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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
DEFENDANT’S *DAUBERT*
MOTION TO EXCLUDE
OPINIONS OF NON-RETAINED
EXPERTS**

[ECF No. 219]

Presently before the Court is BIC’s Motion to Exclude the Opinions of six non-retained experts. (ECF No. 219). BIC argues that these opinions: (1) improperly opine on an ultimate issue in the case; (2) have no reliable factual basis or standard analysis methodology; and (3) are offered by experts without producing expert witness reports. (ECF No. 219). Marketquest opposes. (Opp’n, ECF No. 262.) The Court finds this motion suitable for determination on the papers submitted and without oral argument. *See* FED. R. CIV. P. 78(b); S.D. CAL. CIV. L.R. 7.1(d)(1). For the following reasons, the Court DENIES BIC’s motion.

I. BACKGROUND

On March 28, 2001, Plaintiff Marketquest Group, Inc. (“Marketquest”) filed

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

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

19 Marketquest alleges BIC began advertising and selling products using marks
20 similar to Marketquest’s. (FAC ¶¶21–25.) Specifically, Marketquest claims BIC
21 used the phrase “The Write Pen Choice” in an online advertising campaign for
22 writing instruments beginning in October 2010. (*Id.* ¶23.) Around the same time,
23 Norwood Promotional Products, LLC, a subsidiary of BIC USA, printed a 2011
24 catalog entitled the “NORWOOD All in ONE” catalog. (*Id.* ¶24.) Alleging a form
25 of reverse confusion, Marketquest argues that BIC’s use of its marks to compete with
26 it in selling the same products—to the same customers in the same advertising
27 channels—in combination with BIC’s reputation as a brand aggregator, caused
28 confusion among customers. (Marketquest’s Mot. Partial Summ J. 4:14–18.)

1 Marketquest lists six non-retained witnesses in three categories to testify to
2 various opinions at trial: Marketquest principals Harris Cohen (President) and Karen
3 Cohen (Executive Vice President); executives of distributor customers shared by the
4 parties Marvin Mittleman of Pro Specialties and Linda Neumann of Brilliant
5 Marketing Ideas; and executives of two promotional product trade organizations
6 Matthew Cohn (Vice Chairman of Advertising Specialty Institute (“ASI”) and Paul
7 Bellantone of Promotional Products Association International (“PPAI”). The six
8 non-retained witnesses are proffered to testify about the makeup of the promotional
9 products industry, the characteristics of suppliers and distributors, and the use and
10 importance of catalogues in the promotional products industry.

11 Specifically, BIC objects to their opinions that: (1) Marketquest’s name,
12 trademarks and brands are well-recognized in the promotional products industry; (2)
13 a company’s name and brand are critical to success in the industry; (3) BIC’s use of
14 “Norwood All in One” and “The Write Pen Choice” was confusing in the industry;
15 (4) most distributors in the industry are unsophisticated; (5) BIC’s use of “Norwood
16 All in One” and “The Write Pen Choice” created confusion that Norwood
17 Promotional Products had acquired or was affiliated with Marketquest, which was
18 damaging to a small company like Marketquest; and (6) the promotional products
19 industry experienced growth in 2006–08, decline in 2008–09 and began to recover in
20 2011. (ECF No. 219).

21 **II. DISCUSSION**

22 BIC seeks exclusion of the opinions of the non-retained experts on the grounds
23 that the opinions: (1) improperly opine on an ultimate issue in the case; (2) have no
24 reliable factual basis or standard analysis methodology; and (3) are offered by experts
25 without producing expert witness reports. (ECF No. 219). Marketquest opposed.
26 (Opp’n, ECF No. 269.) Without addressing whether having all six witnesses testify
27 to the same opinions might be cumulative, the Court finds none of these arguments
28 has merit.

1 **A. Ultimate Issue**

2 BIC claims the testimony about the likelihood of confusion is an attempt to tell
3 the jury what decision to reach and embrace legal conclusions that are inadmissible.
4 “An opinion is not objectionable just because it embraces an ultimate issue.” FED.
5 R. EVID. 704. Rather, opinions should be admitted when they are helpful to the trier
6 of fact. *See* FED. R. EVID. 704, Adv. Comm. Note. Experts may not, however, offer
7 opinions embodying legal conclusions. *See id.* (clarifying Rule 704 as not permitting
8 “the admission of opinions which would merely tell the jury what result to reach”).

