

APPENDIX B

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© Restatement (Third) of Unfair Competition
Current through April 2010

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Chapter 3. The Law Of Trademarks
Topic 3. Infringement Of Rights

§ 23. Proof Of Likelihood Of Confusion: Evidence Of Actual Confusion

[Link to Case Citations](#)

(1) A likelihood of confusion may be inferred from proof of actual confusion.

(2) An absence of likelihood of confusion may be inferred from the absence of proof of actual confusion if the actor and the other have made significant use of their respective designations in the same geographic market for a substantial period of time, and any resulting confusion would ordinarily be manifested by probable facts.

Comment:

a. Scope. This Section describes the role of proof of actual confusion in determining the likelihood of confusion under the rule stated in § 20. Evidence of actual confusion can also be relevant in determining appropriate relief under the rules stated in §§ 35-37.

b. Relevance of actual confusion. Evidence of actual confusion is not necessary in order to prove infringement, but the existence of actual confusion is frequently included in judicial enumerations of the factors to be considered in determining the likelihood of confusion. However, like the actor's intent (see § 22), proof of actual confusion differs from the factors listed in § 21 because it does not relate to the marketing circumstances that influence the manner in which the designation is perceived by prospective purchasers. Rather, the existence of actual confusion is direct evidence that in the market context of their actual use the similarities between the two designations are sufficient to create confusion. Thus, actual confusion, or the absence of actual confusion, can confirm or discredit inferences drawn from the market factors in § 21.

All courts recognize the relevance of proof of actual confusion in determining whether there is a likelihood of confusion, and convincing evidence of substantial actual confusion is ordinarily decisive. Courts occasionally suggest that proof of actual confusion is necessary if the evidence relating to market factors fails to establish a likelihood of confusion, but these statements merely recognize that such proof can overcome a contrary inference arising from the marketing context of the use.

c. Proof of actual confusion. Actual confusion can be established through the direct testimony of consumers. It can also be shown through evidence of conduct probative of confusion such as misdirected letters and telephone calls. Evidence of inquiries by customers as to whether the plaintiff and the defendant are associated, however, may not establish the existence of actual confusion if the nature of the inquiries indicates that consumers perceive a difference between the designations and are skeptical of the existence of a connection between the users. Evidence of confusion arising in circumstances that differ from those in which the designations are encountered by prospective

purchasers may be entitled to little weight. Proof of only a few instances of actual confusion may also be insufficient to support an inference that a significant number of prospective purchasers are likely to be confused. See § 20, Comment g.

Consumer surveys can be helpful in establishing whether confusion is likely. Although no survey can duplicate perfectly the marketing circumstances of the use, a survey that reasonably reflects the state of mind of prospective purchasers as they encounter the designations in the marketplace is admissible evidence of the likelihood of confusion. The reliability of a survey depends on the construction of the survey instrument, the validity of the sample, and the manner in which the survey is conducted. A survey that is substantially flawed on any of these grounds may be so unreliable as to be inadmissible. Less substantial flaws may be considered in assessing the appropriate weight to be accorded to the survey's findings. See § 20, Comment g.

Although surveys can be helpful in resolving the issue of infringement, they can also add significantly to the cost of trademark litigation. While some courts have drawn adverse inferences against parties who fail to introduce a consumer survey, such an approach attributes too much importance to survey evidence. Surveys are useful but not indispensable evidence of the likelihood of confusion, and no inference on that issue should be drawn from a mere failure to offer survey evidence.

d. Absence of actual confusion. A trademark owner need not prove actual confusion in order to prove a likelihood of confusion, and ordinarily the absence of proof of actual confusion is not significant. In an impersonal marketplace, instances of actual confusion may not be readily discoverable because consumers do not typically disclose their state of mind when making purchases. However, when the parties have made significant use of their respective designations in the same geographic market for a substantial period of time, the absence of any evidence of actual confusion may in some cases justify an inference that the actor's use does not create a likelihood of confusion. Whether such an inference is justified depends upon the likelihood that any actual confusion of prospective purchasers would be manifested by provable facts.

Reporters' Note

The relevance of evidence of actual confusion is discussed in McCarthy, Trademarks and Unfair Competition § 23.02.

Comment b. Evidence of actual confusion is not necessary in order to prove a likelihood of confusion. See Wynn Oil Co. v. Thomas, 839 F.2d 1183 (6th Cir.1988); Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867 (2d Cir.1986); Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695 (5th Cir.1981), cert. denied 457 U.S. 1126, 102 S.Ct. 2947, 73 L.Ed.2d 1342 (1982) (actual confusion may be difficult to detect when the goods are relatively inexpensive). However, proof of actual confusion is strong evidence of a likelihood of confusion and in some cases may be sufficient to prove infringement. See, e.g., Fuddrucker, Inc. v. Doc's B.R. Others, Inc., 826 F.2d 837 (9th Cir.1987); Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha, 754 F.2d 591 (5th Cir.1985).

