

## **Study Guidelines**

by Jonathan OSHA, Reporter General  
Anne Marie VERSCHUUR, First Deputy Reporter General  
Ari LAAKKONEN, Second Deputy Reporter General  
Ralph NACK, Lena SHEN and Guillaume HENRY  
Assistants to the Reporter General

### **2019 – Study Question**

#### **Consumer survey evidence**

##### **Introduction**

- 1) This Study Question concerns consumer survey evidence in the context of trademark proceedings.
- 2) In many proceedings, particularly in the context of trademarks, the ultimate determination of any dispute may rest upon key findings pertaining to, for example, the degree of distinctiveness or reputation of a trademark, and any confusion, parasitism or dilution.

##### **Why AIPPI considers this an important area of study**

- 3) Issues often arise as to the manner in which such elements can be proven. One evidentiary tool that may be used is consumer surveys. These surveys are submitted to the court or other trier of fact as evidence (often as expert evidence) on the basis that the results are representative of the views at large of the relevant consumer group.
- 4) The potential importance of such survey evidence can be substantial, whether in opposition proceedings, revocation proceedings or infringement proceedings before the IP office and/or a court. Such evidence may be helpful in respect of a variety of issues.
- 5) However, both the admissibility of and weight accorded to consumer survey evidence in trademark proceedings are continuing topics of controversy, making it desirable to have a harmonized approach.

##### **Previous work of AIPPI**

- 6) In recent years, consumer survey evidence has twice been on AIPPI's agenda: at the Toronto Congress (2014), a panel session entitled "Use of survey evidence in trademark cases" focused on issues including admissibility and probative value. The panel session "Surveying the field - a gold standard for survey evidence" at the Cancun Congress (2018) explored a potential "gold standard" for different types of surveys.

## Scope of this Study Question

- 7) This Study Question seeks to establish whether consumer survey evidence should in principle be admissible in trademark proceedings, and if so, in what types of proceedings and the weight or value that should be attributable to such evidence. This Study Question will also explore what subject matter the survey evidence should encompass (e.g. confusion, reputation, acquired distinctiveness) and what requirements the survey should meet.
- 8) This Study Question will not address consumer survey evidence in relation to other intellectual property rights than trademarks.

## Discussion

- 9) Whether survey evidence may be used at all and if so, what value is attached to it, varies between jurisdictions. In some jurisdictions, such evidence may be considered hearsay and is therefore inadmissible per se. If admissible, questions may nonetheless arise as to the probative value or reliability of such evidence. Criticisms have also been raised in the context that, where a court or other trier of fact relies upon consumer survey evidence, such evidence risks supplanting the role of the trier of fact on critical issues.

- 10) In the EU, the EUIPO generally accepts survey evidence<sup>1</sup> and its Guidelines state<sup>2</sup>:

*"Opinion polls concerning the level of recognition of the trade mark by the relevant public on the market in question can, if conducted properly, constitute one of the most direct kinds of evidence, since they can show the actual perception of the relevant public. However, it is not an easy matter to correctly formulate and implement an opinion poll so that it can be seen to be truly neutral and representative. Leading questions, unrepresentative samples of the public, and undue editing of responses should be avoided, as these can undermine the probative value of such surveys.*

*Accordingly, any opinion poll evidence must be assessed carefully. It is important that the questions asked are not leading ones (judgment of 13/09/12, T-72/11, Espetec, EU:T:2012:424, § 79). The criteria for selecting the public interviewed must be assessed carefully. The sample must be indicative of the entire relevant public and must be selected randomly (judgment of 29/01/13, T-25/11, Cortadora de cerámica, EU:T:2013:40, § 88)."*

- 11) In the US, consumer survey evidence can be relevant to infringement and validity (e.g., to establish acquired distinctiveness and secondary meaning).<sup>3</sup> Such evidence, however, must be reliable to be admissible in court proceedings and should most closely replicate actual market conditions to be most helpful to courts and juries. Carefully crafted consumer surveys that have sound methodology and requisite reliability are considered to be quite important in US trademark litigation, particularly in larger cases where infringement is not as clear.

---

<sup>1</sup> See e.g. *Guidelines for Examination in the Office, Part B, Examination Section 4, Chapter 14* (1 October 2017), p. 10.

<sup>2</sup> *Guidelines for Examination in the Office, Part B, Examination Section 4, Chapter 14* (1 October 2017), p. 11.

<sup>3</sup> See e.g. *Yankee Candle Co. v. Bridgewater Candle Co.*, 259 F.3d 25, 43, 59 USPQ2d 1720, 1730 (1st Cir. 2001) ("Although survey evidence is not required, 'it is a valuable method of showing secondary meaning.'").

