⁰ *Id.*

¹⁵¹ *Antioch Co. v. W. Trimming Corp.*, 347 F.3d 150, 155–56 (6th Cir. 2003).

¹⁵² *Traffix Devices v. Mktg. Displays*, 532 U.S. 23, 28 (2001).

¹⁵³ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995).

In order to determine whether a product feature is a functional non-protectable trade dress feature, courts engage in a two-part test outlined in *Inwood Laboratories v. Ives Laboratories*.¹⁵⁴ The *Inwood* test asks (i) whether the asserted product feature is “essential” to the use or purpose of the product, and (ii) if the feature affects the cost or quality of the product.¹⁵⁵ While the issue of whether a product feature affects the cost or quality of the product is an issue readily calculated through financial evidence, the first question of *Inwood* regarding the essential nature of a feature is more elusive. Thus, trademark surveys seek to answer the question of whether consumers associate a product feature as being essential to the function of the product.¹⁵⁶ However, while the first prong can often be dismissed as a product feature that is not essential, courts frequently rely heavily upon the issue of whether a feature affects the costs or quality of the product.

1. Using Survey’s Designed to Ascertain Secondary Meaning

Survey evidence has not traditionally been used in assessing whether a product feature is or is not functional. Compared to other types of trademark surveys, there is very little judicial direction regarding how to phrase or carry out an admissible functionality survey. Traditionally, trademark surveys developed and designed to question secondary meaning have been used to ascertain functionality of a product configuration. This dual function has come into question in more recent pronouncements. The court in *Windmill Corp. v. Kelly Foods Corp.* articulated that a secondary meaning survey that contained an over fifty percent finding of secondary meaning did not necessarily mean that a product feature was neither functional nor essential.¹⁵⁷ Likewise, the Seventh Circuit in *Thomas & Betts Corp. v. Panduit Corp.* held that a consumer trademark survey that specifically targets functionality is inadmissible for the purposes of ascertaining secondary meaning.¹⁵⁸

Those secondary meaning trademark surveys that have been held admissible for use in inquiring about functionality have mirrored questions that have been used traditionally in functionality surveys. The key to these dual surveys is to essentially filter out reputation-based advantages that are protectable from advantages based upon useful product features. Dual use trademark surveys should ask “does this product feature provide an advantage?” Put another way, “in comparing these two product features, are there different ways of providing this feature, and would such difference be significant to you?” Such questions must be very specific and carefully worded so as not to be too leading.

¹⁵⁴ *Inwood Labs. v. Ives Labs.*, 456 U.S. 844, 851 (1982).

¹⁵⁵ *Id.*

¹⁵⁶ *Coach, Inc. v. We Care Trading Co.*, 67 Fed. Appx. 626, 629 (2d Cir. 2002).

¹⁵⁷ *Windmill Corp. v. Kelly Foods Corp.*, Nos. 94-5874/94-5890, 95-5137, 1996 U.S. App. LEXIS 3473, at *14–15 (6th Cir. Jan. 26, 1996).

¹⁵⁸ *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 659 (7th Cir. 1995).

2. Framing Appropriate Functionality Questions

Because of the growing trend of limiting the admissibility of surveys regarding issues of functionality and moving toward surveys directed solely to the essential need for a product feature, trademark experts have struggled with insufficient case law to formulate functionality questions. Only a few cases such as *OddzOn Products v. Just Toys* have provided direction.¹⁵⁹ First, a proper functionality survey should ask survey participants whether they believe there is overall similarity apart from the fact that both product configurations contain a common design required for such products to function for their intended purpose.¹⁶⁰ Another potential question is to ask a survey participant “whether a product feature would affect a purchasing decision,” in order to ascertain whether the decision was based on ornamental appeal or technical differences.

A question format that asks the participant to ascertain whether the exclusivity of a product feature would allow a manufacturer to compete unfairly in the marketplace would simply be too direct. However, as pronounced in *OddzOn*, asking the “Why” question after asking why a consumer prefers a product feature will often filter out whether consumer appeal is based on aesthetic reasons.¹⁶¹ Thus, as asserted in *Spotless Enterprises, Inc. v. A&E Products Group L.P.*, the key is to ask questions regarding the aesthetic qualities of the products.¹⁶² A trademark survey can certainly ask a consumer participant whether the cost difference between two disputed product configurations would create an issue in purchasing either product, thus assessing the second *Inwood* factor.¹⁶³ However, as previously discussed, the cost factor of the *Inwood* test need not be tested in a functionality survey as a financial expert may better discuss this aspect during trial.

