Actual Confusion in Trademark Infringement Litigation: Restraining Subjectivity Through A Factor-Based Approach to Valuing Evidence

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Evidence of actual confusion can present one of the most formidable challenges to an attorney representing a trademark defendant. In a case where all other circumstances point to a finding of non-infringement, significant evidence of actual confusion dramatically alters the equation. Such evidence can shift the focus away from other factors impacting the infringement analysis and drive litigation into discovery and evidentiary hearings, in contrast to the increasingly frequent tendency to determine infringement before discovery has commenced—from a paper record on a preliminary injunction.

Yet, plaintiffs’ attorneys often draw a false sense of security from such evidence, which is often not what it appears, at first glance, to be. Indeed, such evidence is typically characterized by vagueness, ambiguity, untrustworthy sources, and a host of unknown circumstances when sources are not identified or do not testify. Furthermore, such evidence is frequently characterized by circumstances that do not reflect the commercial realities of how marks are used and how consumers react to them, as well as by widely varying quantities of incidents that are difficult to assess when viewed in light of various factors that may lead one to expect more or less of such evidence to have surfaced.

From the perspective of courts, such evidence has a powerful allure. In particular, in trademark litigation, judges (and sometimes juries) are given the difficult task of determining whether one mark is so like another that its use should be enjoined—based on predictions of whether the coexistence of those two marks is likely to confuse the consuming public rather than on subjective impressions about the mere similarity of the marks and whether the senior user should be afforded protection for the sheer creativity of the mark. This task requires suspending one’s instinctive feelings about similarity of the marks and fairness to the creator and substituting a judgment about a likely commercial impact that, in reality, is frequently unclear and requires drawing inferences that inevitably involve highly subjective judgments. Evidence of actual confusion holds

* Mark D. Robins is a litigation partner in the technology and intellectual property group of Nixon Peabody LLP in Boston, Massachusetts. He received his J.D., cum laude, from Boston College Law School in 1991 and his B.A. from Trinity College in 1988. The views expressed in this article should not be attributed to Nixon Peabody LLP or any of its clients.

1 See Harvey S. Perlman, The Restatement of the Law of Unfair Competition: A Work in Progress, 80 TRADEMARK REP. 461, 467, 471-72 (1990); Keith M. Stolte,
the allure of solving that problem by giving courts a window into what would appear to be actual commercial effects of the competing marks. Accordingly, courts frequently issue pronouncements that give preferred or favored status to evidence of actual confusion as a method of proving likelihood of confusion.

Nevertheless, commentators have recognized that evidence of actual confusion comes in many different varieties with widely varying degrees of probative value. Furthermore, judicial treatment of many types of such evidence has been inconsistent. Thus, however powerful the allure of an objective measure for determining infringement, evidence of actual confusion is often not such a clear indicator of anything, and the interpretation of such evidence often requires highly subjective judgments. Indeed, judicial pronouncements on actual confusion are often sweeping and, yet, diametrically opposed to each other, while failing to articulate sufficient rationale to provide meaningful guidance for future courts. Accordingly, one commentator has concluded that many types of evidence accepted by courts as proof of actual confusion are not objective indicators of actual injury to the trademark owner.

It is the thesis of this article that greater consistency, coherence, and predictability and, ultimately, greater objectivity can be attained in cases involving actual confusion by articulating a set of factors that distill the many ways in which different types of evidence have produced different results under varying circumstances. This approach is consistent with trademark law’s overall factor-based approach to determining the effect of different marks under varying commercial circumstances. Distilling such factors requires reviewing a vast body of caselaw, and this article undertakes such a review. Section I introduces the place of actual confusion in the context of various courts’ standards for determining infringement. Section II discusses the need for evidence of actual confusion, including the extent of any such need and the quantity of evidence necessary to establish actual confusion. Section III reviews a host of circumstances that may impact the value of evidence of actual confusion. Section IV appraises various tests that courts have articulated for assessing evidence of actual confusion. Finally, in an effort to steer a course between the extreme, vague, and conflicting rhetoric that courts use to describe

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3 See Clark, supra note 2, at 396; see also infra passim.

4 See Michael J. Allen, The Role of Actual Confusion Evidence in Federal Trademark Infringement Litigation, 16 CAMPBELL L. REV. 19, 20, 30-43 (1994); Stolte, supra note 1, at 246-47.

5 See Stolte, supra note 1, at 245.

how such evidence should be assessed, Section V proposes a multi-factor test to provide clearer guidance.

I. THE STATUS OF ACTUAL CONFUSION AS A FACTOR IN DETERMINING TRADEMARK INFRINGEMENT

Trademark infringement is determined by the “likelihood of confusion” test. This test examines whether consumers are likely to be confused between products identified with the respective parties’ marks. This likelihood of confusion is determined based upon the commercial realities of how the products are sold. To determine whether consumers are likely to be confused by the respective parties’ marks on their products under the proper commercial circumstances, courts weigh a variety of non-exclusive factors.

Although the factors typically enunciated in the test for infringement vary from jurisdiction to jurisdiction, they tend to include:

1. The similarity of the respective parties’ marks;
2. The similarity of the parties’ marketing methods;
3. The similarity of the parties’ channels of distribution for their goods or services;
4. The level of sophistication of the prospective purchasers for the respective parties’ goods or services, and the degree of care used in purchasing such goods or services;
5. The source-designating strength of the mark sought to be protected;
6. Where the second-comer’s goods or services differ from the first-comer’s, the likelihood that prospective purchasers of the second-comer’s goods or services would expect the first-comer to have expanded its marketing or sponsorship into the second-comer’s field;
7. The extent of overlap in the parties’ geographic markets and whether the prior user is known by its mark in geographic markets in which it does not actually sell its goods or services;
8. Whether the second-comer intended to copy the first-comer’s mark in order to cause confusion or deceive; and
9. The degree of actual confusion that has surfaced as a result of the two parties’ respective marks.

Among other things, these factors are designed to ensure that the determination of whether one mark infringes another is not merely a subjective decision about whether the second-comer’s mark so closely resembles the first-comer’s mark that it would be unfair to allow the later entrant to continue. Trademark law does not confer a “right in gross” to a mark but, rather, confers rights limited to what is necessary to prevent consumer

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7 See J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:1 (Rel. 27 2003).
8 RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21-23.
confusion and protect the good will of the trademark owner. Thus, trademark infringement typically is not determined based solely upon a side-by-side comparison of the two marks.

In determining whether confusion is likely, evidence of actual confusion is often given considerable weight and preferred status. Some courts view evidence of actual confusion as “persuasive” evidence of likelihood of confusion. Other courts have used a variety of adjectival phrases to describe the utility of the presence or lack of evidence of actual confusion. Some decisions even give evidence of actual confusion status as a

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preferred method of proving infringement. Courts are receptive to inferring likely confusion from instances of actual confusion because instances of actual confusion are

seen as representative examples of how others in the marketplace are likely to react.\(^\text{14}\) As put by one court: “[a]ctual confusion is . . . extremely probative of the likelihood of confusion, in that proof of confusion by actual customers is strong evidence that a hypothetical reasonable customer would also be deceived.”\(^\text{15}\) As another court explained: “[i]f enough people have been actually confused, then a likelihood that people are confused is established.”\(^\text{16}\) Not all evidence of actual confusion, however, is entitled to preferred or favored status. Rather, such evidence must first survive the particular level of scrutiny given to evidence of the types at issue by the jurisdiction in question.\(^\text{17}\)

Notwithstanding this seeming judicial preference, statements giving undue weight to evidence of actual confusion are not consistent with other judicial pronouncements regarding the infringement test as a multi-factor test or with other judicial pronouncements regarding the infringement test as a multi-factor test or with other judicial pronouncements giving preferred status to other factors in that test. For example, a number of courts have stated that the similarity of the parties’ marks is the most important factor in determining likely confusion.\(^\text{18}\) Intuitively, that approach makes

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\(^\text{14}\) See, e.g., Sara Lee Corp. v. Kayser-Roth Corp., 81 F.3d 455, 466 (4th Cir. 1996) (“The anecdotal evidence, standing alone, is nearly overwhelming: indeed, we can but wonder how often the experiences related by the trial witnesses have been repeated—but not reported—in stores across the country”), cert. denied, 519 U.S. 976 (1996); see generally Allen, supra note 4, at 22; Perlman, supra note 1, at 472; Stolte, supra note 1, at 244-45.

\(^\text{15}\) Dr. Ing. h.c.F. Porsche AG v. Zim, 481 F. Supp. 1247, 1249 (N.D. Tex. 1979) (collecting authority).

\(^\text{16}\) Thane Int’l, Inc. v. Trek Bicycle Corp., 305 F.3d 894, 902 (9th Cir. 2002) (emphasis in original).

\(^\text{17}\) See Sun Banks of Fla., Inc. v. Sun Fed. Savs. & Loan Ass’n, 651 F.2d 311, 319 (5th Cir. 1981) (characterizing evidence of “past confusion” as “persuasive proof that future confusion is likely” but holding that reported instances of confusion were “negligible in light of extent of defendant’s activities and where “countervailing circumstances . . . lessen[ed] significantly the impact of any actual confusion which may have occurred”); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 353 (9th Cir. 1979) (“[T]his factor is weighed heavily only when there is evidence of past confusion or, perhaps, when the particular circumstances indicate such evidence should have been available.”); Holiday Inns, Inc. v. Holiday Out in Am., 481 F.2d 445, 448-49 (5th Cir. 1973) (noting that plaintiff was attempting to use evidence of actual confusion to shift burden of proof to defendant but finding evidence of actual confusion to be insufficient).

\(^\text{18}\) See, e.g., Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 281 (3d Cir. 2001) (citations omitted); Armstrong Cork Co. v. World Carpets, Inc., 597 F.2d 496, 501 (5th Cir. 1979); Golden Door, Inc. v. Odisho, 646 F.2d 347, 351 (9th Cir. 1980) (citations omitted); King of the Mountain Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1090 (10th Cir. 1999) (citations omitted); Al-Site Corp. v. VSI Int’l, Inc., 174
sense. Where the parties are competitors for the same type of goods, at least one court has gone one step further to opine that, in such cases, courts generally need not look beyond the marks at issue. Indeed, try as the courts may to escape the appearance of subjective comparisons between the parties’ marks by using a multi-factor test, nearly all judicial recitations of factors place the similarity of the marks first in the list of factors. Judges reason that, ultimately, it is the similarity of the marks that will drive consumer confusion. Yet, in instances where the defendant intended to trade on the plaintiff’s good will, that factor has also been recognized to have potential preeminent status. Courts in the Seventh Circuit have deemed three factors—similarity of the marks, the defendant’s intent, and actual confusion—to be the most important. In other cases, courts have found different subsets of the likelihood of confusion factors to be of paramount importance, with emphasis on the similarity of marks. Two commentators have deemed the most important factors to be the strength of the plaintiff’s mark, the similarity between the marks, and the defendant’s intent. In any event, actual confusion is but one of several factors relevant to determining the likelihood of confusion.

As previously noted, any list of factors to be weighed in determining the likelihood of confusion will necessarily be non-exhaustive. The non-exhaustive nature of such factors flows from the fact that the likelihood of confusion standard is designed to assess what impression consumers are likely to draw in actual marketplace settings, which are infinitely varied. Thus, any circumstance that would impact a consumer’s impression

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19 See Fisons Horticulture, Inc. v. Vigoro Indus., Inc., 30 F.3d 466, 422 (3d Cir. 1994) (“Where the trademark owner and the alleged infringer deal in competing goods or services, the court need rarely look beyond the mark itself.”) (citation omitted).
20 See Sunbeam Prods., Inc. v. West Bend Co., 123 F.3d 246, 258 (5th Cir. 1997) (citations omitted).
22 See, e.g., Ty, Inc. v. Jones Group, Inc., 237 F.3d 891, 901 (7th Cir. 2001) (upholding decision that similarity of marks, similarity of products, and area and manner of concurrent use were “the three most critical factors”); Interstellar Starship Servs., Ltd. v. Epix, Inc., 304 F.3d 936, 942 (9th Cir. 2002) (holding that, in Internet cases, similarity of marks, relatedness of goods or services, and parties’ simultaneous use of Internet as marketing channel were most important factors) (citation omitted).
23 See Sugarman & Small, supra note 1, at 53.
24 See Stolte, supra note 1, at 238.
may be relevant to determining whether that consumer is likely to be confused between two parties’ marks.26

II. THE NEED FOR EVIDENCE OF ACTUAL CONFUSION AND QUANTUM OF PROOF NECESSARY TO ESTABLISH ACTUAL CONFUSION

¶12 This section explores two related areas of tension in cases involving actual confusion. The first area of tension concerns whether evidence of actual confusion is needed to establish infringement. Paradoxically, evidence of actual confusion is not needed, as a matter of law, but its absence can have great significance—in some cases, so much so that evidence of actual confusion is, in reality, needed. The second and related area of tension concerns the extent of proof needed to establish actual confusion—a point on which cases are widely inconsistent. First, this section will explore the reasons why such evidence generally is not needed. Second, this section will discuss why evidence of actual confusion, in some circumstances, may be needed. Third, this section will explore the extent of the plaintiff’s need to demonstrate actual confusion and the quantum of proof needed to establish that factor.

A. Evidence of Actual Confusion is Not Required

¶13 It is generally accepted as established law that a party need not produce evidence of actual confusion in order to obtain injunctive relief.27 The reasons for this rule are many. First, the Lanham Act and state laws governing trademarks and unfair competition only require the plaintiff to prove a likelihood of confusion. Second, courts will prevent harm that is likely before such harm actually occurs. Third, it is often less harsh to the infringer to nip the infringing activity in the bud before harm actually occurs. Fourth, for a variety of reasons, it is difficult to prove actual confusion—often, so much so that requiring such proof would gut the protections afforded by trademark law.

1. The Lanham Act Only Requires Proof of Likely Confusion

¶14 The Lanham Act establishes a mere likelihood of confusion as the threshold for proving that a second-comer has violated the statute. Specifically, a trademark owner may establish infringement of a registered mark by proving that the second-comer’s designation “is likely to cause confusion, or to cause mistake, or to deceive. . . .”28

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26 See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21 cmt. a.
27 See 3 McCarthy, supra note 7, § 23:12, at 23-48 to 23-49. By contrast, where a trademark plaintiff seeks to recover monetary damages, the plaintiff typically must prove actual confusion. See Resource Developers, Inc. v. Statue of Liberty-Ellis Island Found., Inc., 926 F.2d 134, 139 (2d Cir. 1991) (citations omitted); Web Printing Controls Co. v. Oxy-Dry Corp., 906 F.2d 1202, 1204-04 (7th Cir. 1990); see generally Stolte, supra note 1. Nevertheless, even in an action to recover damages, actual confusion may be established through circumstantial proof, such as with evidence of actions undertaken deliberately for the purpose of deceiving consumers. See Resource Developers, 926 F.2d at 140; U-Haul Int’l, Inc. v. Jartran, Inc., 793 F.2d 1034, 1041 (9th Cir. 1986).
Similarly, with respect to unregistered marks, the first party to obtain rights in one of the marks at issue can establish unfair competition by showing that the second-comer’s designation “is likely to cause confusion, or to cause mistake, or to deceive. . . .” As discussed above, actual confusion is but one factor in the multi-factor test used to determine the likelihood of confusion. Accordingly, requiring evidence of actual confusion would be inconsistent with the statutory language requiring only likely confusion. Requiring evidence of actual confusion would likewise conflict with common law and state statutory standards, under which only a likelihood of confusion is required to prove infringement or unfair competition. Similarly, requiring evidence of likely confusion would elevate one of many factors potentially probative of actual confusion over others that may be more significant in the circumstances of particular cases.

2. Likely Harm Should be Prevented Before it Occurs

¶15 A principal reason for not requiring evidence of actual confusion to prove likely confusion—and one of the principal policy reasons for requiring only proof of likely confusion to come to fruition before the infringement can be stopped. As stated by the First Circuit:

There is ample reason, at the incipiency of an alleged infringement, in a suit seeking injunctive relief, for a plaintiff to argue and a court to rule that the similarity of marks is such that confusion is all too likely to ensue. Plaintiff should not be expected to stand by and await the dismal proof.\footnote{DeCosta v. Columbia Broadcasting Sys., Inc., 520 F.2d 499, 514 (1st Cir. 1975) (citing 3 CALLMAN, THE LAW OF TRADEMARKS § 80.6, at 559-60).}

Other courts have agreed that a trademark plaintiff should not be penalized for acting to protect its rights before it has been damaged by actual confusion.\footnote{See Lois Sportswear, U.S.A., Inc., 799 F.2d at 875 (“It would be unfair to penalize appellee for acting to protect its trademark rights before serious damage has occurred.”); Standard Oil Co., 56 F.2d at 976 (“A court of equity will act by injunction to prevent a threatened wrongful act which appears to be imminent, if irreparable injury will result therefrom. . . . One does not have to await the consummation of threatened injury to obtain preventative relief. If the injury is certainly impending, that is enough.”) (citations omitted); Drexel Enters., Inc. v. Hermitage Cabinet Shop, Inc., 266 F. Supp. 532, 537 (N.D. Ga. 1967) (“[T]his circuit is amongst those jurisdictions where the owner need not stand idly by until actual confusion and actual damage occurs if there is likelihood of future confusion. . . . The need for diligence could hardly dictate otherwise.”) (citations omitted); Ceasars World, Inc. v. Milanian, 247 F. Supp. 2d 1171, 1199 (D. Nev. 2003) (“[E]vidence of actual confusion is not required to establish a violation of the Lanham Act. . . . In fact, [requiring] such a showing where there has been insignificant commercial activity by the infringer would work to penalize the trademark owner for taking prompt steps to protect his/her rights.”) (citations omitted); Columbia Broadcast Sys., Inc. v. Liederman, 866 F. Supp. 763, 768 (S.D.N.Y. 1994) (quoting Lois Sportswear); MGM-Pathe Communications Co. v. Pink Panther Patrol, 774 F. Supp. 869, 876 (S.D.N.Y. 1991) (“[I]f the law required proof of actual confusion before likelihood could be found, trademark owners would be required to incur actual irreparable harm before they could obtain protection for their marks.”); Ball, 92 Cal. Rptr. at 242 (“One does not have to awaiting the consummation of threatened injury to obtain preventive relief.”) (citation and internal quotation marks omitted); MacSweeney Enters., Inc. v. Tarantino, 235 P.2d 266, 271 (Cal. Dist. Ct. App. 1951) (“It is sufficient if injury to the plaintiff’s business is threatened or imminent to authorize the court to intervene to prevent its occurrence.”) (citation and internal quotation marks omitted). But see Western Publ’g Co. v. Rose Art Indus., Inc., 910 F.2d 57, 63 (2d Cir. 1990) (“Western argues . . . that the absence of actual confusion should not weigh heavily in favor of Rose Art because Western acted quickly to protect its rights. We are not so persuaded. . . . [H]ere, sales of the GoldenSlate were not only substantial but occurred during a time frame long enough for actual consumer confusion to surface.”).}

One commentator has argued that placing greater emphasis on actual confusion will not cause trademark owners to stand by and suffer irreparable harm while they wait for such evidence to surface because equity affords relief in advance of such harm.\footnote{Clark, supra note 2, at 397.} The problem with this argument is that, in trademark cases, a likelihood of success on the
merits establishes the irreparable harm that is critical to preliminary injunctive relief.\textsuperscript{36} Actual confusion is one of the factors in determining the merits of the claim. Accordingly, ignoring the factor at the preliminary injunction phase will likely affect the substantive standard on the merits by \textit{reducing} the degree to which published decisions addressing the infringement standard reflect the need for such evidence. More importantly, trademark cases are increasingly resolved in the context of motions for preliminary injunctions. Therefore, ignoring actual confusion at that stage—while giving greater emphasis to the factor on what is supposedly the final merits—will \textit{reduce} the need for such evidence in the context in which it most often counts while introducing dissonance between the infringement standards at different phases of the litigation and, thus, further inconsistency in judicial treatment of this factor.

3. Preventing Harm Before it Occurs is Often Less Harsh to the Infringer Than Waiting for Actual Harm

Both substantive trademark law and the law of equity governing injunctions encourage a trademark owner to act early so as not to prejudice the defendant. In applying equitable standards governing injunctions, courts will balance the harm to the defendant from granting the injunction requested with the irreparable nature of the harm to the plaintiff that will occur if the injunction is not granted.\textsuperscript{37} In applying this standard, courts have recognized that it may be less harsh to enjoin a defendant that has invested fewer resources to date in an allegedly infringing brand than to wait until the defendant has invested more substantial resources in a brand and then enjoin its use.\textsuperscript{38}

As a matter of substantive law, similar concerns underlie the laches defense.\textsuperscript{39} Although delay for the purpose of obtaining evidence of actual confusion may be asserted

\textsuperscript{36} \textit{See} 5 \textit{McCarthy}, \textit{supra} note 7, § 30:47.
\textsuperscript{37} \textit{See} 11A Charles A. Wright, et al., \textit{Federal Practice and Procedure: Civil} § 2948.2 (2d ed. 1995).
\textsuperscript{38} \textit{See} Standard Oil Co., 56 F.2d at 976 (“[S]ince defendant has not commenced the transaction of business, it will be a simple matter for it to change is corporate name, and the decree will result in little inconvenience to it. On the other hand, defendant would be greatly inconvenienced by such a decree rendered after it had engaged in manufacturing and marketing its products under the names [at issue].”); Pride Communications L.P. v. WCKG, Inc., 851 F. Supp. 895, 904 (N.D. Ill. 1994) (“Defendants are poised to make a significant and costly entry into the market using the ‘Star’ name. They have not, however, demonstrated that the harm they will suffer from being preliminarily enjoined from use of that name exceeds the harm of denial of an injunction for Plaintiff, whose use of the name is established and whose mark is registered.”); Trak, Inc. v. Benner Ski KG, 475 F. Supp. 1076, 1078 (D. Mass. 1979) (holding that enjoining defendant at commencement of sales campaign would “nip the operation in the bud” whereas denial of preliminary relief would result in defendant’s entrenchment, “making permanent relief more problematical”).
\textsuperscript{39} \textit{See} 5 \textit{McCarthy}, \textit{supra} note 7, § 31:12.
as a counter to a laches defense, such a delay may introduce uncertainty into the proceedings by prompting the defendant to raise such a defense.  

4. Difficulty of Obtaining Evidence

Numerous courts have recognized that it is often difficult for a trademark plaintiff to obtain evidence of actual confusion. This difficulty is attributable to a number of


circumstances. First, the infringement may be in its incipient stage. Second, the relevant markets may be sufficiently separated or dispersed, and the market penetration of the infringer may be sufficiently low, as to make confused consumers difficult to locate. Third, consumers may lack the incentive to contact the trademark plaintiff to report confusion. Fourth, consumers may be so successfully deceived that they do not realize their confusion, and thus have nothing to report. Fifth, evidence of confusion may not be sufficiently documented by the parties or others. The difficulties associated with obtaining evidence of actual confusion have led one commentator to conclude that most markets simply do not generate real evidence of actual confusion.

i) Incipiency of Infringement

In order for an infringing mark to cause confusion among consumers, that mark must be presented to a sufficient number of consumers who are familiar with the plaintiff’s mark and who are sufficiently interested in the defendant’s presentation that they either make a mistaken purchase or form a mistaken impression. In many instances, at the time an infringement action is adjudicated, there will not have been sufficient opportunity for evidence of actual confusion to surface. For example, if an infringer has only recently commenced sales of goods with the mark in question or has only recently begun efforts to promote the sale of goods with the mark, the infringer may not have reached a sufficient audience to cause actual confusion. This problem is particularly


See Perlman, supra note 1, at 472.

See TCP/IP Holding Co. v. Haar Communications Inc., 244 F.3d 88, 102 (2d Cir. 2001) (“Here, because Haar has not yet launched its portal in a serious way, there has been little or no opportunity for actual confusion to be manifested.”); Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 221 (2d Cir. 1999) (“Here the CatDog product has not yet been launched on the market. There has been no opportunity for actual confusion to arise.”); id. at 228 (“[I]f the junior mark has not yet appeared on the market, there has been no opportunity for confusion to manifest itself in the marketplace. It is a logical certainty that no specific incidents of actual confusion will have occurred.”) (citation and internal quotation marks omitted); Centaur Communications, Ltd. v. A/S/M Communications, Inc., 830 F.2d 1217, 1227 (2d Cir. 1987) (“The absence of such proof is not especially significant . . . , particularly given the short time before trial—four months—in which the marks were ‘competing.’”) (citation is omitted); Communications Satellite Corp. v. Comcet, Inc., 429 F.2d 1245, 1251 (4th Cir. 1970) (“Here, quite naturally, proof of actual confusion is slight because the suit was instituted when Comcet was in its infancy.”); Sara Lee Corp. v. Kayser-Roth Corp., 81 F.3d 455, 462 (4th Cir. 1996) (noting that trademark owner may have scant evidence of actual confusion when seeking relief immediately upon learning of infringement) (quoting 4 J. THOMAS McCARTHY, McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 31.06[2][c] (3d ed. 1995)); Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 464 (7th Cir. 2000) (“The record contains no evidence of actual consumer confusion, but [the plaintiff]
pronounced where the demand for the goods or services in question is seasonal and any coexistence between the parties has not occurred during the season of peak demand.\textsuperscript{44} The problem is further compounded where the plaintiff moves quickly to obtain a preliminary injunction or where the court must rule on the issue before discovery has been conducted.\textsuperscript{45} Consequently, a number of courts have recognized that the absence of cannot be expected to tender such evidence at this stage. When [the plaintiff] filed this lawsuit, [the defendant] had sold less than $2,000 worth of [its product], so it is not surprising that [the plaintiff] cannot identify consumers who were actually confused about the origin or sponsorship of [the defendant’s product]. Even a statistically reliable consumer survey would likely require a greater sampling than the total number of [the defendant’s] customers.”); Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1405 (9th Cir. 1997) (“Because \textit{The Cat NOT in the Hat!} has been enjoined from distribution, there has been no opportunity to prove confusion in the marketplace.”); Am. Auto. Ins. Co. v. Am. Auto Club, 184 F.2d 407, 410 (9th Cir. 1950) (“Defendant has not as yet engaged in business. Proof of actual confusion is therefore not obtainable.”); Kadant, Inc. v. Seeley Mach., Inc., 244 F. Supp. 2d 19, 31 (N.D.N.Y. 2003) (“[I]t is more likely this paucity of specific evidence is attributable to the lack of time usually necessary to develop evidence of actual confusion.”); Jordache Enters., Inc. v. Levi Strauss & Co., 841 F. Supp. 506, 518 (S.D.N.Y. 1993) (“As Jordache clearly has not infiltrated the market with products bearing the ‘101’ trademark, the Court will not make any negative inference from the fact that Levi has not shown any anecdotal evidence of actual confusion.”) (citation omitted); Elizabeth Taylor Cosmetics Co. v. Annick Goutal S.A.R.L., 673 F. Supp. 1238, 1246 (S.D.N.Y. 1987) (recognizing that difficulty of proving actual confusion “is especially true in a case . . . where one party has been in the market only a short time”) (citation and internal quotation marks omitted).

\textsuperscript{44} See Pathfinder Communications Corp. v. Midwest Communications Co., 593 F. Supp. 281, 286-87 (N.D. Ind. 1984) (“About the only possible way actual confusion could be shown would be through examination of Arbitron ratings diaries. However, the next Arbitron ratings period does not begin until September 20, 1984. WMCZ has only been using its call letters WMCZ since July 9, 1984 and thus, was not rated, as WMCZ, in the last Arbitron Ratings period.”); Alliance for Good Gov’t, Inc. v. St. Bernard Alliance for Good Gov’t, Inc., 686 So. 2d 83, 86 (La. Ct. App. 1996) (“We recognize . . . that AGG is constrained in presenting actual instances of confusion because at the time of the injunction hearing . . . the St. Bernard AGG and the St. Bernard chapter of AGG co-existed in St. Bernard parish for a few months. Political organizations are active only at election time hence it is unlikely that public confusion will be an issue when these groups are not visible.”).

