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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

MARKETQUEST GROUP, INC.,

Plaintiff,

v.

BIC CORPORATION, *et al.*,

Defendants.

Case No. 11-cv-618-BAS (JLB)

**ORDER DENYING
DEFENDANTS' DAUBERT
MOTION TO EXCLUDE
OPINIONS OF JOHN J.
BURNETT, PH.D.**

[ECF No. 217]

AND RELATED COUNTERCLAIMS.

On March 28, 2001, Plaintiff Marketquest Group, Inc. (“Marketquest”) filed this action for trademark infringement and unfair competition against Defendants BIC Corp., BIC USA, and Norwood Promotional Products (“BIC”). (ECF No. 1.) On May 5, 2011, Marketquest filed the operative First Amended Complaint (“FAC”). (FAC, ECF No. 14.) On May 13, 2011, BIC filed its Answer and Counterclaims. (ECF No. 17.)

Presently before the Court is BIC’s Motion to Exclude the Opinions of John J.

1 Burnett, Ph.D., arguing Dr. Burnett’s opinions are not rooted in generally-accepted
2 science and improperly opine on the ultimate issue based upon a dearth of evidence.
3 (BIC’s Mot., ECF No. 217.) Marketquest opposes. (Opp’n, ECF No. 260.)

4 The Court finds this motion suitable for determination on the papers submitted
5 and without oral argument. *See* Fed. R. Civ. P. 78(b); Civ. L.R. 7.1(d)(1). For the
6 following reasons, the Court **DENIES** BIC’s motion.

7 **I. BACKGROUND**

8 Plaintiff Marketquest is a California “supplier” that produces, advertises, and
9 sells customizable promotional products using the registered trademarks “ALL-IN-
10 ONE” and “The Write Choice.” (FAC ¶¶ 10-12.) Defendant BIC represents one of
11 the largest suppliers in the promotional products industry. (Marketquest’s Mot.
12 Partial Summ. J. 1:12-2:7, ECF No. 205.) The promotional products industry
13 supports the manufacture and distribution of promotional products to companies
14 (“end consumers”) who want to brand themselves with customers. (Marketquest’s
15 Mot. 1:16-18.) When a company wants to brand itself with its customers it
16 approaches a promotional products “distributor.” (*Id.* 1:19-21.) The distributor then
17 approaches a supplier (such as Marketquest or BIC) who either manufactures or
18 imports a promotional product on which the end consumer’s brand is imprinted. (*Id.*
19 1:21-23.) According to Marketquest, such segregation of suppliers, distributors, and
20 end consumers is an integral part of the industry and never bypassed. (*Id.* 2:1-3.)

21 Marketquest alleges BIC began advertising and selling products using marks
22 similar to Marketquest’s. (FAC ¶¶ 21-25.) Specifically, Marketquest claims BIC used
23 the phrase “The Write Pen Choice” in an online advertising campaign for writing
24 instruments beginning in October 2010. (*Id.* ¶ 23.) Around the same time, Norwood
25 Promotional Products, LLC, a subsidiary of BIC USA, printed a 2011 catalog entitled
26 the “NORWOOD All in ONE” catalog. (*Id.* ¶ 24.) Alleging a form of reverse
27 confusion, Marketquest argues that BIC’s use of its marks to compete with it in
28 selling the same products—to the same customers in the same advertising channels—

1 in combination with BIC's reputation as a brand aggregator, caused confusion
2 amongst customers. (Marketquest's Mot. Partial Summ. J. 4:14-18.)