D. Dilution Surveys

Apart from surveys testing functionality of trade dress, dilution surveys represent the most difficult format of surveys to survive admissibility at trial. Put simply, “[t]here is no standard criteria for surveying dilution.”¹⁶⁴ The main problem regarding preparation of a proper dilution survey rests in trying to detect the requisite “whittling away” found when dilution actually occurs.¹⁶⁵ The most typical forms of dilution evidence come from misdirected mail, telephone calls, or customer complaints rather than through survey form.¹⁶⁶ However, it seldom remains that

¹⁵⁹ *OddzOn Prods. v. Just Toys, Inc.*, 122 F.3d 1396 (Fed. Cir. 1997).

¹⁶⁰ *Id.* at 1406.

¹⁶¹ *Id.*

¹⁶² *Spotless Enter, Inc. v. A&E Prods Group L.P.*, 294 F. Supp. 2d 322, 347 (E.D.N.Y. 2003).

¹⁶³ *Inwood Labs. v. Ides Labs.*, 456 U.S. 844, 851 (1982).

¹⁶⁴ *Hershey Foods Corp. v. Mars, Inc.*, 998 F. Supp. 500, 518 (M.D. Pa. 1998).

¹⁶⁵ *Quill Natural Springs Water, Ltd. v. Quill Corp.*, No. 91 C 8071, 1994 WL 559237, at *12 (N.D. Ill. Oct. 7, 1994).

¹⁶⁶ William G. Barber, *How to do a Trademark Survey (Or Perhaps How Not to do One)*, 89 TRADEMARK REP. 616, 616 (1999).

there exists direct evidence of dilution and therefore the use of surveys is desirable.¹⁶⁷

1. *The Association Test*

The most common way of attempting to ascertain whether dilution is occurring is to ask a participant in a survey what comes to mind when they see a particular product or what they associate it with.¹⁶⁸ This form of dilution survey essentially follows the format adopted by the Seventh Circuit in *Exxon Corp. v. Exxene Corp.*¹⁶⁹ Exxon submitted a survey that essentially inquired whether there was an association between the names “Exxon” and “Exxene,” and the court found that was acceptable despite Exxene’s efforts to discredit the survey.¹⁷⁰

Perhaps one of the most frequently accepted forms of dilution survey after Congress passed the Federal Trademark Dilution Act¹⁷¹ was found in *Wawa, Inc. v. Haaf*.¹⁷² The *Wawa* case focused on whether the convenience store chain HAHA diluted the popular WAWA chain of stores.¹⁷³ The court accepted a dilution survey that asked the following two questions:

- (1) What do you think of when you see or hear the name of this store?
What else?
- (2) Do you associate this store with anything else?

As twenty-nine percent of survey participants answered both questions as WAWA, the court found that the dilution survey provided credible evidence of trademark dilution.¹⁷⁴

Apart from the general admissibility of this association format for testing dilution, the inherent problem with this form of survey is that it does not necessarily show direct evidence of actual dilution.¹⁷⁵ In order for a junior mark to dilute a more established mark, the junior mark must not only call to mind the senior mark, but must also blur its distinctiveness or tarnish its reputation. Thus, the essential inquiry is whether an alleged diluting mark reduces the capacity of a plaintiff’s mark to identify and distinguish the plaintiff’s products or services.¹⁷⁶ This is exactly what a well-designed and articulated dilution survey must achieve.

¹⁶⁷ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. f (1995).

¹⁶⁸ Barber, *supra* note 166, at 618.

¹⁶⁹ *Exxon Corp. v. Exxene Corp.*, 696 F.2d 544, 550 (7th Cir. 1982).

¹⁷⁰ *Id.*

¹⁷¹ 15 U.S.C. § 1125(c) (2000).

¹⁷² *Wawa, Inc. v. Haaf*, 40 U.S.P.Q.2d (BNA) 1629 (E.D. Pa. 1996).

¹⁷³ *Id.* at 1632.

¹⁷⁴ *Id.*

¹⁷⁵ Alexander F. Simonson, *Dilution Law: At a Crossroad? How and When Do Trademarks Dilute: A Behavioral Framework to Judge “Likelihood” of Dilution*, 83 TRADEMARK REP. 149, 172–73 (1993).

¹⁷⁶ Barber, *supra* note 166, at 621 (1999).

