Cornell Law Review

Volume 55
Issue 3 *February 1970*

Article 8

Confusing Similarity in Trademarks a Suggested Approach

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CONFUSING SIMILARITY IN TRADEMARKS: A SUGGESTED APPROACH

The vagueness of the Lanham Act[1] and the courts'[2] peculiar habits of decision in trademark cases have produced a plethora of inconsistent decisions.[3] Section 1051(a)(1) of the Lanham Act, the only statutory criterion for determining whether one trademark infringes another, provides simply that no trademark may be registered that so resembles an unabandoned trademark registered or used in the United States "as to be likely . . . to cause confusion, or to cause mistake, or to deceive."[4] Courts consistently shun precedent in deciding whether two trademarks are confusingly similar,[5] maintaining that each case

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1 15 U.S.C. §§ 1051-72, 1091-96, 1111-21, 1123-27 (1964). Courts gave legal effect to trademarks even before the enactment of the Lanham Act in 1946. *E.g.*, Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co., 316 U.S. 203, *rehearing denied*, 316 U.S. 712 (1942).

Legal remedies against trademark infringement are based on two rationales: first, protection of the prior user's good will against unfair competition (Franchised Stores of N.Y., Inc. v. Winter, 394 F.2d 664 (2d Cir. 1968); Eureka Williams Corp. v. McCorquodale, 205 F.2d 155 (C.C.P.A.), *cert. denied*, 346 U.S. 872 (1953); Kimberly Clark Corp. v. Marzall, 94 F. Supp. 254 (D.D.C. 1950), *aff'd*, 196 F.2d 772 (D.C. Cir. 1952); Mont-O-Min Sales Corp. v. Wyeth Inc., 92 F. Supp. 150 (D. Mo. 1950)); and second, protection of the consumer (Franchised Stores of N.Y., Inc. v. Winter, 394 F.2d 664 (2d Cir. 1968); W.E. Bassett Co. v. Revlon, Inc., 354 F.2d 868 (2d Cir. 1966); Kimberly Clark Corp. v. Marzall, 94 F. Supp. 254 (D.D.C. 1950), *aff'd*, 196 F.2d 772 (D.C. Cir. 1952); Mont-O-Min Sales Corp. v. Wyeth Inc., 92 F. Supp. 150 (D. Mo. 1950); S.C. Johnson & Son v. Johnson, 8 F.R.D. 217 (W.D.N.Y. 1948), *aff'd*, 175 F.2d 176 (2d Cir.), *cert. denied*, 338 U.S. 860 (1949)).

2 "Courts" as used in this note refers to the Trademark Trial and Appeal Board (T.T.A.B.) and the Court of Customs and Patent Appeals (C.C.P.A.) as well as the other federal courts.

3 *E.g.*, *compare In re* William Intner Co., Inc., 155 U.S.P.Q. 101 (T.T.A.B. 1967) (mattress and bed spring producer's mark, HEIRLOOM, held not confusingly similar to HEIRLOOM QUALITY, the mark of a producer of household furniture), *with In re* Scovill Mfg. Co., 154 U.S.P.Q. 322 (T.T.A.B. 1967) (GOURMET CENTER for an electric-powered unit held confusingly similar to GOURMET for electric plate cosies and bun warmers); *and In re* Signal Oil & Gas Co., 154 U.S.P.Q. 123 (T.T.A.B. 1967) (HANCOCK 500 for gasoline allowed registration in spite of HANCOCK for petroleum products), *with In re* Standard Kollsman Industries, Inc., 156 U.S.P.Q. 346 (T.T.A.B. 1967) (SKI for television and radio tuners not allowed registration where there was prior use of SK-97, SK-128, SK-98, and SK-58, all for high fidelity speakers for radios and phonographs); *and In re* Colgate-Palmolive Co., 154 U.S.P.Q. 255 (T.T.A.B. 1967) (SOFTERGENT for heavy duty detergent allowed registration despite prior use of SYNTERGENT for similar product), *with* American Mfg. Co. v. Heald Machine Co., 385 F.2d 456 (C.C.P.A. 1967) (BORMASTER for cross slide assemblies not allowed registration due to prior use of BORE-MATIC for machines used for the precision finishing of holes or bores in metal).

4 15 U.S.C. § 1051(a)(1) (1964). *See also id.* § 1052(d).