Actual confusion is generally enumerated as a factor to be considered in evaluating the likelihood of confusion. See, e.g., Falcon Rice Mill, Inc. v. Community Rice Mill, Inc., 725 F.2d 336 (5th Cir.1984); Frisch's Restaurants, Inc. v. Elby's Big Boy, Inc., 670 F.2d 642 (6th Cir.), cert. denied 459 U.S. 916, 103 S.Ct. 231, 74 L.Ed.2d 182 (1982); Helene Curtis Industries, Inc. v. Church & Dwight Co., 560 F.2d 1325 (7th Cir.1977), cert. denied 434 U.S. 1070, 98 S.Ct. 1252, 55 L.Ed.2d 772 (1978); Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d 492 (2d Cir.), cert. denied 368 U.S. 820, 82 S.Ct. 36, 7 L.Ed.2d 25 (1961). In Falcon Rice Mill, supra, it was recognized that if other factors indicate only a marginal risk of confusion, proof of actual confusion may be necessary as a practical matter to establish infringement.

Comment c. Actual confusion can be proved by the direct testimony of confused purchasers, see AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531 (11th Cir.1986), cert. denied 481 U.S. 1041, 107 S.Ct. 1983, 95 L.Ed.2d 822 (1987), but is more often proved by testimony concerning the receipt by the trademark owner of misdirected letters or telephone calls. See, e.g., Int'l Kennel Club, Inc. v. Mighty Star, Inc., 846 F.2d 1079 (7th Cir.1988); Armco, Inc. v. Armco Burglar Alarm Co., 693 F.2d 1155 (5th Cir.1982). Proof that distributors, retailers, or sales clerks are confused permits but does not require the inference that prospective purchasers are also likely to be confused. See Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha, 754 F.2d 591 (5th Cir.1985); Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366 (7th Cir.), cert. denied 429 U.S. 830, 97 S.Ct. 91, 50 L.Ed. 94 (1976); Polo Fashions, Inc. v. Extra Special Products, Inc., 451 F.Supp. 555 (S.D.N.Y.1978).

Evidence of only occasional instances of actual confusion may be inadequate to establish infringement. See Nutri/System, Inc. v. Con-Stan Industries, Inc., 809 F.2d 601 (9th Cir.1987) (several misdirected letters insufficient in light of sales volume); Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252 (5th Cir.), cert. denied 449 U.S. 899, 101 S.Ct. 268, 66 L.Ed.2d 129 (1980) (two verbal inquires and one misdirected letter found insufficient); Scott Paper Co. v. Scott's Liquid Gold, Inc., 589 F.2d 1225 (3d Cir.1978) (19 misdirected letters in four years was insufficient). But see AmBrit, Inc., supra (four instances of confusion given weight); Jellibeans, Inc. v. Skating Clubs of Georgia, Inc., 716 F.2d 833 (11th Cir.1983) (three instances of confusion); Safeway Stores, Inc. v. Safeway Discount Drugs, Inc., 675 F.2d 1160 (11th Cir.1982) (two instances of confusion).


Inquiries from consumers concerning the relationship between the trademark owner and the subsequent user are generally considered to be only weak evidence of confusion. See Jordache Enterprises, Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482 (10th Cir.1987); Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482 (1st Cir.1981).

Survey evidence in trademark cases is discussed in McCarthy, supra, §§ 32.46-55; Gilson, Trademark Protection and Practice § 8.11. See also Symposium, The Structure and Uses of Survey Evidence in Trademark Cases, 67 Trademark Rep. 97 (1977). The reliability of a survey generally goes to its evidentiary weight rather than to admissibility. E. & J. Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280 (9th Cir.1992). Cf. Weight Watchers Int'l, Inc. v. Stouffer Corp., 744 F.Supp. 1259 (S.D.N.Y.1990) (no weight given to a seriously flawed survey). A few cases suggest that a trademark owner's failure to introduce survey evidence can justify an adverse inference, but for the most part such cases involve substantial concurrent use in which some evidence of actual confusion may be necessary to prevent an inference that there is no likelihood of confusion under the rule stated in Subsection (2). See, e.g., Mushroom Makers, Inc. v. R.G. Barry Corp., 441 F.Supp. 1220 (S.D.N.Y.1977), affirmed 580 F.2d 44 (2d Cir.1978), cert. denied 439 U.S. 1116, 99 S.Ct. 1022, 59 L.Ed.2d 75 (1979). Cf. Eagle Snacks, Inc. v. Nabisco Brands, Inc., 625 F.Supp. 571 (D.N.J.1985) (the absence of survey evidence by the plaintiff was relevant to the argument that the results of the defendant's survey would have been different if the survey had followed plaintiff's suggested methodology). That there is no general requirement of survey evidence in order to establish a likelihood of confusion, see, e.g., Charles Jacquin Et Cie, Inc. v. Destileria Serralles, Inc., 921 F.2d 467 (3d Cir.1990); Woodsmith Pub. Co. v. Meredith Corp., 904 F.2d 1244 (8th Cir.1990) (dictum).