- 12) In China, the attitude of the courts and administrative authorities towards survey evidence is similar to that in the US. In 2014, the Beijing High Court published the “*Guideline for Trial of Administrative Litigation Cases on Granting and Affirming Trademark Rights*” and Article 13 hereof states:

*“As to whether the public concerned can distinguish the contested trademark from the cited trademark, the parties concerned may provide the conclusion of market survey as evidence. Market survey should imitate as much as possible the specific situation when the relevant public actually purchases commodities, and should describe in detail the scope, quantity and determination of the relevant public, the degree of attention paid by the relevant public when purchasing commodities, and the use of methods such as overall comparison, isolated observation and main part comparison, etc. Lacking the above elements, making mistakes in the use of the above elements or failing to verify the survey result will lead to non-acceptance of the conclusion of the market survey.”*

Although this Guideline only applies to Beijing courts, the rules in it are generated from case law and are generally accepted by other courts as well. Furthermore, Article 5 of the “*Interpretation of the Supreme People's Court on Certain Issues Concerning the Application of Law in the Trial of Civil Dispute Cases Involving Protection of Well-Known Trademarks*”<sup>4</sup> indicates that:

*“With respect to the evidentiary materials such as how long the trademark has been used, its ranking in the relevant industry, market survey report, market value evaluation report, and whether the trademark has been recognized as a well-known trademark, the people's court shall, by taking into consideration other evidence for recognizing a trademark's well known status, conduct thorough examination.”*

Thus, it can be concluded that survey evidence can under circumstances be accepted in trademark cases in China.

#### *Types of proceedings*

- 13) If survey evidence is admitted, follow-up questions would be whether such is admitted in all types of proceedings (in particular opposition, revocation and infringement proceedings), or whether use is limited to certain proceedings, as well as what weight or value should be given to such evidence.

#### *Subject of surveys*

- 14) Survey evidence can be used to help prove a variety of issues, as also set out above. At the same time, it is not necessarily easy to identify what surveys are most suited for. A survey can e.g. focus on whether a sign is perceived as being used as a trademark, the degree of descriptiveness or distinctiveness, evidence of reputation, evidence of deception or confusion, the extent of any free-riding, dilution or other negative impact on goodwill, and the extent of any harm or damage to the rights holder.

#### *Types of surveys and requirements*

---

<sup>4</sup> Promulgated on 23 April 2009 and taking effect on 1 May 2009.

- 15) Several different ways of conducting surveys can be distinguished, each with their advantages and disadvantages. For example, an internet or email survey may not reach as many older users and may involve paid volunteers. Shopping mall interrupt surveys may reach a relatively large part of the non-working population and some people do not shop in shopping malls. And telephone surveys do not allow the use of visuals. Taking this into account, the question can be raised which, if any, should be the default type; arguably, this may also depend on the subject of the survey.
- 16) When setting up a survey, in addition to that stated above, the design thereof requires deciding on many issues, such as:
- the number and selection of respondents;
  - the appropriate form and order of the survey questions;
  - whether controls are needed (e.g. control questions or a control survey).
- 17) A Chinese case from 2016 illustrates the importance of the set-up of surveys and the documentation thereof; in the *Michael Jordan* case<sup>5</sup>, the Supreme Court of China accepted two pieces of market survey evidence provided by Michael Jordan (the plaintiff), commenting that:

*"The survey process of the two survey reports was notarized by Beijing Chang'an Notary Office and Shanghai Oriental Notary Office respectively. The composition of the survey objects, the way of the survey, the sampling method and the formation process of the survey conclusion were described in detail. Detailed "technical notes", "questionnaires" and "question cards" are attached to the survey report. Therefore, the authenticity and probative force of the survey conclusion are relatively high, which can be combined with other evidence in this case to prove the relevant facts."*

In some other cases, survey evidence was not accepted due to lack of detailed information and was determined as not reliable.

#### *Percentages*

- 18) Yet another issue is what outcome of a survey is sufficient for what one is trying to prove. For example, should a certain percentage of positive (or negative) replies be automatically sufficient? In the *Oberbank/Sparkassen* decision, in relation to acquired distinctiveness the European Court of Justice ruled that this is not the case.<sup>6</sup>

*"48. (...) it is not possible to state in general terms, for example by referring to predetermined percentages relating to the degree of recognition attained by the mark within the relevant section of the public, when a mark has acquired a distinctive character through use and that, even with regard to contourless colour marks, such as the mark at issue in the main proceedings, and even if a consumer survey may be one of the factors to be taken into account when assessing whether such a mark has acquired a distinctive character through use, the results of a consumer survey cannot*

---

<sup>5</sup> Judgment reference: (2016) 最高法行再 15 号 (2016 Supreme Court administrative litigation retrial No. 15). This case concerned the re-trial of administrative litigation regarding a trademark with no. 6020565 “乔丹”.

<sup>6</sup> ECJ 19 June 2014, C-217/13 and C-218/13, EU:C:2014:2012 (*Oberbank v Sparkassen*).

