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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
PLAINTIFF’S MOTION TO
EXCLUDE SURVEY AND
TESTIMONY OF HAL PORET**
[ECF No. 199]

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 Marketquest’s Motion to Exclude the Survey and

1 Testimony of Hal Poret. (Marketquest’s Mot., ECF No. 199.) Marketquest argues
2 that Mr. Poret’s survey is irrelevant and unreliable because it surveyed the wrong
3 universe and failed to adequately replicate market conditions. BIC opposes. (Opp’n,
4 ECF No. 257.)

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

8 **I. BACKGROUND**

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

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

1 selling the same products—to the same customers in the same advertising channels—
2 in combination with BIC’s reputation as a brand aggregator, caused confusion
3 amongst customers. (Marketquest’s Mot. Partial Summ. J. 4:14-18.)

4 BIC retained Mr. Poret as an expert witness to conduct a survey to determine
5 the extent to which use of the phrase “All in ONE” on the cover of the 2011 Norwood
6 Catalog is likely to have caused confusion with respect to Marketquest’s ALL-IN-
7 ONE mark. (Poret Report 1, ECF No. 256-3, Ex. 1.) Mr. Poret conducted a Sequential
8 Lineup Survey wherein end consumers were called on the phone and asked to look
9 at materials on their computer screen while they were being interviewed. (*Id.* 3.)
10 Respondents were first shown the Marketquest website, then parts of four catalogs
11 offering customizable promotional products, one of which was the 2011 Norwood
12 Catalog. (*Id.*) They were then asked if they connected any of the catalogs to the
13 Marketquest website and, if so, why. (*Id.* 4.) The survey was conducted under the
14 assumption that distributors often show catalogs to potential end consumers. (*Id.* 22.)
15 The results of the survey indicate a rate of 4.7% potential trademark confusion, a rate
16 typically considered de minimis. (*Id.* 21.) Based on the survey results, Mr. Poret is
17 of the opinion that there is no likelihood of confusion caused by the use of the words
18 “All in ONE” on the 2011 Norwood Catalog. (*Id.*)

19 **II. LEGAL STANDARD**

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

28 Under *Daubert* and its progeny, the trial court is tasked with assuring that

1 expert testimony “both rests on a reliable foundation and is relevant to the task at
2 hand.” *Daubert v. Merrell Dow Pharm., Inc.*, 509 U.S. 579, 597 (1993). “Expert
3 opinion testimony is relevant if the knowledge underlying it has a valid connection
4 to the pertinent inquiry. And it is reliable if the knowledge underlying it has a reliable
5 basis in the knowledge and experience of the relevant discipline.” *Primiano v. Cook*,
6 598 F.3d 558, 565 (9th Cir. 2010) (citation and quotation marks omitted). Shaky but
7 admissible evidence is to be attacked by cross-examination, contrary evidence, and
8 careful instruction on the burden of proof, not exclusion. *Daubert*, 509 U.S. at 596.
9 The judge is “to screen the jury from unreliable nonsense opinions, but not exclude
10 opinions merely because they are impeachable.” *Alaska Rent-A-Car, Inc. v. Avis*
11 *Budget Grp., Inc.*, 738 F.3d 960, 969 (9th Cir. 2013). In its role as gatekeeper, the
12 trial court “is not tasked with deciding whether the expert is right or wrong, just
13 whether his [or her] testimony has substance such that it would be helpful to a jury.”
14 *Id.* at 969-70.

15 The tests for admissibility in general, and reliability in particular, are flexible.
16 *Primiano*, 598 F.3d at 564. The Supreme Court has provided several factors to
17 determine reliability: (1) whether a theory or technique is testable; (2) whether it has
18 been published in peer reviewed literature; (3) the error rate of the theory or
19 technique; and (4) whether it has been generally accepted in the relevant scientific
20 community. *Mukhtar v. Cal. State Univ.*, 299 F.3d 1053, 1064 (9th Cir. 2002)
21 (summarizing *Daubert*, 509 U.S. at 592-94), *overruled on other grounds by Estate*
22 *of Barabin v. AstenJohnson, Inc.*, 740 F.3d 457, 460 (9th Cir. 2014). These factors
23 are meant to be “helpful, not definitive.” *Kumho Tire Co. v. Carmichael*, 526 U.S.
24 137, 151 (1999). The court “has discretion to decide how to test an expert’s reliability
25 as well as whether the testimony is reliable, based on the particular circumstances of
26 the particular case.” *Primiano*, 598 F.3d at 564 (citations and quotation marks
27 omitted). “[T]he test under *Daubert* is not the correctness of [experts’] conclusions
28 but the soundness of [their] methodology.” *Daubert v. Merrell Dow*