5 "[P]rior decisions in trademark cases, where the issue is a likelihood of confusion,

must be decided on its own facts.[6] The lack of consistency engendered by this approach is compounded by the courts' attention to the possibility of confusion rather than its actuality.[7] Although actual confusion seems in many cases to be adequate evidence of the likelihood of confusion, the courts give minimal weight to testimony concerning actual confusion.[8] Similarity of marks is considered largely a matter of opinion,[9] and a court's opinion is controlling.[10]

Inconsistent decisions result because the courts attempt to decide what the public will find confusing while minimizing their contacts with the public, and because there are no objective standards to guide the courts. Amending the Lanham Act to make use of consumer surveys and a precise objective standard would alleviate many of the problems in trademark litigation.

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furnish meager assistance in the resolution of that issue." Polaroid Corp. v. Richard Mfg. Co., 341 F.2d 150, 152 (C.C.P.A. 1965); *accord*, Magnaflux Corp. v. Sonoflux Corp., 231 F.2d 669 (C.C.P.A. 1956); Holiday Casuals v. M. Beckerman & Sons, 228 F.2d 224 (C.C.P.A. 1955).

6 "It has been observed too often to require citation of authority that the question of likelihood of confusion is one which must be determined on the facts of each particular case." Stonecutter Mills Corp. v. Universal Overall Co., 379 F.2d 979, 982 (C.C.P.A. 1967); *accord, In re* Meyer & Wenthe, Inc., 267 F.2d 945 (C.C.P.A. 1959); Kiekhaefer Corp. v. Willy-Overland Motors, Inc., 236 F.2d 423 (C.C.P.A. 1956); Kenosha Full Fashioned Mills v. Artcraft Hosiery Co., 161 F.2d 751 (C.C.P.A. 1947).

7 "The absence of actual confusion . . . is not a controlling factor . . . for the reason that the statute prohibits the registration of a mark that is 'likely' to cause confusion." Celanese Corp. v. E.I. Du Pont De Nemours & Co., 154 F.2d 146, 147 (C.C.P.A. 1946); *accord*, Owens-Illinois Glass Co. v. Clevite Corp., 324 F.2d 1010 (C.C.P.A. 1963); S.C. Johnson & Son v. Johnson, 266 F.2d 129 (6th Cir.), *cert. denied*, 361 U.S. 820 (1959); Salem Commodities, Inc. v. Miami Margarine Co., 244 F.2d 729 (C.C.P.A. 1957).

8 *See* Quaker Oats Co. v. St. Joe Processing Co., 232 F.2d 653 (C.C.P.A. 1956). The court held that witnesses' opinions as to the likelihood of confusion amounted to nothing more than expressions of opinion. Furthermore, the court stated that if such testimony were adopted, the effect would be to substitute witnesses' opinions for the court's opinion and that this would be improper.

9 Squirt Co. v. Pola-Rona Inc., 229 F.2d 463 (C.C.P.A. 1956). *See also* May Dep't Stores Co. v. Schloss Bros. & Co., 234 F.2d 879 (C.C.P.A. 1956); Intercontinental Mfg. Co. v. Continental Motors Corp., 230 F.2d 621 (C.C.P.A. 1956); Princess Pat, Ltd. v. Tursi, 230 F.2d 440 (C.C.P.A. 1956).

10 Warner Bros. Co. v. Jantzen Inc., 150 F. Supp. 531 (S.D.N.Y. 1956), *aff'd*, 249 F.2d 353 (2d Cir. 1957).

The statute provides:

> In every case of interference, opposition to registration, application to register as a lawful concurrent user, or application to cancel the registration of a mark, the Commissioner . . . shall direct a Trademark Trial and Appeal Board to determine and decide the respective rights of registration.

15 U.S.C. § 1067 (1964). All subsequent litigation in the courts is on appeal; as a result, a jury trial is never had.

I

RELIABILITY IN CONSUMER SURVEYS

Perhaps the best way to decide whether two trademarks are confusingly similar is to ask the public; yet courts are reluctant to utilize consumer surveys.[11] Perhaps this judicial attitude exists in part because courts look with disfavor upon any threatened incursion into their decision-making power. But the courts are also justifiably concerned with the lack of objectivity in the consumer surveys offered in infringement cases.[12] Surveys prepared by one side tend to be prejudicially constructed or administered.

