

Summary Report

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

2019– Study Question – Trademarks Consumer survey evidence

Introduction

This Study Question concerns consumer survey evidence in the context of trademark proceedings.

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. Issues often arise as to the manner in which such elements can be proven, and one evidentiary tool that may be used is consumer surveys.

The potential importance of such survey evidence can be substantial; however, both the admissibility of and weight accorded to consumer survey evidence in trademark proceedings are continuing topics of controversy.

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. It also addresses the weight or value that should be attributable to such evidence. This Study Question furthermore explores what subject matter the survey evidence should encompass (e.g. confusion, reputation, acquired distinctiveness) and what requirements the survey should meet. This Study Question does not address consumer survey evidence in relation to other intellectual property rights than trademarks.

The Reporter General has received Reports from the following Groups and Independent Members in alphabetical order: Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Czech Republic, Denmark, Ecuador, Estonia, Finland, France, Germany, Hungary, Italy, Japan, Latvia, Malaysia, Mexico, Mozambique (Independent Member), the Netherlands, New Zealand, Norway, Panama, Paraguay, the Philippines, Poland, the Republic of Korea, the Russian Federation, Singapore, Spain, Sweden, Turkey, the United Kingdom (UK) and Taiwan (Independent Member).

38 Reports were received in total¹. The Reporter General thanks the Groups and Independent Members for their helpful and informative Reports. All Reports may be accessed [here](#).

The Reports provide a comprehensive overview of national and regional laws and policies relating to consumer survey evidence in the context of trademark proceedings, set out in three parts:

- Part I – Current law and practice
- Part II – Policy considerations and proposals for improvements of the current state of the law
- Part III – Proposals for harmonisation.

This Summary Report does not summarise Part I of the Reports received. Part I of any Report is the definitive source for an accurate description of the current state of the law in the jurisdiction in question.

This Summary Report has been prepared on the basis of a detailed review of all Reports (including Part I) but focuses on Parts II and III, given AIPPI's objective of proposing improvements to, and promoting the harmonisation of, existing laws. As it is a summary, if any question arises as to the exact position of a particular Group in relation to Parts II or III, please refer to the relevant Report directly.

In this Summary Report:

- references to Reports of or responses by one or more "Groups" may include references to Independent Members;
- where percentages of responses are given, they are to the nearest 5%; and
- in Part IV below, some conclusions have been drawn in order to provide guidance to the Study Committee for this Question.

I. Current law and practice

For the replies to Questions 1) - 7) set out in the Study Guidelines for this Study Question, reference is made to the full Reports. The Study Guidelines may be accessed [here](#).

II. Policy considerations and proposals for improvement of your 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;

¹ Reports received after 1 July 2019 are listed above but their content is not included in the summary in Parts II and III.

27 Groups (70%) responded NO to this question. Several Groups note that survey evidence is already admissible in all proceedings.

Of the Groups replying YES, the Argentinian Group comments that surveys are admissible but that in practice there nevertheless seems to be a reluctance to admit them.

b) what survey evidence can prove or help prove;

27 Groups (70%) responded NO to this question.

c) requirements of surveys;

22 Groups (60%) responded YES to this question. The Austrian Group notes that more harmonized survey standards would be helpful. The Chinese Group would like criteria to be adopted in laws and regulations. Several other Groups mention it would be useful to have guidelines.

d) the application, or lack thereof, of bench-mark percentages;

21 Groups (55%) responded NO to this question. The Italian Group would like to have bench-mark percentage ranges though.

e) the weight or value given to consumer survey evidence.

27 Groups (70%) responded NO to this question. Of those replying YES, the UK Group mentions that there is clearly judicial scepticism about the use of survey evidence; perhaps this can be improved by introducing guidance and model questions.

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?

25 Groups (65%) responded NO to this question.

Of those replying YES, the Australian Group favours a greater involvement of the trade mark office in the design and conduction of surveys. The Belgian Group would like non-binding criteria to be put in place. The Republic of Korea Group expresses a concern regarding the high cost of surveys and notes that surveys will be used more often if the costs would be lower (perhaps through using more online based surveys) and if the results would be more reliable (which would be helped by guidelines). The UK Group also addresses, among others, the high cost of surveys.