\textsuperscript{45} See Electropix v. Liberty Livewire Corp., 178 F. Supp. 2d 1125, 1132 (C.D. Cal. 2001) (“[S]uch evidence is rarely available at the Preliminary Injunction stage.”); Discovery Communications, Inc. v. Animal Planet, Inc., 172 F. Supp. 2d 1282, 1289 (C.D. Cal. 2001) (“Here, the issue of actual confusion would be especially difficult to garner because the issue has yet to be joined and no discovery has been conducted.”); \textit{Charles Schwab & Co.}, 665 F. Supp. at 809 (“This court finds that the plaintiff’s immediate action in attempting to stop defendant’s use of the plaintiff’s registered trademark may have been a contributory factor in rendering a situation in which such
evidence of actual confusion will have little or no probative value where the extent of infringement has not become sufficiently widespread for actual confusion to manifest itself.\textsuperscript{46}

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\item Victoria’s Cyber Secret L.P. v. V Secret Catalogue, Inc., 161 F. Supp. 2d 1339, 1353 (S.D. Fla. 2001) (noting absence of opportunity to take discovery in course of holding proof of actual confusion not necessary); Foxworthy v. Custom Tees, Inc., 879 F. Supp. 1200, 1216 (N.D. Ga. 1995) (noting that evidence of actual confusion is particularly difficult to produce where plaintiff seeks preliminary injunctive relief before infringing trademark is extensively disseminated); Trans Union LLC v. Credit Res., Inc., 142 F. Supp. 2d 1029, 1043 (N.D. Ill. 2001) (“Of course, at this stage of the litigation [i.e., preliminary injunction] the lack of such evidence is neither surprising nor fatal. . . . ”) (citation omitted); Welch Allyn Inc. v. Tyco Int’l Servs. AG, 200 F. Supp. 2d 130, 143 (N.D.N.Y. 2002) (“The Court recognizes the difficulty of obtaining this type of evidence, particularly at this preliminary stage of the proceeding. Thus, despite the weakness of the evidence of actual confusion, the Court finds that this factor favors neither Plaintiff nor Defendants.”); Metrokane, Inc. v. The Wine Enthusiast, 160 F. Supp. 2d 633, 640 (S.D.N.Y. 2001) (“Since no discovery has yet occurred in this case, certain factors must be given less weight, if any consideration at all. For example, no evidence of actual confusion exists, for neither party had the opportunity to present it.”), subsequent op., 185 F. Supp. 2d 321 (S.D.N.Y. 2002); NutraSweet Co. v. Venrod Corp., 982 F. Supp. 98, 102 (D.P.R. 1997) (noting that lack of actual confusion evidence “might be attributable to a lack of discovery”).

\item See, e.g., DeCosta v. Columbia Broadcasting Sys., Inc., 520 F.2d 499, 514 (1st Cir. 1975) (observing in dicta that plaintiff may bring suit and seek injunction “at the incipiency of an alleged infringement” before actual confusion has surfaced); TCPIP Holding Co., 244 F.3d at 102 (where infringement was sufficiently minimal that “little or no opportunity” was present for actual confusion to surface, held that “absence of evidence of actual confusion sheds no light whatever on the problem”) (citation omitted); Nabisco, Inc., 191 F.3d at 221, 228 (where defendant’s product was not yet launched on market, held that absence of evidence of actual consumer confusion had “no probative value” and “no relevance”); Centaur Communications, 830 F.2d at 1227; Lois Sportswear, U.S.A., Inc., 799 F.2d at 875 (refusing to draw inference against plaintiff from absence of actual confusion and noting that “sales of [defendant’s] jeans have been minimal in the United States” therefore creating “little chance for actual confusion as yet”); Fisons Horticulture, Inc. v. Vigoro Indus., Inc., 30 F.3d 466, 477 (3d Cir. 1994) (holding that district court erroneously found that defendant’s product had been on market one year before trial when product had only been available for six months); cf. Daddy’s Junky Music Stores, Inc., 109 F.3d at 284 (“[A] lack of such evidence is rarely significant, and the factor of actual confusion is weighted heavily only when there is evidence of past confusion, or perhaps, when the particular circumstances indicate such evidence should have been available.”) (citations and internal quotation marks omitted); Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 383 (7th Cir. 1976) (refusing to discredit confusion by store clerk merely because person was store clerk), cert. denied, 429 U.S. 830 (1976); Copy Cop, Inc. v. Task Printing, Inc., 908 F. Supp. 37, 45-46 (D. Mass. 1995) (holding that two years of coexistence in same geographic market was not

\end{enumerate}
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One commentator has argued that placing greater emphasis on the actual confusion factor will not make it unfairly difficult for the plaintiff to prove infringement. According to this argument, a plaintiff should be able to present such evidence with ease, given the varieties of anecdotal evidence cited by courts and the ability of parties to conduct surveys. As will be discussed at length in this article, the many varieties of anecdotal evidence regarding actual confusion lend themselves to inconsistent judicial treatment. Anecdotal evidence is often unreliable and open to highly subjective judgments. As for surveys, they are not truly evidence of actual confusion, but, in any event, can be extremely expensive and time-consuming. Furthermore, surveys may be impractical where there is no easy way to get widespread access to an appropriate universe of people.

**ii) Nature and Extent of Competition**

The marketplace conditions under which the respective parties are using the designations at issue may also make it unlikely that evidence of actual confusion would have surfaced. For example, if the parties’ past operations have been centered in geographically distinct areas, one may not expect evidence of actual confusion to have surfaced. Indeed, even within an overlapping geographic territory, where the parties’ marketing efforts are focused on different groups of individuals, there may not have been enough time to give significance to lack of evidence of actual confusion); Tanel Corp. v. Reebok Int’l, Ltd., 774 F. Supp. 49, 55 (D. Mass. 1990) (finding it “neither surprising nor significant that plaintiff has not presented evidence of actual confusion” where both parties’ products were recently introduced to retailers); Jordache Enters., Inc. v. Levi Strauss & Co., 841 F. Supp. 506, 518 (S.D.N.Y. 1993) (“As Jordache clearly has not infiltrated the market with products bearing the ‘101’ trademark, the Court will not make any negative inference from the fact that Levi has not shown any anecdotal evidence of actual confusion.”) (citation omitted); Time Inc. Magazine Co. v. Globe Communications Corp., 712 F. Supp. 1103, 1111 (S.D.N.Y. 1989) (refusing to find lack of evidence of actual confusion to have any significance in light of short period of time in which defendant was publishing magazine at issue); Worthington Foods, Inc. v. Kellogg Co., 732 F. Supp. 1417, 1443 (S.D. Ohio 1990) (finding lack of actual confusion “not fatal” given that defendant “only recently began sales”); see also Allen, supra note 4, at 23-24 (discussing judicial acknowledgement that plaintiff need not prove actual confusion where, among other things, defendant’s product has not been on market long); 3A RUDOLPH CALLMAN & LOUIS ALTMAN, CALLMAN ON UNFAIR COMPETITION § 21:64, at 21-856 to 21-858 (4th ed. 2003) (arguing absence of actual confusion not harmful to plaintiff’s case where action commenced before defendant began substantial business operations).

47 See Clark, supra note 2, at 397.

48 See Stolte, supra note 1, at 249-50 (discussing expense and obstacles associated with surveys); Sugarman & Small, supra note 1, at 54 (noting that time and money are necessary to conduct surveys).

49 See Physician Formula Cosmetics Inc. v. West Cabot Cosmetics, Inc., 857 F.2d 80, 85 (2d Cir. 1988); Giant Food, Inc. v. Nation’s Foodservice, Inc., 710 F.2d 1565, 1571 (Fed. Cir. 1983); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 23(2); 3A CALLMAN, supra note 45, § 21:64, at 21-858.
sufficient exposure of both parties to a common customer group to yield evidence of actual confusion.\textsuperscript{50} Similarly, if the parties are not direct competitors, or if there are differences in the parties’ channels of trade, actual confusion may take longer to surface.\textsuperscript{51}

\textit{iii) Incentive to Report}

In many cases, it will be difficult to gather evidence of actual confusion because consumers will lack the incentive to report mistaken purchases.\textsuperscript{52} For example, many will not do so where the price of the goods in question is low and consumers lack ready means of contacting a corporate plaintiff.\textsuperscript{53} They are particularly unlikely to do so where

\textsuperscript{50} See Daddy’s Junky Music Stores, Inc., 109 F.3d at 284.
\textsuperscript{51} See 3A CALLMAN, \textit{supra} note 46, § 21:64, at 21-860 to 21-862.
\textsuperscript{52} See Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 291 (3d Cir. 2001) (“[I]t is difficult to find evidence of actual confusion because many instances are unreported.”); Kinark Corp. v. Camelot, Inc., 548 F. Supp. 429, 446 (D.N.J. 1982) (“[T]he vast majority of persons confused about the source of a product do not make the effort to contact either of the sources of competing products.”); \textit{see also} \textit{RESTATEMENT (THIRD) OF UNFAIR COMPETITION} § 23 cmt. d (noting that consumers typically do not reveal their state of mind).
\textsuperscript{53} See, \textit{e.g.}, Fisons Horticulture, Inc. v. Vigoro Indus., Inc., 30 F.3d 466, 476 n.12 (3d Cir. 1994) (“Because the products at issue represent a small investment for the consumer, this may not be a case in which actual confusion would readily manifest itself to the manufacturer.”); Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695, 704-05 (5th Cir. 1981) (noting difficulty of detecting actual confusion where goods are inexpensive); Beer Nuts, Inc. v. Clover Club Foods Co., 805 F.2d 920, 928 (10th Cir. 1986) (“Purchasers are unlikely to bother to inform the trademark owner when they are confused about an inexpensive product.”) (citation omitted); Brunswick Corp. v. Spinit Reel Co., 832 F.2d 513, 522 (10th Cir. 1987) (“[S]uch evidence of actual confusion when the product is low priced is more valuable because purchasers are more likely to avoid the brand in the future than to complain.”) (citation omitted); AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1544 (11th Cir. 1986) (“It is likely . . . that . . . those who did realize they had been confused chose not to spend the time to register a complaint with a faceless corporation about the packaging of an item that retails for approximately $2.50 per six-pack.”); Foxworthy v. Custom Tees, Inc., 879 F. Supp. 1200, 1216 (N.D. Ga. 1995) (“[W]here the products are relatively inexpensive and constitute impulse purchases, evidence of actual confusion can be elusive.”) (citations omitted); Waples-Platter Cos. v. Gen. Foods Corp., 439 F. Supp. 551, 582 (N.D. Tex. 1977) (“The products involved herein are quite inexpensive, and individual cases of actual confusion would not be so important to the consumer as to motivate him to contact one of the parties.”); Allen, \textit{supra} note 4, at 23-24 (discussing judicial acknowledgement that evidence of actual confusion is not needed where products are inexpensive); 3A CALLMAN, \textit{supra} note 45, § 21:64, at 21-860 to 21-863 (arguing that absence of actual confusion does not mean confusion is unlikely where products are inexpensive); RICHARD L. KIRKPATRICK, \textit{LIKELIHOOD OF CONFUSION IN TRADEMARK LAW} § 7:8, at 7-25 to 7-27 (Rel. 9 2003) (noting that harm may be perceived as too minimal to justify coming forward and that consumers may not know where to direct complaints); \textit{see} 2 JEROME GILSON ET AL.,
there are no discernible differences in the quality of the respective parties’ goods.\textsuperscript{54} Some consumers may even be willing to accept the infringing item in place of the genuine article sought after learning of their mistakes.\textsuperscript{55} Indeed, even if a confused consumer is dissatisfied with the goods in question, if the price of those goods is sufficiently low, the most efficient way to register that dissatisfaction may be simply to avoid the product in the future.\textsuperscript{56} In some instances, the consumer may not learn of the mistake until long after the transaction.\textsuperscript{57} Some consumers may also feel too embarrassed to report their mistakes.\textsuperscript{58}

Consumers may also lack incentive to report complaints if they believe either that the problem is already being addressed or that they will become embroiled in legal proceedings to address the problem. For example, the Fifth Circuit held that a lack of consumer complaints indicating actual confusion should not be construed against the plaintiff where the plaintiff filed a much publicized infringement action shortly after the alleged infringement began. In such instances, the court held that a consumer aware of the action would have no reason to complain.\textsuperscript{59} Of course, such a well publicized infringement action would probably reduce the likelihood of consumer confusion following publicity regarding the action.\textsuperscript{60} In addition, the possibility of becoming a witness in litigation may deter many from coming forward to report confusion or to testify concerning their reports.\textsuperscript{61}

Notwithstanding these issues, a lack of consumer incentive to report confusion is not ubiquitous. For example, a consumer who mistakenly purchases a subscription to the

\textsuperscript{54} \textit{See, e.g.}, \textit{Fisons Horticulture, Inc.}, 30 F.3d at 476 n.12 (“The products are not likely to malfunction. If the consumer thinks Fairway peat moss and Fairway Green fertilizer are produced by the same company, the manufacturers may not know”); Sicilia Di R. Biebow & Co. v. Cox, 732 F.2d 417, 433 (5th Cir. 1984) (“Where products are inexpensive and the goods involved are identical, lack of actual consumer confusion should not weight strongly against plaintiff.”) (citations and internal quotation marks omitted); \textit{Chevron}, 659 F.2d at 700-05 (“It would be exceedingly difficult to detect instances of actual confusion when, as here, the goods are relatively inexpensive and their actual properties are exactly identical; e.g., Ortho’s Malathion is the same as VPG’s.”).

\textsuperscript{55} \textit{See}, Stolte, supra note 1, at 246.

\textsuperscript{56} \textit{See} Societe des Produits Nestle, S.A. v. Casa Helvetia, Inc., 982 F.2d 633, 644 n.10 (1st Cir. 1992) (citation omitted); Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 383 (7th Cir. 1976). \textit{But see} Olde Tyme Foods, Inc. v. Roundy’s, Inc., 961 F.2d 200, 205 n.1 (Fed. Cir. 1992) (“Low price, however, does not necessarily mean that actual confusion would not be reported.”).

\textsuperscript{57} \textit{See} G.D. Searle & Co. v. Charles Pfizer & Co., 265 F.2d 385, 389 (7th Cir. 1959).

\textsuperscript{58} \textit{See} \textit{Kirkpatrick}, supra note 53, § 7:8, at 7-25 to 7-27; Stolte, supra note 1, at 246.

\textsuperscript{59} \textit{See} Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 204 (5th Cir. 1998).

\textsuperscript{60} \textit{See} 3A \textit{Callman}, supra note 45, § 21:64, at 21-856 to 21-858.

\textsuperscript{61} \textit{See} Stolte, supra note 1, at 247-48.
wrong magazine is likely to complain about that mistake after receiving the first issue. Nevertheless, it has been recognized that, in many retail situations, evidence of actual confusion is unlikely to surface.

iv) Successful Deception

Where trademark infringement is so successful that consumers are deceived into believing that the defendant’s goods are those of the plaintiff and never realize the mistake, the deceived consumers may have widely different reactions, depending upon the circumstances. Where the consumer has a reason to communicate with the company thought to be the producer of the goods in question, the consumer may mistakenly communicate with the wrong company. Similarly, where consumers realize that they have made mistaken purchases, they may still be confused about where to report such mistakes. In contrast, where the consumer has no reason to communicate with the mistaken producer of the goods, the consumer cannot be expected to report to either company a mistake unknown to that consumer. Instances where confused consumers have no incentive to communicate with the producer of the goods are particularly likely where there are no discernible differences between the qualities or characteristics of the plaintiff’s goods and those of goods sold by the defendant. Furthermore, courts have held that businesses that purchase low-priced goods for use in their establishments cannot be held to a more discriminating standard of actual confusion than an ordinary consumer.

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63 See Miles Shoes, Inc. v. R.H. Macy & Co., 199 F.2d 602, 603 (2d Cir. 1952) (“[R]eliable evidence of actual instances of confusion is practically almost impossible to secure, particularly at the retail level. . .”).
64 See, e.g., Maternally Yours, Inc. v. Your Maternity Shop, Inc., 234 F.2d 538, 543 (2d Cir. 1956) (“numerous mail and packages had been mis-addressed or mis-delivered”).
65 See Stolte, supra note 1, at 246.
66 See, e.g., Fisons Horticulture, Inc. v. Vigoro Indus., Inc., 30 F.3d 466, 476 (3d Cir. 1994) (“[T]he court should take into account that the products were ones consumers spend little time and care in selecting: in the case of such products, confusion as to their origin may pass unnoticed.”); AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1544 (11th Cir. 1986) (“It is likely that many consumers who were confused never realized they had been confused. . .”).
67 See, e.g., Fisons, 30 F.3d at 476 n.12 (“Because the products at issue represent a small investment for the consumer, this may not be a case in which actual confusion would readily manifest itself to a manufacturer. The products are not likely to malfunction.”); Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695, 704 (5th Cir. 1981) (“It would be exceedingly difficult to detect instances of actual confusion when, as here, the goods are relatively inexpensive and their actual properties are exactly identical.”); Int’l Kennel Club of Chicago, Inc. v. Mighty Star, Inc., 846 F.2d 1079, 1091 n.6 (7th Cir. 1988) (“[E]ven if the authors of those letters [to the defendants] mistakenly assumed that the plaintiff has sponsored or licensed the defendants [sic] toy dogs, there would be no reason for the writer to mention this fact in a letter to the defendants whose sole purpose was to request to purchase the toy.”); Beer Nuts, Inc., 805 F.2d at 928.
In some cases, the consumer may not have a meaningful opportunity to inspect the goods or discover any mislabeling.\textsuperscript{69}

v) Recordkeeping

Even where confusion is reported, it may have been insufficiently documented such that evidence of actual confusion may be unavailable for use in court. For example, in \textit{Wynn Oil Co. v. American Way Service Corp.},\textsuperscript{70} the defendants argued that marketplace conditions in that case should have caused actual confusion to become manifest if, in fact, any confusion was likely to occur. Because actual confusion did not surface, the defendants maintained that their mark was unlikely to cause confusion. The Sixth Circuit rejected this argument as incongruous with the defendants’ own recordkeeping practices.\textsuperscript{71} Indeed, where instances of confusion are likely to be reported to the defendant and not the plaintiff, it would be particularly unfair to place the plaintiff’s prospects of success at the mercy of the defendant’s recordkeeping practices.\textsuperscript{72} Nevertheless, assuming that personnel employed by the defendant testify truthfully, it should be possible to determine whether such evidence once existed and was not kept. Where relevant evidence was destroyed, such destruction may be remedied by laws governing spoliation of evidence.\textsuperscript{73} However, it is also possible that consumers may report their confusion to non-party retailers who may not provide such information to the parties in litigation.\textsuperscript{74}

\textbf{B. The Significance of an Absence of Evidence of Actual Confusion}

Although evidence of actual confusion is not required as a general rule, the lack of such evidence can play an important role in the adjudication of many cases. Indeed, the lack of such evidence can significantly detract from—or be fatal to—the plaintiff’s claim for at least two reasons. First, if other circumstances weigh against the plaintiff, a court

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  \item \textsuperscript{68} See LaTouraine Coffee Co. v. Lorraine Coffee Co., 157 F.2d 115, 117 (2d Cir. 1946).
  \item \textsuperscript{69} See Getty Petroleum Corp. v. Island Transp. Corp., 878 F.2d 650, 656 (2d Cir. 1989); see also KIRKPATRICK, \textit{supra} note 53, § 7:8, at 7-25 to 7-27; Stolte, \textit{supra} note 1, at 246-47.
  \item \textsuperscript{70} Wynn Oil Co. v. Am. Way Service Corp., 943 F.2d 595 (6th Cir. 1991).
  \item \textsuperscript{71} Id. at 602 (“Defendants show a remarkable faith in documentation for parties that claimed they could not even calculate the profits earned from their service contracts.”); see also G.D. Searle & Co. v. Charles Pfizer & Co., 265 F.2d 385, 389 (7th Cir. 1959) (“A purchaser who has been confused as to a product such as a drug tablet usually makes no complaint that can be traced . . . .”).
  \item \textsuperscript{72} But see Source Servs. Corp. v. Chicagoland Jobsource, Inc., 643 F. Supp. 1523, 1533 (N.D. Ill. 1986) (“[Plaintiff] does attempt to turn the absence of actual confusion evidence to its advantage by blaming [defendant] for failing to set up a mechanism to monitor confusion. Of course that is irrelevant.”).
  \item \textsuperscript{74} See Stolte, \textit{supra} note 1, at 246.
\end{itemize}
may look for evidence of actual confusion to establish a likelihood of confusion that other
factors have not. Second, the circumstances under which the parties have been operating
may indicate that evidence of actual confusion should have surfaced.

1. Actual Confusion as a Counter to Other Factors

The first reason why courts may require evidence of actual confusion to rule in
favor of the plaintiff is relatively straightforward: a court may not be persuaded by the
other factors that confusion is likely. In such instances, only evidence of actual confusion
can save the plaintiff’s case—assuming that such evidence is powerful enough and that
other factors do not undercut such evidence.75 Similarly, if the court assesses the other
likelihood of confusion factors with respect to a new technological practice, a new
medium for communicating or a new context for determining infringement, it may find
that the other factors do not provide a sufficient basis for predicting likelihood of
confusion in this new context and may look for evidence of actual confusion to guide its
determination.76

75 See Falcon Rice Mill, Inc. v. Community Rice Mill, Inc., 725 F.2d 336, 345 (5th
Cir. 1984) (“[H]aving considered all the other indicia of confusing similarity and finding
little to support Falcon’s position, the court simply held that in all probability only a
showing of actual confusion would be strong enough evidence to swing the case in
Falcon’s favor. . . . Actual confusion was one of the factors considered by the trial court,
but its ultimate inquiry was, as it should have been, whether confusion was likely.”);
Amstar Corp. v. Domino’s Pizza, Inc., 615 F.2d 252, 264-65 (5th Cir. 1980) (“In the
absence of any solid evidence of actual confusion, the limited strength of the ‘Domino’
mark outside plaintiff’s line of sugars and portion-control condiments compels the
opposite conclusion, especially in light of the marked dissimilarities between plaintiff and
defendants in trademark design, retail outlets, purchasers and advertising.”); Edison Bros.
evidence of actual confusion would be helpful in light of weakness of plaintiff’s mark);
Pan Am. World Airways, Inc. v. Panamanian School of Travel, Inc., 648 F. Supp. 1026,
1037 (S.D.N.Y. 1986) (“[S]ince plaintiff’s mark is weak, such evidence would aid
plaintiff in demonstrating that the public is likely to be confused as to the source or
sponsorship of defendant’s service.”); General Mills, Inc. v. Henry Regnery Co., 421 F.
Supp. 359, 361 (N.D. Ill. 1976) (“This meager showing [of actual confusion], in the face
of the disparate appearance between the plaintiff’s mark and defendant’s cover, coupled
with the lack of any evidence as to purchaser or advertising media identity, is insufficient
to move this court to find a likelihood of success on the merits and to grant preliminary
injunctive relief.”); see also Truckstops Corp. of Am. v. C-Poultry Co., 596 F. Supp.
1094, 1099 (M.D. Tenn. 1983) (“In light of the weakness of the mark and the lack of
direct competition between the parties, the [declaratory judgment] plaintiff has made a
strong showing of no [actual] confusion.”).

76 See Paramount Pictures Corp. v. Video Broad. Sys., Inc., 724 F. Supp. 808, 816
(D. Kan. 1989) (deeming evidence of actual confusion to be “important” due to “largely
undeveloped nature” of advertising in connection with VCR rentals); see, e.g. Mark D.
Robins, The Keys to Keyword Advertising, 10 No. 6, INTELL. PROP. STRATEGIST 1, 4
(March 2004) (arguing that, in cases involving recent practice of triggering particular
2. **Actual Confusion as an Expected Consequence of Commerce**

A second reason why the lack of actual confusion evidence may have significance is the logical outgrowth of rationales for not requiring evidence of actual confusion. Although there are a variety of circumstances that make evidence of actual confusion difficult to obtain, there are cases where those circumstances do not exist. Indeed, cases exist where such evidence should have surfaced if, in fact, it is likely that consumers will be confused.

Notably, where the defendant has achieved a meaningful commercial presence for a sufficient duration and there have been no, or few, reported instances of actual confusion, that silence may indicate that confusion between the respective parties’ marks is unlikely. The lack of such evidence may be particularly telling where the marks are so

Internet advertisements based on trademarked search terms, courts are likely to emphasize actual confusion or survey evidence as guide to understanding consumer perceptions.