2. *Tarnishment Surveys*

Apart from the general association tests designed to inquire about dilution, trademark experts have also attempted to create specific survey question formats designed to inquire whether a defendant's mark tarnishes the reputation of a famous mark. The most prevalent example of a tarnishment survey is found in *Anheuser-Busch, Inc. v. Balducci Publications*.¹⁷⁷ The *Balducci* case addressed a parody of an Anheuser-Busch ad for MICHELOB DRY beer that used the expression MICHELOB OILY as a social commentary regarding environmental concerns of contaminating formerly pristine lakes and rivers. In conducting the tarnishment survey, a universe sample of three hundred beer drinkers were shown the MICHELOB OILY advertisement while the other one hundred were shown a regular MICHELOB DRY ad. While the format of the question was not disclosed in the written opinion, twenty-two percent answered that they were less likely to buy MICHELOB beer in the future.¹⁷⁸ Based upon this finding, the court found that the survey was admissible evidence that the parody tarnished Anheuser Busch's MICHELOB trademarks.¹⁷⁹

IV. DEVELOPMENT OF INTERNET-BASED TRADEMARK SURVEYS

A. *Introduction*

As previously discussed, the use of consumer surveys is often imperative in order for courts to ascertain issues relating to the more empirical trademark issues of likelihood of confusion, secondary meaning, dilution, and functionality. Three trademark survey formats have become widely accepted and performed in trademark litigation: Mall-Intercept, Telephone, and Central Location Surveys. However, the advent of the Internet as a new form of communication that allows a ready exchange of information in a visual form, has created a new and powerful tool, which survey experts have yet to fully harness. The main reason for this reluctance to use online-based trademark surveys is the mixed reviews of the courts regarding these surveys, as well as general admissibility concerns.

Since 1997, there have been at least a half-dozen reported uses of online trademark cases discussing the admissibility of online surveys. Initially, the major concern regarding online surveys was the limited Internet use by consumers and smaller sample universes compared to more traditional formats. However, as the use of the Internet to make purchasing decisions has greatly increased each year, so too has the acceptance of online trademark surveys. Only two courts have actually accepted and relied upon an online survey to the benefit of the submitting party. Rather, many newly developed online services and trademark holders have opted toward using traditional Mall-Intercept Surveys in which a prototype survey environment is used to appear as an online purchasing decision or Internet home

¹⁷⁷ *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769 (8th Cir. 1994).

¹⁷⁸ *Id.* at 773.

¹⁷⁹ *Id.* at 777.

page. However, due to the improved ability to select a large and appropriate trademark sample and universe, these online surveys continue to grow in acceptance.

B. Recent Recognized Uses of Internet Surveys in Trademark Litigation

The first reported use of an Internet-based trademark survey came before the Southern District of New York in 1997. *Trustees of Columbia University v. Columbia/HCA Healthcare Corp.* addressed the defendant's use of the name COLUMBIA for healthcare services.¹⁸⁰ Plaintiff Columbia University introduced, as evidence of consumer confusion, an Internet-based health survey of 1700 respondents conducted by the defendant, where four respondents answered "yes" to "whether they had ever used a Columbia facility before and identified Columbia-Presbyterian Medical Center, Columbia-Presbyterian Hospital or a Columbia University campus doctor as the facility."¹⁸¹

The court ruled that, despite the potential for the Internet form of survey to show some evidence of confusion, the court could not give it any weight due to the small sample and because of the trustworthiness of this new form of Internet-based survey methodology.¹⁸² Thus, the advent of the Internet-based survey came with some apprehension.

1. General Apprehension of Using Internet Surveys by Online-Based Trademark Holders after the Columbia University Litigation.

Four years after the introduction of the first Internet-based trademark survey, trademark owners were still apprehensive towards this survey format. Because of the uncertainty of whether courts would accept an Internet-based survey, many trademark owners of online services have continued to perform traditional trademark surveys.¹⁸³ In *America Online, Inc. v. AT&T Corp.*, plaintiff America Online sought to enforce its trademark rights for its BUDDY LIST, IM, and YOU'VE GOT MAIL marks.¹⁸⁴ However, despite the fact that relevant consumers would all be somewhat familiar and agreeable to perform an Internet-based survey due to their common use of the communications platform, America Online instead chose a more traditional random phone interview survey to prove secondary meaning.¹⁸⁵

Of the individuals that America Online called through their random survey, 507 identified themselves as "very likely paying to be receiving an Internet access service or an online service during the three months following the survey."¹⁸⁶ While these 507 respondents were broken into four groups, the majority were asked the simple

¹⁸⁰ *Trustees of Columbia Univ. v. Columbia/HCA Healthcare Corp.*, 964 F. Supp. 733, 736 (S.D.N.Y. 1997).

¹⁸¹ *Id.* at 747.