1 *Pharmaceuticals, Inc.*, 43 F.3d 1311, 1318 (9th Cir. 1995). Once the threshold
2 established by Rule 702 is met, the expert may testify and the fact finder decides how
3 much weight to give that testimony. *Primiano*, 598 F.3d at 565.

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

8 **III. DISCUSSION**

9 Marketquest argues Mr. Poret's survey is inadmissible because (i) it surveyed
10 the wrong universe of respondents and (ii) does not adequately replicate market
11 conditions. (Marketquest's Mot. 3:7-14.)

12 The Ninth Circuit has held that evidence from a professionally conducted
13 survey should generally be found sufficiently reliable and admissible under the
14 gatekeeping test of *Daubert*. *Southland Farms v. Stover Seed Co.*, 108 F.3d 1134,
15 1143 n.8 (9th Cir. 1997) (explaining that survey evidence is ordinarily admissible
16 because “[u]nlike novel scientific theories, a jury should be able to determine whether
17 asserted technical deficiencies undermine a survey's probative value”); *E. & J. Gallo*
18 *Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1292 (9th Cir. 1992) (“[I]t is routine to
19 admit a relevant survey; any technical unreliability goes to weight, not
20 admissibility.”). A survey can be admitted into evidence once it has passed the
21 threshold conditions of having a proper foundation, being relevant and having been
22 conducted according to accepted principles. *Clicks Billiards, Inc v. Sixshooters Inc.*,
23 251 F.3d 1252, 1263 (9th Cir. 2001). “Once the survey is admitted . . . follow-on
24 issues of methodology, survey design, reliability, the experience and reputation of
25 the expert, critique of conclusions, and the like go to the weight of the survey rather
26 than its admissibility.” *Id.* However, serious flaws may make reliance on a survey
27 unreasonable such that a court ought to exercise its gatekeeping role and exclude the
28 survey. *See M2 Software, Inc. v. Madacy Entm't*, 421 F.3d 1073, 1087 (9th Cir. 2005)

1 (finding no abuse of discretion in excluding survey evidence where “it was not
2 created or conducted in a manner that complied with appropriate standards”).
3 Marketquest contends that is the case here.

4 **A. Universe of Respondents**

5 Marketquest argues that Mr. Poret selected the wrong universe of respondents.
6 In particular, Marketquest claims Mr. Poret’s survey cannot assess the likelihood of
7 confusion in this case because it polled the reactions of end consumers of promotional
8 products rather than Marketquest’s actual customers, the distributors. (Marketquest’s
9 Mot. 3:7-14.) Although the decision to limit the survey’s population to end
10 consumers reduces its probative value, the Court is unwilling to exclude it on that
11 basis alone.

12 “The selection of an inappropriate universe generally affects the weight of the
13 resulting survey data, not its admissibility.” 6 J. Thomas McCarthy, *McCarthy on*
14 *Trademarks and Unfair Competition* § 32:162 (5th ed. 2018). Even if a survey does
15 not select the optimal universe, the results are often still probative of the fact it was
16 intended to prove. *See Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th
17 Cir. 1989) (holding that an underinclusive survey’s results were so strong that it still
18 supported a finding of secondary meaning). Indeed, courts within the Ninth Circuit
19 are largely unwilling to exclude survey evidence on the basis of an overinclusive or
20 underinclusive target population. *See Icon Enters. Int’l v. Am. Prods. Co.*, No. CV
21 04-1240, 2004 WL 5644805, at *25-26 (C.D. Cal. Oct. 7, 2004) (summarizing cases
22 addressing improper survey universe). If the responses of the surveyed universe are
23 irrelevant to the opinions of the universe at issue, however, the court has the authority
24 to declare the survey inadmissible. McCarthy, *supra*, § 32:162; *see also* Shari
25 Seidman Diamond, *Reference Guide on Survey Research, Reference Manual on*
26 *Scientific Evidence* 359, 377 (Federal Judicial Center ed., 3d ed. 2011) (“A survey
27 that provides information about a wholly irrelevant universe of respondents is itself
28 irrelevant.”).