9 In analyzing whether there is a likelihood of confusion, a jury must first
10 consider the *Sleekcraft* factors and, based thereon, decide whether a likelihood of
11 confusion exists. *See AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348 (9th Cir.
12 1979), *abrogated on other grounds by Mattel, Inc. v. Walking Mountain Productions*,
13 353 F.3d 792 (9th Cir. 2003); *see also Alpha Indus., Inc. v. Alpha Steel Tube &*
14 *Shapes, Inc.*, 616 F.2d 440, 443 (9th Cir. 1980). “With the analysis so structured, . .
15 . the determination of what is the state of affairs regarding each factor (a
16 ‘foundational fact’) is a finding of fact . . . but the further determination of likelihood
17 of confusion based on those factors is a legal conclusion. *Alpha Indus., Inc.*, 616
18 F.2d at 443–44 (citing *J. B. Williams Co. Inc. v. Le Conte Cosmetics, Inc.*, 523 F.2d
19 187, 191–92 (9th Cir. 1975), *cert. denied* 424 U.S. 913 (1976); *Sleekcraft Boats*, 599
20 F.2d at 348). Thus, courts distinguish between permissible expert opinions on the
21 individual *Sleekcraft* factors from impermissible testimony amounting to legal
22 conclusions on whether there is or is not a likelihood of confusion. *See Playboy*
23 *Enters. v. Terri Welles, Inc.*, 78 F. Supp. 2d 1066, 1082 (S.D. Cal. 1999), *aff’d in*
24 *part, rev’d in part on other grounds* 279 F.3d 796 (9th Cir. 2002); *see also YKK Corp.*
25 *v. Jungwoo Zipper Co.*, 213 F. Supp. 2d 1195, 1203 (C.D. Cal. 2002) (“[T]he Court
26 will not consider Anson’s legal conclusions, although his opinions on the individual
27 foundational facts, *i.e.* the individual *Sleekcraft* factors are admissible and will be
28 considered”). Provided a proper foundation is laid and the expert has the requisite

1 experience, “[e]xpert testimony on the factors that go into the ultimate finding on the
2 confusion issue is generally quite proper and helpful to both judge and jury.” 4 J.
3 THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION
4 §23:2.75 (5th ed. 2018).

5 In this case, Marketquest offers executives familiar with the promotional
6 products industry to testify about the strength of Marketquest’s name, trademark and
7 brand; the marketing channels used by both Marketquest and BIC; the degree of care
8 likely to be exercised by the distributors who purchase products from suppliers like
9 Marketquest and BIC; and evidence that there was actual confusion in this area
10 caused by BIC’s use of the words trademarked by Marketquest. Testimony about
11 these *Sleekcraft* factors is absolutely proper. Although the witnesses may not testify
12 that these factors caused a legal “likelihood of confusion,” they may testify that the
13 use of the similar marks was actually confusing and created confusion.

14 **B. Reliable Factual Basis of Standard Analysis Methodology**

15 BIC argues that the testimony by the non-retained experts is not based on
16 sufficient facts or data. (Mot. at 10.) However, the non-retained witnesses at issue
17 are testifying based on their knowledge and experience in the promotional products
18 industry rather than any methodology or theory behind the testimony. In such cases,
19 “*Daubert* factors for determining the admissibility of expert testimony, such as peer
20 review, publication, and potential error rate are not applicable . . .” *United States v.*
21 *Hankey*, 203 F.3d 1160, 1169 (9th Cir. 2000); *see also Metavante Corp. v. Emigrant*
22 *Sav. Bank*, 619 F.3d 748, 761 (7th Cir. 2010) (“[A]n expert’s testimony is not
23 unreliable simply because it is founded on his experience rather than on data; indeed,
24 Rule 702 allows a witness to be ‘qualified as an expert by knowledge, skill,
25 *experience*, training or education.’ FED. R. EVID. 702.” (emphasis in original)). In
26 this case, the non-retained experts will be offering testimony based on their personal
27 experience in the industry, and the testimony meets the minimum standards of
28 admissibility. Concerns with reliability are more appropriately considered with