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77 See Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 228 (2d Cir. 1999) (“If consumers have been exposed to two allegedly similar trademarks in the marketplace for an adequate period of time and no actual confusion is detected either by survey or in actual reported instances of confusion, that can be powerful indication that the junior trademark does not cause a meaningful likelihood of confusion.”); Hubbard Feeds, Inc. v. Animal Feed Supplement, Inc., 182 F.3d 598, 602-03 (8th Cir. 1999) (finding confusion unlikely given absence of actual confusion in over two decades of competition); Daddy’s Junky Music Stores, Inc. v. Big Daddy’s Family Music Ctr., 109 F.3d 275, 284 (6th Cir. 1998) (“[A]ctual confusion is weighted heavily only when there is evidence of past confusion, or perhaps, when the particular circumstances indicate such evidence should have been available.”) (citations and internal quotation marks omitted); Fisons Horticulture, Inc. v. Vigor Indus., Inc., 30 F.3d 466, 476 (3d Cir. 1994) (“When parties have used similar marks for a sufficient period of time without evidence of consumer confusion . . . there is an inference of future confusion will not be confused . . .”); Aktiebolaget Electrolux v. Armatron Int’l, Inc., 999 F.2d 1, 3-4 (1st Cir. 1993) (holding that absence of actual confusion, given side-by-side competition in some channels of trade and advertising for six years, was highly probative that confusion was unlikely); Lois Sportswear U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 875 (2d Cir. 1986) (“[T]he complete absence of actual confusion evidence after a significant period of competition may weigh in a defendant’s favor . . .”) (citation omitted); Oreck Corp. v. U.S. Floor Sys., Inc., 803 F.2d 166, 173 (5th Cir. 1986) (“In light of the concurrent use of the STEAMEX DELUXE 15 XL name and Oreck’s XL mark for seventeen months, Oreck’s inability to point to a single incident of actual confusion is highly significant . . . . Considering Oreck’s weak showing on the other factors relevant to a likelihood of confusion, probably nothing short of a showing of actual confusion would be strong enough to swing the case in its favor.”) (citations omitted); Keebler Co. v. Rovira Biscuit Corp., 624 F.2d 366, 377-78 (1st Cir. 1980) (three and one-half years of competition coupled with “striking differences” in color that made confusion unlikely); McGregor-Doniger Inc. v. Drizzle, Inc., 599 F.2d 1126, 1136 n.6 (2d Cir. 1979) (five years; no reported incidents of confusion); Maas & Waldstein Co. v. Am. Paint Corp., 288 F.2d 306, 307 (8th Cir. 1961) (two years; similar marks; same territory; no instances of
similar and the plaintiff’s mark is so strong that one would expect consumer confusion, but for some other countervailing factor (such as use of the respective marks on different products).\footnote{78} In recognition of the importance of the length of time in which the marks confuse); Application of Myers, 201 F.2d 379, 384 (C.C.P.A. 1953) (“We think the failure or inability to show even one instance of the kind in the past creates a strong presumption against likelihood of confusion in the future.”); Planet Hollywood (Region IV), Inc. v. Hollywood Casino Corp., 80 F. Supp. 2d 815, 883 (N.D. Ill. 1999) (finding absence of actual confusion to be significant where parties coexisted for more than six years); Pampered Chef, Ltd. v. Magic Kitchen, Inc., 12 F. Supp. 2d 785, 795 (N.D. Ill. 1998) (holding it “impossible” for plaintiffs to prevail on merits where they failed to produce evidence of actual confusion during most of a year); Black Dog Tavern Co. v. Hall, 823 F. Supp. 48, 56 (D. Mass. 1993) (“[T]he lack of evidence of actual confusion, when the marks have been in the same market, may indicate that there is little likelihood of confusion.”); Gruner + Jahr USA Publ’g, Div. of Gruner + Jahr Printing & Publ’g Co. v. Meredith Corp., 793 F. Supp. 1222, 1232-33 (S.D.N.Y. 1992) (“[W]here, as here, both parties’ publications have been simultaneously on sale in newsstands for over six months and these products constitute approximately forty percent of the relevant . . . market, we find that the absence of evidence of actual confusion weighs heavily against a finding of likelihood of confusion.”) (citations omitted); Waples-Platter Cos. v. Gen. Foods Corp., 439 F. Supp. 551, 582 (N.D. Tex. 1977) (“It also follows from the difficulty of establishing proof of actual confusion that the absence of such proof is not normally relevant to the issue of likelihood of confusion, although it may become relevant under certain factual situations.”) (citations omitted); FS Servs. Inc. v. Custom Farm Servs., Inc., 325 F. Supp. 153, 162 (N.D. Ill. 1970) (“The substantial side-by-side use of the trademarks and service marks of plaintiff and defendant, without evidence of actual confusion, creates a strong presumption against likelihood of any such confusion in the future.”) (citations omitted); Societe Anonyme v. Julius Wile Sons & Co., 161 F. Supp. 545, 548 (S.D.N.Y. 1958) (six years; similar names on identical products; no reported incidents of confusion); G.B. Kent & Sons, Ltd. v. P. Lorillard Co., 114 F. Supp. 621, 627 (S.D.N.Y. 1953) (confusion unlikely given absence of actual confusion with side-by-side sales in 128 drugstores in New York City); Ackerman Sec. Sys., Inc. v. Design Sec. Sys., Inc., 412 S.E.2d 588, 589 (Ga. Ct. App. 1991) (presumption against likelihood of confusion from lack of actual confusion after extensive period of concurrent existence).\footnote{78} See Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961) (use on different products: “Here plaintiff’s mark is a strong one and the similarity between the two names is great, but the evidence of actual confusion, when analyzed, is not impressive.”). When differences in the uses at issue are compounded by differences in the marks in question, the absence of any actual confusion may become an insurmountable practical obstacle to the plaintiff’s ability to prove infringement. See Blue Bell, Inc. v. Jaymar-Ruby, Inc., 497 F.2d 433, 435-36 (2d Cir. 1974) (holding that “Jaymar” trademark for men’s slacks did not infringe “Jeanie” trademark for women’s sportswear: “[P]laintiff has been unable to demonstrate any actual confusion between the two marks or a lack of sophistication on the part of the consuming public. While it is true that actual mistake is but an indicia of the critical factor of a likelihood of confusion, the fact remains that the price range and the fairly detailed purchasing process of the goods in

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have had overlapping usage in valuing evidence of actual confusion, at least one court has recast the actual confusion factor as “duration of use without actual confusion.”

Another court has gone so far as to articulate the length of time during which there has been no actual confusion as a stand-alone factor in the likelihood of confusion test, separate from the actual confusion factor. By contrast, where the defendant has achieved a meaningful commercial presence for a sufficient duration and where there have been many reported instances of actual confusion, those instances will be highly probative of a likelihood of confusion. Indeed, some courts have afforded greater weight to relatively few reported instances of actual confusion where alleged infringement is in its incipient stages. Other courts have held that incipiency merely reduces the weight of the inference to be drawn from the lack of evidence of actual confusion.

Question further suggest that it is unlikely that consumers will be misled.”). On the other hand where the similarity of marks and the similarity of uses are both sufficiently strong, the inquiry into actual confusion may be rendered superfluous. See Kiki Undies Corp. v. Promenade Hosiery Mills, Inc., 411 F.2d 1097, 1100-01 (2d Cir. 1969) (“The fact that there was little or no evidence of actual confusion is of no significance because with identical marks and similarity of use, there is great likelihood of confusion of source and in the final analysis the decision must rest on the court’s conviction as to possible confusion.”) (citation and internal quotation marks omitted); Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 22 n.7 (7th Cir. 1992) (trade dress infringement: “The bottles, as the district court observed, are ‘virtually identical’ . . . and [the plaintiff] need not present compelling evidence of actual consumer confusion at the preliminary injunction stage.”) (citation omitted); Field Enters. Educ. Corp. v. Grosset & Dunlap, Inc., 256 F. Supp. 382, 390 (S.D.N.Y. 1966) (holding that defendants’ book title “How and Why Wonder Books” did not infringe plaintiffs’ “How and Why” trademark for its series of books: “Any instances of actual confusion should have been readily ascertainable by plaintiff, but none were shown at the trial.”).


See Nabisco, Inc., 191 F.3d at 228 (“In contrast, if numerous instances of consumer confusion have occurred, that suggests a high likelihood of continuing confusion.”). See, e.g., Jellibeans, Inc. v. Skating Clubs of Georgia, Inc., 716 F.2d 833, 844 (11th Cir. 1983) (“When the witnesses saw the Lollipops sign, it had been up only a short time and was Skating Clubs’ only advertisement. Therefore, few reports of actual confusion could be expected.”) (citation omitted).

See Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 204 (5th Cir. 1998) (“In this case, the lack of complaints is relevant but should have less weight than the district court gave it. Approximately one year after the Richmond location opened, EPE’s suit against the Defendants was reported in the press, and this lessens the weight of the lack of complaints because there would be no reason to complain to EPE if one knows EPE is aware of the possible infringer and has begun legal action.”); Eli Lilly & Co. v. Natural Answers, Inc., 86 F. Supp. 2d 834, 845 (S.D. Ind. 2000) (“[A] respectable consumer
C. Extent of Actual Confusion Needed and Quantum of Proof Necessary to Establish Actual Confusion

¶34 Bound up in the question of what effect should be given to the lack of evidence of actual confusion is the question of how much evidence of actual confusion is necessary to establish actual confusion. This subsection introduces the issue of “quantum of proof” and then reviews various circumstances that can affect how much proof of actual confusion may be needed.

1. Quantum of Proof

¶35 Courts follow widely divergent paths in assessing how much evidence is necessary to establish actual confusion. On the one hand, many courts frequently discount evidence of actual confusion as insubstantial or de minimis.84 The likelihood of confusion standard is, itself, only satisfied by a showing with respect to an appreciable number of consumers, survey would probably require sampling reactions of more consumers than have actually purchased [defendant’s product] to date.”).

84 See, e.g., Centaur Communications, Ltd. v. A/S/M Communications, Inc., 830 F.2d 1217, 1227 (2d Cir. 1987) (holding “isolated incidents” of actual confusion to be “not probative”); Mushroom Makers, Inc. v. R.G. Barry Corp., 580 F.2d 44, 48 (2d Cir. 1978) (refusing to credit de minimis instances of actual confusion); Packman v. Chicago Tribune Co., 267 F.3d 628, 645 (7th Cir. 2001) (“Even if the four callers fell into the relevant category of consumers, however, the district court properly discounted such de minimis evidence of confusion.”) (citations omitted); Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 383 (7th Cir. 1976)383 (“[I]solated instances of actual confusion or misdirected mail have been held insufficient to sustain a finding of likelihood of confusion.”); Thane Int’l, Inc. v. Trek Bicycle Corp., 305 F.3d 894, 902 (9th Cir. 2002) (“In some cases, a jury may properly find actual confusion evidence de minimis and thus unpersuasive as to the ultimate issue.”) (citations and internal quotation marks omitted); Japan Telecom, Inc. v. Japan Telecom Am. Inc., 287 F.3d 866, 873-74 (9th Cir. 2002) (holding actual confusion not established by two letters); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 352 (9th Cir. 1979) (“Courts have often discounted such evidence because it was . . . insubstantial”) (citations omitted); Everest & Jennings, Inc. v. E & J Mfg. Co., 263 F.2d 254, 260 (9th Cir. 1959) (“The likelihood of confusion . . . must be demonstrated by more than merely an occasional miss-directed letter. The showing of a mere trace of confusion is insufficient.”); Bandag, Inc. v. Al Bolster’s Tire Stores, Inc., 750 F.2d 903, 914 (Fed. Cir. 1984) (“Evidence of actual confusion is . . . frequently discounted as . . . insubstantial”) (citation omitted); King of the Mountain Sports, Inc. v. Chrysler Corp., 968 F. Supp. 568, 576 (D. Colo. 1997) (holding actual confusion not established by three isolated incidents); Primedia Intertec Corp. v. Technology Mkg. Corp., 35 F. Supp. 2d 809, 821 (D. Kan. 1998) (“Plaintiff’s two confused consumers do not provide persuasive evidence of actual confusion. These examples are better viewed as isolated instances and de minimis evidence of actual confusion.”); Wachovia Bank & Trust Co. v. Crown Nation Bancorporation, Inc., 835 F. Supp. 882, 887 (W.D.N.C. 1993) (holding actual confusion not established by single incident and refusing to accept plaintiff’s “assertion that this example is the tip of an iceberg”).
and that showing must be a showing of probable confusion rather than merely possible confusion.\footnote{See 3 McCarthy, supra note 7, §§ 23:2, 23:3; see, e.g., Thane Int’l, Inc., 305 F.3d at 902 (“[I]f a party produces evidence from which a reasonable jury could surmise that an appreciable number of people are confused about the source of the product, then it is entitled to a trial on the likelihood of confusion—although it will not necessarily prevail at trial.”) (citation and internal quotation marks omitted).} On the other hand, a very influential decision by the Fifth Circuit established long ago that “very little proof of actual confusion would be necessary to prove the likelihood of confusion.”\footnote{World Carpets, Inc. v. Dick Littrell’s New World Carpets, 438 F.2d 482, 489 (5th Cir. 1971).} Consistent with this language, some courts appear willing to accept any amount of evidence of actual confusion as sufficient to establish the factor in the plaintiff’s favor.\footnote{See Ice Cold Auto Air of Clearwater, Inc. v. Cold Air & Accessories, Inc., 828 F. Supp. 925, 937 (M.D. Fla. 1993) (“Actual confusion by a few customers is evidence of likelihood of confusion by many customers. . . . Therefore, a plaintiff usually will not have to prove more than a few incidents of actual confusion.”) (citation omitted); Three Blind Mice Designs Co. v. Cyrk, Inc., 892 F. Supp. 303, 312 (D. Mass. 1995) (“Even a minimal demonstration of actual confusion may be significant.”) (citation omitted); KAT Video Prods., Inc. v. KKCT-FM Radio, 584 N.W.2d 844, 848 (N.D. 1998) (“The test . . . is whether any consumers have actually been confused. . . .”) (citations and internal quotations omitted); Commercial Sav. Bank v. Hawkeye Fed. Sav. Bank, 592 N.W.2d 321, 331 (Iowa 1999) (“The test . . . is whether any consumers have actually been confused. . . .”) (citation and internal quotation marks omitted); Wyndham Co. v. Wyndham Hotel Co., 670 N.Y.S.2d 995, 999 (N.Y. Sup. Ct. 1997) (“The fifth factor . . . looks to whether any consumers have actually been confused. . . .”); see also Deltona Transformer Corp. v. Wal-Mart Stores, Inc., 115 F. Supp. 2d 1361, 1369 (M.D. Fla. 2000) (finding single incident to be insufficient but noting: “[A] plaintiff usually will not have to prove more than a few incidents of actual confusion.”) (citation omitted); see also Pride Communications L.P. v. WCKG, Inc., 851 F. Supp. 895, 902 (N.D. Ill. 1994) (crediting single inquiry as to whether plaintiff has purchased defendant’s radio station as “some minimal evidence of actual listener confusion”).} It is hazardous to extrapolate from the cases a particular number of instances that must be present for actual confusion to be established; what constitutes the necessary critical mass will vary widely from case to case. The Eleventh Circuit observed: “There is no absolute scale as to how many instances of actual confusion establish the existence of that factor.”\footnote{AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1543 (11th Cir. 1986); see also Clark, supra note 2, at 406 (asserting that there is no absolute number of incidents that will necessarily establish actual confusion).}

Determining how much evidence is necessary is particularly complicated by the fact that, where circumstances indicate that evidence of actual confusion should have surfaced in a meaningful way, the plaintiff may need to produce a higher quantum of proof not merely to demonstrate that the actual confusion factor favors the plaintiff, but
also to maintain the viability of its infringement claim. For example, where the alleged infringement occurred over a period of years, a dearth of incidents of actual confusion.

89 See, e.g., Cadbury Beverages, Inc. v. Cott Corp., 73 F.3d 474, 482 (2d Cir. 1996) (“Based on Cadbury’s lack of evidence of actual confusion, the district court inferred that consumer confusion was not likely. . . . That inference was arguably proper on the limited record before the district court. . . .”) (citation omitted); Lever Bros. Co. v. Am. Bakers Co., 693 F.2d 251, 257 (2d Cir. 1982) (“Although actual confusion need not be shown by Lever, substantial sales of both products over several years, without a single example of actual confusion, becomes significant.”) (citations omitted); Soc’y of Fin. Examiners v. Nat’l Ass’n of Certified Fraud Examiners Inc., 41 F.3d 223, 228 (5th Cir. 1995) (“SOFE’s inability to produce an actual instance of confusion, or at most twelve examples over a five year period, refutes the likelihood of confusion.”); Oreck Corp. v. U.S. Floor Sys., Inc., 803 F.2d 166, 173 (5th Cir. 1986) (“In light of the concurrent use of the STEAMEX DELUXE 15 XL name and Oreck’s XL mark for seventeen months, Oreck’s inability to point to a single incident of actual confusion is highly significant. . . . Considering Oreck’s weak showing on the other factors relevant to a likelihood of confusion, probably nothing short of a strong showing of actual confusion would be strong enough to swing the case in its favor.”); Application of Myers, 201 F.2d 379, 384 (C.C.P.A. 1953) (“We think the failure or inability to show even one instance of the kind in the past creates a strong presumption against likelihood of confusion in the future.”); FS Servs. Inc. v. Custom Farm Servs., Inc., 325 F. Supp. 153, 162 (N.D. Ill. 1970) (“The substantial side-by-side use of the trademarks and service marks of plaintiff and defendant, without evidence of actual confusion, creates a strong presumption against likelihood of any such confusion in the future.”); Black Dog Tavern Co. v. Hall, 823 F. Supp. 48, 56 (D. Mass. 1993) (“[T]he lack of evidence of actual confusion, when the marks have been in the same market, may indicate that there is little likelihood of confusion.”); Barre-Nat’l, Inc. v. Barr Labs., Inc., 773 F. Supp. 735, 744 (D.N.J. 1991) (“[T]he absence of confusion between Barr’s and Barre’s marks on similar products during at least 17 years of concurrent use, weights heavily against a finding of likelihood of confusion.”); Gruner + Jahr USA Publ’g, Div. of Gruner + Jahr Printing & Publ’g Co. v. Meredith Corp., 793 F. Supp. 1222, 1232-33 (S.D.N.Y. 1992) (“[W]here, as here, both parties’ publications have been simultaneously on sale in newsstands for over six months and these products constitute approximately forty percent of the relevant . . . market, we find that the absence of evidence of actual confusion weighs heavily against a finding of likelihood of confusion.”). But see CAE, Inc. v. Clean Air Eng’g, Inc., 267 F.3d 660, 686 (7th Cir. 2001) (“Other than its reliance on a twenty-five year history without reported incidents of actual confusion, Clean Air has not come forward with hard evidence to demonstrate a genuine issue of material fact that consumers are not likely to be confused by the parties’ simultaneous use of the CAE mark in connection with their businesses.”) (citation omitted); see generally 3A CALLMAN, supra note 46, § 21:64, at 21-848 to 21-850 (asserting that absence of actual confusion after substantial period of concurrent use in same market gives rise to “strong presumption” that confusion is not likely); Allen, supra note 4, at 25 (noting that absence of evidence of actual confusion in circumstances where such evidence would be expected leads to “an almost insurmountable inference of no likelihood of confusion”).
may mean that the plaintiff cannot establish the factor in its favor and also become a critical factor leading the court to find confusion not likely.\(^90\) As an extreme example, where an alleged infringement involved a highly successful television show spanning 225 episodes, court held the plaintiff’s inability to produce more than six witnesses claiming to have been confused over the course of eleven years to be dispositive that confusion was not likely.\(^91\)

Similarly, if a long period of time has elapsed between commencement of the alleged infringement and adjudication, or there has been significant market penetration for a sufficient period of time, the critical mass required to establish the actual confusion factor will be higher.\(^92\) For example, where a large number of transactions and

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\(^90\) See, e.g., DeCosta v. Columbia Broadcasting Sys., Inc., 520 F.2d 499, 514 (1st Cir. 1975) (holding that sparse evidence of actual confusion indicated confusion was not likely where plaintiff waited almost entire limitations period before bringing suit and was given opportunity to introduce additional evidence on remand from earlier appeal); Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 204 (5th Cir. 1998) (“An absence of, or minimal, actual confusion, however, over an extended period of time of concurrent sales weighs against a likelihood of confusion.”) (emphasis added; citations omitted); Amstar Corp. v. Domino’s Pizza, Inc., 615 F.2d 252, 263 (5th Cir. 1980) (15 years of extensive competition with annual sales of millions of dollars by both parties; only three instances of actual confusion) (citation omitted); Holiday Inns, Inc. v. Holiday Out in Am., 481 F.2d 445, 448-49 (5th Cir. 1973) (finding that lack of confusion reported at location where parties competed for more than two years outweighed questionable evidence of confusion reported to other sources); Homeowners Group, Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1110 (6th Cir. 1991) (“[T]he existence of only a handful of instances of actual confusion after a significant time or a significant degree of concurrent sales under the respective marks may even lead to an inference that no likelihood of confusion exists.”) (citation omitted); Fieldcrest Mills, Inc. v. Couri, 220 F. Supp. 929, 932 (S.D.N.Y. 1963) (referring to two instances of actual confusion in course of years of side-by-side competition in same area as “what approaches an affirmative showing of the absence of confusion”).

\(^91\) See DeCosta, 520 F.2d at 514-15.

\(^92\) See, e.g., Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482, 490-91 (1st Cir. 1981) (“Four years is a substantial amount of time . . . and Pignons’ inability to bring forth more than this single, feeble and indirect example of possible consumer confusion strongly indicates that Polaroid’s use of the mark ‘Alpha’ has not created a likelihood of confusion [with Pignon’s mark ‘Alpa’].”) (citations omitted); C.L.A.S.S. Promotions, Inc. v. D.S. Magazines, Inc., 753 F.2d 14, 18 (2d Cir. 1985) (“The two letters which were admitted are insignificant when contrasted to the hundreds of thousands of magazines sold over the years.”) (citations omitted); Scott Paper Co. v. Scott’s Liquid Gold, Inc., 589 F.2d 1225, 1231 (3d Cir. 1978) (“The evidence of actual confusion in this case is insufficient to determine that injunctive relief is appropriate. The evidence relied on by the district court constituted merely nineteen misdirected letters received between 1972 and 1976 supported by depositions of some of the authors. However, during the same period SLG sold 50 million cans of its products.”); Daddy’s Junky Music Stores, Inc. v. Big Daddy’s Family Music Ctr., 109 F.3d 275, 284 (6th Cir.
widespread advertising had taken place over a period of three years, and where the purportedly confused persons could not be identified as potential customers, nineteen instances of reported confusion were deemed “negligible” and insufficient to establish actual confusion. Yet, courts generally do not distinguish between how much evidence is necessary to establish the factor and how much evidence is necessary to overcome circumstances that may make it necessary to maintain viability of the claim.

2. Factors Impacting Quantum of Proof

There are numerous and varied factors that impact how much evidence of actual confusion may be needed, including: whether there is a relative or statistical benchmark for measuring the quantity of incidents of confusion; circumstances showing the duration, extent, and nature of any coexistence between the parties; the ability and incentive of consumers to report confusion; the stage of the proceedings; the parties’ recordkeeping practices; the types of persons confused and the degree of their confusion; the quality of the evidence of confusion; and what inferences can be drawn from the other likelihood of confusion factors.

i) Relative and Statistical Significance

Courts are unlikely to require that evidence of actual confusion surpass any “statistical significance” threshold before being credited. Indeed, one court held it

1998) (“[Isolated instances of actual confusion after a significant period of time of concurrent sales or extensive advertising do not always indicate an increased likelihood of confusion and may even suggest the opposite.”) (citations omitted); Homeowners Group, Inc., 931 F.2d at 1110 (“Where the parties have been doing business in the same area for some time and where they have advertised extensively, isolated instances of actual confusion are not conclusive or entitled to great weight in the determination.”) (citations omitted); Inc. Publ’g Corp. v. Manhattan Magazine, Inc., 616 F. Supp. 370, 386 (S.D.N.Y. 1985) (“Given significant volume of sales over time, isolated instances of actual confusion may be disregarded as de minimis.”) (citation omitted); A & H Sportswear Co., Inc. v. Victoria’s Secret Stores, Inc., 57 F. Supp. 2d 155, 175 (E.D. Pa. 1999) (“Even assuming that such instances of actual confusion did occur, they are clearly de minimis in light of the large volume of sales by the Plaintiffs); cf. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 23(2) (asserting that absence of confusion is basis for inferring that confusion is not likely where marks have been in use in same geographic market for substantial time and confusion would generally be manifested by circumstances); 3 MCCARTHY, supra note 7, § 23:18, at 99-102 (arguing that absence of confusion over long period of time is relevant but not determinative).


94 See, e.g., Boston Athletic Ass’n v. Sullivan, 867 F.2d 22, 31-32 (1st Cir. 1989) (“While not as accurate as a survey might have been, this evidence shows that some people were actually confused as to who sponsored defendants’ shirts.”); Forum Corp. of N.A. v. Forum, Ltd., 903 F.2d 434, 443 (7th Cir. 1990) (“[T]his is not a case in which we could conclude that there was a statistically insignificant percentage of confusion, since the actual percentage is unknown.”); Wuv’s Int’l, Inc. v. Love’s Enters., Inc., 208
erroneous to discount evidence of actual confusion as *de minimis* (in the absence of a full survey) because principles of statistical significance do not apply outside the context of a formal survey. Nevertheless, courts may be persuaded that a particular quantity of incidents can be assessed by comparing the number of incidents to a numerical measure showing the extent of opportunity for confusion to surface. One yardstick that has been used to measure whether actual confusion is appreciable is the extent of the plaintiff’s sales. If the number of instances of actual confusion appears small relative to the total number of consumer transactions or communications during the same time period, such evidence may be discounted. However, any such comparison between incidents and market presence will necessarily involve a highly subjective judgment.

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95 See *Forum Corp.*, 903 F.2d at 443 (“[I]t does not seem reasonable to classify appellant’s evidence . . . as *de minimis*, since it was not based on a full survey of customers. In other words, this is not a case in which we could conclude that there was a statistically insignificant percentage of confusion, since the actual percentage is unknown.”). But see *Trustees of Columbia Univ. v. Columbia/HCA Healthcare Corp.*, 964 F. Supp. 733, 747 (S.D.N.Y. 1997) (where plaintiff presented small number of incidents of actual confusion and survey, court discounted actual confusion in light of “the small number of people who allegedly expressed confusion and the absence of a valid statistical sample”).

96 See *Jaret Int’l, Inc. v. Promotion in Motion, Inc.*, 826 F. Supp. 69, 72 (E.D.N.Y. 1993) (holding single order misdirected to plaintiff to be *de minimis* in contrast to plaintiff’s overall sales).

97 See, e.g., *Cairns v. Franklin Mint Co.*, 107 F. Supp. 2d 1212, 1219 (C.D. Cal. 2000) (“Evidence that ten consumers were actually confused is minimal in light of the fact that defendants sold products bearing Princess Diana’s likeness to over 300,000 customers between September 1, 1997, and March 24, 2000.”), aff’d, 292 F.3d 1139 (9th
ii) Duration, Extent, and Nature of Coexistence

As the foregoing discussion suggests, whether and to what extent evidence of actual confusion will be required to establish infringement may turn on the duration, extent, and nature of the parties’ coexistence. For example, the absence of such evidence may assume particular importance where the products have been quickly sold in the same channels of trade and extensively promoted in the same advertising media.\footnote{98} Even within a narrow geographic market, meaningful evidence of actual confusion may be expected where there has been extensive publicity and deep market penetration.\footnote{99} Another factor lending greater importance to the absence of evidence of actual confusion is the defendant’s engagement in comparable conduct with respect to other brands in the past, without generating evidence of actual confusion in those contexts.\footnote{100} Courts may give
enhanced weight to an absence of evidence of actual confusion where the plaintiff has actively engaged in efforts to try to gather evidence without success.\textsuperscript{101}

By contrast, where the parties have not had the opportunity to compete head-to-head so as to expose a significant number of actual or potential customers to the competing marks and products, little or no confusion would be expected, and, therefore, relatively few instances would be given greater weight.\textsuperscript{102} For instance, in \textit{Daddy’s Junky Music Stores, Inc. v. Big Daddy’s Family Music Center},\textsuperscript{103} the Sixth Circuit held that the lower court erred in finding that a single instance of actual confusion could not increase the likelihood of confusion. In that case, when a consumer requested a catalog from the plaintiff, the consumer mentioned that the consumer was familiar with the plaintiff’s store at a location that was, in fact, the defendant’s store. Although the parties had been in business for years and the plaintiff had an extensive customer list in the location of the defendant’s store, the Sixth Circuit nonetheless held that the case lacked the circumstances that would lead one to expect more incidents of actual confusion. The court found such circumstances lacking because there was no evidence of overlap in the audience exposed to the parties’ marketing. The court observed:

\begin{quote}
Bearing in mind that a successful Lanham Act plaintiff only must show a sufficient potential of confusion, not actual confusion, the fact that some confusion already has occurred favors plaintiff at least to some extent. The District Court therefore should reevaluate upon remand the significance of the single instance of actual confusion.\textsuperscript{104}
\end{quote}

Courts must be careful to look past superficial evidence of the extent of the parties’ presence to determine whether there has truly been competition or other meaningful

\textsuperscript{101} See \textit{KIRKPATRICK}, supra note 53, § 7:7, at 7-21.

\textsuperscript{102} See \textit{Eli Lilly & Co. v. Natural Answers, Inc.}, 233 F.3d 456, 464 (7th Cir. 2000) (finding evidence of actual confusion not required where defendant had sold little product); \textit{Int’l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.}, 846 F.2d 1079, 1089-90 n.6 (7th Cir. 1988) (holding that plaintiff established actual confusion through evidence that was “hardly overwhelming” but was gathered in a “relatively brief period of time”); \textit{Cunningham v. Laser Golf Corp.}, 222 F.3d 943, 949 (Fed. Cir. 2000) (affirming holding that absence of actual confusion was not significant where defendant’s sales were minimal); \textit{Frank Brunckhorst Co. v. G. Heileman Brewing Co.}, 875 F. Supp. 966, 980 (E.D.N.Y. 1994) (crediting limited evidence of actual confusion and noting that absence of such evidence is less significant where, as in case at bar, there was short coexistence between products); \textit{Cullman Ventures, Inc. v. Columbian Art Works, Inc.}, 717 F. Supp. 96, 130-31 (S.D.N.Y. 1989) (finding actual confusion based on single incident that occurred during “short sales period”); \textit{Habitat Design Holdings Ltd. v. Habitat, Inc.}, 436 F. Supp. 327, 331 n.5 (S.D.N.Y. 1977) (“In that Habitat England’s store had not yet opened at the time of trial, it would be unreasonable to expect defendant to have produced substantial evidence of actual confusion. However, this factor has been established to some extent [by a single letter].”).

