Will A Survey Help Win A Likelihood of Confusion Case?

BY JAMES T. BERGER

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Is it worth it to do a survey? Is it going to help win the case?

These are questions that most survey experts get all the time. Thanks to some academic studies that I have recently uncovered, there are some answers to these questions.

Shari Seidman Diamond, Northwestern University professor of Law and Psychology and research professor of the American Bar Association, and David J/. Franklyn, director of the McCarthy Institute for IP and Technology Law at the University of San Francisco School of Law, have co-authored "Trademark Surveys: An Undulating Path," published in the Texas Law Journal (June 28, 2014). Included in this article is research on various studies that try to gauge success rates of lawsuits that make use of surveys.

Diamond and Franklyn review a number of studies that address whether surveys play a major role in the success of the lawsuit's outcome.

The first such study, discussed by Diamond and Franklyn, was performed by Barton Beebe in 2006. At the time of the study, Beebe was associate professor at the Benjamin N. Cardozo School of Law, Yeshiva University, NY. He identified 331 published cases in all 13 circuits between 2000 and 2204 that made use of likelihood of confusion tests.

Diamond and Franklyn report: "According to the model of judicial decision making that Beebe presents, 'survey evidence' thought by many to be highly influential, is in practice of little importance. He found that only sixty-five (20%) of the 331 opinions her studied discussed survey evidence and thirty-four (10%) credited the survey evidence. Although the rulings in 70% of those cases favored the credited survey, those twenty-four cases represented only 7% of the opinions he studied."

Next Diamond and Franklyn examined the 2009 study by University of Miami (FL) Professors Dan Sarel and Howard Marmorstein. Their goal was to determine the effect of evidence produced by surveys in trademark infringement lawsuits in which the central issue was likelihood of confusion. They analyzed 126 cases decided between 2001 and 2006 in which the plaintiff possesses an "undisputed valid trademark."

According to Diamond and Franklyn, the Sarel/Marmorstein study, which was published in the November-December, 2009, issue of *The Trademark Reporter*, the admission of survey evidence increased the success rate on a likelihood-of-confusion issue by 24.2%. They add, "When the plaintiff had survey evidence admitted and the trademarks or goods were dissimilar, use of survey evidence significantly increased plaintiff success in obtaining and injunction (by about 60%).

Furthermore, Diamond and Franklyn report: "Where the marks were dissimilar, it was almost impossible to obtain an injunction without a survey – only 4% of plaintiffs were able to obtain an injunction without the use of a survey in such instances, whereas 61.5% obtained an injunction rate with a survey." They point out that if the survey is rejected, no plaintiff was successful in obtaining an injunction. "Even where the goods and marks were similar, the admission of surveys increased win rates by approximately 17-20%."

Diamond and Franklyn next move to a more recent study published in the University of Pennsylvania Journal Of Business Law in 2012 authored by University of Connecticut Prof. Robert C. Bird and New York University Prof. Joel H. Steckel. This study analyzed 533 published (Westlaw and Lexis-Nexis) cases from between 2000 and 2006. They found that only 16.6% of the cases discussed survey evidence and from this they concluded that "consumer surveys are neither 'universally influential' nor 'used as often as some would imply."

Dozens of scholars have examined court decisions to assess the role of surveys, write Diamond and Franklyn. They single out Graeme W. Austin (Victoria University of Wellington) who studied cases over a 10-year period between 1993 and 2003 and found that surveys were introduced in 57.4% of trademark cases that went to final judgment.

Diamond and Franklyn conclude: "Surveys may not be ubiquitous in reported cases involving allegations of likelihood on confusion, but they frequently play a central role in the progress of the trademark and deceptive advertising litigation before cases appear in court opinions. They are most likely to be commissioned when other evidence in the case is equivocal, which is precisely when they are most likely to influence decisions. Surveys are valuable tools in trademark litigation even when they not deployed in trial. They provide an important reality check on mark evaluation and effective leverage in settlement negotiations. Surveys help inform clients and shape strategy with insight into actual consumer perceptions and their legal significance." IPT