*be the only decisive criterion to support the conclusion that a distinctive character has been acquired through use.*

*49. In the light of those considerations, the answer to the first question is that Article 3(1) and (3) of Directive 2008/95 must be interpreted as precluding an interpretation of national law according to which, in the context of proceedings raising the question whether a contourless colour mark has acquired a distinctive character through use, it is necessary in every case that a consumer survey indicate a degree of recognition of at least 70%."*

**You are invited to submit a Report addressing the questions below. Please refer to the 'Protocol for the preparation of Reports'.**

## **Questions**

### **I. Current law and practice**

*Please answer the below questions with regard to your Group's current law and practice.*

- 1) a) Is consumer survey evidence in principle admissible in trademark proceedings?  
Please answer YES or NO.  
  
b) Are there specific statutory provisions in your law governing consumer survey evidence? If YES, what do they state and do they specifically concern trademark matters or do they have a more general nature?

*If you have answered NO to Q1)a), please skip Q2)-Q5) and proceed to Q6); If you have answered YES to Q1)a), please proceed to Q2).*

- 2) a) Is consumer survey evidence admitted in all types of trademark proceedings (see also para. 13 above)?  
  
b) If consumer survey evidence is not admitted in all types of trademark proceedings, in which types is it admitted and in which types is it not (e.g. opposition proceedings, revocation, proceedings, infringement proceedings)?
- 3) a) What can consumer survey evidence prove or help prove (e.g. confusion, acquired distinctiveness; see also para. 14 above)?  
  
b) What is consumer survey evidence most used for in practice to prove or help prove (e.g. confusion, acquired distinctiveness; see also para. 14 above)?
- 4) a) Are there specific requirements for surveys, e.g. as to the way of conducting the survey (e.g. internet or email survey, telephone survey, shopping mall interrupt surveys), the number and selection of respondents, the appropriate form and order of survey questions and the use or nature of controls? If so, which?

- b) If your answer to Q4a) is NO, what characteristics do surveys generally have, e.g. as to the way of conducting the survey, the number and selection of respondents, the appropriate form and order of survey questions and the use or nature of controls?
- 5) a) Are specific percentages of respondents answering certain questions required or sufficient to prove certain items? If so, which?
- b) What percentages of respondents answering certain questions are typically deemed insufficient?
- 6) Is the court or IP office involved in the set-up of the survey, or can it be, and, if so, to what extent?
- 7) What weight or value is generally given by the court or IP office to consumer survey evidence, if such is admitted, and which factors are relevant in considering the extent of such weight or value?

## **II. Policy considerations and proposals for improvements of your Group's current law**

- 8) Could any of the following aspects of your Group's current law or practice relating to consumer survey evidence be improved? If YES, please explain.
- a) types of trademark proceedings in which survey evidence is admissible;
- b) what survey evidence can prove or help prove;
- c) requirements of surveys;
- d) the application, or lack thereof, of bench-mark percentages;
- e) the weight or value given to consumer survey evidence.
- 9) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

## **III. Proposals for harmonisation**

*Please consult with relevant in-house / industry members of your Group in responding to Part III.*

- 10) Do you believe that there should be harmonisation in relation to consumer survey evidence?

*If YES, please respond to the following questions without regard to your Group's current law or practice.*

*Even if NO, please address the following questions to the extent your Group considers your Group's current law or practice could be improved.*

- 11) Should consumer survey evidence in principle be admissible in trademark proceedings? Please answer YES or NO.
- 12) a) Should consumer survey evidence be admitted in all types of trademark proceedings (see also para. 13 above)?  
  
b) If consumer survey evidence should not be admitted in all types of trademark proceedings, in which types should it be admitted and in which types should it not be admitted (e.g. opposition proceedings, revocation, proceedings, infringement proceedings)?
- 13) What should consumer survey evidence be allowed to prove or help prove (e.g. confusion, acquired distinctiveness; see also para. 14 above)?
- 14) Should there be specific requirements for surveys, e.g. as to the way of conducting the survey (e.g. internet or email survey, telephone survey, shopping mall interrupt surveys), the number and selection of respondents, the appropriate form and order of survey questions and the use or nature of controls? If so, which?
- 15) a) Should specific percentages of respondents answering certain questions be required or deemed sufficient to prove certain items? If so, which?  
  
b) What percentages of respondents answering certain questions should be deemed insufficient?
- 16) Should the court or IP office be involved in the set-up of the survey and, if so, to what extent?
- 17) What weight or value should be given by the court or IP office to consumer survey evidence, if such is admitted, and which factors should be relevant in considering the extent of such weight or value?
- 18) Please comment on any additional issues concerning any aspect of consumer survey evidence you consider relevant to this Study Question.
- 19) Please indicate which industry sector views provided by in-house counsel are included in your Group's answers to Part III.