\textsuperscript{103} Id. at 284.

\textsuperscript{104} Id. at 284-85 (citation omitted).
coexistence in a setting that could generate consumer confusion. For example, parties may coexist for a substantial period of time without direct competition. Thus, in *CAE, Inc. v. Clean Air Engineering, Inc.*, the Seventh Circuit held that twenty-five years in which no confusion was reported was not sufficient to demonstrate that confusion was not likely as a matter of law. In *CAE*, the parties had some product overlap but were not direct competitors, and the court noted the difficulty of discovering instances of actual confusion. Nevertheless, courts should consider direct competition in terms of competing sales or coexistence in the same channels of trade as well as advertising and publicity that reaches a common audience.

Courts should also recognize that parties may coexist for a substantial period of time under conditions not likely to produce confusion and then change practices in a way likely to cause confusion. For instance, in *Keycorp v. Key Bank & Trust*, the court determined that the plaintiff’s case was enhanced by the fact that actual confusion only surfaced after the defendant recently modified its name in a way likely to cause consumer confusion between the parties.

### iii) Ability and Incentive of Consumers to Report Confusion

An additional factor that may affect the quantum of proof a court may require is the likelihood in the particular industry at issue that consumers will come forward with such evidence. As discussed earlier, consumers may be unlikely to demonstrate their confusion for a variety of reasons. In circumstances where few instances of actual confusion would be expected, as with inexpensive items or items with limited availability, courts have relied upon relatively few instances of actual confusion to find a likelihood of confusion. In some industries, for example, trademark owners may have
evidence about the timing and nature of customer interactions that will explain a lack of reported confusion. For example, in *CFM Majestic, Inc. v. NHC, Inc.*,\(^{111}\) where both parties manufactured iron stoves for residential heating, the court found the lack of actual confusion to be excused by a number of factors, including the fact that consumer feedback about stoves typically does not occur until after the stove has been installed through a burn-season.\(^{112}\)

Factors that make it less likely that consumers will report confusion, however, must be weighed against other factors indicating that some reports of confusion should have surfaced. For example, one court has held that the passage of sufficient time with sufficient competition between the parties and no actual confusion can override any consideration that would otherwise be given to the difficulty of obtaining evidence from retail consumers.\(^{113}\)

**iv) Stage of Proceedings**

Another factor impacting the required quantum of evidence is the stage of the proceedings, which affects expectations as to how much evidence of actual confusion would ordinarily be available. For example, if a case is heard on a motion for a temporary restraining order or a preliminary injunction, frequently the plaintiff will not have had an opportunity to conduct discovery to uncover all of the actual confusion that can be located. Thus, in reversing a district court order denying a motion for preliminary injunction, the Seventh Circuit found just four instances of actual confusion to be probative and distinguished cases finding isolated instances of actual confusion to be insufficient on the ground that those cases “found that such isolated instances were insufficient to establish actual confusion in the context of a trial, not in a preliminary injunction hearing.”\(^{114}\) Indeed, at least one court has determined that a lack of evidence

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\(^{111}\) *CFM Majestic, Inc. v. NHC, Inc.*, 93 F. Supp. 2d 942, 955-56 (N.D. Ind. 2000).

\(^{112}\) *See also* *Robarb, Inc. v. Pool Builders Supply of the Carolinas, Inc.*, 696 F. Supp. 621, 626-27 (N.D. Ga. 1988) (holding absence of actual confusion did not establish that no confusion had occurred given that products were inexpensive and had identical essential characteristics).

\(^{113}\) *See Plus Prods. v. Plus Discount Foods, Inc.*, 722 F.2d 999, 1006 (2d Cir. 1983) (“While we recognize that it is difficult to establish actual confusion on the part of retail customers . . . , no evidence of confusion for over a three-year period, during which substantial sales occurred, is a strong indicator that the likelihood of confusion is minimal.”) (citations omitted).

\(^{114}\) *Meridian Mut. Ins. Co. v. Meridian Ins. Group, Inc.*, 128 F.3d 1111, 1118-19 (7th Cir. 1997) (distinguishing Ziebart Int’l Corp. v. After Mkt. Assocs., 802 F.2d 220 (7th Cir. 1986); Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1482 (10th Cir. 1987); *see also supra* note 44 and accompanying text.
of actual confusion may be excused by the fact that the case was adjudicated on a motion for summary judgment.\footnote{115}

\textit{v) Recordkeeping}

As discussed above, poor recordkeeping practices may make it unlikely that reports of consumer confusion would be available. Accordingly, in assessing the quantum of proof of actual confusion, courts should examine the degree to which consumers communicate directly with the parties and the degree to which the parties typically preserve records of such communications.

\textit{vi) Types of Persons and Degrees of Confusion.}

Factors other than the opportunity for evidence of actual confusion to be generated and ascertained can also impact the requisite quantum of such evidence. As the Fifth Circuit explained: “Perhaps as important as, and helping to explain the various interpretations of the relevance of, the number of instances of confusion are the kinds of persons confused and degree of confusion.”\footnote{116} Incidents involving actual or potential purchasers are likely to receive greater weight, even if those incidents are few in number.\footnote{117}

\footnote{115 See Mallard Creek Indus., Inc. v. Morgan, 65 Cal. Rptr. 2d 461, 468 (Cal. Ct. App. 1997).}

\footnote{116 Safeway Stores, Inc. v. Safeway Discount Drugs, Inc., 675 F.2d 1160, 1167 (11th Cir. 1982); see also Homeowners Group, Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1110 (6th Cir. 1991) (same; quoting Safeway); Frehling Enters., Inc. v. Intern’l Select Group, Inc., 192 F.3d 1330, 1341 (11th Cir. 1999) (“[I]t is not the number of people actually confused by the marks that is important, but rather the type of person confused.”); see generally KIRKPATRICK, supra note 53, § 7:3, at 7-5.}

\footnote{117 See Louisiana World Exposition, Inc. v. Logue, 746 F.2d 1033, 1041 (5th Cir. 1984) (upholding finding of actual confusion based on single mistaken purchase); Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 296-97 (7th Cir. 1998) (upholding finding of actual confusion based on single incident in which customer reported defects to plaintiff in product that was purchased by defendant and indicated that product was plaintiff’s); AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1543-45 (11th Cir. 1986) (upholding finding of actual confusion based on testimony of four customers as to mistaken purchases); Safeway Stores, Inc., 675 F.2d at 1167 (holding that two instances of actual confusion were “worthy of some consideration” where one incident involved person in trade who was less likely to be confused than ordinary consumers and other involved actual customer); Varitronics Sys., Inc. v. Merlin Equip., Inc., 682 F. Supp. 1203, 1208-09 (S.D. Fla. 1988) (finding actual confusion based on affidavit testimony of regular customer of plaintiff’s who stated that he purchased product from defendant because of mistaken belief in affiliation and attached receipt as exhibit); Hair Assocs., Inc. v. National Hair Replacement Servs., Inc., 987 F. Supp. 569, 587 (W.D. Mich. 1997) (finding actual confusion based on single customer who testified as to mistaken purchase as well as testimony about customers of defendant’s who arrived at plaintiff’s location and expressed belief that defendant was affiliated with plaintiff); Council of Better Bus. Bureaus, Inc. v. Bailey & Assoc., Inc., 197 F. Supp. 2d 1197, 1217 (E.D. Mo. 2002) (holding actual confusion to be established by four incidents in which consumers mistook for...
However, when actual consumers mistakenly communicate with the wrong party when seeking to make a purchase, courts may afford greater significance to relatively few such incidents.\textsuperscript{118} For example, in \textit{Roto-Rooter Corp. v. O’Neal},\textsuperscript{119} where the trial court rejected four instances of mistaken purchases by the plaintiff’s customers as statistically insignificant, the Fifth Circuit reversed, based largely on that evidence of actual confusion. The Fifth Circuit noted that, while such evidence was not needed, it was the best evidence of infringement.\textsuperscript{120}

By contrast, relatively few incidents of confusion have been discounted when they did not involve individuals responsible for purchasing decisions and reflected initial assumptions rather than sustained confusion.\textsuperscript{121} Similarly, several incidents of actual confusion were discounted as \textit{de minimis} when they were among “random acquaintances.”\textsuperscript{122} However, when actual consumers mistakenly communicate with the wrong party when seeking to make a purchase, courts may afford greater significance to relatively few such incidents.\textsuperscript{123} Nevertheless, relatively few such incidents may be defendant’s product for plaintiff’s where some of consumers acted on mistake and purchased membership with defendant); Cullman Ventures, Inc. v. Columbian Art Works, Inc., 717 F. Supp. 96, 130-31 (S.D.N.Y. 1989) (finding actual confusion based on single misdirected purchase order); Tio Pepe, Inc. v. El Tio Pepe de Miami Rest., Inc., 523 So. 2d 1158, 1160 (Fla. Dist. Ct. App. 1988) (holding actual confusion to be established by testimony of three customers as to mistaken belief of ownership because customers “are precisely those whose confusion is most significant”).\textsuperscript{118} See \textit{Corbitt Mfg. Co. v. GSO Am., Inc.}, 197 F. Supp. 2d 1368, 1376 (S.D. Ga. 2002) (holding actual confusion established by misdirected telephone calls by consumers because such persons were type of person whose reactions were most relevant); Thompson v. Thompson Air Conditioning & Heating, Inc., 884 S.W.2d 555, 560 (Tex. Ct. App. 1994) (holding actual confusion to be established by three witnesses who testified that they mistakenly contacted defendant when attempting to contact plaintiff to order repairs).\textsuperscript{119} \textit{Roto-Rooter Corp. v. O’Neal}, 513 F.2d 44, 46 (5th Cir. 1975).\textsuperscript{120} \textit{Id.} at 46 (citations omitted).\textsuperscript{121} See \textit{Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc.}, 718 F.2d 1201, 1207-08 (1st Cir. 1983).\textsuperscript{122} See \textit{Heartsprings, Inc. v. Heartspring, Inc.}, 143 F.3d 550, 557 (10th Cir. 1998) (citation omitted), \textit{cert. denied}, 525 U.S. 964 (1998); \textit{see also} Homeowners Group, Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1110 (6th Cir. 1991) (“Short-lived confusion or confusion of individuals casually acquainted with a business is worthy of little weight, . . . while chronic mistakes and serious confusion of actual customers are worthy of greater weight.”) (citation and internal quotation marks omitted); \textit{Safeway Stores, Inc.}, 675 F.2d at 1167 (“Short-lived confusion or confusion of individuals casually acquainted with a business is worthy of little weight, . . . while confusion of actual customers of a business is worthy of substantial weight.”) (citation omitted).\textsuperscript{123} See \textit{Corbitt Mfg. Co.}, 197 F. Supp. 2d at 1376 (S.D. Ga. 2002) (holding actual confusion established by misdirected telephone calls by consumers because such persons were type of person whose reactions were most relevant); \textit{Thompson}, 884 S.W.2d at 560
insufficient where they consist either of inattentiveness that does not reflect confusion
generated by the marks or of mistakes that accompany the introduction of the
defendant’s mark but do not persist through sustained competition.\(^{124}\)

If confusion is transitory and prompted by an event that has passed (as is the case
with a vague impression left by a competing trademark or confusion that may be
generated by the introduction to the market of a similar product), then courts are likely to
give such incidents little weight.\(^{125}\) One court distinguished between incidents of actual
confusion that are “isolated” and “unrelated” from “an ongoing pattern which has
occurred in the past and is likely to continue.”\(^{126}\)

\(\textit{vii) Quality of the Evidence}\)

As will be discussed in Section III, evidence of actual confusion comes in widely
varying degrees of quality and reliability. Courts have pointed to defects in quality of the
evidence as a reason to require a greater quantum of proof. For example, where evidence
of (relatively) few incidents consists of out-of-court statements that are subject to
interpretable problems or pertain to individuals who entertained confusing impressions
only briefly, the quantum of such evidence may not be sufficient, particularly if the marks
in question are highly dissimilar.\(^{127}\) In one case, nine letters and a memorandum of a
telephone call, all of questionable probative value, were held insufficient in light of the

\(^{124}\) See Nikon Inc. v. Ikon Corp., 987 F.2d 91, 95 (2d Cir. 1993) (holding actual
confusion not established by “a couple of inconsequential isolated incidents of
321, 331-32 (Iowa 1999) (discounting “minimal incidents of actual confusion” consisting
of inattentiveness by persons doing business with plaintiff and not persisting after
defendant’s initial entry into market); Madison Reprographics, Inc. v. Cook’s
incidents of purported confusion that included misdirected deliveries, one of which was
due to inattentiveness and others of which were not explained, as well as initial
misimpressions that were corrected). With respect to misdirected communications that
may be generated by inattentiveness or an irrelevant class of individuals, see generally
\textit{infra} notes 340-61 and accompanying text.

\(^{125}\) See 3A CALLMAN, \textit{supra} note 45, § 21:64, at 21-836.

\(^{126}\) Breakers of Palm Beach, Inc. v. Int’l Beach Hotel Dev., Inc., 824 F. Supp. 1576,
1586 (S.D. Fla. 1993).

\(^{127}\) See Armstrong Cork Co. v. World Carpets, Inc., 597 F.2d 496, 505-06 (5th Cir.
1979) (holding two incidents of purported actual confusion to be insufficient to establish
factor in plaintiff’s favor where marks were highly dissimilar, evidence was offered
through out-of-court statements, and statements at issue could be interpreted as
speculation or humor rather than confusion and holding two other incidents to be
insufficient where individuals purportedly confused only entertained such impressions
briefly); \textit{Madison Reprographics, Inc.}, 552 N.W.2d at 449 (discounting isolated instances
of purported confusion, including initial misimpressions that were corrected and
misdirected deliveries that were not presented with surrounding context).
testimony of a former manager at the plaintiff’s only directly competing location that he did not observe a single instance of confusion over two years.\textsuperscript{128}

\section{Methods for bolstering the credibility of witnesses testifying about actual confusion}

Methods for bolstering the credibility of witnesses testifying about actual confusion may enhance the quality of the evidence of actual confusion and reduce the quantum of such evidence. For example, small numbers of reported instances of actual confusion have been given much weight when recounted in testimony by an employee of the defendant.\textsuperscript{129} Commercial circumstances showing the reasonableness of customer confusion may also bolster evidence of actual confusion.\textsuperscript{130}

Any circumstantial evidence of actual confusion may also give greater significance to relatively few instances of actual confusion that can be demonstrated by direct proof. For example, in \textit{Baker v. Simmons Co.}, in addition to four of the defendant’s employees who testified about instances of confusion that they had observed, the plaintiff introduced literature the defendant had supplied to its employees instructing them in how to handle confused inquiries.\textsuperscript{131} The court found this literature to be highly probative of the “frequency” with which such confused inquiries arose.\textsuperscript{132}

\subsection{Other Likelihood of Confusion Factors}

Notwithstanding an absence of evidence of actual confusion—even in the face of sustained competition—any negative inference may be overcome by strong proof of likely confusion through other means. For example, where the parties’ products were sold side-by-side for six years without any discernable actual confusion, despite the plaintiff’s engagement of paid investigators, the close similarity in names, product types, and channels of trade combined to lead to a finding that confusion was likely.\textsuperscript{133} Indeed, a strong showing as to other likelihood of confusion factors may warrant giving greater credence to types of actual confusion evidence that might otherwise be tenuous, such as inquiries regarding affiliation.\textsuperscript{134} Moreover, survey evidence indicating confusion may

\begin{enumerate}
\item See Holiday Inns, Inc. v. Holiday Out in Am., 481 F.2d 445, 448-49 (5th Cir. 1973).
\item See Bebe Stores, Inc. v. May Dep’t Stores Int’l, Inc., 230 F. Supp. 2d 980, 994 (E.D. Mo. 2002) (finding evidence of actual confusion to be “reasonable” in light of nature of competition in relevant market), \textit{aff’d}, 313 F.3d 1056 (8th Cir. 2002).
\item Baker v. Simmons Co., 307 F.2d 458 (1st Cir. 1962).
\item See \textit{id.} at 463-64.
\item See David Sherman Corp. v. Heublein, Inc., 340 F.2d 377, 380-81 (8th Cir. 1965).
\item See Coach House Restaurant, Inc. v. Coach & Six Restaurants, Inc., 934 F.2d 1551, 1562 (11th Cir. 1991) (crediting inquiries about affiliation as evidence of actual confusion where strong similarities between parties’ logos made it likely that inquiries reflected actual confusion regarding affiliation); A.C. Legg Packing Co. v. Olde Plantation Spice Co., 61 F. Supp. 2d 426, 432 (D. Md. 1999) (“Even anecdotal evidence of actual confusion, in proper circumstances, may bolster a finding of a likelihood of confusion suggested by the other factors.”) (citation omitted); Polo Fashions, Inc. v. Extra Special Prods., Inc., 451 F. Supp. 555, 561-62 (S.D.N.Y. 1978) (crediting evidence of
\end{enumerate}
overcome any negative inference arising from a lack of actual confusion or warrant giving greater significance to relatively few incidents of actual confusion.\footnote{135}

Where, however, other likelihood of confusion factors point strongly to the conclusion that confusion is not likely, then a higher quantum of proof of actual confusion may be needed.\footnote{136} For example, with regard to highly descriptive marks, relatively few instances of actual confusion may be discounted as not probative.\footnote{137}

III. ASSESSING THE VALUE OF EVIDENCE OF ACTUAL CONFUSION

This Section explores in more depth some of the problems surrounding evidence of actual confusion. First, this Section will review the various types of evidence of actual confusion—both circumstantial and direct. Second, this Section will explore the vexing question of whose confusion is relevant to establishing actual confusion. Third, this Section will review a host of shortcomings in many types of evidence of actual confusion.

A. Types of Evidence of Actual Confusion

1. Circumstantial Proof

Actual confusion need not be proven through direct evidence. Although rarely employed, circumstantial evidence may be used when available.\footnote{138} For example,
circumstantial evidence can be found when the defendant implements business practices for addressing confusion if it appears the practice was designed to respond to past instances of reported confusion. In *Baker*, defendant furnished sales employees with a booklet designed to provide those employees with answers to anticipated questions from prospective customers, including whether the defendant was the plaintiff. The court found “little question” that the inquiry was “based on past salesmen’s experience” and observed that “[t]he fact that the very first question to be ‘anticipated’ by the [defendant’s] salesman dealt with the relationship between [the plaintiff] and [the defendant] speaks volumes as to the doubtful state of the public mind on this question and on the frequency with which the question was raised.”

It should be noted, however, that, although precautions taken by a defendant against future confusion may have been prompted by past instances of actual confusion, such precautions may also have been prompted by the defendant’s concern about likely confusion based upon other factors, such as similarities in the marks and the parties’ goods. Although circumstantial evidence is inherently subject to such ambiguity, under either interpretation of the previous example such evidence is strong proof of infringement. By contrast, some types of ambiguous circumstantial evidence may not be sufficiently probative of actual or even likely confusion. For instance, although a decline in the plaintiff’s sales may be consistent with actual confusion, such a sales decline may

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139 307 F.2d 458 (1st Cir. 1962).
140 Id. at 463-64; see also Rockland Mortgage Corp. v. Shareholders Funding, Inc., 835 F. Supp. 182, 198 (D. Del. 1993) (noting that common customer of both parties circulated flyer among employees “to remedy their difficulties in distinguishing plaintiff and defendant”); General Cigar Co., Inc. v. G.D.M. Inc., 988 F. Supp. 647, 657 (S.D.N.Y. 1997) (noting that retailer deemed confusion “sufficiently significant to require an internal memorandum . . . alerting the store managers to the existence of counterfeit” goods); First Wis. Nat’l Bank v. Wichman, 270 N.W.2d 168, 175 (Wis. 1978) (“[Defendant] himself thought it necessary to inform his customers that his building enterprise was not related to, or associated with, the [plaintiff’s] bank group.”); Dr. Ing. h.c.F. Porsche AG v. Zim, 481 F. Supp. 1247, 1249 (N.D. Tex. 1979) (noting that defendants “have repeatedly found it necessary to advise customers that they are not connected with the [plaintiff’s] organization.”). But see Ziebert Int’l Corp. v. After Mkt. Assocs., Inc., 802 F.2d 220, 228 (7th Cir. 1986) (“The testimony of [plaintiff’s franchise dealer] is said by counsel for [plaintiff] to be ‘circumstantial evidence’ of actual confusion. . . . Based on our review of [dealer’s] testimony, we agree with the district court that no actual confusion can be said to have been shown by it, whether as ‘circumstantial evidence’ or otherwise.”).
not show actual confusion if other potential causes exist—even where the defendant’s sales increase in the same proportion as the plaintiff’s decline.  

Just as the defendant’s business practices may give rise to circumstantial evidence of actual confusion, so too can its conduct with respect to the litigation. For example, if the defendant refuses to respond to discovery requests specifically targeting actual confusion, the court might infer that the defendant is hiding evidence of actual confusion.  

Circumstantial evidence can also be used to demonstrate that confusion is not likely. For example, if the parties exist amicably during a period of time and refer business back and forth between the two parties, a court might conclude from such coexistence that consumers were not confused.  

2. Direct Proof  

Direct proof of confusion takes two forms: live testimony by a witness purporting to have been confused and out-of-court statements or conduct by persons indicating confusion. The latter category includes statements authorized by the persons who were purportedly confused (such as letters), instances of purported confusion documented by others (such as in a business record), and testimony by witnesses who heard confused statements of others or observed confused conduct of others.  

Out-of-court statements or actions indicating confusion come in many varieties. At the most general level of categorization, such statements or actions include: inquiries about whether a relationship of identity, source, sponsorship, or affiliation exists between

141 See Eldon Indus., Inc. v. Rubbermaid, Inc., 735 F. Supp. 786, 820-21 (N.D. Ill. 1990); see also A & H Sportswear Co., Inc. v. Victoria’s Secret Stores, Inc., 57 F. Supp. 2d 155, 175 n. 29 (E.D. Pa. 1999) (“We also note that Plaintiffs have not conclusively shown that they have lost sales as a result of Defendants’ introduction of [their similarly named product].”).  

142 Cf. JouJou Designs, Inc. v. JOJO Ligne Internationale, Inc., 821 F. Supp. 1347, 1355 (N.D. Cal. 1992) (noting that defendant’s refusal to comply with discovery requests made it more difficult for plaintiff to establish actual confusion but not explicitly drawing any adverse inference). Sanctions for failure to respond to a discovery order include designating certain facts as established for the purposes of the action. FED. R. CIV. P. 37(b)(2). Where a party destroys or fails to preserve evidence that is relevant to litigation that is pending or reasonably anticipated, courts often draw an inference that the spoliated evidence would have been unfavorable to the party that failed to preserve it. See Mark D. Robins, Computers and the Discovery of Evidence—A New Dimension to Civil Procedure, 17 J. MARSHALL J. COMPUTER & INFO. L. 411, 421 (1999).  

143 See Commerce Nat’l Ins. Servs., Inc. v. Commerce Ins. Agency, Inc., 214 F.3d 432, 442 (3d Cir. 2000). Some courts deem survey evidence to be circumstantial evidence of actual confusion. See, e.g., Conopco, Inc. v. May Dep’t Stores Co., 46 F.3d 1556, 1564 (Fed. Cir. 1994) (quoting PPX Enters. v. Audiofidelity Enters., 818 F.2d 266, 271 (2d Cir. 1987)); see also Stolte, supra note 1, at 236. However, this Article follows Professor McCarthy’s view that such evidence is different in kind insofar as a survey attempts to replicate market conditions and simulate market transactions in order to predict what is likely to occur. See 3 MCCARTHY, supra note 7, § 23:17.
the parties; misdirected communications or deliveries; mistaken purchases; misattribution in published sources (i.e., by newspapers and periodicals); mistakes by advertisers; mislabeling or other mistakes by distributors or retailers; mistakes by advertisers;


See, e.g., Roto-Rooter Corp. v. O’Neal, 513 F.2d 44, 46 (5th Cir. 1975) (persons who employed defendants’ service intending to use that of plaintiffs); Pure Foods, Inc. v. Minute Maid Corp., 214 F.2d 792, 797 (5th Cir. 1954) (purchases of defendant’s frozen meats based on mistaken belief that such meats were sold by plaintiff, which sold frozen juice concentrates); Family Record Plan, Inc. v. Mitchell, 342 P.2d 10, 16 (Cal. Dist. Ct. App. 1959) (“According to their averments, they had observed many occasions in which people had purchased appellants’ products and services under the belief that they were dealing with respondent.”).


See, e.g., Donsco, Inc. v. Casper Corp., 587 F.2d 602, 605 (3d Cir. 1978) (mistake by copywriters of advertisements); Sara Lee Corp., 81 F.3d at 466 (in-store
less formal resellers; mistakes by actual or potential investors; prospective and current employees who confuse the parties; current employees or agents who confuse parties’ goods or services; mistakes by parties’ service suppliers; misdirected website searches information about the parties; and assumptions of mistaken connection in terms of identity, source, sponsorship, or affiliation. Often, out-of-court advertisements and circulars); Warner-Lambert Co., 935 F. Supp. at 140 (mistake by advertiser); Armstrong Cork Co. v. Armstrong Plastic Covers Co., 434 F. Supp. 860, 868 (E.D. Mo. 1977) (mistake by advertiser); Chester Barrie, Ltd. v. Chester Lauri, Ltd., 189 F. Supp. 98, 102 (S.D.N.Y. 1960) (mistake by magazine seeking advertising copy).


See Frehling Enters., Inc. v. Intern’l Select Group, Inc., 192 F.3d 1330, 1341 (11th Cir. 1999) (plaintiff’s professional buyer).


See, e.g., Tools USA & Equip. Co. v. Champ Frame Straightening Equip., Inc., 87 F.3d 654, 660 (4th Cir. 1996) (inquiries as to why prices in defendant’s catalog were different than prices quoted by plaintiff); World Carpets, Inc. v. Dick Littrell’s New
statements or actions are the subject of live testimony. In such cases, the two forms of
direct proof converge as the witness testifies first as to a previously confused state of
mind and then as to contemporaneous statements or actions that flowed from that
confusion.  

B. Determining Whose Confusion is Relevant and to What Degree

Not all confusion is relevant. At the most obvious level, it is not relevant if a
person is confused where that person has no interaction with the trademark owner’s
business and has no interest in purchasing the type of goods sold by that business and
where that person’s confusion cannot otherwise be viewed as indicative of the reactions
of persons in such relevant categories. However, categories of relevant confusion are
more difficult to define. Many incidents of confusion are subject to interpretation in light
of the credibility of the witness, the extent to which circumstances about the incident are
known, and the nature of those circumstances. As a result, some of the decisions
crediting and discounting various types of actual confusion have apparent
inconsistencies. More fundamentally, the leading sources of guidance—the Lanham Act
and the RESTATEMENT—do not make clear whose confusion is relevant.