¹⁸² *Id.*

¹⁸³ *Am. Online, Inc. v. AT&T Corp.*, 243 F.3d 812, 822 (4th Cir. 2001).

¹⁸⁴ *Id.* at 814.

¹⁸⁵ *Id.* at 822.

¹⁸⁶ *Id.*

question “whether they had heard or seen the expression ‘You Have Mail.’”¹⁸⁷ The survey also included a small fourth group of respondents who were asked questions designed as a control in order to remove potentially inherent errors in the survey.¹⁸⁸ The court found that the survey was sufficient to accord it weight in proving that America Online’s marks had obtained secondary meaning.¹⁸⁹

Trademark owners of online-based goods or services have not only opted to use telephone-based trademark surveys, but have also used Mall-Intercept Surveys where they re-create an online experience through a prototype Internet-like purchasing event rather than simply using an online survey.¹⁹⁰ In *Simon Properties Group, L.P. v. mySimon, Inc.*, the trademark dispute centered on defendant mySimon’s adoption of the name SIMON to provide comparative online shopping for particular retail goods.¹⁹¹ Even though defendant mySimon was a completely online price comparison service, mySimon opted against an Internet-based survey and instead engaged in two Mall-Intercept Surveys.¹⁹² Survey participants at non-Simon malls were taken to a separate room, where they were shown what appears to be a personal computer with the mySimon home page.¹⁹³ The participants were then asked what company they thought put out the Internet web page.¹⁹⁴

MySimon also conducted two other Mall-Intercept Surveys where they identified Internet users and asked the same types of questions by showing them a prototype of the mySimon home page.¹⁹⁵ MySimon’s trademark survey expert, Itamar Simonson, testified that the survey revealed that there was a negligible 2% amount of consumer confusion.¹⁹⁶ Based upon these findings, the Seventh Circuit affirmed the lower court’s finding of no likelihood of consumer confusion.¹⁹⁷

Therefore, as shown by both the *mySimon* and the *America Online* cases, there exists some general fear from online and technology-based trademark holders to employ a completely online trademark survey. Rather, a more conservative approach remains to use a Mall-Intercept Survey format that simulates an online web purchasing decision.

¹⁸⁷ *Id.* “Respondents in Groups B, C, and D were asked similar questions about different phrases. Instead of being queried for their reaction to ‘You Have Mail,’ respondents in Group B were asked about ‘New Mail Has Arrived’; respondents in Group C were asked about ‘Mail Is Here.’” *Id.*

¹⁸⁸ *Id.* Respondents in the fourth group of respondents, referred to as “Group D,” were asked questions regarding whether they associated the mark “Mail Call” with any one Internet Service Provider. *Id.*

¹⁸⁹ *Id.* at 822–23.

¹⁹⁰ *Simon Props. Group, L.P. v. mySimon, Inc.*, 282 F.3d 986, 989 (7th Cir. 2002).

¹⁹¹ *Id.*

¹⁹² *Id.*

¹⁹³ *Id.*

¹⁹⁴ *Id.*

¹⁹⁵ *Id.*

¹⁹⁶ *Id.*

¹⁹⁷ *Id.* at 991.

2. Final Acceptance of the Internet-Based Form of Trademark Survey.

It has taken six years for courts to recognize and finally begin to accept Internet-based trademark surveys. At the time of this paper, at least two federal courts have accepted and used online-based trademark surveys in evaluating trademark claims. In 2003 in the Southern District of New York, the court that rejected the first online trademark survey presented in *Columbia University*, accepted the use of an online survey.¹⁹⁸ In *1-800 Contacts, Inc. v. WhenU.com*, the trademark dispute centered on whether consumers were aware that defendant WhenU had created pop-up advertisement computer software that infected and propagated Internet users' computers to create pop-ups competing with plaintiff's contact ordering service.¹⁹⁹

Plaintiff 1-800 Contact's trademark survey expert selected a sample of nearly 100,000 people who wore contacts and invited them to take an online trademark survey, in which approximately 46,000 respondents accepted. Based upon survey results, plaintiff's expert, Mr. Neal, ascertained that 9.6% of the respondents had defendant SaveNow's software installed on their computers. Neal further testified that based upon 994 online respondents who used and ordered contact lenses, half had the SaveNow software installed on their computers.

In reviewing the Neal online survey, the court found that the online survey method created a representative national quota sample balanced in geography, income, and age demographics. The court accepted the Neal finding that seventy-six percent of respondents were unaware that their computers were infected by the SaveNow software, or that it generated pop-up advertising taking the consumer to contact ordering services not affiliated with plaintiff's services. Furthermore, the court accepted the finding that fifty-two percent believed these advertisements were approved by the plaintiff. Thus, the court found that defendant's acts created actionable consumer confusion.