III. Proposals for harmonisation

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.

27 Groups (70%) responded YES to this question. The Dutch Group considers that the industry can benefit from global harmonisation.

The Republic of Korea Group responded NO, stating that for example internet availability and the market situation vary from country to country, for which reason there should be sufficient flexibility to accommodate national differences. Some Groups are furthermore concerned that harmonisation is difficult in view of the national nature of procedural rules.

11) Should consumer survey evidence in principle be admissible in trademark proceedings? Please answer YES or NO.

35 Groups (90%) responded YES to this question. The Republic of Korea Group explains that consumer perception plays an important role in trademark matters. Only the Brazilian Group and Independent Member Mozambique answered NO.

12) a) Should consumer survey evidence be admitted in all types of trademark proceedings (see also para. 13 above)?

A large majority (35 Groups, i.e. 90%) answered YES to this question. Several Groups note though that the weight accorded to them should be assessed on a case by case basis. The Chinese Group and Independent Member Mozambique replied NO to this question.

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)?

The Chinese Group considers that consumer survey evidence should be admitted in opposition proceedings, invalidation declaration proceedings and infringement proceedings; however, it should not be admitted in registration proceedings, revocation proceedings and revocation review proceedings. Also Independent Member Mozambique states that consumer survey evidence should not be admitted in revocation proceedings.

13) What should consumer survey evidence be allowed to prove or help prove (e.g. confusion, acquired distinctiveness; see also para. 14 above)?

A majority of the Groups (about 60%) is of the view that consumers survey evidence should be allowed to prove or help prove anything. Some Groups however comment that establishing whether or not there is a likelihood of confusion is ultimately a question of law, not of fact.

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?

The Groups are split in their answers on this question. 19 (50%) have replied NO, 18

Groups replied YES and one Group did not answer this question.

Of the Groups answering YES, many favour guidelines rather than binding requirements. Furthermore, several of those Groups mention that items to be considered include for example a list with independent and recognised research institutes and guidance on the number and selection of respondents and on the appropriate form and order of survey questions. The German Group refers to the detailed requirements that are already in place in Germany.

15) a) Should specific percentages of respondents answering certain questions be required or deemed sufficient to prove certain items? If so, which?

A large majority of the groups (31, i.e. 80%) replied NO to this question. The Estonian Group states that using specific percentages does not allow for flexibility. The Dutch Group states that also industry members confirmed that the application of benchmark percentages would be undesirable. The German Group notes that “prima facie” figures may nevertheless be helpful; e.g. 50% of awareness could be considered sufficient for acquired distinctiveness.

Only six Groups replied YES. Of those, the Chilean Group considers a percentage of 50% sufficient. The Russian Federation Group states that 20% or more is usually needed.

b) What percentages of respondents answering certain questions should be deemed insufficient?

Only a few Groups answered this question. The Chilean Group considers 20% insufficient. The Russian Federation Group considers less than 10% insufficient.

16) Should the court or IP office be involved in the set-up of the survey and, if so, to what extent?

A large majority of 27 Groups (70%) replied NO to this question. The Estonian Group states that it is up to the parties to provide evidence confirming their claims. Several other Groups voiced similar views. The Italian Group comments that the involvement of an IP office could reduce the neutrality of the survey. The Singapore Group states that there should not be involvement by a court in the set-up because it is not part of their function and is inconsistent with their impartial nature.

Of the 10 Groups that replied YES, the Bulgarian Group states that courts and IP offices should be involved by setting clear standards to be met for the survey to be admissible. The Chinese Group considers that the court or other factual judge should designate a neutral survey agency. The German Group refers to past instances where extensive and costly surveys had been submitted by parties which were then refused because the set-up of the questions was criticized; this can be avoided if the court or IP office is involved from the start. The Hungarian Group comments that prior approval of a survey (questions and method) would be helpful; and also it should be possible for a court to appoint a survey expert and have a survey conducted upon the motion of a party (with the parties being given the possibility to provide input). The Dutch Group suggests either involvement by the court in the set-up of surveys, or asking a court appointed

expert to comment on submitted surveys.