1 In a reverse confusion case such as this, the proper universe to survey is the
2 senior user's customer base. McCarthy, *supra*, § 32:159. Professor McCarthy
3 provides a useful juxtaposition of forward and reverse confusion:

4
5 The traditional pattern of classic "forward confusion" occurs when
6 customers mistakenly think that the junior user's goods or services are
7 from the same source as or are connected with the senior user's goods or
8 services. Customers want to buy the senior user's product and because of
9 the similarity of marks, mistakenly buy the junior user's product instead.
10 In "reverse confusion," customers purchase the senior user's goods under
11 the mistaken impression that they are getting the goods of the junior user.
12 That is, reverse confusion occurs when the junior user's advertising and
13 promotion so swamps the senior user's reputation in the market that
14 customers are likely to be confused into thinking that the senior user's
15 goods are those of the junior user: the reverse of traditional confusion.

13 *Id.* § 23:10.

14 The question is not whether BIC had an intent to trade on Marketquest's
15 goodwill and reputation, but rather whether a reasonable consumer might erroneously
16 believe that Marketquest's goods are BIC's. *See Dreamwerks Prod. Grp., Inc. v. SKG*
17 *Studio*, 142 F.3d 1127, 1130 (9th Cir. 1998) (holding in a reverse confusion case that
18 the proper question "is whether a reasonable consumer attending a Dreamwerks-
19 sponsored convention might do so believing that it is a convention sponsored by
20 DreamWorks"). The injury is that customers come to assume that the senior user's
21 products are really the junior user's or that the former has somehow become
22 connected to the latter. *See Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co.*,
23 561 F.2d 1365, 1372 (10th Cir. 1977) (finding potential likelihood of reverse
24 confusion where "Big O presented more than a dozen witnesses who testified to
25 actual confusion as to the source of Big O's 'Big Foot' tires after watching a
26 Goodyear 'Bigfoot' commercial"). This results in the senior user losing the value of
27 the trademark, i.e. control over its goodwill and reputation, its product identity,
28 corporate identity, and ability to move into new markets. *Sands, Taylor & Wood Co.*

1 *v. Quaker Oats Co.*, 978 F.2d 947, 957 (7th Cir. 1992), *reversed on other grounds by*
2 *Sands, Taylor & Wood v. Quaker Oats Co.*, 34 F.3d 1340 (7th Cir. 1994). Therefore,
3 a proper survey of likelihood of confusion in this case should assess whether those
4 familiar with BIC’s stronger mark, and who encounter Marketquest’s less well-
5 known mark, affiliate it with BIC’s mark. *See Dreamwerks*, 142 F.3d at 1130.

6 The stated purpose of Mr. Poret’s survey was “to determine the likelihood . . .
7 that prospective purchasers of customizable promotional products would be confused
8 by the use of the words ‘All in ONE’ on the [2011 Norwood Catalog].” (Poret Report
9 1.) “[T]he survey universe consisted of prospective end purchasers of customizable
10 promotional products – i.e., individuals who are involved in decisions about ordering
11 customizable promotional products for their business or organization.” (*Id.* 3.)
12 Marketquest contends that because both parties are suppliers, and suppliers never
13 bypass distributors to sell directly to end consumers, the likelihood of end consumer
14 confusion is irrelevant in this case. (Marketquest’s Mot. 7:17-9:5.) Rather,
15 considering these supply chain distinctions, Mr. Poret’s survey should have tested
16 the likelihood of distributor confusion over BIC’s use of the words “All in ONE.”
17 (*Id.* 8:13-15.)