However, courts even within this last year still struggle to completely accept this new form of survey format. Despite the potential benefits gained by conducting an Internet-based trademark survey, at least one recent court has ruled that such is inadmissible when the survey lacks a proper sample and fails to question the proper universe.²⁰⁰ In *MasterCard International, Inc. v. First National Bank of Omaha*, the court entertained an Internet-based trademark survey designed by famed survey expert Simonson regarding the mark SMART ONE for use in banking services.²⁰¹ In order to obtain a proper sample, the survey attempted to initially contact 914 individuals via a telephone survey to ask bank employees three screening questions which included:

- (1) Do you work for a bank?
 - (2) Are you involved in the decision-making process of evaluating card programs such as credit, debit or chip cards to be offered to your customers?
- and

¹⁹⁸ *1-800 Contacts, Inc. v. WhenU.com*, 69 U.S.P.Q.2d (BNA) 1337 (S.D.N.Y. 2003).

¹⁹⁹ *Id.*

²⁰⁰ *MasterCard Int'l, Inc. v. First Nat'l Bank of Omaha*, Nos. 02 CIV. 3691 (DLC), 03 CIV. 707 (DLC), 2004 U.S. Dist. LEXIS 2485, at *28 (S.D.N.Y. Feb. 23, 2004).

²⁰¹ *Id.* at *24.

(3) How long have you been working in this capacity, that is, evaluating card programs to be offered to your customers?²⁰²

Upon answering the first two questions in the affirmative, Simonson then requested that the participant go online and complete an Internet-based survey within twenty-four hours, in which he would receive either \$25 or \$35 for completing the survey.²⁰³

Of the 914 individuals included in the universe for contact via phone, only 192 potential participants were successful in answering the two questions in the affirmative, with only fifty-two respondents actually completing the Internet survey.²⁰⁴ In looking toward the actual nature of the Internet-based survey, the court drew attention to the website's presentment of general information, description of the smart card program, and a virtual prototype of the SMART ONE MasterCard banking smartcard.²⁰⁵ Next, the survey asked certain distracter questions seeking to eliminate underlying short-term memory effects.²⁰⁶ Third, the participant was taken to three screens, one showing multiple types of smart bank cards.²⁰⁷ Upon viewing the cards, the participant was asked, "Do you believe the company whose materials we just showed you did or did not obtain approval to use the name of its card program from the company whose materials we first showed you?"²⁰⁸ The participant was then asked to respond Yes or No regarding such approval.²⁰⁹ Finally, the respondents were asked to write a "detailed explanation" of the reasons for their answers. These responses were recorded by the website.²¹⁰ The report based upon the survey revealed a 15.3% level of consumer confusion.²¹¹

Only recently has a court actually found an Internet-based trademark survey admissible in court. In *Empresa Cubana Del Tabaco v. Culbro Corp.*,²¹² an Internet-based trademark survey was performed to measure whether consumer confusion existed between the Cuban COHIBA brand cigar and the domestic General Cigar brand COHIBA.²¹³ Plaintiff, a Cuban-based cigar manufacturer conducted the survey in late 2000 and created a report in March 2001 using an Internet survey.²¹⁴ Based upon an e-mail solicitation created from consumer information indicating households with a potential cigar smoker, plaintiff sought household members over the age of 21 years old and then directed them to complete an Internet-based questionnaire.²¹⁵ The survey interviews took place in October and November 2000.²¹⁶

²⁰² *Id.*

²⁰³ *Id.*

²⁰⁴ *Id.* at *24–25.

²⁰⁵ *Id.* at *25.

²⁰⁶ *Id.*

²⁰⁷ *Id.*

²⁰⁸ *Id.*

²⁰⁹ *Id.*

²¹⁰ *Id.* at *25–26.

²¹¹ *Id.* at *26.

²¹² *Empresa Cubana Del Tabaco v. Culbro Corp.*, No. 97 Civ. 8399 (RWS), 2004 U.S. Dist. LEXIS 4935 (S.D.N.Y. Mar. 29, 2004).

²¹³ *Id.* at *74.

²¹⁴ *Id.* at *74–75.