3 BIC retained Hal Poret as an expert witness to conduct a survey to determine
4 the extent to which the use of the phrase "All in ONE" on the cover of the 2011
5 Norwood Catalog is likely to have caused confusion with respect to Marketquest's
6 ALL-IN-ONE mark. (Poret Report, ECF No. 256-3, Ex. 1.) Mr. Poret conducted a
7 Sequential Lineup Survey wherein end consumers were called on the phone and
8 asked to look at materials on their computer screen while they were being
9 interviewed. (*Id.* 3.) Respondents were first shown the Marketquest website, then
10 parts of four catalogs offering customizable promotional products, one of which was
11 the 2011 Norwood Catalog. (*Id.*) They were then asked if they connected any of the
12 catalogs to the Marketquest website and, if so, why. (*Id.* 4.) The results of the survey
13 indicate a rate of 4.7% potential trademark confusion, a rate typically considered de
14 minimis. (*Id.* 21.) Based on the survey results, Mr. Poret is of the opinion that there
15 is no likelihood of confusion caused by the use of the words "All in ONE" on the
16 2011 Norwood Catalog. (*Id.*)

17 To rebut Mr. Poret's testimony, as well as analyze whether the use of "All in
18 ONE" and "The Write Choice" by BIC is likely to confuse customers, Marketquest
19 retained Dr. Burnett as an expert witness. (Burnett Report, ECF No. 217-2, Ex. A;
20 Burnett Rebuttal Report, ECF No. 258-55, Ex. BZ.) In his rebuttal to Mr. Poret's
21 report, Dr. Burnett contends Mr. Poret's survey results stem from an invalid design,
22 an unrepresentative sample universe, a misleading questionnaire, and deficient
23 implementation and analysis. (Burnett Rebuttal Report 10.) In his primary report, Dr.
24 Burnett uses his experience in marketing and branding to analyze both marks by way
25 of the eight *Sleekcraft* factors. (Burnett Report 13.) *See also AMF Inc. v. Sleekcraft*
26 *Boats*, 599 F.2d 341 (9th Cir. 1979) (providing factors for determining likelihood of
27 confusion). He does so through the prisms of reverse confusion and the business-to-
28 business (rather than consumer) sector. (*Id.* 13-14.) Dr. Burnett concludes: (1)

1 Marketquest’s trademarks are strong; (2) Marketquest and BIC market very similar
2 products to similar targets; (3) the marks are similar in color, sound, position, and
3 format; (4) BIC’s continued use of the marks, despite being aware of the potential
4 confusion that could result, shows intent or willful blindness; (5) the parties “share
5 marketing and marketing communication [advertising] channels”; (6) BIC’s use of
6 the marks “may lead to initial interest confusion among the target audiences, largely
7 because the campaign is directed at the same potential and current customers for these
8 products, as verified by the media mix employed”; and (7) the degree of purchaser
9 care is inconsistent because both parties serve a variety of customers with respect to
10 care of evaluations. (*Id.* 36.)

11 **II. LEGAL STANDARD**

12 Federal Rule of Evidence 702 establishes several requirements for
13 admissibility of expert opinion evidence: (1) the witness must be sufficiently
14 qualified as an expert by knowledge, skill, experience, training, or education; (2) the
15 scientific, technical, or other specialized knowledge must “assist the trier of fact”
16 either “to understand the evidence” or “to determine a fact in issue”; (3) the testimony
17 must be “based on sufficient facts and data”; (4) the testimony must be “the product
18 of reliable principles and methods”; and (5) the expert must reliably apply the
19 principles and methods to the facts of the case. Fed. R. Evid. 702.

20 Under *Daubert* and its progeny, the trial court is tasked with assuring that
21 expert testimony “both rests on a reliable foundation and is relevant to the task at
22 hand.” *Daubert v. Merrell Dow Pharm., Inc.*, 509 U.S. 579, 597 (1993). “Expert
23 opinion testimony is relevant if the knowledge underlying it has a valid connection
24 to the pertinent inquiry. And it is reliable if the knowledge underlying it has a reliable
25 basis in the knowledge and experience of the relevant discipline.” *Primiano v. Cook*,
26 598 F.3d 558, 565 (9th Cir. 2010) (citation and quotation marks omitted). Shaky but
27 admissible evidence is to be attacked by cross-examination, contrary evidence, and
28 careful instruction on the burden of proof, not exclusion. *Daubert*, 509 U.S. at 596.