18 BIC maintains that potential end consumers are relevant because they are
19 exposed to Marketquest’s mark in the context of making decisions about purchasing
20 its products. (Opp’n 11:5-10.) Further, Mr. Poret argues, “it made more sense to
21 survey end users, because if end users are not confused, it would be unlikely that the
22 more sophisticated distributors would be confused.” (Poret Report 22.) McCarthy
23 agrees, stating that “[s]ince dealers are usually more difficult to confuse by similar
24 marks, while evidence of confusion of dealers should tend to prove confusion of
25 consumers, evidence of non-confusion among dealers would not necessarily prove
26 consumer non-confusion.” McCarthy, *supra*, § 32:161. Marketquest believes this
27 ignores the angle of its argument, that is, that end consumers never had the chance to
28 be confused because distributors upstream in the supply chain were confused due to

1 knowledge of BIC’s reputation as a “brand aggregator.” (Marketquest’s Mot. 13:9-
2 15.) According to Marketquest, BIC has a reputation within the industry of acquiring
3 small suppliers and featuring them as “sub-brands” on the front covers of their annual
4 catalogs. (*Id.* 13:17-14:2.) Such knowledge of BIC’s reputation as a “brand
5 aggregator” might make distributors *more likely* to be confused than end consumers.
6 Thus, Marketquest contends, a survey disproving end consumer confusion not only
7 fails to survey either parties’ actual customers, but also evades distributors’ industry
8 knowledge, thereby making an impermissibly large analytical gap between what the
9 survey proves (likelihood of end consumer confusion) and what it is proffered to
10 prove (likelihood of distributor confusion). (*Id.* 15:1-15.)

11 In the Court’s estimation, the failure to include distributors reduces the
12 survey’s probative value, but not so completely as to vitiate its relevance altogether.
13 Although Marketquest may not sell directly to end consumers, it directly promotes
14 its mark and products to end consumers through its websites, online catalogs, and
15 catalogs that distributors show to customers to facilitate their orders. (*See* Opp’n
16 11:5-14:5.) Marketquest itself admits distributors “were one of two groups of
17 potential customers who could be exposed to catalogs of customizable promotional
18 products.” (Marketquest’s Mot. 8:15-18.) A universe comprised solely of end
19 customers retains relevancy in this context because, at least to some degree,
20 Marketquest promotes itself to end consumers and end consumers are routinely
21 exposed to the marks and products when considering purchases. Ultimately, end
22 consumers decide what Marketquest products to purchase; that they do so through
23 intermediaries does not render their perception of the products and marks irrelevant.

24 Marketquest certainly has an argument that in a reverse confusion case such as
25 this, end consumers may be less likely than distributors with a previous
26 understanding of BIC as a “brand aggregator” to believe Marketquest and BIC are
27 now one and the same. As discussed earlier, a proper survey of the likelihood of
28 confusion in this case should assess whether those familiar with BIC’s stronger mark,

1 and who encounter Marketquest’s less well-known mark, affiliate it with BIC’s mark.
2 However, such arguments affect the weight of the survey and should be presented to
3 the jury on cross-examination. *See Southland Farms*, 108 F.3d at 1143 n.8 (“Unlike
4 novel scientific theories, a jury should be able to determine whether asserted
5 technical deficiencies undermine a survey’s probative value.”). Indeed, a jury could
6 very well understand and conclude that end consumers are in fact not familiar with
7 BIC’s stronger mark, that distributors would have been, and that such sophisticated
8 industry knowledge makes it more likely that distributors would be confused and
9 consequently afford Mr. Poret’s survey little to no weight.

10 Because the “selection of an inappropriate universe generally affects the
11 weight of the resulting survey data, not its admissibility,” McCarthy, *supra*, § 32:162,
12 the Court finds that the universe selected by Mr. Poret, standing alone, is not so
13 flawed as to render the survey evidence inadmissible.

14 **B. Replication of Market Conditions**

15 Marketquest makes three arguments that Mr. Poret’s survey did not adequately
16 replicate the way customers encounter and perceive either party’s marks in the actual
17 marketplace: (i) respondents were shown static screenshots of Marketquest’s
18 website, (ii) Mr. Poret does not know whether end consumers search supplier
19 websites, and (iii) showing Marketquest’s website and then BIC’s and other catalogs
20 improperly enhanced the distinctions between the stimuli. (Marketquest’s Mot. 16:2-
21 19:25.)