World Carpets, 438 F.2d 482, 489 (5th Cir. 1971) (telephone calls to plaintiff from
retailers indicating mistaken belief by retailers that plaintiff had entered retail market);
Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 158 (9th Cir. 1963)
(inquiries as to when plaintiff started making product sold by defendant); Nissan Motor
Co., 89 F. Supp. 2d at 1164 (inquiries about plaintiff’s products sent to defendant’s e-
1976) (“spontaneous, unsolicited letters to [plaintiff] from gift shop owners and other
customers asking if (or assuming that) [defendant’s] banks, advertised as ‘certified,
authentic’ replicas with a certificate of authenticity (but with no manufacturer’s name
given), are [plaintiff’s] banks.”), aff’d in part, rev’d in part on other grounds,
587 F.2d 602 (3d Cir. 1978).

See, e.g., Tools USA & Equip. Co, 87 F.3d at 660 (testimony by customers as to
prior instances of confusion when they had inquired about discrepancies in prices
between defendant’s catalog and plaintiff’s quotations); Sara Lee Corp. v. Kayser-Roth
Corp., 81 F.3d 455, 466 (4th Cir. 1996) (“Six women—most of whom usually bought
L’eggs® pantyhose—testified that they had purchased (or, in one case, nearly purchased)
a “Leg Looks® product under the mistaken impression that it was instead a L’eggs®
product.”); Roto-Rooter Corp. v. O’Neal, 513 F.2d 44, 46 (5th Cir. 1975) (“The plaintiffs
presented evidence of actual confusion . . . by the testimony of four persons who had
mistakenly employed defendants although intending to use the service of plaintiffs.”);
Pure Foods, Inc. v. Minute Maid Corp., 214 F.2d 792, 797 (5th Cir. 1954) (“A number of
housewives testified to their actual confusion and mistake in buying the defendant’s
products on their faith in the plaintiff’s reputation.”); Union Carbide Corp. v. Ever-Ready
Inc., 531 F.2d 366, 384-85 (7th Cir. 1976) (testimony by witnesses who had contacted
wrong company); Family Record Plan, Inc. v. Mitchell, 342 P.2d 10, 16 (Cal. Dist. Ct.
App. 1959) (affidavits by persons who observed others make mistaken purchases and by
persons who were themselves confused).

See 3 MCCARTHY, supra note 7, § 23:5, at 23-18.
1. **Textual Authority for Determining the Relevant Categories of Persons Whose Confusion is to be Credited**

Originally, the Lanham Act protected trademark owners from a narrow category of likely confusion among actual purchasers as to the origin of the trademark owner’s goods and services. Specifically, the statute previously defined actionable infringement as the use of a designation that is “likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services.” In 1962, the statute was amended to its current form, which eliminates any reference to purchasers or source in defining infringement. The current version defines infringement as a use that is “likely to cause confusion, or to cause mistake, or to deceive. . .” The legislative history pertaining to this amendment makes clear that Congress intended to include “potential” as well as actual purchasers within the category of persons whose confusion is relevant. The statutory language, however, is far broader and appears to encompass any type of confusion. Indeed, a number of courts have cited the 1962 amendments as justification for recognizing confusion among classes of persons beyond actual and potential customers and types of confusion other than source confusion. By contrast, other

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159 60 Stat. 437 (1946).
162 See 1 McCarthy, supra note 7, § 5:6, at 5-14.
163 See Syntex Labs., Inc. v. Norwich Pharmacal Co., 437 F.2d 566, 568 (2d Cir. 1971) (“In amending [15 U.S.C. § 1114(1)] in 1962, Congress evinced a clear purpose to outlaw the use of trademarks which are likely to cause confusion, mistake, or deception of any kind, not merely of purchasers nor simply as to source of origin.”); Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 300 (3d Cir. 2001) (“Arguably, the 1962 amendments to the Lanham Act extended actionable confusion beyond purchasers to other instances affecting a party’s business or goodwill. Investor confusion may well threaten a party’s business or goodwill if it would likely deter or inhibit a company’s ability to attract investors and raise capital.”); Marathon Mfg. Co. v. Enerlite Prods. Corp., 767 F.2d 214, 221 (5th Cir. 1985) (holding that plaintiff need not prove confusion on the part of actual customers in light of 1962 amendments which were meant “to allow any kind of confusion in support of a trademark infringement action”) (citations omitted); Armstrong Cork Co. v. World Carpets, Inc., 597 F.2d 496, 500 n. 5 (5th Cir. 1979) (holding 1962 amendments made actionable confusion between unrelated businesses); Esercizio v. Roberts, 944 F.2d 1235, 1244-45 (6th Cir. 1991) (citing amendments—mischaracterized as “1967” amendments—in support of holding that confusion beyond point of sale was actionable); Champions Golf Club, Inc. v. The Champions Golf Club, Inc., 78 F.3d 1111, 1119-20 (6th Cir. 1996) (citing amendments—mischaracterized as “1967” amendments—in support of holding that confusion among suppliers and professional in industry were relevant) (citations omitted); Insty*Bit, Inc. v. Poly-Tech Indus., Inc., 95 F.3d 663, 672 (8th Cir. 1996) (“The 1962 amendment included confusion of nonpurchasers as well as direct purchasers. . .”); Rolls-Royce Motors Ltd. v. A & A Fiberglass, Inc., 428 F. Supp. 689, 694 n.10 (N.D. Ga. 1976) (holding that 1962 amendments made actionable confusion as to affiliation and
courts have made various pronouncements that have hewn more closely to the legislative history and that have indicated that the amended Lanham Act redresses only confusion among actual or potential purchasers.\footnote{164}


\footnote{164} See Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1206 (1st Cir. 1983) (“If likelihood of confusion exists, it must be based on the confusion of some relevant person; \textit{i.e.}, a customer or purchaser.”); Nike, Inc. v. Just Did It Enters., 6 F.3d 1225, 1229 (7th Cir. 1993) (“We are dealing here with customer confusion when choosing to purchase, or not purchase, the items, not public confusion at viewing them from afar.”) (citations omitted); Electronic Design & Sales, Inc. v. Electronic Data Sys. Corp., 954 F.2d 713, 716 (Fed. Cir. 1992) (“[W]e do not construe this deletion [of the word “purchasers” in the 1962 amendments] to suggest, much less compel, that purchaser confusion is no longer the primary focus of the inquiry. Instead, we believe that, at least in the case of goods and services that are sold, the inquiry generally will turn on whether actual or potential ‘purchasers’ are confused.”); Ortho Pharm. Corp. v. Am. Cyanamid Co., 361 F. Supp. 1032, 1042 n.13, 1043 (D.N.J. 1973) (noting that legislative history indicates purpose of 1962 amendments to be to broaden scope of situations that would result in infringement but holding that likelihood of confusion must be determined with reference to “the actual consumers of the product in question”) (citation omitted); Beneficial Corp. v. Beneficial Capital Corp., 529 F. Supp. 445, 450 (S.D.N.Y. 1982) (“[T]he trademark laws do not protect against the possibility that a member of the general public might fall under the mistaken impression that the companies are related. Rather, the trademark laws are intended to protect those members of the public who are or may become customers of either from purchasing the products of one of them under the mistaken assumption that they are buying a product produced or sponsored by the other.”) (citation omitted); Grottrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 365 F. Supp. 707, 714-15 (S.D.N.Y. 1973) (“The 1962 amendment to the Lanham Act, broadening the kind of trademark confusion prohibited, recognized the commercial reality that in our modern marketing structure goods are sold and offered for sale not so much on the identity of the producer as on the buyer’s assurance that he is buying the genuine product and not an imitation. . . . The likelihood of confusion between products, therefore, becomes highly significant.”); Smithkline Beckman Corp. v. Pennex Prods. Co., 605 F. Supp. 746, 752 (E.D. Pa. 1985) (“The inquiry into the
2. The RESTATEMENT’S Approach to Determining Whose Confusion is Relevant

The RESTATEMENT OF UNFAIR COMPETITION attempts to synthesize the authorities and update the types of confusion deemed actionable. Specifically, the RESTATEMENT provides that confusion will not be actionable unless it “threaten[s] the commercial interests of the owner of the mark.” This actionable confusion “is not limited to the confusion of persons doing business directly with the actor.” Nevertheless, the RESTATEMENT’S discussion of harm to good will is limited to the plaintiff’s reputational damage among potential purchasers. The Reporter’s Note provides that only where there is likely harm to the trademark owner’s commercial interests will confusion among non-purchasers be actionable. Indeed, in a parenthetical reference, the Reporter’s Note states that “trademark infringement” protects only against mistaken purchasing decisions and not against confusion generally.

A case summarized by the Reporter’s Note is an influential Second Circuit decision on the matter of confusion, Lang v. Retirement Living Publishing Co. Lang, which followed an earlier draft of the RESTATEMENT, concerned misdirected telephone calls made by individuals who were neither “purchasers [n]or prospective purchasers.” Since the callers were not actually prospective purchasers, the court noted that “there is no reason to believe that any confusion represented by the phone calls could inflict commercial injury in the form of either a diversion of sales, damage to goodwill, or loss of control over reputation.”

3. Judicial Confusion Over Whose Views Affect Good Will

Consistent with the language in Lang, a number of decisions in the Second Circuit and elsewhere have indicated that the scope of actionable confusion extends to persons whose views may impact the good will of the trademark owner but have differed in the degree to which they are willing to extend this category to classes of persons other than actual or potential purchasers. The category of persons whose views may impact the

likelihood of confusion is directed towards the time of purchase. Post-purchase confusion which is not the direct consequence of defendants’ action is not a factor.”)

RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 cmt. b at 210.

Id.

Id. § 20 cmt. b at 210, reporter’s note to cmt. b at 220.

Id. § 20 reporter’s note to cmt. b at 221 (citing Lang v. Retirement Living Publ’g Co., 949 F.2d 576 (2d Cir. 1991)).


Id. at 583.

Id.

Compare Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 382-83 (2d Cir. 1997) (citations omitted) (“The likelihood of confusion test concerns not only potential purchasers but also the general public.”), and Meridian Mut. Ins. Co. v. Meridian Ins. Group, Inc., 128 F.3d 1111, 1118 (7th Cir. 1997) (“[T]he fact that a company’s goodwill, rather than its pocketbook, is injured by actual confusion does not render the confusion meaningless.”), with Sports Auth., Inc. v. Prime Hospitality Corp., 89 F.3d 955, 963 (2d Cir. 1996) (“For purposes of the Lanham Act, actual confusion
good will of the trademark owner remains largely unsettled. A number of courts have extended the types of persons whose confusion is deemed to be relevant because of harm to the trademark owner’s good will to include investors, prospective employees, suppliers, distributors, and service companies.\textsuperscript{173} Other categories of persons whose

views may impact the good will of a company but who also may be seen as more akin to actual or potential customers include persons seeking service with respect to items already purchased and persons who return a product or direct complaints about a product to the wrong company. Such persons may not have been induced to make the initial


purchase out of confusion, but they may be confused with respect to potential future purchases. As such, any dissatisfaction they experience may lead them to give misleading views to other potential purchasers. Another type of confusion that may similarly result in misleading information being disseminated to prospective customers is mistaken identification of the parties in the media.\textsuperscript{175} Confusion among those in the media may also be seen as relevant insofar as less sophisticated consumers might be confused more easily.\textsuperscript{176}

Another form of confusion that may be harmful to the good will of the trademark owner is so-called “post-sale” confusion, which may occur among members of the public who view the trademark on goods previously purchased—even if the purchaser of the goods was not confused. Even with respect to this type of confusion, courts are split between those that limit actionable post-sale confusion to people who are, themselves, likely purchasers of the goods or services at issue and those that recognize actionable harm to the trademark owner (i.e., people who knowingly purchase counterfeit goods bearing prestigious marks).\textsuperscript{177}

In justifying the expansion of trademark protection to prevent non-purchaser confusion that is harmful to the trademark owner’s good will, one court explained:

A business reputation, earned over years of conscious effort, deserves protection from those who would tarnish it unfairly by using a confusingly


\textsuperscript{176} See Allen, \textit{supra} note 4, at 48-49.

\textsuperscript{177} See generally 3 \textsc{McCarthy}, \textit{supra} note 7, § 23:7, at 23-27 to 23-32.
similar trade name. Entities such as suppliers, distributors and service companies certainly consider the business reputation of a firm with which they do business; and especially for transactions based on assessment of good credit. If a likelihood of confusion among suppliers, distributors, service companies or other relevant classifications exists, it deserves consideration as a relevant factor in determining infringement.  

Nevertheless, this rationale will not protect against confusion among members of the public at large who do not have actual, or potential, purchasing or other relationships with the trademark owner’s business or do not have the potential to give the knowing purchaser of counterfeit goods the recognition associated with the trademark owner’s prestige. Indeed, some decisions employing language seeming to require confusion among actual or prospective purchasers to establish cognizable confusion may be seen as driven by alleged instances of confusion among members of the public at large—who obviously would not be in a position to affect the trademark owner’s good will unless they could be shown to be actual or prospective purchasers. Given the difficulty of identifying what segment of the public falls within those whose views may impact the good will of the trademark owner, one measure may be whether the alleged incidents of confusion reflect the type of mistaken impression that the plaintiff seeks to prevent.

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178 Powder River, 830 P.2d at 416; see also NLC, Inc., 798 F. Supp. at 1426 (“In at least one instance, a supplier was irritated with plaintiff for failing to pay on time, when the bill actually belonged to defendant. The Court notes such occurrences could be particularly harmful to a business, such as plaintiffs, trying to rebuild its reputation for creditworthiness after bankruptcy.”).

179 See Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 382-83 (2d Cir. 1997) (“[S]uch third parties are only relevant if their views are somehow related to the goodwill of the aggrieved manufacturer.”); Spectrum Vision Sys., Inc. v. Spectera, Inc., 35 F. Supp. 2d 797, 807 (D. Kan. 1998) (“There is no indication that any of the incidents of actual confusion alleged by plaintiff, even if characterized as involving ‘post-sale’ confusion, could ostensibly cause plaintiff to suffer a loss of reputation, good will, or business.”); Am. Television & Communications Corp. v. Am. Communications & Television, Inc., 810 F.2d 1546, 1550 (11th Cir. 1987) (“[P]laintiff’s evidence of actual confusion did not involve consumers, those with whom it contracts to provide services to consumers, suppliers, or members of the investment community.”).

180 See Declemente v. Columbia Pictures Indus., Inc., 860 F. Supp. 30, 48-49 (E.D.N.Y. 1994) (noting that confusion must involve purchasing decisions to be actionable and holding that alleged instances of confusion among members of the public did not meet this standard); Harlem Wizards Entmt. Basketball, Inc. v. NBA Props., Inc., 952 F. Supp. 1084, 1098 (D.N.J. 1997) (“There is no evidence that these purported instances of actual confusion [among members of the public] could have any effect on consumer purchasing decisions.”).

181 See Franklin Resources, Inc. v. Franklin Credit Mgmt. Corp., 988 F. Supp. 322, 331-32 (S.D.N.Y. 1997) (noting that plaintiff was concerned about its customers drawing mistaken impression about collection tactics and finding that alleged incidents of actual confusion did not involve that type of mistake). See also Lang v. Ret. Living Pub'l'g Co.,
As courts have been slow to recognize actionable confusion among persons other than actual or prospective customers and the types of persons who may impact the trademark owner’s good will remains relatively undefined, courts have divided on whether to recognize confusion among certain types of persons is relevant. For example, courts have had particular difficulty with the question of whether confusion among members of the trade is relevant. Some courts will credit such confusion. Others will not.

949 F.2d 576, 583 (2d Cir. 1991) (holding that alleged instances in which consumers may have mistakenly believed that senior user was source of junior user’s product, whereas plaintiff complained of reverse confusion, which would require purchasers or prospective purchasers of senior user’s product believing that those products were produced by or affiliated with junior user). But see A & H Sportswear Co. v. Victoria’s Secret Stores, Inc., 237 F.3d 198, 233 (3d Cir. 2000) (“Given the problems litigants typically encounter in locating evidence of actual confusion, . . . we decline to create a strict bar to the use of ‘direct’ confusion evidence in a ‘reverse’ confusion case, or vice versa.”).

See Sara Lee Corp. v. Kayser-Roth Corp., 81 F.3d 455, 466 (4th Cir. 1996) (“The service merchandisers also told of massive confusion by store personnel.”); Marathon Mfg. Co. v. Enerlite Prods. Corp., 767 F.2d 214, 221 (5th Cir. 1985) (crediting confusion by distributors and buyers who refused to deal with plaintiff based on erroneous belief that plaintiff had become retail competitor); World Carpets, Inc. v. Dick Littrell’s New World Carpets, 438 F.2d 482, 489 (5th Cir. 1971) (holding actual confusion established by “uncontradicted testimony that World Carpets had been called by retailers who thought World Carpets had entered the retail market”); CAE, Inc. v. Clean Air Eng’g, Inc., 267 F.3d 660, 686 (7th Cir. 2001) (“This testimony, absent the identity of the speaker and the time-frame in which it was said, is not entitled to great weight, particularly because the speaker was not a customer of CAE, Inc. but rather a supplier.”) (citation omitted); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 352 (9th Cir. 1979) (“AMF introduced evidence that confusion had occurred both in the trade and in the mind of the buying public. A substantial showing of confusion among either group might have convinced the trial court that continued use would lead to further confusion.”) (citation omitted); Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha, 754 F.2d 591, 597 (5th Cir. 1985) (“[T]he trial court appears to have believed that only actual confusion on the part of ultimate purchasers was relevant, and for this reason to have discounted the evidence (and its own findings) of actual confusion on the part of distributors and trade show visitors. This was error. . . .”); Sicilia Di R. Biebow & Co. v. Cox, 732 F.2d 417, 433 n. 11 (5th Cir. 1984) (“The trial court found that evidence that grocers placed Pompeii bottles into Sicilia trays did not establish a deliberate attempt by Cox to palm off Pompeii as Sicilia. We think, however, that this evidence was relevant to show actual confusion.”); Frostie Co. v. Dr. Pepper Co., 341 F.2d 363, 365 (5th Cir. 1965) (“[A]ppellant tendered in evidence proof that not infrequently bottles of Frostie were delivered by bottlers in cartons bearing the name Dr. Pepper. The court ruled out this evidence and other proof tending to link the products in the public mind. The court held that this evidence was inadmissible because it was not the act of the appellee. This was error.”); Americana Trading, Inc. v. Russ Berrie & Co., 966 F.2d 1284, 1989 (9th Cir. 1992) (crediting confusion among retailers); Frehling Enters., Inc. v. Intern’l Select
Group, Inc., 192 F.3d 1330, 1341 (11th Cir. 1999) (holding district court erroneously
discounted as “self-serving” employee’s testimony about professional buyer who was
confused); Safeway Stores, Inc. v. Safeway Discount Drugs, Inc., 675 F.2d 1160, 1167
(11th Cir. 1982) (“[T]he people confused are precisely those whose confusion is most
significant: a supplier, presumably relatively familiar with an enterprise since he is
actually providing it with goods, and a customer, without whom the business would not
1996) (crediting confusion by advertising agency); Corbitt Mfg. Co. v. GSO Am., Inc.,
employees deserves less weight, it also points to actual confusion.”); Consol. Cigar Corp.
confusion by importer of product); General Cigar Co., Inc. v. G.D.M. Inc., 988 F. Supp.
647, 664-65 (S.D.N.Y. 1997) (“[Defendant’s] own testimony provided evidence that
some retailers approached by [defendant] wondered if their product was [one of
plaintiff’s products].”); Veryfine Prods., Inc. v. Colon Bros., Inc., 799 F. Supp. 240, 253
(D.P.R. 1992) (“Even a store employee thought that Veryfine was sponsoring a juice
tasting at an establishment when the subject product of that promotional activity was
Coloco.”); Interstate Battery Sys. of Am., Inc. v. Wright, 811 F. Supp. 237, 243 (N.D.
Tex. 1993) (crediting confusion among retailers); Waples-Platter Cos. v. Gen. Foods
Corp., 439 F. Supp. 551, 582 (N.D. Tex. 1977) (“While the relevant area of confusion is
that which is in the mind of the typical consumer, evidence that retailers were confused
does support the likelihood of confusion in the mind of the consumer.”) (citation omitted)
; Superior Gearbox Co. v. Edwards, 869 S.W.2d 239, 255 (Mo. Ct. App. 1994) (“While
none of these incidents [involving suppliers and credit bureau] involved customers, a
reasonable conclusion is that Defendants’ continued use of the mark SCG would likely
cause further confusion. . . .”).

See Fisons Horticulture, Inc. v. Vigoro Indus., Inc., 30 F.3d 466, 476 (3d Cir.
1994) (“The test is the likelihood of confusion from the perspective of ordinary
consumers, not from the perspective of people in the trade.”) (citations omitted); Ford
Motor Co. v. Summit Motor Prods., Inc., 930 F.2d 277, 300 n.9 (3d Cir. 1991) (“The
testimony of industry insiders on likelihood of confusion should be given little weight,
since . . . the determination of likelihood of confusion must be made from the standpoint
of a reasonably prudent buyer from the lowest stratum of the relevant buying class.”);
Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695, 705 n.10 (5th
Cir. 1981) (noting evidence of actual confusion among retail clerks but not giving weight
to such evidence as evidence of actual confusion); Armstrong Cork Co. v. World Carpets,
Inc., 597 F.2d 496, 506 (5th Cir. 1979) (refusing to find likelihood of confusion based
upon testimony of two business persons regarding short-lived confusion); Platinum Home
Mortgage Corp. v. Platinum Fin. Group, Inc., 149 F.3d 722, 729 (7th Cir. 1998) (holding
that confusion among sophisticated members of mortgage service industry who were not
reasonable and prudent customers was not relevant) (citations omitted); Heartsprings, Inc.
v. HeartSpring, Inc., 143 F.3d 550, 557 (10th Cir. 1998) (“To be relevant, however, such
evidence should demonstrate actual confusion among consumers within the
marketplace.”) (citation omitted); Gold Seal, Inc. v. The Scent Shop, Inc., 851 F. Supp.
1283, 1286 (E.D. Ark. 1994) (discounting alleged confusion among “wholesale
While a number of courts have indicated that the appropriate perspective for determining likely confusion is that of an actual or potential customer, other courts have found confusion within the industry to be equally relevant. One way in which customers...as opposed to customers from the consuming public); Ocean Bio-Chem, Inc. v. Turner Network Television, Inc., 741 F. Supp. 1546, 1559 (S.D. Fla. 1990) (“Even were the court to conclude from the first affidavit that Star Brite Sales representatives were confused, it would not presume that Star Brite customers are or will be confused merely because Star Brite sales representatives were.”) (citation omitted); Munters Corp. v. Matsui Am., Inc., 730 F. Supp. 790, 800 (N.D. Ill. 1989) (“We give very little weight to the evidentiary inference Munters would apparently like us to make: customers are or will be confused because Munters’ sales representatives are confused.”); Barre-Nat’l, Inc. v. Barr Labs., Inc., 773 F. Supp. 735, 744 (D.N.J. 1991) (holding that evidence of confusion by FDA inspector did not involve prospective purchaser and, therefore, “has limited value”); Windsor, Inc. v. Intravco Travel Ctrs., Inc., 799 F. Supp. 1513, 1524 (S.D.N.Y. 1992) (“[P]laintiff must prove that an appreciable number of reasonable consumers—rather than suppliers or retailers—would be confused as to the source of defendant’s services.”) (citation omitted).

184 See Merriam-Webster, Inc. v. Random House, Inc., 35 F.3d 65, 72 (2d Cir. 1994) (holding actual confusion not established by testimony of plaintiff’s own sales people, of a person who gave product away, and of person who read review in magazine; noting “no testimony by any consumer, retail or wholesale, who intended to buy a Merriam-Webster dictionary but mistakenly bought a Random House dictionary because of confusion”); Mattel, Inc. v. MCA Records, Inc., 28 F. Supp. 2d 1120, 1148 (C.D. Cal. 1998) (“The fact that a plaintiff can point to some evidence of confusion in the abstract does not mean that such confusion affects actual purchasing decisions.”) (citation omitted); Coherent, Inc. v. Coherent Technologies, Inc., 736 F. Supp. 1055, 1066 (D. Colo. 1990) (holding that confusion among those were sellers to defendant, rather than buyers of plaintiff, was irrelevant); Commercial Sav. Bank v. Hawkeye Fed. Sav. Bank, 592 N.W.2d 321, 331 (Iowa 1999) (“The test...is whether any consumers have actually been confused...”) (citation and internal quotation marks omitted); KAT Video Prods., Inc. v. KKCT-FM Radio, 584 N.W.2d 844, 848 (N.D. 1998) (“The test...is whether any consumers have actually been confused...”) (citations omitted); Wyndham Co. v. Wyndham Hotel Co., 670 N.Y.S.2d 995, 999 (N.Y. Sup. Ct. 1997) (“The fifth...factor looks to whether any consumers have actually been confused. ...”).

185 See Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 384 (7th Cir. 1976) (“Assuming the clerk was confused, this gives rise to an inference that purchasers would also be confused because salespersons are more likely than customers to be familiar with marks on the merchandise they sell and hence are less likely to be confused.”) (citations omitted); First Fed’l Savs. & Loan Ass’n v. First Fed’l Savs. & Loan, 929 F.2d 382, 384 (8th Cir. 1991) (“If a sophisticated federal agency such as the Federal Home Loan Bank Board, for example, had trouble telling the two savings and loans apart, how would the ordinary consumer fare?”); Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260, 1265 (Fed. Cir. 1995) (“Because dealers and experts are more sophisticated about the origins and sources of product lines than average consumers, their confusion is highly probative. ...”) (citation and internal quotation marks omitted); Gaston’s White River...
confusion within the industry can have relevance is if confused sales persons unwittingly pass one party’s products off as those of a competitor.\(^\text{186}\) Under another view, there may

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\(^{186}\) See Spangler Candy Co. v. Crystal Pure Candy Co., 353 F.2d 641, 643-44 (7th Cir. 1966) (finding actual confusion based, among other things, on incident where customer asked for plaintiff’s product and was given defendant’s product by retail manager and then bought product thinking it to be plaintiff’s); S.S. Kresge Co. v. Winget Kickernick Co., 96 F.2d 978, 987 (8th Cir. 1938) (“While there is no evidence of
be multiple “consumers” for a given business, including consumers within the trade.\textsuperscript{187} For example, magazine publishers have multiple classes of consumers, including advertisers, subscribers, and newsstand purchasers.\textsuperscript{188} Other courts have held that, where a product has a mixed buying class of professional buyers and retail consumers, testimony by professional buyers as to the absence of confusion should not be dispositive, and that the court should determine confusion from the perspective of the ordinary consumer.\textsuperscript{189} In addition, some persons within the trade may not be actual or prospective purchasers. Nevertheless, under an approach that credits any confusion among those whose views could impact the trademark owner’s good will—a category that could potentially include suppliers, shippers, distributors, providers of credit, investors, prospective employees, employment agencies, and industry rating groups—confusion of many different types of persons in the trade should be actionable. Indeed, some courts

\begin{quote}

deception of any customer . . . , yet it is certain that if clerks who sell a product are confused to the point of selling one article for another (as here) such is evidence of the probability of confusion by customers.”); Telechron, Inc. v. Telicon Corp., 97 F. Supp. 131, 143 (D. Del. 1951) (“Confusion among clerks is in itself enough to establish infringement because it is certain that if clerks who sell a product are confused to the point of selling one article for another such is evidence of the probability of confusion by customers.”) (internal quotations omitted). \textit{Cf.} Union Carbide Corp., 531 F.2d at 384 (“Although we have great difficulty conceiving that a clerk’s anxiety to make a small-dollar sale would prompt a deliberate and knowledgeable misrepresentation, if we assume that the clerk was not confused, the evidence is nevertheless relevant because it is unfair competition for a person to put a product into a dealer’s hands which a producer can reasonably anticipate may easily be passed off as the goods of another.”) (citations omitted).
\end{quote}

\textsuperscript{187} \textit{See} Allen, \textit{supra} note 4, at 47 (arguing that retail buyers are consumers); 3 \textit{McCarthy}, \textit{supra} note 7, § 23:5 (arguing that likelihood of confusion should be determined among relevant customers and potential customers, which may include professional buyers, wholesalers, or retailers in addition to consumers). \textit{See, e.g.}, \textit{Marathon Mfg. Co.}, 767 F.2d at 221 (crediting confusion among distributors and professional buyers); \textit{Americana Trading, Inc.}, 966 F.2d at 1289 (crediting confusion among retailers); Glen Raven Mills, Inc. v. Ramada Int’l, Inc., 852 F. Supp. 1544, 1552 (M.D. Fla. 1994) (holding confusion among distributors and end users to be relevant); \textit{GTFM, Inc.}, 215 F. Supp. 2d at 297 (S.D.N.Y. 2002) (crediting instance of actual confusion by wholesale buyer); Westchester Media Co. v. PRL USA Holdings, Inc., 103 F. Supp. 2d 935, 970 (S.D. Tex. 1999) (following \textit{McCarthy} treatise).