1 The judge is “to screen the jury from unreliable nonsense opinions, but not exclude
2 opinions merely because they are impeachable.” *Alaska Rent–A–Car, Inc. v. Avis*
3 *Budget Grp., Inc.*, 738 F.3d 960, 969 (9th Cir. 2013). In its role as gatekeeper, the
4 trial court “is not tasked with deciding whether the expert is right or wrong, just
5 whether his [or her] testimony has substance such that it would be helpful to a jury.”
6 *Id.* at 969-70.

7 The tests for admissibility in general, and reliability in particular, are flexible.
8 *Primiano*, 598 F.3d at 564. The Supreme Court has provided several factors to
9 determine reliability: (1) whether a theory or technique is testable; (2) whether it has
10 been published in peer reviewed literature; (3) the error rate of the theory or
11 technique; and (4) whether it has been generally accepted in the relevant scientific
12 community. *Mukhtar v. Cal. State Univ.*, 299 F.3d 1053, 1064 (9th Cir. 2002)
13 (summarizing *Daubert*, 509 U.S. at 592-94), *overruled on other grounds by Estate*
14 *of Barabin v. AstenJohnson, Inc.*, 740 F.3d 457, 460 (9th Cir. 2014). These factors
15 are meant to be “helpful, not definitive.” *Kumho Tire Co. v. Carmichael*, 526 U.S.
16 137, 151 (1999). The court “has discretion to decide how to test an expert’s reliability
17 as well as whether the testimony is reliable, based on the particular circumstances of
18 the particular case.” *Primiano*, 598 F.3d at 564 (citations and quotation marks
19 omitted). “[T]he test under *Daubert* is not the correctness of [experts’] conclusions
20 but the soundness of [their] methodology.” *Daubert v. Merrell Dow*
21 *Pharmaceuticals, Inc.*, 43 F.3d 1311, 1318 (9th Cir. 1995). Once the threshold
22 established by Rule 702 is met, the expert may testify and the fact finder decides how
23 much weight to give that testimony. *Primiano*, 598 F.3d at 565.

24 After admissibility is established to the court’s satisfaction, attacks aimed at
25 the weight of the evidence are the province of the fact finder, not the judge. *Pyramid*
26 *Techs., Inc. v. Hartford Cas. Ins. Co.*, 752 F.3d 807, 814 (9th Cir. 2014). The court
27 should not make credibility determinations that are reserved for the jury. *Id.*
28

1 **III. DISCUSSION**

2 BIC argues Dr. Burnett’s opinions are inadmissible because they (i)
3 improperly opine on the ultimate issue, (ii) are not rooted in generally-accepted
4 science, and (iii) are predicated on a dearth of reliable evidence. (BIC’s Mot. 3:21-
5 4:6.) The Court finds each of these arguments unavailing for the purposes of
6 exclusion.

7 **A. Legal Conclusions**

8 BIC argues that Mr. Burnett’s testimony improperly opines on the ultimate
9 issue in the case. In particular, BIC claims Dr. Burnett’s opinions regarding the
10 likelihood of confusion represent an attempt to tell the jury what decision to reach
11 and as such are legal conclusions and inadmissible. (BIC’s Mot. 4:7-5:2.) Although
12 the Court will not allow Dr. Burnett to testify as to the ultimate conclusion of
13 likelihood of confusion, Dr. Burnett’s expert opinions on the state of affairs regarding
14 the individual *Sleekcraft* factors are admissible.

15 “An opinion is not objectionable just because it embraces an ultimate issue.”
16 Fed. R. Evid. 704. Rather, the basic approach to opinions is to admit them when
17 helpful to the trier of fact. Fed. R. Evid. 704 advisory committee’s note. Experts may
18 not, however, offer opinions embodying legal conclusions. *See id.* (clarifying Rule
19 704 as not permitting “the admission of opinions which would merely tell the jury
20 what result to reach”).