1 respect to the weight given to the testimony. *See Thermolife Int'l LLC v. Myogenix*
2 *Corp.*, No. 13-cv-651 JLS (MDD), 2016 WL 3952128, at *3 (S.D. Cal. July 22,
3 2016); *Metavante*, 619 F.3d at 762 (“[d]eterminations on admissibility should not
4 supplant the adversarial process; shaky expert testimony may be admissible,
5 assailable by its opponents through cross-examination.”) (quotations omitted).

6 **C. Lack of Expert Witness Reports**

7 Rule 26(a)(2)(B) requires disclosure of an expert witness report “if the witness
8 is one retained or specially employed to provide expert testimony in the case or one
9 whose duties as the party’s employee regularly involve giving expert testimony.”
10 FED. R. CIV. P. 26(a)(2)(B). BIC argues that all six of the non-retained expert
11 witnesses should be excluded for failure to submit an expert report in keeping with
12 this subsection.

13 “Every witness offering [expert] testimony . . . is not ‘retained or specially
14 employed to provide expert testimony.’” *Wreath v. United States*, 161 F.R.D. 448,
15 450 (D. Kan. 1995). The issue arises most frequently in the context of a treating
16 physician. To the extent such a physician “testified only as to the care and treatment
17 of his/her patient, the physician is not to be considered a specially retained expert
18 notwithstanding that the witness may offer [expert] opinion testimony.” *Id.*
19 “However, when the physician’s proposed opinion testimony extends beyond the
20 facts made known to him [or her] during the course of the care and treatment of the
21 patient and the witness is specially retained to develop specific opinion testimony,
22 [that witness] becomes subject to the provisions of Fed. R. Civ. P. 26(a)(2)(B).” *Id.*
23 “The determinative issue is the scope of the proposed testimony. For example, a
24 treating physician requested to review medical records of another health care
25 provider in order to render opinion testimony concerning the appropriateness of the
26 care and treatment of that provider would be specially retained notwithstanding that
27 he [or she] also happens to be the treating physician.” *Id.*

28 Applying those rules to the witnesses proffered in this case, the Court turns

1 first to the President and Vice President of Marketquest. There is no information that
2 these employees are ones whose duties regularly require them to give expert
3 testimony. They may testify as to the Marketquest name, trademarks and brands in
4 the promotional products industry and their belief that this name and brand are critical
5 to the success of their company. They may also testify about how the promotional
6 products industry is structured and the use and importance of catalogues in the
7 promotional products industry. This testimony is simply information they have
8 learned as an employee of Marketquest and not in preparation for litigation in this
9 case. Thus, reports are not necessary.

10 With respect to the two customers of Marketquest and Norwood, these
11 individuals would similarly be testifying based on their experience in the industry.
12 They may testify about Marketquest brands, structure of the industry, importance of
13 catalogues and any confusion they suffered or witnessed from use of the All-in-One
14 and Write Choice marks. They may also testify about their experience with respect
15 to the characteristics, specifically the relative sophistication, of suppliers and
16 distributors in the industry. None of this requires work that was specially prepared
17 for this case.

18 Additionally, the executives of two promotional product trade organizations
19 may testify about similar issues. None of these witnesses was asked to do research
20 or review records to testify. Any records they reviewed were ones done in
21 conjunction with their employment.

22 Finally, the non-retained experts may testify about their experience with the
23 promotional products industry and its growth and decline during the 2006–2011
24 period. This is information they learned in their employment and did not gather in
25 preparation for litigation in this case. Hence, no expert witness report is required
26 under Rule 26(a)(2)(B).

27 **III. CONCLUSION & ORDER**

28 For the foregoing reasons, Defendant’s Motion to Exclude the Opinions of

1 Non-Retained Experts (ECF No. 219) is **DENIED**.

2 **IT IS SO ORDERED.**

3 **DATED: April 12, 2018**

4 
5 **Hon. Cynthia Bashant**
6 **United States District Judge**

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