\textsuperscript{188} \textit{See} Inc. Publ’g Corp. v. Manhattan Magazine, Inc., 616 F. Supp. 370, 386 (S.D.N.Y. 1985); \textit{Westchester Media Co.}, 103 F. Supp. 2d at 970.

\textsuperscript{189} \textit{See} cases cited \textit{supra} note 163. \textit{See} Ford Motor Co. v. Summit Motor Prods., Inc., 930 F.2d 277, 297-98 (3d Cir. 1991); Gold Seal, Inc. v. The Scent Shop, Inc., 851 F. Supp. 1283, 1286 (E.D. Ark. 1994); \textit{see} Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1207 (1st Cir. 1983) (“[A]ny confusion has to exist in the mind of a relevant person. Lab technicians are not in that class, as no evidence has identified them as persons who are involved in decisions to buy. Indeed, purchasing directors themselves have only been shown to play a peripheral role in product choice.”).
have held actual confusion among members of the trade must be credited because of the 1962 amendments to the Lanham Act, which expanded the likelihood of confusion inquiry to encompass non-purchasers.

¶75 There may be reason for caution in assessing evidence of confusion among members of the trade, particularly where it takes the form of out-of-court statements by those who should not be so easily confused. Casual questions by sophisticated persons asking when the plaintiff went into the business of producing a particular product that happens to be a product produced by the defendant and not the plaintiff may well be evidence of humor or sarcasm by one who knows better rather than evidence that the person asking such questions was actually confused.\(^\text{190}\) Where the statement is made by a particularly knowledgeable and sophisticated person in the trade and the parties have been in competition for a sufficient amount of time, it may be improbable that the person had acquired an insufficiently precise understanding of the differences between the two parties and their respective marks before making the statement at issue.\(^\text{191}\) Furthermore, allegedly confused communications by persons within the trade may be discounted when they do not arise from the context in which the marks are presented to an audience of potential consumers.\(^\text{192}\) In addition, persons within the trade may have particular biases due to relationships with one of the parties.\(^\text{193}\)

¶76 Nevertheless, each allegedly confused individual must be assessed in light of that person’s credibility and the circumstances surrounding the incident in question. Indeed, under another view, actual confusion among particularly sophisticated and knowledgeable members of the trade may augur greater confusion among ordinary, less sophisticated and knowledgeable consumers.\(^\text{194}\) Ultimately, determining whether such

\(^\text{190}\) See Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 158, 159 n.13 (9th Cir. 1963); see also Armstrong Cork Co. v. World Carpets, Inc., 597 F.2d 496, 505-06 (5th Cir. 1979) (holding that it was not possible to determine whether commentary in trade journal reflected confusion as opposed to speculation or humor).

\(^\text{191}\) See Inc. Publ’g Corp., 616 F. Supp. at 388.

\(^\text{192}\) See Chum Ltd. v. Lisowski, 198 F. Supp. 2d 530, 539-40 (S.D.N.Y. 2002) (discounting e-mails from industry professionals where it was possible that persons comparing marks in abstract might be confused but where differences in products made it impossible that consumers could be confused).

\(^\text{193}\) See infra notes 362-74 and accompanying text.

\(^\text{194}\) See Champions Golf Club, Inc. v. The Champions Golf Club, Inc., 78 F.3d 1111, 1120 (6th Cir. 1996) (“It is significant that in all four instances, the confused individuals were knowledgeable about golf clubs, and had an incentive to accurately identify the club in question, but nonetheless were unclear about which club was which.”); Tri-Star Pictures, Inc. v. Unger, 14 F. Supp. 2d 339, 356 (S.D.N.Y. 1998) (crediting confusion in newspaper articles: “[A]ctual confusion already exists even among journalists and film reviewers, who arguably are more sophisticated about motion pictures than ordinary consumers.”); see also authorities cited supra note 184; cf. Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc., 15 F. Supp. 2d 389, 399 (S.D.N.Y. 1998) (appearing to credit confusion by government official without explanation); see generally Allen, supra note 4, at 47 (arguing that confusion of retail employees is relevant insofar as they are more sophisticated than their customers); 3A CALLMAN, supra note 45, § 21:64, at 21-837
alleged confusion is relevant depends on assessing the credibility of the particular accounts in light of circumstances known and observed as to the particular witnesses and the circumstances that purportedly generated the witness’s alleged confusion.\textsuperscript{195}

Although the infringement standard measures the likelihood of consumer confusion under marketplace conditions, actual confusion among actual or potential purchasers need not necessarily occur in the context of a sale. For example, courts have held that actual confusion is relevant when it flows from advertising not presented at the point of sale.\textsuperscript{196} In addition, actual confusion by persons seeking service for products previously purchased is similarly relevant: confusion in that context may harm the plaintiff’s good will and reputation, even where the services offered by the respective parties are purely ancillary to the product sold.\textsuperscript{197} Finally, actual confusion may occur when persons arrive at one party’s location in response to another’s advertisements or attempt to exchange one party’s merchandise at the location of another.\textsuperscript{198}

\textsuperscript{195}See, e.g., Champions Golf Club, Inc., 78 F.3d at 1120 (noting that, in addition to being knowledgeable about industry, suppliers who were allegedly confused had incentive to accurately identify the parties).

\textsuperscript{196}See, e.g., Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526, 544-45 (5th Cir. 1998) (“Two witnesses testified that Tour 18’s advertising in particular caused their confusion. . . . This confusion was relevant even if it was obviated by playing the course and viewing the holes and disclaimers on the golf course designs.”) (citations omitted); Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 204 (5th Cir. 1998) (“The finding by the district court that the Defendants’ advertising practices caused actual confusion shows that actual confusion occurred when consumers first observed the mark in commerce.”) (citation omitted).

\textsuperscript{197}See Meridian Mut. Ins. Co. v. Meridian Ins. Group, Inc., 128 F.3d 1111, 1118 (7th Cir. 1997) (“The importance of the actual confusion element rests in the fact that confusion leads to an injury to one of the parties, an outcome which is no less present in the service context than in the sales context.”); Dr. Ing. h.c.F. Porsche AG v. Zim, 481 F. Supp. 1247, 1249 (N.D. Tex. 1979) (“In the present case, there is evidence of actual confusion on the part of Por-sha customers. Por-sha has been asked to do Porsche warranty work, which of course can only be performed by an authorized Porsche dealer.”).

\textsuperscript{198}See Money Savers Pharm., Inc. v. Koffler Stores (Western) Ltd., 682 P.2d 960, 964 (Wash. Ct. App. 1984) (“The plaintiff set forth a number of specific instances where identified members of the public: (1) had shopped at the plaintiff’s store expecting to rely on the defendant’s advertising circular; (2) came to the plaintiff’s store expecting to be able to exchange good which had been purchased at one of the defendant’s stores;
4. A Hierarchy of Confusion

Although there may be some dispute as to whether certain types of persons should be deemed relevant in determining the presence or absence of actual confusion, there is relatively little dispute that the confusion of some persons is more probative than that of others. Those whose confusion generally carries the most weight tend to be actual or prospective purchasers. 199 The category of prospective purchasers, however, is extremely broad and can encompass those who are likely to make a transaction imminently and those who may make a transaction at some point in the future. Similarly, the category of persons whose views may affect the good will of the trademark owner encompasses persons who may have existing and prospective relationships with the trademark owner. Those who have existing relationships and have made serious mistakes based on confusion may be more relevant than prospective purchasers who are not proximate to a potential transaction.

Within a given category of persons, however, there is a hierarchy of incidents that are given differing degrees of weight by courts. At the most persuasive end of the spectrum are mistaken purchases. 200 For those whose views may impact the good will of a company, the equivalent to a mistaken purchase would be a mistaken transaction. According to one commentator, mistaken purchases are afforded the most weight because they do not present any question about the relevance of the person or setting, because there is typically little vagueness, ambiguity, or doubt about such evidence, and because there are no issues as to the admissibility of such evidence if the confused purchaser testifies. 201 According to the same commentator, the next most probative types of evidence are those in which the confused person has affirmatively taken some action to manifest confusion, such as by making complaints to the wrong party, returning merchandise to the wrong party, or seeking product repairs or service from the wrong party. 202 Included in that category are instances in which the wrong party is named in a lawsuit 203 —although, unless the lawsuit is filed by a consumer, the relevance of the person and setting would be more attenuated and would seem to flow only from the high degree of care expected in such circumstances. Lesser in probative value are misdirected communications, which may be attributable to carelessness, to secretarial or bureaucratic errors, to other circumstances not related to confusion between the marks at issue, or to unknown causes. 204 Still further down in this ranking of types of incidents of confusion and (3) thought the plaintiff’s store and the defendant’s stores were part of the same business.”).

199 See KIRKPATRICK, supra note 53, § 7:4, at 7-6.
200 See Allen, supra note 4, at 27, 28-30, 44; Stolte, supra note 1, at 235-36.
201 See Allen, supra note 4, at 30.
202 See id. at 30-31. But see Children’s Factory, Inc. v. Benec’s Toys, Inc., 160 F.3d 489, 496 (8th Cir. 1998) (treating misdirected warranty calls like other “vague evidence of misdirected phone calls and mail” as hearsay) (citation and internal quotation marks omitted).
203 See Allen, supra note 4, at 30-31.
204 See id. at 32-37; Stolte, supra note 1, at 237. For a discussion of confusion prompted by carelessness or inattentiveness, see infra notes 340-61 and accompanying text.
are inquiries about affiliation, which may show some doubt but also tend to show some understanding as to the distinctions between the parties and could be motivated by mere curiosity—in marked contrast to a mistaken purchase by which the confused person acts to his or her detriment. Finally, of uncertain status are incidents of purported confusion by friends, family, and acquaintances of the trademark owner, who may be biased and who may not be representative of actual or prospective customers or of other persons whose views would affect the good will of the trademark owner. As one court has observed: “Attestations from persons in close association and intimate contact with its (the trade-mark claimant’s) business do not reflect the views of the purchasing public.”207

Both cases limiting relevant confusion to actual or prospective purchasers and cases expanding those limits to include persons whose views may impact the good will of the trademark owner appear to share a common feature—namely, that certain types of confusion are entitled to no weight at all. Nevertheless, the Fifth Circuit has expressed in dicta that trial courts cannot “total[ly] disregard. . . evidence of actual confusion. . . , regardless of the identity of the person confused.”208 Yet, any probative value afforded to the confusion of persons not deemed to be relevant is likely to be minimal, at best.209 A comment in the Restatement appears to support that actual confusion in an irrelevant context is “entitled to little weight,” as opposed to no weight.210 Nevertheless, confusion

205 See Allen supra note 4, at 39-43. See, e.g., Lloyd’s Food Prods., Inc. v. Eli’s, Inc., 987 F.2d 766, 768 (Fed. Cir. 1993) (“In this case, the Flachs were not actually confused; they only ‘wondered’ at a possible relationship.”). For a discussion of issues surrounding inquiries as to affiliation, see infra notes 290-317 and accompanying text.

206 See Allen, supra note 4, at 49-50; see, e.g., Freedom Sav. & Loan Ass’n v. Way, 757 F.2d 1176, 1185 (11th Cir. 1985) (“the court discounted this testimony because none of his friends [who were purportedly confused] were identified as potential customers and none of them testified at trial.”); Lloyd’s Food Prods., Inc., 987 F.2d at 768 (holding that testimony of actual confusion witnesses should be discounted where they were related to proponent’s president and “not shown to be representative of the consuming public”); Heartsprings, Inc. v. Heartspring, Inc., 949 F. Supp. 1539, 1545 (D. Kan. 1996) (“[P]laintiff’s evidence concerns random acquaintances and not consumers of the parties’ products.”); Madison Reprographics, Inc. v. Cook’s Reprographics, Inc., 552 N.W.2d 440, 449 n. 10 (Wis. Ct. App. 1996) (“The testimony of a friend of a shareholder in Madison Reprographics who is not a customer or potential customer is not relevant.”) (citation omitted). As will be discussed later, accounts of confusion from such sources are also potentially subject to challenge based on bias and credibility. See infra notes 362-406 and accompanying text.

207 Norm Thompson Outfitters, Inc. v. General Motors Corp., 448 F.2d 1293, 1297 (9th Cir. 1971) (quoting 88 cent Stores, Inc. v. Martinez, 361 P.2d 809, 814 (Or. 1961)).

208 Fuji Photo Film Co. v. Shinoara Shoji Kabushiki Kaisha, 754 F.2d 591, 597 (5th Cir. 1985).

209 See, e.g., Am. Greetings Corp. v. Easter Unlimited, Inc., 579 F. Supp. 607, 616 (S.D.N.Y. 1983) (holding that confusion of five year old child reported to mother was “the weakest evidence of actual confusion” where child was not buyer).

210 Restatement (Third) of Unfair Competition § 23 cmt. c.
among irrelevant members of the general public should be afforded weight, only when there is a finding that such confusion augurs confusion in other relevant persons by reason of some meaningful, shared characteristic.  

¶81  Not only must the person be relevant, but the setting in which the person is confused must similarly be relevant. Thus, transactions that do not replicate actual marketplace conditions may not be probative of likely confusion. For example, if a product is usually purchased by sight on a self-serve basis, a mistake by a sales clerk in offering the wrong product when the product was requested verbally may not be indicative of likely consumer confusion.211  

¶82  The status of the purportedly confused person may play an important role in instances where the type of evidence at issue is less reliable. For example, some courts have discounted or discredited mere inquiries about origin, sponsorship, or affiliation where the plaintiff could not establish that the persons making such inquiries were potential purchasers.212  The connection between type of person and type of evidence is particularly important with respect to inquiries, as it is often too easy for a trademark plaintiff to produce friends and acquaintances who can attest to idle curiosity about a relationship between the parties. Thus, it has been held that less weight should be given to inquiries representing short-lived confusion among persons casually acquainted with a business and more weight to lasting confusion among actual customers.213  

¶83  Problems relating to the relationship between status of the purportedly confused person and the type of evidence of confusion can also arise with respect to misdirected communications. Specifically, where persons or entities doing business with the plaintiff direct communications to the wrong location, such mistakes may be attributable to clerical assistants, administrative personnel, or independent delivery services, rather than to relevant persons.214  Such incidents are more likely to be credited as strong evidence of  

211  See Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 385 (7th Cir. 1976) (“We do not discredit the sales person’s confusion because he was a sales person but rather because he was told of the product and the product is normally bought on a self-service basis – by sight.”).  

212  See, e.g., Gruner + Jahr Publ’g, 991 F.2d at 1079; Lang v. Ret. Living Publ’g Co., 949 F.2d 576, 583 (2d Cir. 1991); Sun Banks of Fla., Inc. v. Sun Fed. Savs. & Loan Ass’n, 651 F.2d 311, 319 (5th Cir. 1981); Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 158, 159 n.13 (9th Cir. 1963); Microwave Sys. Corp. v. Apple Computer, Inc., 126 F. Supp. 2d 1207, 1217 (S.D. Iowa 2000).  

213  See Armco, Inc. v. Armco Burglar Alarm Co., 693 F.2d 1155, 1160 n.11 (5th Cir. 1982) (citation omitted).  

214  See Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 298 (3d Cir. 2001) (“Some of this confusion consisted of misdirected calls and therefore it is uncertain whether the consumers were confused by the parties’ similar names or whether directory assistance erred in connecting consumers with the parties.”) (citation omitted); Alltel Corp. v. Actel Integrated Communications, Inc., 42 F. Supp. 2d 1265, 1272 (S.D. Ala. 1999) (“[T]here is no evidence as to how these calls and letters were misdirected. These mistakes could easily have been the result of carelessness on the part of directory assistance or the post office.”); U.S. Express, Inc. v. U.S. Express, Inc., 799 F. Supp. 1241, 1246 (D.D.C. 1992) (“It is significant that Plaintiff did not offer testimony from
any customers or other third parties to dispel the inference that the confusion was the result of mailing errors.”) (citations omitted); United States Jaycees v. Commodities Magazine, Inc., 661 F. Supp. 1360, 1364 (N.D. Iowa 1986) (“The evidence presented by plaintiff of postal clerical errors does not weigh strongly in its favor. The postal system for returning undeliverable mail is not the relevant marketplace for the analysis of likelihood of confusion.”) (citation omitted); Prime Media, Inc. v. Primedia, Inc., 33 F. Supp. 2d 932, 939-40 (D. Kan. 1998) (discounting telephone calls misdirected by directory assistance was not linked to consumer purchasing decisions); Allstate Ins. Co. v. Allstate Inv. Corp., 210 F. Supp. 25, 29 (W.D. La. 1962) (“It is true that there have been some instances of misdirected mail and telephone calls. We are convinced, however, that these were the result of mere carelessness on the part of the postal service or of persons consulting the Shreveport telephone directory. . . .”); Greentree Labs., Inc. v. G.G. Bean, Inc., 718 F. Supp. 998, 1002 (D. Me. 1989) (“The letters presented by Ms. Hewitt reflect simple misspelling rather than confusion as to source.”); Transamerica Corp. v. Trans Am. Abstract Serv., Inc., 698 F. Supp. 1067, 1075 (E.D.N.Y. 1988) (holding actual confusion not established by misdirected communications caused by “secretarial carelessness”) (citation and internal quotation marks omitted); Polaroid Corp. v. Polarad Elecs. Corp., 182 F. Supp. 350, 354 (E.D.N.Y. 1960) (“All of the aforementioned incidents were clearly due to palpable carelessness on the part of the clerks or other subordinate employees involved therein, and, since no product is manufactured or sold competitively by the parties herein, neither resulted nor could have resulted in pecuniary or other loss to the plaintiff.”); Franklin Resources, Inc. v. Franklin Credit Mgmt. Corp., 988 F. Supp. 322, 333 (S.D.N.Y. 1997) (finding that misdirection of form by bank examiners was most likely due to “bureaucratic error”); Vision, Inc. v. Parks, 610 F. Supp. 927, 932 (S.D.N.Y. 1985) (holding that individual who received wrong telephone number from directory assistance “may have been confused as to the number” but “was not confused as to the source or origin of the various publications” at issue); U.S. Blind Stitch Mach. Corp. v. Union Special Mach. Co., 287 F. Supp. 468, 471 (S.D.N.Y. 1968) (“The mass of documents in evidence purporting to show confusion are either examples of secretarial carelessness caused by a failure to check business addresses or of a mix-up caused by the identical abbreviations of corporate names not attributable to the marks in question.”); Commercial Sav. Bank v. Hawkeye Fed. Sav. Bank, 592 N.W.2d 321, 331 (Iowa 1999) (“[T]he majority of mistakes concerning mail and delivery of documents were made by other entities doing business with Commercial Savings, not by actual consumers. For the most part, it seems that these mistakes can be attributed to inattentiveness on the part of the caller or sender rather than actual confusion.”); Madison Reprographics, Inc. v. Cook’s Reprographics, Inc., 552 N.W.2d 440, 449 (Wis. Ct. App. 1996) (discounting testimony of delivery person who delivered to plaintiff package addressed to defendant because he saw common word in parties’ names and assumed it referred to plaintiff without reading address, as well as testimony about other misdirected deliveries without details regarding reasons for mistakes); see generally Allen, supra note 4, at 32-36. But see Alliance Metals, Inc. v. Hinely Indus., Inc., 222 F.3d 895, 908 (11th Cir. 2000) (rejecting argument that post office clerical errors were responsible for misdirected deliveries in light of volume of deliveries, specific labeling of deliveries, and fact that many deliveries came directly from sender and not via post office); Lamda
actual confusion where the plaintiff can demonstrate—from the face of the communication or otherwise—that the mistake was made by a relevant person who sent the communication rather than by an assistant or third party.\footnote{215}

With any type of confusion that is subject to challenge or likely to receive less weight, such evidence can often be bolstered when accompanied by other forms of confusion.\footnote{216} By contrast, where such episodes are isolated, they are less likely to be credited.\footnote{217}

\footnote[84]{Elecs. Corp. v. Lambda Tech., Inc., 515 F. Supp. 915, 927 (S.D.N.Y. 1981) (rejecting argument that misdirected checks and orders were based on clerical errors and not indicative of confused state of mind where testimony of persons involved indicated otherwise and where amounts of money involved were large). One commentator has noted that mistakes by postal officials are arguably persuasive evidence of actual confusion insofar as postal officials are charged with taking greater care with delivery than ordinary consumers. \textit{See} 3A Callman, \textit{supra} note 45, § 21:64, at 21-866 to 21-867. As will be discussed later, misdirected communications are also frequently discounted because they do not reflect the requisite level of consumer care. \textit{See infra} notes 340-61 and accompanying text.}

\footnote[215]{\textit{See} Allen, \textit{supra} note 4, at 35-36; 3A Callman, \textit{supra} note 45, § 21:64, at 21-866 to 21-869; \textit{see, e.g.,} Moore Bus. Forms, Inc. v. Seidenburg, 619 F. Supp. 1173, 1184 (W.D. La. 1985) (noting mistaken phone calls by two long-term customers who “phoned defendant with the mistaken impression that they were phoning the plaintiff, in order to make a purchase with plaintiff”).}

\footnote[216]{\textit{See}, \textit{e.g.,} Emerson Elec. Co. v. Emerson Quiet Kool Corp., 577 F. Supp. 668, 678 (E.D. Mo. 1983) (“[T]here was evidence that consumers, retailers, stock analysts and other members of the investment community, and the news media, have often confused the parties and their products.”); Frank Brunckhorst Co. v. G. Heileman Brewing Co., 875 F. Supp. 966, 980 (E.D.N.Y. 1994) (crediting confusion by “sophisticated” and “interested” merchandiser when coupled with other incidents of confusion); Veryfine Prods., Inc. v. Colon Bros., Inc., 799 F. Supp. 240, 253 (D.P.R. 1992) (crediting confusion by store employee when combined with evidence of customers who were actually confused); Black & Decker (U.S.) Inc. v. Pro-Tech Power Inc., 26 F. Supp. 2d 834, 852 (E.D. Va. 1998) (crediting confusion by retailers when coupled with confusion by customers); \textit{see also} Kirkpatrick, \textit{supra} note 53, § 7:6, at 7-10 (arguing that weight of evidence is enhanced when there is evidence of several different kinds of confused persons).}

\footnote[217]{\textit{See} W.L. Gore & Assocs., Inc. v. Johnson & Johnson, 882 F. Supp. 1454, 1460 (D. Del. 1995) (refusing to credit two instances of mistaken labeling by grocers); \textit{cf.} Express Funding, Inc. v. Express Mortg., Inc., 894 F. Supp. 1095, 1103 (E.D. Mich. 1995) (“Because these incidents of confusion involved individuals apparently well acquainted with the mortgage industry and do not appear to be isolated incidents of confusion between commonly distinguished parties, they constitute strong evidence of a likelihood of confusion.”).}
C. Assessing Shortcomings in Evidence of Actual Confusion

¶85 Several problematic features of evidence of actual confusion have already been mentioned at various points. This Subsection explores those features more comprehensively. Roughly, the various problems that detract from the value of evidence of actual confusion can be categorized as those inherent in the procedural posture of the litigation, those relating to the law of evidence, and substantive issues that impact the value of such evidence.

1. Procedural Issues

¶86 There are at least two types of procedural issues that contribute to the inconsistencies and difficulties in cases involving evidence of actual confusion. The first type flows from the nature of preliminary injunctive proceedings. The second flows from the standard of review applicable to the likelihood of confusion finding.

i) Preliminary Injunctions

¶87 A threshold issue that detracts from a clarity in treatment of evidence of actual confusion is how the preliminary injunction context (in which so many trademark decisions are reported) affects the evidentiary standard. Courts are afforded a wide degree of discretion in granting preliminary injunctions and in what types of procedures should attend their determinations.\(^\text{218}\) This discretion can impact both the types of evidence that courts are willing to accept and the types of evidence that parties have an opportunity to present.

For example, a court need not be bound by the rules of evidence in ruling on a motion for a preliminary injunction.\(^\text{219}\) Indeed, the court need not hold an evidentiary hearing.\(^\text{220}\) Thus, where an evidentiary hearing is not held, the only evidence will be by way of affidavits and exhibits. In view of the extraordinary nature of the preliminary injunctive remedy, however, some courts will conduct an evidentiary hearing and may preclude affidavits from witnesses that a party fails to produce at such a hearing.\(^\text{221}\)

\(^{218}\) See 11A WRIGHT, supra note 36, § 2949.

\(^{219}\) See, e.g., Asseo v. Pan Am. Grain Co., 805 F.2d 23, 26 (1st Cir. 1986) (“Affidavits and other hearsay materials are often received in preliminary injunction proceedings. The dispositive question is not their classification as hearsay but whether, weighing all the attendant factors, including the need for expedition, this type of evidence was appropriate given the character and objectives of the injunctive proceeding.”) (collecting authority); Bebe Stores, Inc. v. May Dep’t Stores Int’l, Inc., 230 F. Supp. 2d 980, 988 n.4 (E.D. Mo. 2002) (“Because this is a preliminary injunction hearing, . . . and was held on short notice and on an expedited schedule, I believe that receipt of these hearsay affidavits is appropriate under the residual exception contained in Fed. R. Evid. 807.”); see generally 11A WRIGHT, supra note 36, § 2949, at 214-220.

\(^{220}\) See 11A WRIGHT, supra note 36, § 2949.

\(^{221}\) See, e.g., Mars, Inc. v. Curtiss Candy Co., 290 N.E.2d 701, 704 (Ill. Ct. App. 1972) (recognizing that preliminary injunction is “extraordinary remedy” and refusing to admit affidavits of witnesses whom proponent had opportunity to call at evidentiary hearing but failed to do so).
Frequently, however, courts will relax evidentiary requirements in ruling on a motion for preliminary injunctive relief.\textsuperscript{222} This circumstance is important because, as discussed below, much evidence of actual confusion is potentially subject to evidentiary objections.