21 In analyzing whether there is likelihood of confusion, a jury must first consider
22 the *Sleekcraft* factors and then, based thereon, decide whether a likelihood of
23 confusion exists. *See Alpha Indus. v. Alpha Steel Tube & Shapes, Inc.*, 616 F.2d 440,
24 443 (9th Cir. 1980). “With the analysis so structured, the determination of what is the
25 state of affairs regarding each factor (a ‘foundational fact’) is a finding of fact . . . but
26 the further determination of likelihood of confusion based on those factors is a legal
27 conclusion.” *Id.* (citing *J. B. Williams Co. v. Le Conte Cosmetics, Inc.*, 523 F.2d 187,
28 191-92 (9th Cir. 1975); *Sleekcraft Boats*, 599 F.2d at 348-54). Thus, courts

1 distinguish between permissible expert opinions on the individual *Sleekcraft* factors
2 from impermissible testimony amounting to legal conclusions on whether there is or
3 is not a likelihood of confusion. *See Playboy Enters. v. Terri Welles, Inc.*, 78 F. Supp.
4 2d 1066, 1082 (S.D. Cal. 1999); *see also YKK Corp. v. Jungwoo Zipper Co.*, 213 F.
5 Supp. 2d 1195, 1203 (C.D. Cal. 2002) (holding “the Court will not consider Anson’s
6 legal conclusions, although his opinions on the individual foundational facts, i.e. the
7 individual *Sleekcraft* factors are admissible and will be considered”). Provided a
8 proper foundation is laid and the expert has the requisite experience, “[e]xpert
9 testimony on the factors that go into the ultimate finding on the confusion issue is
10 generally quite proper and helpful to both judge and jury.” 4 J. Thomas McCarthy,
11 *McCarthy on Trademarks and Unfair Competition* § 23:2.75 (5th ed. 2018).

12 Dr. Burnett has over forty years of experience in consumer behavior, branding,
13 and advertising in the business-to-business context, including the promotional
14 products industry. (Burnett Report 2.) It is entirely proper and relevant for him to
15 employ his knowledge of marketing communication and buyer behavior to assist the
16 jury in understanding the *Sleekcraft* factors in the business-to-business promotional
17 products context. Contrary to the contentions of BIC, such opinions are not legal
18 conclusions and will help lay jurors to understand the unique facts and industry
19 setting of this case.

20 Dr. Burnett does not opine on the ultimate question of whether there is or is
21 not a likelihood of confusion in his report, and his testimony at trial should
22 correspond. Additionally, Dr. Burnett should continue to forgo any statements
23 rendering opinions regarding whether BIC’s use of the contested terms is a
24 “descriptive” or “fair use,” as they would constitute impermissible legal conclusions.
25 Any lingering doubts as to the negative impact of Dr. Burnett’s testimony can be
26 managed by instructing the jurors to follow only the judge’s instructions as to what
27 the law is and to disregard any testimony that is inconsistent with those instructions.
28 *See e.g., Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co.*, 561 F.2d 1365,

1 1371 (10th Cir. 1977) (upholding admission of expert testimony on general principles
2 of trademark law because the “court specifically cautioned the jury before the expert
3 testified and again in its instructions that the jury was to disregard any of the expert’s
4 testimony that was inconsistent with the court’s instructions”).

5 **B. Generally-Accepted Science**

6 BIC argues Dr. Burnett does not have sufficient experience to rebut the
7 opinions of Mr. Poret nor should he be allowed to offer opinions regarding consumer
8 confusion studies “because what knowledge he does have in this area is objectively
9 and materially flawed.” (BIC’s Mot. 14:3-9.) The Court is unpersuaded.