²¹⁵ *Id.*

²¹⁶ *Id.*

The Internet survey was based upon 962 out of 1873 respondents to the e-mail solicitation, which were individuals who defined themselves as capable or interested in buying premium cigars at a price of \$2.81 per cigar or higher.²¹⁷ Those respondents on the Internet-based questionnaire who had heard of COHIBA were then shown online pictures of a General Cigar COHIBA Box, as well as cigars.²¹⁸ The respondents were then asked questions to determine if they believed that (i) Cuban COHIBAS and General Cigar COHIBAS were made by the same company; (ii) if the two companies have an association or business connection; and (iii) if one company received authorization or approval from the other to use the name COHIBA.²¹⁹ About fifty-three percent of those respondents indicated source confusion.²²⁰

At trial, General Cigar's survey expert, Simonson, who is regarded as the premier survey expert in the country, attempted to discredit the survey based largely on its failure to use a control.²²¹ The court found that despite the lack of a control, the nature of the Internet-based survey and the use of a large sample and proper universe weighed in favor of admissibility and use.²²² Therefore, the court used the survey in ultimately canceling defendant, General Cigar's, trademark registration.²²³

C. The Potential Advantages of the Online Survey Format

Apart from the initial issue of lowered sample universes found in the early online survey cases, the potential advantages inherent in Internet trademark surveys may soon cause this form of survey to dominate others. As the rise of Internet shopping continues, many types of consumer purchases now occur through online shopping, rather than in the traditional mall setting.²²⁴ In addition to often providing the most appropriate purchasing environment for many of today's goods and services, online surveys help alleviate many of the risks inherent with pen-and-paper type surveys. While many trademark surveys have been discredited due to scriveners errors, evidence that interviewers falsely recorded information, or because insufficient verification occurred, trademark surveys help alleviate many of the traditionally disastrous issues with traditional forms of surveys.

The overall benefit of the online-based trademark survey is that it allows the digital recording of survey results, this serves to provide easier use and manipulation of data, greater ease in reforming and recasting a survey universe, and ease in calculating the ultimate survey findings. In addition, the use of online surveys bestows upon the survey expert the ability to easily search those often longer "why?" responses by doing key word searches. Unlike Mall-Intercept Surveys and Central Location Surveys, online surveys are not limited geographically and provide a truly national view of trademark issues. While Telephone Surveys do not afford the ability

²¹⁷ *Id.*

²¹⁸ *Id.*

²¹⁹ *Id.* at *75-76.

²²⁰ *Id.*

²²¹ *Id.* at *77-78.

²²² *Id.*

²²³ *Id.* at *70.

²²⁴ *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 767 (E.D. Mich. 2003) (asserting that trademark surveys should focus on how the ultimate purchasing decision occurs).

to visually show a disputed trademark as it exists during consumer purchasing events, online trademark surveys provide at least some visual opportunity to display the disputed trademark. Finally, while the other three forms of trademark survey require large numbers of survey interviewers and staff to collect and review the data, as well as someone to enter the information into a computer, online surveys represent an efficient, quick, and cost-effective alternative.

1. *Creating a Sufficiently Large Survey Sample*

Because an online trademark survey creates a truly national survey that is not limited geographically, politically, socially, and perhaps even economically, the potential of this form of trademark survey is that it easily creates a sufficient sample of the requisite universe. As discussed in *Empresa Cubana Del Tabaco v. Culbro Corp.*,²²⁵ the survey boasted a sample of 962 respondents who fit all of the requirements for the universe sought by the trademark survey expert. More importantly, because the online survey can ask screening questions to ascertain whether a potential survey participant fits within the correct universe and within a desired quota, the electronic nature of the survey can easily correlate the correct representative demographic desired by the expert.²²⁶ Such improved ability to screen and obtain the desired sample helps improve the amount of weight a court may give an online survey compared to more traditional surveys due to the inability to screen many Mall-Intercept Surveys.²²⁷

While many courts place the burden of proving a proper sample was obtained on the party asserting the admissibility of the survey,²²⁸ the ability for online survey results to be manipulated and presented may aid in meeting such burden. As required by cases such as *1-800 Contacts, Inc. v. WhenU.com*,²²⁹ the evidentiary value of an online consumer survey is that it may better ascertain the representative sample by predisposing those participants who do not fit the universe. Thus, because of their ability to better obtain a requisite number of participants for a trademark survey, online surveys may be able to service very small consumer groups, such as purchasers of profession-specific or niche markets.

2. *Obtaining and Screening for the Proper Universe*

As touched upon above, the inherent benefit of an Internet-based trademark survey is the ability to ask automated screening questions to create the desired universe of survey participants. As the selection of the proper universe is often more critical than the kind of questions asked in a trademark survey, the Internet-based survey has unique benefits over the Mall-Intercept Survey in that Internet-based

²²⁵ *Empresa Cubana Del Tabaco*, 2004 U.S. Dist. LEXIS 4935, at *74–75.