\textbf{ii) Appellate Review}

Another procedural issue that severely constrains appellate courts’ ability to provide guidance and ensure consistency in judicial treatment of evidence of actual confusion flows from the deference that appellate courts give to trial courts in this area. Determining such matters as credibility is inherently a function of the trial court. The weight that trial courts afford to evidence of actual confusion is given deference by appellate courts.\textsuperscript{223} Furthermore, findings of actual confusion are reviewed under the “clearly erroneous” standard.\textsuperscript{224} Indeed, the entire likelihood of confusion inquiry is so fact-intensive that some courts have held that each infringement decision has little precedential value.\textsuperscript{225}

The discretion afforded to district courts on this matter is not unbridled, but it is broad. For example, actual confusion may not be inferred from factors tending to show a

\begin{itemize}
\item \textsuperscript{222} \textit{Kirkpatrick}, supra note 53, § 7:6, at 7-16.
\item \textsuperscript{223} See, e.g., McGregor-Doniger Inc. v. Drizzle, Inc., 599 F.2d 1126, 1136 (2d Cir. 1979) (upholding district court’s refusal to find actual confusion based upon single instance of momentary confusion claimed by plaintiff’s employee: “The weighing of evidence, particularly where credibility judgments must be made, is for the trial judge.”); Mushroom Makers, Inc. v. R.G. Barry Corp., 580 F.2d 44, 48 (2d Cir. 1978) (holding that, in absence of explanatory testimony, district court was entitled to find that reported instances of clerical errors and joint advertising did not demonstrate actual confusion among retail customers); First Nat’l Bank v. First Nat’l Bank, 153 F.3d 885, 890 (8th Cir. 1998) (“Even if we assume that a different factfinder may have reasonably determined that FNB South Dakota’s use of its full name would create a likelihood of confusion, . . . where there are two permissible views of the evidence, the factfinder’s choice between them cannot be clearly erroneous.”) (citation and internal quotation marks omitted); cf. AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1544 n. 68 (11th Cir. 1986) (consumer survey: “A finder of fact has great latitude in determining the appropriate weight to accord particular evidence.”).
\item \textsuperscript{224} See, e.g., McGregor-Doniger Inc., 599 F.2d at 1136; Miss Universe, Inc. v. Patricelli, 408 F.2d 506, 509 (2d Cir. 1969) (citation omitted); Am. Foods, Inc. v. Golden Flake, Inc., 312 F.2d 619, 624 (5th Cir. 1963); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 352 (9th Cir. 1979); Jellibeans, Inc. v. Skating Clubs of Georgia, Inc., 716 F.2d 833, 843 (11th Cir. 1983); see generally 3 McCarthy, supra note 7, §§ 23:67 to 23:75.
\item \textsuperscript{225} See Eclipse Assocs. Ltd. v. Data Gen. Corp., 894 F.2d 1114, 1117 (9th Cir. 1990) (noting “the limited precedential value of likelihood of confusion decisions, each of which stands on its own facts”) (quoting Levi Strauss & Co. v. Blue Bell, Inc., 778 F.2d 1352, 1356 (9th Cir. 1985)); Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 160 (9th Cir. 1963) (“It is elementary that in the decision of a case of this kind, involving the question of confusing similarity, each case must stand on its own facts, and prior decisions are of little assistance.”).
\end{itemize}
likelihood of confusion. It has also been held that judgment cannot be rendered in favor of the defendant based solely upon a side-by-side comparison of the marks without hearing witnesses proffered to show actual confusion. In addition, at least one appellate court has held it to be reversible error to disregard evidence of actual confusion on the part of distributors and trade show visitors. Conversely, however, a number of courts have held that a plaintiff cannot create a genuine issue of material fact sufficient to avoid summary judgment on the likelihood of confusion test merely by introducing de minimis evidence of actual confusion. Similarly, factual findings of actual confusion have been held clearly erroneous where there was no evidence that the persons purportedly confused had ever seen the allegedly confusing source identifier or where the findings were based on hearsay. It has also been held that evidence of actual confusion does not compel a finding of likely confusion as a matter of law.

Apart from unusual categories of instances in which appellate courts have found an abuse of discretion, most of the problematic features of evidence of actual confusion are

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226 See Miss Universe, Inc., 408 F.2d at 510 (“[T]he trial court failed to distinguish actual confusion from circumstances which might produce it.”); Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 464-65 (7th Cir. 2000) (holding that lower court improperly characterized factors indicating risk of confusion as evidence of actual confusion).

227 See Woodsmith Pub’l’g Co. v. Meredith Corp., 904 F.2d 1244, 1249 (8th Cir. 1990) (citation omitted); Frito-Lay, Inc. v. Morton Foods, Inc., 316 F.2d 298, 300-01 (10th Cir. 1963).

228 See Fuji Photo Film Co. v. Shinozaki Kabushiki Kaisha, 754 F.2d 591, 597 (5th Cir. 1985).

229 See Nora Beverages, Inc. v. Perrier Group of Am., Inc., 269 F.3d 114, 124 (2d Cir. 2001); Syndicate Sales, Inc. v. Hampshire Paper Corp., 192 F.3d 633, 638 (7th Cir. 1999); Door Sys., Inc. v. Pro-Line Door Sys., Inc., 83 F.3d 169, 173 (7th Cir. 1996); Duluth News-Tribune, Div. of Northwest Pub’l’ns, Inc. v. Mesabi Pub’l’g Co., 84 F.3d 1093, 1098 (8th Cir. 1996); Woodsmith Pub’l’g Co., 904 F.2d at 1249; King of the Mountain Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1092 (10th Cir. 1999); Universal Money Ctrs., Inc. v. Am. Tel. & Tel. Co., 22 F.3d 1527, 1535 (10th Cir. 1994) (citation omitted); Metro Pub’l’g, Ltd. v. San Jose Mercury News, Inc., 861 F. Supp. 870, 878 (N.D. Cal. 1994) (citations omitted); Specialty Surgical Instrumentation, Inc. v. Phillips, 844 F. Supp. 1211, 1219 (M.D. Tenn. 1994); see also 3 McCarthy, supra note 7, § 23:13, at 23-56 (arguing that evidence of actual confusion does not raise genuine issue of material fact where rebuttal evidence warrants discounting such evidence).


231 See Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 300-01 (3d Cir. 2001) (holding “minimal evidence of actual initial interest confusion” to be insufficient to override other factors weighing against likelihood of confusion); Ball v. Am. Trial Lawyers Ass’n, 92 Cal. Rptr. 228, 242 (Cal. Ct. App. 1971) (“[A]lthough factual instances of confusion may support a determination that confusion of the public is likely from the use of identical or similar trade names, they do not compel that conclusion as a matter of law.”) (citations and internal quotation marks omitted); Schwarz v. Slenderella Sys. of Cal., Inc., 271 P.2d 857, 860 (Cal. 1954) (same) (citations omitted).
not susceptible to resolution by articulating “bright line” tests to be applied as rules of law. Rare cases of reversible error tend to occur where the trial court incorrectly concludes that only one inference can be drawn from the evidence of actual confusion when other inferences are permissible or where the trial court misstates facts that impact the amount of confusion that would be expected during the period of infringement.\textsuperscript{232} One Seventh Circuit decision held—over a vigorous dissenting opinion—that the trial court committed reversible error by finding a likelihood of confusion in the absence of evidence of actual confusion, given that the evidence offered in support of the other factors was only sufficient to establish a scenario under which confusion was hypothetically possible.\textsuperscript{233} A subsequent decision of that court interpreted the ruling to mean that the plaintiff must introduce some evidence of actual confusion in order for that factor to be weighed in favor of the plaintiff.\textsuperscript{234} Yet, if all of the likelihood of confusion factors are weighed together in light of the particular circumstances of the case, the actual confusion factor might be deemed to be less important than the other factors in a case where such evidence is not likely to have surfaced.\textsuperscript{235}

A good example of the discretion afforded to trial courts can be seen in \textit{Lever Brothers Co. v. American Bakeries Co.}\textsuperscript{236} In that case, the plaintiff used the mark AUTUMN for margarine, and the defendant used the mark AUTUMN GRAIN for bread. The parties largely sold their products in different geographic markets albeit with some area of sales overlap and with extensive advertising by both parties.\textsuperscript{237} The trial court found that the proximity of the products and their impulse purchase nature tended to point to a likelihood of confusion but held that confusion was not likely when such factors were considered in light of the fact that there had been no actual confusion over several years. On appeal, the plaintiff argued that it was unrealistic to expect evidence of actual confusion in light of the generally geographically separate nature of the parties’ sales. However, because there was some evidence of sales overlap and because an inference could be drawn that confusion was unlikely where there were several years of sales in the face of the overlap without evidence of actual confusion, the Second Circuit held that it could not substitute the plaintiff’s alternative interpretation of the evidence for that of the trial court:

\begin{itemize}
  \item \textsuperscript{232} See, e.g., Fisons Horticulture, Inc. v. Vigoro Indus., Inc., 30 F.3d 466, 476 (3d Cir. 1994) (holding district court erroneously determined time period in which infringement commenced and should reevaluate evidence of actual confusion in light of much shorter period of infringement); Daddy’s Junky Music Stores, Inc. v. Big Daddy’s Family Music Ctr., 109 F.3d 275, 284-85 (6th Cir. 1998) (holding that trial court erred in holding that a single instance of actual confusion could not increase likelihood of confusion where case lacked circumstances that would have led one to expect more instances of actual confusion during period of infringement).
  \item \textsuperscript{233} See Libman Co. v. Vining Indus., Inc., 69 F.3d 1360, 1360 (7th Cir. 1995).
  \item \textsuperscript{234} See Barbecue Marx, Inc. v. 551 Ogden, Inc., 235 F.3d 1041, 1045-46 (7th Cir. 2000) (citing Libman Co.).
  \item \textsuperscript{235} See On-Line Careline, Inc. v. America Online, Inc., 229 F.3d 1080, 1087 (Fed. Cir. 2000).
  \item \textsuperscript{236} Lever Bros. Co. v. Am. Bakeries Co., 693 F.2d 251, 251 (2d Cir. 1982).
  \item \textsuperscript{237} \textit{Id.} at 254-55.
\end{itemize}
Essentially, Lever would have us place the emphasis differently, by holding that minor sales overlap cannot be expected to result in actual confusion, and accordingly the proximity issue should have been decided in Lever’s favor and without reference to the absence of confusion. Whether we find this alternative reading of the evidence attractive is not the point. We decline to substitute Lever’s proposed analysis for the one employed by Judge Neaher.  

One consequence of such broad discretion is the potential for outcomes that may seem to be in tension with various maxims about actual confusion. For example, in some instances where the parties have had sustained head-to-head competition for sufficient time, some courts have required substantial evidence of actual confusion to maintain the viability of the claim. Yet, in *Allied Marketing Group, Inc. v. CDL Marketing, Inc.*, the Fifth Circuit refused to overturn a district court finding of likely confusion in such circumstances where the evidence of actual confusion was minimal. In that case, the parties each employed similar promotional postcard mailers for approximately one year. During that year, the parties disseminated millions of these postcard mailers but less than ten examples of actual confusion surfaced. The defendant argued that this evidence was inadequate in light of the degree of competition. Nonetheless, because evidence of actual confusion is typically not required and because the district court had relied on factors other than actual confusion, the Fifth Circuit refused to find the likelihood of confusion holding to be clearly erroneous. Thus, unless appellate courts articulate factors to guide the decision-making of trial courts, the trial courts will

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238 *Id.* at 257; *see also* Life Technologies, Inc. v. Gibbco Scientific, Inc., 826 F.2d 775, 777 (8th Cir. 1987) (“The district court found that the instances of actual confusion were neither frequent nor serious. Life Technologies now asks that we reweigh the evidence and find in its favor. However, that is not our role on appeal. Although the testimony introduced in the district court is susceptible of different interpretations, it is not clearly erroneous for the district court to find that the instances of actual confusion were neither frequent nor serious.”).

239 *See supra* notes 88-90 and accompanying text.

240 Allied Marketing Group, Inc. v. CDL Marketing, Inc., 878 F.2d 806 (5th Cir. 1989).

241 *Id.* at 808-09.

242 *Id.* at 814 n.7.

243 *Id.* The *Allied Marketing* decision is particularly puzzling insofar as it held that the district court erred by failing to make findings as to whether the plaintiff’s trade dress was sufficiently distinctive to be protectible while upholding the likelihood of confusion holding. *Id.* at 813-14 & n.7. Yet, other than actual confusion, the only factors relied upon by the district court in finding likelihood of confusion were the similarity of design and the identity of purchasers. *Id.* at 814 n.7. However, if the plaintiff had not established any source-identifying function for the trade dress, then the similarity of design factor would have no significance and the only basis for upholding the likelihood of confusion analysis would be the minimal evidence of actual confusion generated through head-to-head competition for an identical group of purchasers. *Id.* at n.7.

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frequently be presented with competing sets of precedent that can support diametrically opposed outcomes on the questions of whether or not actual confusion is needed and whether or not actual confusion has been established.

2. Evidentiary Defects

Another source of inconsistency and lack of clarity in how courts treat evidence of actual confusion lies in the interface between trademark law and the rules of evidence. Specifically, much evidence of actual confusion is either inadmissible or, if admissible, presents many of the same concerns that underpin the rules for excluding certain types of evidence. The central issue here is the hearsay rule, which excludes, subject to exceptions and limitations, statements made by a declarant outside the courtroom when offered for the truth of the matters asserted in such statements.\footnote{Fed. R. Evid. 801(c), 802.} Underpinning this exclusion is the notion that courts should not trust out-of-court statements not made under oath where the declarant’s credibility and demeanor cannot be assessed and where the declarant cannot be subject to cross examination.\footnote{5 Joseph M. Mclaughlin, et al., Weinstein’s Federal Evidence § 802.02[2]-[3] (Rel. 78 2003).}

Some courts have rejected as hearsay out-of-court statements that are offered as evidence of actual confusion.\footnote{See Nora Beverages, Inc. v. Perrier Group of Am., Inc., 269 F.3d 114, 123-24 (2d Cir. 2001) (excluding as hearsay anonymous consumers who allegedly inadvertently selected wrong product); Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 212 (3d Cir. 1995) (excluding as hearsay plaintiff’s vice president’s testimony as to reports of confusion by sales manager); Smith Fiberglass Prods., Inc. v. Ameron, Inc., 7 F.3d 1327, 1330-31 & n.2 (7th Cir. 1993) (excluding as hearsay paraphrase of statement by unidentified person); Duluth News-Tribune, Div. of Northwest Publ’ns, Inc. v. Mesabi Publ’g Co., 84 F.3d 1093, 1098 (8th Cir. 1996) (excluding as hearsay “vague evidence of misdirected phone calls and mail”); Armstrong Cork Co. v. World Carpets, Inc., 597 F.2d 496, 505 (5th Cir. 1979) (excluding as hearsay article in trade magazine); Alchemy II, Inc. v. Yes! Entmt. Corp., 844 F. Supp. 560, 570 n.12 (C.D. Cal. 1994) (excluding as hearsay telephone inquiries, an affidavit recounting another person’s shock to learn of product differences, and newspaper articles referring to one product as improved version of another); Michael Caruso & Co. v. Estefan Enters., Inc., 994 F. Supp. 1454, 1462 n.3 (S.D. Fla. 1998) (excluding as hearsay memorandum indicating that caller mistook plaintiff’s offices for defendant’s restaurant); Ocean Bio-Chem, Inc. v. Turner Network Television, Inc., 741 F. Supp. 1546, 1559-60 (S.D. Fla. 1990) (excluding as hearsay affidavits recounting confusion witnessed by others); S Indus., Inc. v. JL Audio, Inc., 29 F. Supp. 2d 878, 893 (N.D. Ill. 1998) (excluding as hearsay “vague allegations of unknown numbers of consumers who allegedly called or wrote to Plaintiff’s related company . . . complaining about [defendant’s product].”); Copy Cop, Inc. v. Task Printing, Inc., 908 F. Supp. 37, 41-42 (D. Mass. 1995) (excluding as hearsay company president’s testimony regarding misdirected queries that were made to company employees); Marketing Displays, Inc. v. Traffix Devices, Inc., 967 F. Supp. 953, 961 (E.D. Mich. 1997) (excluding as hearsay declarations by plaintiff’s employees recounting telephone conversations with}
question as to whether the statements are genuine or have been shaped in any way by one of the parties or its attorneys. Often, however, such statements will be admissible either by qualifying for the statement of then existing state of mind exception or as a non-hearsay statement that is offered for purposes other than its truth content.

A number of courts have admitted misdirected communications and statements reflecting mistaken impressions as a statement of the declarant’s then existing state of mind. Nevertheless, where the declarant transmits information about someone else’s

purchasers); Mars Musical Adventures, Inc. v. Mars, Inc., 159 F. Supp. 2d 1146, 1151-52 (D. Minn. 2001) (excluding as hearsay misdirected e-mails, telephone calls, mail, and personal inquiries); Jaret Int’l, Inc. v. Promotion in Motion, Inc., 826 F. Supp. 69, 72-73 (E.D.N.Y. 1993) (excluding as hearsay statement by consumer to witness that consumer mistakenly purchased wrong product); Paco Sport, Ltd. v. Paco Rabanne Parfums, 86 F. Supp. 2d 305, 320 (S.D.N.Y. 2000) (excluding as “textbook hearsay” statements recounting third party confusion); Lobo Enters., Inc. v. Tunnel, Inc., 693 F. Supp. 71, 77 (S.D.N.Y. 1988) (excluding as hearsay testimony of plaintiff’s former bartender as to what third parties told him about their efforts to find him at defendant’s establishment); see also Vitek Sys., Inc. v. Abbott Labs., 675 F.2d 190, 193 (8th Cir. 1982) (holding that district court “properly” gave “little weight” to out-of-court statements of customers that were characterized as “hearsay” and as otherwise unreliable).

247 See Glen Raven Mills, Inc. v. Ramada Int’l, Inc., 852 F. Supp. 1544, 1552-53 (M.D. Fla. 1994) (rejecting actual confusion evidence as hearsay: “It is not clear whether the letters drafted at the request of Plaintiff reflect the initial concerns expressed by these consumers or a modification of those concerns after discussion with Plaintiff’s employees. In any case, Plaintiff has not established a proper foundation for the admissibility of any of the letters.”).


state of mind, as where a company’s representative makes a telephone call at the
instigation of someone else within the company who was allegedly confused, the “then
existing state of mind” exception will not allow the proponent to introduce that statement
as indicative of the other employee’s state of mind. The same reasoning would
exclude statements of then existing state of mind that are made to one company employee
and passed to another who testifies about them. At least one court has held that an
affidavit by a plaintiff’s employee recounting telephone conversations with purchasers
will not qualify for the state of mind exception. In addition, the Seventh Circuit has held that a statement purportedly showing the declarant’s actually confused state of mind was properly excluded where the declarant could not be identified and the statement was paraphrased by the witness who testified about it. Another court has distinguished between out-of-court statements that are too vague to show that any purported confusion resulted from more than inattentiveness and out-of-court statements where the reason for confusion is provided with sufficient detail to determine that the statement is a statement of the declarant’s then existing state of mind and is, therefore, admissible.

Many courts hold that a variety of out-of-court statements indicating confusion are not hearsay at all. The types of communications subject to such holdings include misdirected communications and mistaken inquiries. These courts reason that such items are offered not to prove the truth of the matter asserted—for instance, that the declarant intended to call the wrong party—but, rather, to prove confusion. If the substance of the communication does not assert that the declarant was confused, then the statement is not offered for the truth of any matter asserted.

Even though out-of-court statements offered as evidence of actual confusion will often be admissible as either “statements of then existing state of mind” or as non-hearsay

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253 See Smith Fiberglass Prods., Inc. v. Ameron, Inc., 7 F.3d 1327, 1330-31 & n.2 (7th Cir. 1993); cf. Co-Rect Prods., Inc. v. Marvy! Adv. Photography, Inc., 780 F.2d 1324, 1333 (8th Cir. 1985) (“We have reviewed Mr. Pierce’s testimony and have found no reference to confusion by his customers. More is needed to establish the necessary consumer association than merely the self-serving testimony of the plaintiff that some of his customers were confused.”).

254 See Rainforest Café, Inc. v. Amazon, Inc., 86 F. Supp. 2d 886, 902 (D. Minn. 1999) ( citations omitted); see also S Indus., Inc. v. Stone Age Equip., Inc., 12 F. Supp. 2d 796, 818 (N.D. Ill. 1998) (excluding as hearsay witness’s claim that he “experienced confused customers” at trade shows “who do not and cannot distinguish” between respective parties’ products) (internal citations omitted).

statements that are “not offered for the truth of any matter asserted,” the contents of any particular statement will need to be scrutinized carefully. For example, where the statements at issue consist of opinions on the ultimate issue of confusion rather than facts indicative of confusion, the statements will not be admissible.\(^\text{256}\)

In determining that certain out-of-court statements either are not hearsay or are eligible for an exception to the hearsay rule, certain other factors may be influential as well. First, out-of-court statements that clearly and unambiguously indicate confusion are likely to be seen as reliable.\(^\text{257}\) For example, if sufficiently clear and unambiguous, misdirected communications by customers may “speak for themselves” without explanation by the customers.\(^\text{258}\) Second, many courts are used to relying on out-of-court statements to establish actual confusion.\(^\text{259}\) Nevertheless, particularly in light of the relaxed evidentiary requirements at the preliminary injunctive phase, as well as the fact that there are not well established rules delineating such matters as the necessity for identification of an out-of-court declarant to qualify for the then existing state of mind exception, much evidence of actual confusion is admitted despite its ambiguous quality. In such instances, the focus shifts to what weight must be given to such evidence in light of its substantive shortcomings.\(^\text{260}\)

3. Substantive Shortcomings

The mere fact that out-of-court statements indicating actual confusion may be admissible does not mean that such statements will necessarily establish actual confusion. Such statements are often subject to shortcomings that may be used in attacking the weight of such evidence.\(^\text{261}\) The potential shortcomings of out-of-court statements are numerous. Some issues that limit the value of evidence of actual confusion have already been introduced—namely, questions of whether the persons purportedly confused are deemed relevant persons and whether the amount of evidence of actual confusion is of a sufficient quantity. This Subsection reviews several additional factors that may diminish the quality of evidence of actual confusion in nearly all cases. These factors include

\(^{256}\) Compare Model-Etts Corp. v. Merck & Co., 118 F. Supp. 259, 263 (S.D.N.Y. 1953) (rejecting as hearsay two letters offered as evidence of actual confusion: “I do not regard the opinions of two of plaintiff’s distributors as sufficient evidence that actual confusion has occurred. . . .”), with Int’l Kennel Club, Inc., 846 F.2d at 1090-91 (“Because the unsolicited letters received by the plaintiff merely requested information about purchasing the defendants’ stuffed toy dogs, the letters are competent factual evidence of confusion on the part of the authors, and were properly considered by the trial court as evidence of a likelihood of confusion.”).

\(^{257}\) See, e.g., Puget Sound Rendering, Inc., 615 P.2d at 506-07 (misdirected calls and mail).

\(^{258}\) See Air Reduction Co. v. Airco Supply Co., 258 A.2d 302, 306 (Del. Ch. Ct. 1969) (“[T]he fact that the customers did not testify is not significant. The documents involved speak for themselves.”).

\(^{259}\) See, e.g., Puget Sound Rendering, 615 P.2d at 506-07 (citation omitted).

\(^{260}\) See Robins, supra note 249, at 294.

interpetive problems presented by the evidence, the intelligence of the persons purportedly confused, the level of care or attentiveness exercised by such persons, the potential biases of such persons, and the credibility of actual confusion witnesses.

i) Interpretive Problems

a) Vague or Ambiguous Evidence

Evidence of actual confusion is often vague, ambiguous, or both. This problem is particularly pronounced where the persons who were purportedly confused are not available to testify, as there may be insufficient evidence to determine what induced their purportedly confused state of mind. As one court observed, where such persons do not

262 See, e.g., Toro Co. v. R & R Prods. Co., 787 F.2d 1208, 1214 (8th Cir. 1986) (characterizing actual confusion evidence as “equivocal at best”); Cohn v. Petsmart, Inc., 281 F.3d 837, 842 n.7 (9th Cir. 2002) (“Without some other evidence of actual confusion, . . . these inquiries are too ambiguous to demonstrate actual confusion.”) (citations omitted); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 352 (9th Cir. 1979) (“courts have often discounted such evidence because it was unclear”) (citations omitted); Bandag, Inc. v. Al Bolster’s Tire Stores, Inc., 750 F.2d 903, 914 (Fed. Cir. 1984) (“evidence of actual confusion is . . . frequently discounted as unclear”) (citation omitted); Bear U.S.A., Inc. v. A.J. Sheepskin & Leather Outerwear, Inc., 909 F. Supp. 896, 906 (S.D.N.Y. 1995) (characterizing evidence of actual confusion as “ambiguous”). One fertile source of vague and ambiguous evidence is electronic mail, which is susceptible both to mistakenly typed addresses and messages that are sent too hastily with too little thought. See, e.g., Self-Insurance Inst. of Am., Inc. v. Software and Info. Indus. Ass’n, 208 F. Supp. 2d 1058, 1075 (C.D. Cal. 2000) (holding that e-mail message sent to mistaken address did not prove actual confusion); Microware Sys. Corp. v. Apple Computer, Inc., 126 F. Supp. 2d 1207, 1215-16 (S.D. Iowa 2000) (holding e-mail messages and Internet postings contained irrelevant matter and, at best, demonstrated de minimis confusion due to inattentiveness); Shade’s Landing, Inc. v. Williams, 76 F. Supp. 2d 983, 991 (D. Minn. 1999) (“The isolated misdirected email to which plaintiff refers is insufficient to establish that actual confusion between the parties’ services has occurred.”); Yankee Publ’g Inc. v. News Am. Publ’g Inc., 809 F. Supp. 267, 275 (S.D.N.Y. 1992) (“The evidence offered is vague, and does not clearly show whether these inquiries were prompted by such persons having actually seen the New York cover, as opposed to having heard about it. If their inquiries resulted only from their having heard about the cover, they shed little light on the cover’s capacity to cause confusion.”); Centaur Communications, Ltd., 652 F. Supp. 1105, 1113 (S.D.N.Y. 1987) (“Upon reading the articles, there is no way to know whose publication each article refers to.”); Nina Ricci, S.A.R.L. v. Gemcraft Ltd., 612 F. Supp. 1520, 1528 (S.D.N.Y. 1985) (noting “the extreme sketchiness of the testimony”); see generally Robins, supra note 249, at 295-96.

263 See Ultrapure Sys., Inc. v. Ham-Let Group, 921 F. Supp. 659, 663-64 (N.D. Cal. 1995) (“[T]he statements at the trade show must be viewed in context. The circumstances surrounding the statements and motivations of the speakers are unclear.”); Black Dog Tavern Co. v. Hall, 823 F. Supp. 48, 56 (D. Mass. 1993) (“Ms. Alarie’s affidavit says little about the context of the conversation, other than that it took place
testify, there is no way of “know[ing] why they asked what they asked or said what they said.”\textsuperscript{264} Even if the purportedly confused statement is admissible, essential context may be missing to the extent that additional out-of-court statements by the declarant indicating why that person formed the purportedly mistaken belief may not be admissible, inasmuch as such statements are offered for the truth of the matter asserted and go beyond the scope of a statement of contemporaneously existing state of mind.\textsuperscript{265} Thus, without subjecting the declarant to cross examination, it may be unfair to lend much weight to out-of-court statements.\textsuperscript{266} Indeed, at least one court has held that such out-of-court statements should be given less weight where the plaintiff had the opportunity but failed to present some of

\textsuperscript{264} Inc. Publ’g Corp., 616 F. Supp. at 388 (“[T]he probative value of such [out-of-court] declarations is reduced by uncertainty as to what induced them.”); Holiday Inns, Inc. v. Holiday Out in Am., 351 F. Supp. 537, 542 (S.D. Fla. 1972) (“The brevity of the letters, the fact that the writers were not called to testify and thus were unavailable for cross-examination, the unsubstantiated legitimacy of the letters, and the absence of evidence which corroborates the actual confusion they purport to show, all militate against such an interpretation of these letters. Without more, it is rank speculation to assume that defendants’ advertising or defendants’ use of the mark caused the letter writers or unnamed third parties to believe there to be a business association between plaintiff and defendants.”); Flinkote Co. v. Tizer, 158 F. Supp. 699, 702 (E.D. Pa. 1957) (characterizing actions of sales clerks who did not testify as “one of the most unsatisfactory kinds [of evidence] because it is susceptible of varying inferences”); see also KIRKPATRICK, supra note 53, § 7:9.3, 7-32 (arguing that vague evidence of actual confusion should be afforded less weight where witnesses are unidentified and cannot be cross examined).