In *Sears, Roebuck & Co. v. All States Life Insurance Co.*,[13] the prior user, Sears, claimed that the use of ALL STATES LIFE INSURANCE CO. infringed its ALLSTATE trademark for auto insurance and auto accessories. The court gave no weight to a survey undertaken by Sears, because questions to interviewees about ALLSTATE and ALLSTATE INSURANCE preceded questions about the ownership of ALL STATES LIFE INSURANCE CO.; ALLSTATE was brought to mind before the interviewees were questioned as to the ownership of ALL STATES LIFE INSURANCE CO. Another court gave no weight to a survey that asked interviewees whether it had occurred to them that UP-TOWN and 7-UP might be produced by the same company.[14] Since the survey itself associated the two marks by referring to both in the same question, it was held that the results did not indicate confusion in the mind of the typical consumer.

A third court denied evidentiary weight to a survey conducted by a prior user because of the technique of selecting interviewees. A letter had been sent to a group familiar with the prior user's product, CLOUD mattresses, asking who manufactured CELLACLOUD mattresses; there was nothing to suggest that there would have been

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11 At one time consumer surveys were considered inadmissible hearsay, but it is now well established that they are admissible. The statements of the persons interviewed are said to be offered to show the interviewees' states of mind rather than the truth of what they assert. *E.g.*, International Milling Co. v. Robin Hood Popcorn Co., Inc., 110 U.S.P.Q. 368 (Comm'r 1956). It has also been maintained that no question of hearsay is involved; the persons who conduct the survey usually will testify only as to the results of the survey, not as to its sources, and therefore the only problem is the credibility of the witness who is before the court. *E.g.*, United States v. 88 Cases, More or Less, 187 F.2d 967 (3d Cir. 1951).

12 *See* Brufsky, *Effect of Confusion Surveys in Trademark Litigation*, 11 IDEA 7 (1967).

13 246 F.2d 161 (5th Cir. 1957).

14 Seven-Up Co. v. Feigenson Bros. Co., 123 U.S.P.Q. 89 (T.T.A.B. 1959).

confusion if the new product had been encountered in the market place.[15]

In *Coca-Cola Co. v. Victor Syrup Corp.*[16] the court rejected a consumer survey conducted by the prior user because of intrinsic ambiguity. Two investigators went to two hundred establishments that sold soft drinks. One investigator asked for NUTRI-COLA while the other asked for COCA-COLA. The prior user maintained that, since one half of the establishments made no distinction and served both investigators from the same tap, confusion existed. The court pointed out that there was no way of knowing whether the persons serving the drinks were confused or made the substitution deliberately.

Occasionally courts give little or no weight to consumer surveys for articulated reasons that are at best rationalizations. In *General Motors Corp. v. Cadillac Marine & Boat Co.*,[17] CADILLAC for boats was claimed to infringe CADILLAC for automobiles. The court gave no weight to a consumer survey because the individuals questioned were not *actual* purchasers of the products involved; in so doing it disregarded the need to protect the potential consumer as well as the old customer. In another case in which a consumer survey was rejected,[18] the crucial question in the survey concerned confusion as to the *sponsoring* of a product. The court based its decision totally on semantics, stating that the issue was whether there was confusion, not as to who *sponsored* the product, but as to its *origin*. The real issue—the validity of the survey—was never reached. In yet another case, *Miles Laboratories, Inc. v. Frolich*,[19] the court gave only limited weight to a consumer survey, maintaining that trademark litigation did not consist of a word association game, but rather involved a balancing of the competing goals of preventing confusion and allowing unfettered use of the English language, the latter giving way to the former when the *court* decides there is likelihood of confusion.

The cases suggest that certain conditions are essential if a consumer survey is to be reliable. A skilled and impartial expert should prepare and administer the survey to randomly selected, impartial persons. The group polled should be a cross-section of potential purchasers of the product involved. It should be varied as to sex, age,

15 Huntington Nat'l Mattress Co. v. Celanese Corp. of America, 127 U.S.P.Q. 428 (T.T.A.B. 1960), *modified*, 128 U.S.P.Q. 99 (T.T.A.B. 1961).

16 97 U.S.P.Q. 478 (Comm'r 1953), *aff'd*, 218 F.2d 596 (C.C.P.A. 1955).

17 226 F. Supp. 716 (W.D. Mich. 1964).