²²⁶ *Volkswagen Aktiengesellschaft v. Uptown Motors*, No. 91 CIV. 3447 (DLC), 1995 U.S. Dist. LEXIS 13869, at *20 (S.D.N.Y. July 13, 1995).

²²⁷ *Harolds Stores, Inc. v. Dillard Dep't Stores, Inc.*, 82 F.3d 1533, 1544 (10th Cir. 1996).

²²⁸ *J & J Snack Foods Corp. v. Earthgrains Co.*, 220 F. Supp. 2d 358, 369 (D.N.J. 2002).

²²⁹ *See 1-800 Contacts, Inc. v. WhenU.com*, 69 U.S.P.Q.2d (BNA) 1337 (S.D.N.Y. 2003).

surveys can ask questions regarding a person's demographic without being directly perceived. Unlike the Mall-Intercept Survey that requires a person proximate to the participant to inquire about their personal information to create a proper universe, the Internet provides a more relaxed venue where more truthful answers regarding a participant's background may be drawn.²³⁰ Again, an online-based survey creates potential benefits that go directly toward affording greater weight to an Internet survey as opposed to a Mall-Intercept Survey.²³¹

Certainly, while the use of an online survey may improve the overall ability to select individuals from a pre-determined survey, courts recognize that "no survey can construct a perfect replica of 'real world' buying patterns[; rather,] a survey must use a stimulus that, at a minimum, tests for confusion by roughly simulating marketplace conditions."²³²

3. *Implementing a Control to Eliminate Noise*

As discussed in *America Online, Inc. v. AT&T Corp.*,²³³ the use of controls in trademark surveys is of great importance, especially when asserting rights regarding newly developed online or Internet-based trademark uses.²³⁴ Just like with other forms of trademark surveys, the use of a control is important in online trademark surveys to eliminate background noise or confusion regarding potentially confusing survey questions or the survey's subject matter.²³⁵

Because of the more intimate nature of providing answers online rather than in person, a control survey may actually lead to more realistic baselines of noise in the survey. This is important because the key to a good control is to ascertain what respondents are likely to answer as a result of other factors such as faulty survey procedures or other influences characteristic of a survey.²³⁶ Thus, the control should test whether the nature of the online format or the use of graphical representation of the asserted mark on screen rather than in person affects the respondents' answers. The control should also test whether the questions can be answered in the manner they are posed online. By asking these types of control questions and having a separate control group, an online survey can more accurately ascertain how the questions that are being asked affect the respondent's answers.²³⁷

As shown in *Trustees of Columbia University v. Columbia/HCA Healthcare Corp.*, the failure to include a control group in a trademark survey can weigh heavily against admissibility.²³⁸ Thus, any online trademark survey that completely fails to use a control or some format that reduces the underlying noise in the survey is likely

²³⁰ MATTHEW BENDER, FEDERAL EVIDENCE PRACTICE GUIDE § [4][6][i] (2003).

²³¹ *Trouble v. Wet Seal, Inc.*, 179 F. Supp. 2d 291, 307 (S.D.N.Y. 2001).

²³² *Id.*

²³³ *Am. Online, Inc. v. AT&T Corp.*, 243 F.3d 812, 822 (4th Cir. 2001).

²³⁴ *Id.*

²³⁵ MCCARTHY, *supra* note 1, § 32.54.

²³⁶ *Novartis Consumer Health, Inc. v. Johnson & Johnson-Merck Consumer Pharms. Co.*, 129 F. Supp. 2d 351, 365 n.10 (D.N.J. 2000).

²³⁷ *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 769 (E.D. Mich. 2003).

²³⁸ *Trustees of Columbia Univ. v. Columbia/HCA Healthcare Corp.*, 964 F. Supp. 733, 747 (S.D.N.Y. 1997).

to be inadmissible.²³⁹ In addition, an online trademark survey should use not just one but multiple control groups to ensure that underlying errors are accounted for.²⁴⁰

4. Reducing the Risk for Data Entry Error by Interviewers

The traditional survey formats such as the Mall-Intercept Survey and the Telephone Survey require the interviewer to record information from what is heard into a written form. Thus, the actual survey results are written not by the participant but rather by the interviewer. An additional transcribing occurs when the information is taken from written form and added into a computer database for use by the trademark survey expert in writing his or her report. Thus, with these multiple transformations, there is an inherent risk of scrivener error or the opportunity for the drafter to implement their own opinions into a survey answer.