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?

There is no clear majority-supported answer to this question, but the following themes can be discerned:

- a significant part of the Groups (about 40%) mention that the weight or value depends on, in short, the quality of the survey
- also many Groups (about 65%) mention that consumer survey evidence is only one type of evidence, that all circumstances of the case should be taken into account and/or that the weight or value to be given should be assessed on a case-by-case basis.

The Dutch Group notes that consumer survey evidence should not be the sole evidence on which a decision is based. The Swedish Group however considers that consumer survey evidence can be the sole evidence if it is of high quality. The French Group comments that a survey should not be compulsory.

18) Please comment on any additional issues concerning any aspect of consumer survey evidence you consider relevant to this Study Question.

The Canadian Group raises the potential impact of artificial intelligence (AI) and machine learning on consumer surveys; e.g. perhaps chatbots can conduct surveys. The Estonian Group doubts whether new substantive law is needed, but considers that guidelines can be useful. The Japanese Group comments that if the results of consumer survey evidence are not sufficient to prove something, it should still be possible to prove e.g. acquired distinctiveness on the basis of other evidence. The Mexican Group comments that surveys can be manipulated towards biased results and that therefore there should be international guidelines.

The German Group states that consumer surveys are increasingly in demand and that there seems to be a great need for universal standards (noting that only a few countries have adopted those, or even some general guidelines). It is difficult for courts, lawyers and clients to judge whether a survey is well-conducted and objective. Guidelines or standards should thus be established but because each case is different, those should allow for flexibility.

19) Please indicate which industry sector views provided by in-house counsel are included in your Group's answers to Part III.

From the replies to this question, it follows that industry views were incorporated in about half of the Reports. These include views from the Austrian Chamber of Commerce (which represents the full range of industry sectors), as well as (for example) from the following industries: pharma, food & beverages, fashion, luxury goods, automotive, cosmetics, banking & finance, telecom, media, fast moving consumer goods and electronics. The responses also evidenced expertise and

experience in advising across a range of other industry sectors.

IV. Conclusions

From the Reports the conclusion can be drawn that a large majority of the Groups (70%) agree that harmonisation is desirable regarding at least some of the issues described above.

Majority views regarding in particular the following can be drawn from the Reports and those can thus likely be covered in a resolution:

- a very large majority (90%) of the Groups consider that consumer survey evidence should in principle be admissible in trademark proceedings;
- a very large majority (90%) of the Groups is of the view that consumer survey evidence should be admitted in all types of trademark proceedings;
- a majority of 60% of the Groups is of the view that consumer survey evidence should be allowed to prove or help prove anything;
- a large majority of the Groups (80%) take the position that there should not be specific percentages of respondents answering certain questions which would be required or sufficient to prove certain items;
- 70% of the Groups are of the view that the court or IP office should not be involved in the set-up of the survey.

On the following issues there seems sufficient support to explore whether these can be included in the Resolution, but it may be more difficult to find majority support:

- the Groups are split on the question whether there should be specific requirements for surveys; based on the Reports, it seems worthwhile though to explore if there is sufficient support for (non binding) guidelines; it can furthermore be considered to include items such guidelines should in any event cover (e.g. number and selection of respondents, appropriate form and order of survey questions etc.), without detailing what such items would consist of though as such was not, or at least not in detail, discussed in the Study Guidelines and the Reports;
- in respect of the weight or value that should be given by the court or IP office to consumer survey evidence, if such is admitted, and the factors that should be relevant in considering the extent of such weight or value, many replies mentioned that (i) the weight or value should be assessed on a case-by-case basis, taking into account all circumstances of the case and (ii) an important factor is the quality of the survey.

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