18 Lever Bros. Co. v. Butler Mfg. Co., 111 F.2d 910 (C.C.P.A. 1940).

19 195 F. Supp. 256 (S.D. Cal.), *aff'd*, 296 F.2d 740 (9th Cir. 1961).

educational background, and economic status, to the extent that such factors do not distinguish consumers from non-consumers.[20] The survey questions must be formulated so as not to prejudice the response. Reference to the prior user's mark should not be permitted, for an immediate association would inevitably follow. An overly cooperative interviewee's prejudice may be countered by asking the question concerning the alleged infringing trademark within a series of questions about other trademarks.[21]

Because there is no assurance that these suggested guidelines can be adhered to in a survey prepared or commissioned by one of the parties to infringement litigation,[22] independently conducted surveys should be used. There are several methods by which surveys by disinterested parties could be implemented. When the issue of confusing similarity arises, the court could commission someone to conduct the survey, or the parties might stipulate a survey-taker. Alternatively, a consumer-survey section of the Federal Trade Commission could be established to formulate statistically sound survey questions and to present these questions to a statistically sound sample group.

II

An Objective Standard

Regardless of the method used for implementing a survey, the crucial factor is the percentage of people indicating confusion with respect to either the product or its origin. Congress should establish a percentage standard to determine whether there is sufficient likelihood of confusion under the Lanham Act. A survey showing confusion in excess of that percentage should be conclusive evidence of infringement, and a survey showing confusion less than that percentage should be conclusive evidence of no infringement, for there is a need to take the fact question of public confusion out of the realm of judicial speculation and intuition. If the survey is not deemed conclusive, courts will still decide what people *en masse* find confusing.

If the survey is to be conclusive upon the courts, arguably the

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20 Brufsky, *supra* note 12, at 18. The author shows these requirements to be typical of surveys to which courts have given substantial weight and absent from surveys to which courts have given minimal weight.

21 *Id.*

22 *See, e.g.*, Sears, Roebuck & Co. v. All States Life Ins. Co., 246 F.2d 161, 172 (5th Cir. 1957); National Biscuit Co. v. Princeton Mining Co., Inc., 137 U.S.P.Q. 250 (T.T.A.B. 1963), *aff'd*, 338 F.2d 1022 (C.C.P.A. 1964).

court system should be bypassed entirely. This, however, should not be done. Whether trademarks are confusingly similar is often just one legal issue among many in an infringement case. Although the issue of confusing similarity might be conclusively settled, the final determination in the case might turn on totally different principles.[23]

It may be arbitrary to declare that an exact percentage of confusion among those surveyed is proof of "confusion" under the Lanham Act.[24] But what arbitrariness there is lies in the treatment given the borderline case, and this criticism may be leveled at any precise standard. The present system is also arbitrary, and in a worse way; a judge is able to declare two trademarks confusingly similar without reference to any objective standard. An exact percentage standard clearly separates trademark cases into two groups. While it may yield the wrong decision in an isolated case, it is necessary if judicial arbitrariness is to be precluded.

An exact percentage test may also yield results apparently as inconsistent as those reached under the present system. The results will not be truly inconsistent, however, and that they should seem so only illustrates the difficulties of the present system. A survey system will statistically determine what a particular segment of the market does or does not find confusing. If the results seem inconsistent to an individual observer, it is because an individual cannot determine what the public will find confusing. Indeed, it is because the reactions of individuals are different from the reaction of the public that a survey system is needed.

CONCLUSION

Determination of consumer confusion is by its very nature not an adjudicative function. The rationalistic, deductive approach typical of the law is inappropriate when the fact to be determined is not in the past but in the present and future.[25] Whether confusion exists is a ques-

23 For example, defendant may claim (*1*) that the two trademarks are not confusingly similar and (*2*) that the prior user abandoned the use of his trademark. If the survey showed no consumer confusion, it would decide the case. However, if the survey showed the existence of confusion, the outcome of the case would depend on a judicial determination of abandonment.

24 Arguably, this approach is no more arbitrary and no more vulnerable to attack than the precise dollar distinction between petty and grand larceny. In both cases there is a clear cut-off point with severe legal consequences.

25 *See* Hart & McNaughton, *Evidence and Inference in the Law*, in EVIDENCE AND INFERENCE 48 (D. Lerner ed. 1958):

The adjudicative facts of interest to the law, being historical facts, will rarely be

tion of present and future fact; the concern is not with whether *A* killed *B* two years ago, but rather with whether two trademarks *are* confusingly similar today and *will be so* tomorrow. Here the inductive methods of empirical science, as employed in the modern consumer survey conducted by an impartial taker, are both available and preferable.

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triable by the experimental methods of the natural sciences. . . . For the most part the law must settle disputed questions of adjudicative fact by reliance upon the ambiguous implications of non-fungible "traces"—traces on human brains and on pieces of paper and traces in the form of unique arrangements of physical objects.

Id. at 52.