Many of the risks of data entry error inherent in traditional trademark surveys may be alleviated or all together eliminated by the use of online surveys. As discussed before, the major benefit of the online trademark format is that the survey participant directly enters the information into the survey. The electronic settings could also be formed to eliminate the ability for a survey expert to manipulate the data once entered by the participant. In addition, upon collection, the survey expert can more easily organize the data to create a useable format. Such reduced risk of improper manipulation by an interviewer or an expert makes the online format a potentially more acceptable form of trademark survey.

5. Lessening the Need for Verification

Another important advantage inherent in the online trademark survey format is its ability to lessen the need for verification. As previously discussed, any format of trademark survey should include a specific strategy that allows the verification of survey results. Currently, many commentators have favored the Telephone Survey over the Mall-Intercept Survey because the Telephone Survey provides a greater ability to conduct verification, since many participants in Mall-Intercept Surveys may provide false contact information. Much akin to the Telephone Survey, the online format often begins with an email requesting a potential respondent to visit a website and fill out a survey. Thus, the survey often already has a means of contacting a respondent based upon previous knowledge of an email address.

Using the initial email contact, a survey expert can then send a secondary email to the respondent to ask the same questions again.²⁴¹ If the survey expert decides to perform the verification survey by telephone, those hired to conduct the interviews should also be required to swear by affidavit that the information they recorded was

²³⁹ CSC Brands LP v. Herdez Corp., 191 F. Supp. 2d 1145, 1152 (E.D. Cal. 2001).

²⁴⁰ See, e.g., Masterfoods USA v. Arcor USA, Inc., 230 F. Supp. 2d 302, 311 (W.D.N.Y. 2002).

²⁴¹ See, e.g., Brooks Shoe Mfg. Co. v. Suave Shoe Corp., 533 F. Supp. 75, 80 (S.D.N.Y. 1981) (asserting that the failure to require a Mall-Intercept Survey interviewer to sign documentation acknowledging that the information recorded was accurate created a question of admissibility despite the hiring an independent board to review the interviewer's findings).

accurate and truthful.²⁴² As the online nature of an Internet survey will likely be questioned by the court, the steps taken to verify its accuracy should be carefully chosen by the survey review board to ensure truthfulness of the recorded information.²⁴³

However, it is important to note that the requirement of verification came about primarily due to traditional surveys hiring college-aged temporary staff to conduct the surveys, which led to inaccurate information and often forgery. As these risks are not inherent with online surveys, this factor may be reduced or even eliminated from consideration by courts in dealing with the admissibility of Internet surveys.

V. CONCLUSION

Trademark surveys represent one of the most important facets of quantifying consumer confusion, secondary meaning, dilution, genericness, and functionality. As evidence of actual confusion is often sparse, trademark surveys provide the ability to measure consumer confusion in the marketplace. While the nature of trademark surveys often presents admissibility problems, such issues can be resolved by following accepted guidelines found in case law. By seeking a proper universe, sample, an appropriate control group, and verification of survey results, a survey will likely be admissible in court. The overall key is to use non-leading questions in an environment that parallels the actual purchasing environment.

The three current trademark survey formats all present different drawbacks regarding their accuracy, ability to parallel the actual purchasing environment and ability to verify results. However, all three represent costly endeavors due to the numerous individuals needed to perform the surveys. Online surveys present an answer to many of the inherent drawbacks that have plagued and undermined the use of trademark surveys. More important, use of online trademark surveys may create a more cost effective alternative to allow smaller, less financially well-off trademark owners to enforce their rights in court.

Online surveys represent the next phase of evolution in developing trademark surveys for use in trademark litigation. Online surveys will not only allow many non-traditional companies to demonstrate secondary meaning or consumer confusion, but will do so in a manner that will likely provide results that are more accurate, efficient, and less susceptible to charges of fabrication. The online format allows for more expedient manipulation of survey results so that trademark experts can perform word searches and pull key statements for use in expert reports. Finally, the online survey format allows for direct interaction between the survey participant and the survey itself.

Currently, there has been limited use of the online form of trademark surveys. In addition, it has only been in the last year that online trademark surveys have been found admissible in trademark disputes. However, like any new form of evidence, the inherent strength of this type of trademark survey should result in it rising above others to prominence among the existing survey formats. More frequent use of online surveys by survey experts will alleviate any remaining fear by

²⁴² *Id.*

²⁴³ *Id.*

trademark holders which might otherwise prevent the use of this survey type. Only time and additional judicial guidance will ensure that online surveys will continue to grow in acceptance.