10 Dr. Burnett is a Professor Emeritus of Marketing at the University of Denver
11 with forty years of marketing experience and substantial experience in statistics and
12 using surveys. (Opp’n 13:19-22.) He has conducted three surveys in trademark
13 confusion cases, taught undergraduate and graduate marketing research courses, and
14 published over sixty articles where survey research was the primary methodology.
15 (*Id.* 13:24-14:13.) In the Court’s estimation, Dr. Burnett’s testimony regarding
16 consumer confusion surveys is both relevant and reliable in that “the knowledge
17 underlying it has a valid connection to the pertinent inquiry” and “a reliable basis in
18 the knowledge and experience of the relevant discipline.” *See Primiano*, 598 F.3d at
19 565.

20 Likewise, Dr. Burnett’s discussion of a hypothetical preference for a side-by-
21 side comparison rather than a sequential showing does not mean his “opinions should
22 be excluded wholesale.” (BIC’s Mot. 14:3-9.) In his deposition, Dr. Burnett
23 referenced what Professor McCarthy describes as “a more subtle form of ‘*Squirt*’
24 survey . . . in which the respondent is shown an array of branded products, including
25 the contesting brands, and is asked questions about the relation between the
26 companies that sell the products with the contesting marks.” McCarthy, *supra*, §
27 32:177. McCarthy goes on to explain that “[s]ome courts will admit such a survey
28 only if it reflects a significant number of real world situations in which both marks

1 are likely to be seen in the marketplace sequentially or side-by-side.” *Id.* BIC has not
2 offered any evidence to suggest that the competing marks are likely to be seen in the
3 marketplace sequentially, rather than side-by-side. Indeed, there is some evidence
4 that seems to suggest the opposite. (*See* Opp’n 15:13-18.) Regardless, as the Court
5 emphasizes in its order denying the exclusion of Mr. Poret’s survey and testimony,
6 surveys are by necessity imperfect and are to be viewed with an understanding of the
7 challenges faced in their development and implementation. Just as any technical
8 defects of Mr. Poret’s actual survey go to weight, so too do any technical defects in
9 Dr. Burnett’s critique.

10 C. Sufficient Facts and Data

11 Lastly, BIC argues Dr. Burnett’s report and testimony should be excluded
12 because the sixteen instances of actual confusion he relies on are self-serving and de
13 minimis. (BIC’s Mot. 21:19-22.) Such an argument is equally unavailing as the
14 previous two.

15 Federal Rule of Evidence 703 provides that “[a]n expert may base an opinion
16 on facts or data in the case that the expert has been made aware of.” Fed. R. Evid.
17 703. Indeed, interpreting and analyzing factual evidence is a primary role of expert
18 witnesses. *See United States v. Brodie*, 858 F.2d 492, 496 (9th Cir. 1988), *overruled*
19 *on other grounds by United States v. Morales*, 108 F.3d 1031 (9th Cir. 1997). It is
20 wholly appropriate for Dr. Burnett to use his knowledge and experience to analyze
21 and interpret factual evidence to reach an opinion. That Dr. Burnett relies on only
22 sixteen instances of actual confusion provided to him by Marketquest does not render
23 his opinions inadmissible. Actual confusion is not essential to a finding of trademark
24 infringement because it is almost impossible to obtain evidence of actual confusion.
25 *See Sleekcraft Boats*, 599 F.2d at 353 (“Because of the difficulty in garnering such
26 evidence, the failure to prove instances of actual confusion is not dispositive.”).

27 Based on the foregoing, the Court finds Dr. Burnett’s reports are helpful to the
28 trier of fact and based on generally accepted science and sufficient facts for the

1 purposes of Rule 702.

2 **IV. CONCLUSION & ORDER**

3 The Court **DENIES** Defendants' *Daubert* Motion to Exclude Opinions of John
4 J. Burnett, Ph.D. (ECF No. 217.) The reports and testimony are relevant and offered
5 with sufficient foundation by one qualified to give it.

6 **IT IS SO ORDERED.**

7 **DATED: April 12, 2018**

8 
9 **Hon. Cynthia Bashant**
10 **United States District Judge**

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