Comment d. Several cases have held that when there is longstanding concurrent use of the designations, an absence of actual confusion may be evidence of an absence of the likelihood of confusion. Homeowners Group, Inc. v. Home Marketing Specialists, Inc., 931 F.2d 1100 (6th Cir.1991); Oreck Corp. v. U.S. Floor Systems, Inc., 803 F.2d 166 (5th Cir.1986), cert. denied 481 U.S. 1069, 107 S.Ct. 2462, 95 L.Ed.2d 871 (1987) (no actual confusion after 17 months of concurrent use is evidence that confusion is unlikely); Plus Products v. Plus Discount Foods, Inc., 722 F.2d 999 (2d Cir.1983); Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252 (5th Cir.), cert. denied 449 U.S. 899, 101 S.Ct. 268, 66 L.Ed.2d 129 (1980) (three instances of actual confusion in 15 years of concurrent use raises a presumption that there is no likelihood of confusion).

Research References

1. Digest System Key Numbers

Trade Regulation  335.

2. A.L.R. Annotation

Admissibility and weight of consumer survey in litigation under trademark opposition, trademark infringement, and false designation of origin provisions of Lanham Act (15 USCS secs. 1063, 1114, and 1125). 98 ALR Fed 20.

Case Citations

Case Citations through June 2009

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C.A.1, 1996. Com. (c) quot. in sup. In action brought under the Lanham Act, union that was lobbying to become nursing-home employees' collective-bargaining representative sued employer for trademark infringement after employer used union's mark on anti-union propaganda it distributed to employees. The district court granted employer's motion for summary judgment. Affirming on other grounds, this court held that union could not recover absent proof of a likelihood of confusion as to the source of the materials bearing its mark and that, when all the relevant factors were considered, including one employee's inquiry regarding the veracity of the documents at issue, there was no triable issue of fact as to likelihood of confusion. IAM v. Winship Green Nursing Center, 103 F.3d 196, 205.

C.A.2, 1991. Cit. in sup. §§ 20–23 (T.D. No. 2, 1990). A publisher of a book and audiotapes on the development of charisma that used the trade name “New Choices Press” sought to enjoin a magazine publisher from using the name “New Choices for the Best Years” for its magazine on retirement living. The district court granted defendant's motion for summary judgment. Affirming, this court held that plaintiff failed to raise a genuine issue of fact as to the likelihood of confusion. The court concluded that plaintiff's trade name was weak because it was not widely known. Lang v. Retirement Living Pub. Co., Inc., 949 F.2d 576, 580.

C.A.5, 1998. Cit. in headnote, subsec. (2) and com. (d) cit. in disc. Assignee and registrant of all trademarks, copyrights, and publicity rights belonging to Elvis Presley estate sued owner of bar operating as “The Velvet Elvis” for, inter alia, trademark infringement and unfair competition. The district court entered judgment for defendant. Reversing and remanding, this court held that the district court erred in isolating its consideration of defendant's advertising practices from its consideration of whether the name “The Velvet Elvis” infringed plaintiff's trade and service marks and therefore created a likelihood of confusion; that the strength of plaintiff's mark, the similarity of the parties' marks, and the similarity of products and services weighed in favor of finding a likelihood of confusion; that defendant's actions suggested an intent to confuse customers as to the source of its mark; and that the evidence supported a finding that defendant's advertising practices caused actual confusion among customers. Elvis Presley Enterprises, Inc. v. Capece, 141 F.3d 188, 190, 204.

C.A.9, 1999. Cit. in disc. §§ 20–23. Entertainment industry information provider using “MovieBuff” as trademark sought to enjoin video rental chain from using “moviebuff.com” as its web site domain name. The district court entered judgment for defendant. Reversing and remanding, this court held that plaintiff established itself as the senior user of the mark, and that, given the similarity of the marks, the relatedness of product offerings, and the overlap in marketing and advertising channels, likelihood of consumer confusion existed. That defendant did not intend to confuse consumers was irrelevant under the circumstances. Brookfield Communications v. West Coast, 174 F.3d 1036, 1054.

C.A.10, 1999. Cit. in disc. §§ 20–23. Seller of camouflage-patterned outdoor clothing under “King of the

Mountain” trademark brought trademark-infringement action against promoter of “Jeep KING OF THE MOUNTAIN DOWNHILL SERIES” ski races. Affirming the district court's grant of summary judgment for defendant, this court held, in part, that no likelihood of confusion existed as to sponsorship of ski races. King of the Mountain Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1090.