22 The Court notes that no survey is perfect: by necessity they are imperfect
23 reflections of how customers act in reality. Surveys are evidence, as opposed to proof,
24 in the sense that they only provide information about a controlled and artificial world
25 from which one can draw inferences about the real world. *See Harvey S. Perlman,*
26 *The Restatement of the Law of Unfair Competition: A Work in Progress*, 80
27 *Trademark Rep.* 461, 472 (1990). In other words, helpful inferences might be drawn
28 from a survey questioning randomly selected shoppers at a mall about pictures of two

1 products, but it would go too far to claim their responses are direct proof of actual
2 consumers as they make purchasing decisions. *Id.* The appropriate approach is to
3 view such evidence with an understanding of the difficulty of developing and
4 implementing a survey and to use any technical defects only to lessen evidentiary
5 weight, not to reject the results out-of-hand. McCarthy, *supra*, § 32:178; *see Clicks*
6 *Billiards*, 251 F.3d at 1263.

7 In light of this approach, the Court finds Mr. Poret’s survey sufficiently
8 replicates market conditions for admission purposes. As explained earlier, Mr. Poret
9 conducted a Sequential Lineup Survey wherein end purchasers were called on the
10 phone and asked to look at materials on their computer screen while they were being
11 interviewed. (Poret Report 3.) Respondents were first shown static screenshots of the
12 Marketquest website, then parts of four catalogs offering customizable promotional
13 products, one of which was the 2011 Norwood Catalog. (*Id.*) They were then asked
14 if they connected any of the catalogs to the Marketquest website and, if so, why. (*Id.*
15 4.) Thus, the respondents were shown numerous uses of Marketquest’s mark and had
16 ample opportunity to connect the similar mark used on the BIC catalog to
17 Marketquest.

18 The defects pointed out by Marketquest, if defects at all, are technical and
19 merely lessen the survey’s evidentiary weight. A survey using static webpages allows
20 for a carefully controlled procedure in which all respondents receive a standardized
21 exposure to the mark at issue. The ability to freely browse the live site was not so
22 essential in this case as to override the need for a controlled test.

23 Marketquest’s second argument is similarly unavailing. BIC has provided
24 numerous examples in which Marketquest’s website appears to speak directly to end
25 consumers. (*See* Opp’n 11:5-14:5.) That the website informs end consumers they
26 should contact “your distributor” does not mean that end consumers are not availing
27 themselves of the website; in fact, it suggests just the opposite. (*See id.* 12:10-13.)

28 Marketquest’s final argument is that showing Marketquest’s website and then

1 BIC's and other's catalogs only enhanced the differences between the stimuli. As
2 evidence, Marketquest highlights a respondent's explanation for why he believed a
3 catalog was from Marketquest's website:

4 Well, I'm not sure if I understand the question (I repeated it verbatim to
5 help him). Well, my initial thought is that since this is obviously a scanned
6 in cover, this wasn't the same company because online companies are
7 online and catalog companies are catalog. But aside from that I would say
they are the same company.

8 (Marketquest's Mot. 19:11-19.) Such an argument cuts both ways, however. While
9 it does suggest that perhaps using a website followed by catalogs may have created
10 an artificial distinction between "online companies" and "catalog companies," it also
11 highlights McCarthy's opinion that "[s]ometimes, the most illuminating and
12 probative parts of a survey are not the numbers and percentages generated by the
13 responses, but the verbatim accounts of the responses." McCarthy, *supra*, § 32:178.
14 With the understanding that surveys are clarifying evidence, rather than proof,
15 verbatim responses such as this provide a nuanced view into end consumer thought
16 processes the jury might otherwise not have. Thus, Marketquest's final, double-edged
17 attack neatly encapsulates why professionally conducted surveys should usually be
18 found sufficiently reliable and admissible under the gatekeeping test of *Daubert*:
19 generally speaking, even flawed surveys can and do clarify the issues in a case.


20 Based on the foregoing, the Court finds neither the survey's universe of
21 respondents nor its replication of market conditions, standing alone or in conjunction,
22 sufficiently flawed to permit exclusion.

23 **IV. CONCLUSION & ORDER**

24 The Court **DENIES** Plaintiff's *Daubert* Motion to Exclude the Survey and
25 Testimony of Hal Poret. (ECF No. 199.) The survey and testimony are relevant and
26 offered with sufficient foundation by one qualified to give it.

27 **IT IS SO ORDERED.**

28 **DATED: April 12, 2018**


Hon. Cynthia Bashant
United States District Judge