C.D.Cal.1998. Com. (c) quot. in disc. Commercial illustrator brought unfair-competition action against toy manufacturer, alleging that defendant misappropriated and misused plaintiff's “Pearl Beach” trade name in connection with the promotion and distribution of its line of dolls. Specifically, plaintiff argued that defendant's actions resulted in reverse confusion in the marketplace. Entering judgment as a matter of law for defendant, the court held, in part, that, although plaintiff's mark was strong, she failed to establish a proximity of the goods, similarity of the marks, or evidence of actual confusion among purchasers; thus, plaintiff did not prove the type of confusion she was required to set forth in order to prevail under her “reverse confusion” theory. Walter v. Mattel, Inc., 31 F.Supp.2d 751, 760, affirmed 210 F.3d 1108 (9th Cir.2000).

C.D.Cal.2006. Com. (b) quot. in disc. Manufacturer of musical instruments sued competitors, seeking, inter alia, a declaratory judgment that the body shape of its guitars did not infringe on competitors' trade dress. This court granted plaintiff's motion for summary judgment as to the trade-dress claim, holding, among other things, that there was no likelihood of confusion between plaintiff's and defendant's guitars. As one factor in this conclusion, the court found that there was no evidence of actual confusion, because the guitar reviews submitted by defendants merely described the features of defendants' guitars, without showing any confusion, and defendants admitted that they had not received any communications from third parties regarding plaintiff's products. Switchmusic.com, Inc. v. U.S. Music Corp., 416 F.Supp.2d 812, 824, appeal transferred by 183 Fed.Appx. 955 (Fed.Cir.2006).

D.Colo.2001. Cit. in disc. §§ 20–23. Tire-store owner brought suit against manufacturer of tie-down straps and cargo-control products for infringement of its “Bigfoot” trademark. Granting plaintiff's motion for a preliminary injunction, the court held, inter alia, that plaintiff showed a likelihood of success on the merits based on evidence that defendant's use of the mark was likely to cause confusion in the marketplace concerning the source or quality of the products. Big O Tires, Inc. v. Bigfoot 4X4, Inc., 167 F.Supp.2d 1216, 1222.

S.D.N.Y.1994. Cit. generally in disc. International sneaker and sportswear manufacturer brought Lanham Act action against discount retailer, among others, alleging that retailer's “private label” sneaker infringed on manufacturer's trademarks and trade dress. The court entered judgment for retailer, holding that there was no infringement. The results of manufacturer's mall-intercept interviews, offered as proof of consumers' actual confusion, were properly excluded as they constituted nothing more than responses to interviews conducted in what the court called a staged, artificial situation. Reebok Intern. Ltd. v. K-Mart Corp., 849 F.Supp. 252, 274.

E.D.Pa.1999. Com. (b) quot. in sup. Religious and missionary association sued similarly named organization for unfair competition and trademark violations. This court entered judgment for plaintiff, enjoining defendant from using plaintiff's trade name and trademark. The court held that there was a significant likelihood of confusion, that two of plaintiff's members had experienced actual confusion, and that plaintiff and defendant conducted business in a like manner. Gideons International, Inc. v. Gideon 300 Ministries, Inc., 94 F.Supp.2d 566, 585.

Colo.App.2004. Cit. in disc. §§ 20–23. Buyer of seller's partnership interest in a company that developed television programs based on newspaper classified ads sued seller for breach of contract and tortious interference; seller counterclaimed for breach of the parties' license agreement. Trial court entered judgment on jury verdict for seller on the counterclaim. This court reversed in part, holding, inter alia, that buyer's use of “Employment TV” instead of the licensed mark “Employment Television” was not a misleading use of seller's trademark, and thus did not constitute a breach of the license agreement, since the two marks were so similar as to preclude confusion by the public. Employment Television Enterprises, LLC v. Barocas, 100 P.3d 37, 49.

Fla.1993. Cit. in fn. as §§ 20–23. (T.D. No. 2, 1990). The First Southern Bank sued to enjoin another bank from using the name “Great Southern Bank,” alleging infringement and dilution of its trademark name and unfair competition. The trial court granted plaintiff injunctive relief and certified the question whether plaintiff bank’s name was descriptive or generic so as not to be entitled to protection in the absence of proof that it had acquired a secondary meaning. This court remanded, holding that plaintiff bank’s name contained laudatory, generic, and merely geographically descriptive elements so as not to be entitled to protection under either common or statutory law, but determination was necessary whether a secondary meaning in the name had developed in order to decide the dilution claim. In applying the suggestiveness test, the court stated that no great imagination was required to identify the product as banking services when the mark contained the word “bank,” that many others used the word “southern” in their mark, and that businesses in the South had the need and right to use the term descriptively. Great Southern v. First Southern, 625 So.2d 463, 470.

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