\textsuperscript{265} See Executive Employment Serv., Inc. v. Executives Unltd., Inc., 180 F. Supp. 258, 262 (E.D. Pa. 1960) (“Any statements of the caller as to what induced his belief would be objectionable as violative of the hearsay rule and should not be admitted without the respondent having an opportunity to cross-examine him on this point.”).

\textsuperscript{266} See Reed-Union Corp. v. Turtle Wax, Inc., 869 F. Supp. 1304, 1310-11 (N.D. Ill. 1994) (noting out-of-court statements were “inherently unbelievable”); Windsor, Inc. v. Intravco Travel Ctrs., Inc., 799 F. Supp. 1513, 1525 (S.D.N.Y. 1992) (discounting single incident in which supplier of services to one party sent bill to other party where “no testimony was elicited from any witness with personal knowledge of the incident as to the reason the bill was sent to the wrong company”); A & H Sportswear Co., 57 F. Supp. 2d at 174-75 (“Plaintiffs’ second hand accounting is particularly unreliable given the lack of opportunity for cross-examination of the caller or sender regarding the reason for the confusions.”) (citations and internal quotation marks omitted); Executive Employment Serv., Inc., 180 F. Supp. at 262 (“Under these circumstances, the court does not think it is fair or proper for it to make the inferences the plaintiff desires from the facts of this call when the caller could be produced and explain, subject to cross-examination, what induced his belief that he was calling the respondent.”).
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this evidence through in-court testimony. Where the individuals in question are not even identified, then the defendant cannot verify the instances or issue subpoenas for such persons to appear as witnesses for the defendant.

Evidence of actual confusion that is vague or ambiguous is generally entitled to little or no weight. For example, in Mushroom Makers, Inc. v. R.G. Barry Corp., where the parties were using identical “mushroom” marks on different apparel products, and both parties had extensive sales, the court discounted instances of “clerical errors and joint advertising involving the two companies’ products” as there was no “testimony to

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268 See Stolte, supra note 1, at 248 (noting that courts give little weight to evidence of confusion in the form of out-of-court statements by persons who are not identified).

269 See, e.g., Co-Rect Prods., Inc. v. Marvy! Adv. Photography, Inc., 780 F.2d 1324, 1333 (8th Cir. 1985) (“We have reviewed Mr. Pierce’s testimony and have found no reference to confusion by his customers. More is needed to establish the necessary consumer association than merely the self-serving testimony of the plaintiff that some of his customers were confused.”); Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1487 (10th Cir. 1987) (“Although Ornstein’s testimony [as to inquiries about affiliation] was admissible, the district court correctly gave it little weight.”); Fisher Stoves, Inc. v. All Nighter Stove Works, Inc., 626 F.2d 193, 195 (1st Cir. 1980) (“While plaintiff claimed incidents of actual confusion, the court found this evidence ambiguous.”); Wynn Oil Co. v. Thomas, 839 F.2d 1183, 1188 (6th Cir. 1988) (noting that “evidence of actual confusion is . . . frequently discounted as unclear or insubstantial”); Charles Schwab & Co. v. Hibernia Bank, 665 F. Supp. 800, 809 (N.D. Cal. 1987) (“[T]he courts have often discounted such evidence . . . because it was unclear or insubstantial.”) (citation omitted); Ocean Bio-Chem, Inc. v. Turner Network Television, Inc., 741 F. Supp. 1546, 1560-61 (S.D. Fla. 1990) (holding that plaintiff failed to show actual confusion through letter from one of its distributors expressing concern that plaintiff’s products be environmentally sound but not linking that concern to defendant’s activities); Western Chem. Pumps, Inc. v. Superior Mfg., Inc., 989 F. Supp. 1112, 1126 (D. Kan. 1997) (“In light of the vague testimony regarding customer confusion and the clear labels on Superior’s pumps and packaging, we cannot conclude that there is a likelihood that ordinary prudent consumers would be confused.”) (citation omitted); HQ Network Sys. v. Executive Headquarters, 755 F. Supp. 1110, 1119 (D. Mass. 1991) (“Here the so-called evidence of actual confusion is too vague and evanescent to form a credible basis for the conclusion that when this rude man spoke to Ms. Whelchel there was actual confusion between Executive’s services and that of Network’s.”); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 352 (9th Cir. 1979) (“[T]he courts have often discounted such evidence [of actual confusion] because it was unclear. . . .” (citations omitted); KIRKPATRICK, supra note 53, § 7:9.3 (arguing that vague evidence is entitled to less weight than evidence that is well documented with names, dates, and details).

explain these events. . . .” In *Armstrong Cork Co. v. World Carpets, Inc.*, where the parties each used the term “world” in connection with their carpet businesses, the court found an article in a trade magazine referring to an affiliation between the parties to be insufficient to demonstrate actual confusion, where it was undetermined whether the author of the article was confused, merely speculating, or being facetious. In *Black Dog Tavern Co. v. Hall*, where both parties sold T-shirts featuring dogs in the same geographic area, requests made of the plaintiff’s screen printer for the defendant’s T-shirts were held not to be evidence of actual confusion since the screen printer was not exclusively working for the plaintiff and it would be reasonable to infer that the defendant’s designs may have been in her product line.

b) Evidence of Matters Other than Confusion

¶103 In some instances, purported evidence of actual confusion may really be evidence of something entirely different. For example, mere observations by witnesses as to the similarities between the respective parties’ marks do not show that such witnesses were

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271 Id. at 48.
272 *Armstrong Cork Co.*, 597 F.2d 496, 496 (5th Cir. 1979).
273 Id. at 505-06.
275 Id. at 56.
276 See Sykes Lab., Inc. v. Kalvin, 610 F. Supp. 849, 861 n.9 (C.D. Cal. 1985) (holding actual confusion not established by statement in which customer said that another company was selling generic version of plaintiff’s brand but that customer would not buy it out of loyalty to plaintiff’s brand); Flotec, Inc. v. Southern Res., Inc., 16 F. Supp. 2d 992, 1011 (S.D. Ind. 1998) (“Flotec has offered evidence of a handful of incidents in which its distributors thought that Flotec was manufacturing defendants’ product and allowing defendants to put their own labels on it. . . . [T]hat evidence is minimal and tends to show that the distributors recognized the brand names and just wanted to make sure that the regulators with defendants’ brand names in fact came from a source other than Flotec.”); Citrus Group, Inc. v. Cadbury Beverages, Inc., 781 F. Supp. 386, 392 (D. Md. 1991) (“Although Citrus’ supplier and bottler and a local radio station sales manager allegedly inquired about a ‘tie-in’ with the Defendants, those inquiries do not reflect a confusion about the source of the lemon ginger ale.”); Laurel Capital Group, Inc. v. BT Fin. Corp., 45 F. Supp. 2d 469, 494 (W.D. Pa. 1999) (noting actual confusion to be highly probative “so long as the confusion is causally related to the use of similar marks”) (citations omitted); WHS Entmt. Ventures v. United Paperworkers Int’l Union, 997 F. Supp. 946, 952 (M.D. Tenn. 1998) (holding that confusion generated by parody was not actionable trademark confusion where such confusion merely concerned whether plaintiff was involved in labor dispute); King-Size, Inc. v. Frank’s King Size Clothes, Inc., 547 F. Supp. 1138, 1162 (S.D. Tex. 1982) (“Another one of plaintiffs’ witnesses testified, however, that he had never associated plaintiffs with defendants’ Houston store, . . . while yet another one of plaintiffs’ customers stated that she was not sure if she ever confused defendants’ Houston store with plaintiffs.”); see also Allen, *supra* note 4, at 28 (asserting that, for confusion to be relevant, it must relate to similarities between parties’ marks).
confused.\textsuperscript{277} Similarly, an assumption that one of the parties appropriated its name from the other is not evidence of actual confusion, absent some other indication that the person was confused with respect to source, sponsorship, affiliation, or connection.\textsuperscript{278} Actual confusion that is attributable to features not subject to trademark protection has been held irrelevant.\textsuperscript{279}

\textsuperscript{277} See, e.g., DeCosta v. Columbia Broadcasting Sys., Inc., 520 F.2d 499, 514 n. 28 (1st Cir. 1975) (holding that testimony of twenty-one witnesses regarding physical similarities between marks “falls short of proof that they were ‘actually deceived’”); see also Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 212 (3d Cir. 1995) (“Vetter’s response only proves that people thought the valves’ appearances were similar, not that they were actually confused by the similar appearances.”); Carter-Wallace, Inc. v. Procter & Gamble Co., 434 F.2d 794, 800 (9th Cir. 1970) (“The consumer correspondence introduced by plaintiff consists largely of complaint letters and does not show trademark association of any slogans with plaintiff or ARRID.”); Malibu, Inc. v. Reasonover, 246 F. Supp. 2d 1008, 1016 (N.D. Ind. 2003) (“Mr. Reasonover has shown that some people associate ‘Malibu Tanning’ with him, but he hasn’t come forth with any evidence of the likelihood of confusion among the relevant class of customers and potential customers.”); Scholastic Inc. v. Speirs, 28 F. Supp. 2d 862, 872 (S.D.N.Y. 1998) (“assertions of similarity . . . do nothing to establish consumer confusion”) (citation and internal quotation marks omitted), aff’d, 199 F.3d 1323 (2d Cir. 1999) (table); see also Scholastic, Inc. v. Stouffer, 221 F. Supp. 2d 425, 434-35 n.5 (S.D.N.Y. 2002) (holding actual confusion not established by e-mails whose contents demonstrated authors recognized products as coming from separate sources).

\textsuperscript{278} See Newton v. Thomason, 22 F.3d 1455, 1462 (9th Cir. 1994) (“Even if we assume that viewers erroneously believe that [the plaintiff] appropriated his name from the [defendant’s] TV Series, their confusion is irrelevant to his unfair competition claim. . . . [S]uch proof does not show that any of [the plaintiff’s] fans has actually been confused about whether he is affiliated with the TV Series or whether the TV Series is based on his name or life.”); see also Smith v. Ames Dep’t Stores, Inc., 988 F. Supp. 827, 841 (D.N.J. 1997) (holding statement that person thought someone else owned mark did not constitute actual confusion).

\textsuperscript{279} See Scott Paper Co. v. Scott’s Liquid Gold, Inc., 589 F.2d 1225, 1231 (3d Cir. 1978) (“Selection of a mark with a common surname naturally entails a risk of some uncertainty and the law will not assure absolute protection.”); FS Servs., Inc. v. Custom Farm Servs., Inc., 471 F.2d 671, 675 (7th Cir. 1972) (“[P]laintiff’s products were sold through its members who in their business names had some variant of the generic terms represented by the abbreviation FS. A substantial majority of these local businesses known to be supplying the farmer market contained the word ‘service,’ the same word which appears in defendant’s corporate name. If there had been no marks here, confusion such as incorrect deliveries or telephone calls which did occur, would have been inevitable.”); Cleo Syrup Corp. v. Coca-Cola Co., 139 F.2d 416, 418-19 (8th Cir. 1943) (many purportedly confused witnesses admitted under cross-examination that confusion resulted from common use of word “Cola” in parties’ names); Alpha Indus., Inc. v. Alpha Steel Tube & Shapes, Inc., 616 F.2d 440, 445 (9th Cir. 1980) (“[S]election of a mark with a common word, just as one with a common surname, naturally entails a risk of some
Linguistic or spelling errors may not indicate confusion between the marks, particularly where there are other circumstances showing that the person in question understood the distinction between the two businesses.\textsuperscript{280} For example, because the mark uncertainty and the law will not assure absolute protection.”) (citation and internal quotation marks omitted); Gold Seal, Inc. v. The Scent Shop, Inc., 851 F. Supp. 1283, 1286 (E.D. Ark. 1994) (“The more likely explanation for the mishap is the similarity of the products themselves rather than any similarity in the trademarks.”); Metro Pub’g, Ltd. v. San Jose Mercury News, Inc., 861 F. Supp. 870, 878 (N.D. Cal. 1994) (“[M]any of the witnesses do not state whether they were confused due to the Mercury News’ use of the word ‘eye,’ or merely by the similar visual, editorial and marketing traits which Metro and eye share as members of the same genre.”); Best Cellars Inc. v. Grape Finds at DuPont, Inc., 90 F. Supp. 2d 431, 457 (S.D.N.Y. 2000) (“The comments are anecdotal, and it is possible that confusion arose because the concepts – selling wine by taste – are similar.”); John Wright, Inc. v. Casper Corp., 419 F. Supp. 292, 322 n.14 (E.D. Pa. 1976) (discounting letters offered as instances of actual confusion where such letters were spurred by ads for defendant’s product but without mention of designation at issue “and are therefore indicative of the general confusion to be anticipated whenever identical items are sold by different companies, rather than referable to confusion caused by [defendant’s designation]”); Don Alvarado Co. v. Porganan, 21 Cal. Rptr. 495, 500 (Dist. Ct. App. 1962) (“[T]he rule is settled that confusion resulting only from the addition of a feature or features not originated by the claimant but in common use cannot be the basis of a suit for trademark infringement.”); see also Fisher Stoves, Inc. v. All Nighter Stove Works, Inc., 626 F.2d 193, 195 (1st Cir. 1980) (“Much of [the evidence of actual confusion] was to the effect that consumers accused one manufacturer of copying the other and wanted to know which stove was made first, or inquired as to the differences between the two stoves. . . . Confusion in the legal sense means confusion of source. . . . Far from revealing such confusion, the above statements indicate that these customers, at least, had the difference in source clearly in mind.”) (citations omitted); Friesland Brands, B.V. v. Vietnam Nat’l Milk Co., 228 F. Supp. 2d 399, 408-09 (S.D.N.Y. 2002) (holding confusion generated by trade dress to be irrelevant to claim for infringement of trademark); Allen, supra note 4, at 28 (arguing that confusion must be attributable to similarity in marks to be actionable). But see Clicks Billiards, Inc. v. Sixshooters, Inc., 251 F.3d 1252, 1265 & n.7 (9th Cir. 2001) (characterizing as “deliver[ing] much less than promised” testimony in which witnesses merely indicated belief that parties’ trade dresses looked similar but, nonetheless, holding such testimony to be “probative of likelihood of confusion” but not actual confusion) (emphasis in original).

\textsuperscript{280} See Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482, 489 (1st Cir. 1981) (discounting evidence that consumers used defendant’s mark when referring to plaintiff’s product where defendant’s mark was equivalent to common misspelling of plaintiff’s mark and such misspelling by consumers preexisted defendant’s use); Ford Motor Co. v. Lloyd Design Corp., 184 F. Supp. 2d 665, 671 (E.D. Mich. 2002) (discounting incident deemed to be “proofreading error” rather than actual confusion); Madison Reprographics, Inc. v. Cook’s Reprographics, Inc., 552 N.W.2d 440, 449 (Wis. Ct. App. 1996) (discounting testimony of customer who confused parties’ names when speaking to employee of plaintiff).
“Alpa” is susceptible to the common misspelling “Alpha,” and because there was
evidence that consumers used that misspelling before the defendant began using the mark
“Alpha,” a misspelling that followed the defendant’s adoption of that mark was held not
to be evidence of actual confusion.281  Mistakes between companies may also result from
misdirection or miscommunication rather than similarities between the parties’ marks.282

Other types of non-actionable errors may arise from mistaken assumptions or
general curiosity resulting from a new entrant in the market.  For example, where two
parties use identical or nearly identical marks and the second comer has not yet obtained
a telephone listing, telephone calls may be misdirected solely because of the single
listing.283  Moreover, where only one business in an industry has existed within a
geographic region, consumers may assume that representatives of a newcomer are
working for the first business simply because the first business is the only one they are
aware of within the industry.284  Furthermore, where a sales clerk offers one product
instead of another and is not available to testify as to the context of the transaction, it is
possible that the sales clerk was merely attempting to offer a functionally equivalent
product without being confused as to source.285  In addition, confusion will not be
established by a generalized inquiry about what products or services the plaintiff
produces or by questions or erroneous assumptions about whether the plaintiff produces

281  See Pignons S.A. de Mecanique, 657 F.2d at 489.
282  See Nassau v. Unimotorcyclists Soc’y of Am., Inc., 59 F. Supp. 2d 1233, 1241
(M.D. Fla. 1999) (“Rowley’s testimony indicates that the confusion stemmed from a
miscommunication between himself and Regor, rather than actual confusion between the
different groups’ names.”); Capital Bonding Corp. v. ABC Bail Bonds, Inc., 69 F. Supp.
2d 691, 698 (E.D. Pa. 1999) (“[I]f Landron’s friend was confused, it was because of
Landron’s confusing directions, not because of ABC’s allegedly confusing image.”).
283  See Lang v. Ret. Living Publ’g Co., 949 F.2d 576, 583 (2d Cir. 1991) (“The
evidence shows that the [misdirected] calls ceased following the listing of [the second
comer’s mark] in local phone books, likely indicating that the confusion resulted from the
absence of any [such] listing. . . .”); Executive Employment Serv., Inc. v. Executives
called plaintiff in response to defendant’s advertising when advertising listed defendant
as located in city where defendant had not yet obtained telephone listing).
284  See Belleville News-Democrat, Inc. v. St. Clair Cty. Pub’rs, Inc., 167 N.E.2d 573,
576 (Ill. Ct. App. 1960) (“Both of the other incidents occurred very shortly after the
News Advertiser was first organized, and both involved telephone conversations with
individuals who had not yet heard of the News Advertiser.  Under those conditions, slight
inattention on the part of the person called could lead him to assume that he was talking
to a representative of the only newspaper he was thinking of at the time.”); see also
Schwartz v. Slenderella Sys. of Cal., 271 P.2d 857, 861 (Cal. 1954)
(“much of the difficulty may be attributed to the newness of the defendant’s
business”).
particular products or services. These issues help to explain why confusion that is fleeting or temporary may not be credited.

¶106 In other instances, circumstances that would make confusion unlikely may indicate that purported incidents of actual confusion are caused by something other than the use of the marks at issue. For example, where the two parties did not have a coexisting presence in the same consumer audience during the time period in which purported incidents of confusion occurred, it is unlikely that those incidents are evidence of confusion as to source between the parties.

c) Inquiries

¶107 Inquiries regarding affiliation are particularly prone to differing interpretations and involve inconsistent treatment by courts. Some courts disfavor evidence of inquiries on the grounds that the person making the inquiry is aware of the distinction.

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287 See Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 211 (3d Cir. 1995) (finding that testimony shows “only fleeting uncertainty as to the relationship” between parties and does not show confusion); Children’s Factory, Inc. v. Benee’s Toys, Inc., 160 F.3d 489, 496 (8th Cir. 1998) (“The district court properly concluded that these incidents of actual confusion were insufficient because the incidents only occurred during Benee’s inaugural year.”); First Nat’l Bank v. First Nat’l Bank, 153 F.3d 885, 890 (8th Cir. 1998) (“Isolated evidence of some actual confusion occurring initially upon the creation of a potentially confusing mark is not itself sufficient to establish a likelihood of confusion.”); Commercial Sav. Bank v. Hawkeye Fed. Sav. Bank, 592 N.W.2d 321, 331 (Iowa 1999) (“[T]he incidents of confusion occurred during, or soon after, the time Commercial Federal assumed operation of Hawkeye Federal which diminishes the significance of the incidents.”) (citation omitted).


289 See Fisher Stoves, Inc. v. All Nighter Stove Works, Inc., 626 F.2d 193, 195 (1st Cir. 1980) (discounting inquiries about affiliation: “Far from revealing confusion, the above statements indicate that these customers, at least, had the difference in source clearly in mind.”); Nora Beverages, Inc. v. Perrier Group of Am., Inc., 269 F.3d 114, 124 (2d Cir. 2001) (“Inquiries about the relationship between an owner of a mark and an alleged infringer do not amount to actual confusion. Indeed, such inquiries are arguably premised upon a lack of confusion between the products such as to inspire the inquiry itself.”) (citations omitted); Duluth News-Tribune, Div. of Northwest Publ’ns, Inc. v. Mesabi Publ’g Co., 84 F.3d 1093, 1098 (8th Cir. 1996) (“The question to the reporter who was asked to specify which News-Tribune he worked for indicates a distinction in the mind of the questioner, rather than confusion.”) (citation omitted); Cohn, 281 F.3d at 842 n.7 (“Without some other evidence of actual confusion, . . . these inquiries are too ambiguous to demonstrate actual confusion.”); Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1487 (10th Cir. 1987) (“We hold that even when combined with other
Nevertheless, a number of courts accept inquiries about relationship as evidence of actual confusion, albeit with limited weight. At least one court has held that inquiries should be accepted as evidence of actual confusion but should be given limited weight.

Evidence inquiries to the plaintiff about the source of a product are of comparatively little value.”); Medic Alert Found. U.S., Inc. v. Corel Corp., 43 F. Supp. 2d 933, 939 (N.D. Ill. 1999) (holding actual confusion not established by persons who expressed confusion as to whether plaintiff authorized defendant to use plaintiff’s marks: “What would be relevant is evidence of customers contacting [plaintiff’s] representatives—having seen [defendant’s] graphic—regarding [plaintiff’s] endorsement or support of [defendant’s] software.”); Safeway Stores, Inc. v. Safeway Ins. Co., 657 F. Supp. 1307, 1317 (M.D. La. 1985) (“The evidence of actual incidents of confusion demonstrate isolated incidents of uncertainty as to whether there was a relationship between the plaintiff’s and defendant’s businesses.”); Pump, Inc. v. Collins Mgmt., Inc., 746 F. Supp. 1159, 1169 (D. Mass. 1990) (“[T]he mere enquiries of [plaintiff’s representative] as to any affiliation between [the parties], while relevant, is insufficient evidence of actual confusion.”); Taj Mahal Enters., Ltd. v. Trump, 745 F. Supp. 240, 249-50 (D.N.J. 1990) (“Some courts have found that mere inquiries into whether a connection exists between the parties are entitled to little weight.”) (citations omitted); Aztar Corp., 15 F. Supp. 2d at 259 (holding that inquiry by vendor showed that “vendor was not confused”); Transamerica Corp. v. Trans Am. Abstract Serv., Inc., 698 F. Supp. 1067, 1075 (E.D.N.Y. 1988) (holding inquiry was not evidence of actual confusion) (citation omitted); Wonder Labs, Inc. v. Procter & Gamble Co., 728 F. Supp. 1058, 1066 (S.D.N.Y. 1990) (“this inquiry evidences interest in the relationship between the two companies, not confusion between the two products.”) (citation omitted); Programmed Tax Sys., Inc. v. Raytheon Co., 439 F. Supp. 1128, 1131 (S.D.N.Y. 1977) (“It is clear from the statements as they are described . . . that the persons . . . were not so much confused or misled about the origin of the various goods and services in question as they were curious as to a possible relationship between [the parties]. . . . Moreover, the fact that the declarants appear . . . to have identified the source of the computers in the [defendant’s] ad as [the defendant], as indeed they could not reasonably have failed to do, indicates that they were not actually confused or misled about that source.”); 3 MCCARTHY, supra note 7, § 23:16, at 23-64 (asserting that persons making inquiries have less than completely confused state of mind); cf. Quality Weaving Co. v. Regan, 369 A.2d 296, 299-300 (Pa. Super. Ct. 1976) (holding that “incidental customer confusion” including inquiries about connection did not establish secondary meaning).


Although it is not always clear what leads courts to give credence to such evidence, courts may be inclined to accept it more readily where the other factors point strongly toward a likelihood of confusion, which may lead courts to interpret an inquiry as showing a confused state of mind. In addition, courts may be more likely to credit such evidence where it is accompanied by other types of evidence of actual confusion. Indeed, according to one leading commentator, such inquiries may be relevant to the existence of confusion but are insufficient without other evidence to establish actual confusion.

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292 See Coach House Restaurant, Inc. v. Coach & Six Restaurants, Inc., 934 F.2d 1551, 1562 (11th Cir. 1991) (crediting inquiries about affiliation as evidence of actual confusion where strong similarities between parties’ logos made it likely that inquiries reflected actual confusion regarding affiliation); Polo Fashions, Inc., 451 F. Supp. at 561-62 (crediting evidence of inquiries about connection when coupled with evidence of palming off); Scholfield Auto Plaza, L.L.C., 979 P.2d at 150 (crediting evidence of inquiries about affiliation where marks were identical, services were identical, and defendant adopted mark with intent to benefit from plaintiff’s advertising); First Wis. Nat’l Bank, 270 N.W.2d at 175 (crediting evidence of inquiries about relationship and association where marks were identical, services overlapped to some degree, plaintiff’s mark was strong, and defendant adopted mark despite warning about likelihood of confusion).

293 See Coherent, Inc. v. Coherent Technologies, Inc., 736 F. Supp. 1055, 1066 (D. Colo. 1990) (“The better view would seem to be that while enquiry evidence is admissible and relevant, standing alone with no other evidence it is insufficient proof of actual confusion. Such enquiries alone reveal a less than totally ‘confused’ state of mind of the enquiring persons.”) (quoting 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 23:2 at 54 (2d ed. 1984)); Warner-Lambert Co. v. Schick U.S.A. Inc., 935 F. Supp. 130, 140 (D. Conn. 1996) (finding actual confusion to be established by inquiries coupled with misdirected complaints, mistake by advertising agency, and misidentification of products in trade journal); Transfer Print Foils, Inc. v. Transfer Print Am., Inc., 720 F. Supp. 425, 439 (D.N.J. 1989) (holding actual confusion established by inquiries about affiliation followed by purchase orders sent to wrong company, inquiries about products provided by other company, and misdirected payments); KAT Video Prods., Inc., 560 N.W.2d at 211-12 (holding eight inquiries regarding affiliation combined with four other specific instances of actual confusion were sufficient to create fact issue on actual confusion); Phipps Bros., Inc. v. Nelson’s Oil & Gas, Inc., 508 N.W.2d 885, 889 (S.D. 1993) (finding “strong evidence of actual confusion” based upon inquiries about ownership, misdirected deliveries, confusion by customers in making payment, and customer who ceased patronizing plaintiff’s establishment because of mistaken impression about ownership by defendant’s owner); Bingham v. Inter-Track Partners, 600 N.E.2d 70, 74 (Ill. Ct. App. 1992) (holding actual confusion established by customer inquiries about relocation, expansion, and sponsorship plus misdirected communications and deliveries, claim filed against wrong party, and customers arriving at wrong location); First Wis. Nat’l Bank, 270 N.W.2d at 175 (crediting evidence of inquiries about relationship and association where defendant had found it necessary to disclaim relationship of affiliation as precaution against confusion).
confusion. However, the value of inquiries can vary depending upon the context of the particular inquiry, and some such incidents may be sufficiently strong evidence of actual confusion as not to require other types of evidence to establish actual confusion. The key is whether sufficient context is available to determine the strength of the evidence.

Courts may be less inclined to credit inquiries revealing a state of mind that appears uncertain rather than confused. By contrast, where the communication does not inquire about source, affiliation, sponsorship, or connection, but reflects a mistaken assumption about such a link, then the relevant part of the communication is not an inquiry at all and is more likely to be credited as actual confusion.

One troubling aspect of inquiries is that any uncertainty in the mind of the person making the inquiry is likely to be dispelled with an honest answer. Thus, a number of

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294 See 3 McCARTHY, supra note 7, § 23:16, at 23-63 to 23-64.
295 See Allen, supra note 4, at 40-44.
296 See id.
297 See, e.g., Pump, Inc. v. Collins Mgmt., Inc., 746 F. Supp. 1159, 1169 (D. Mass. 1990) (holding actual confusion not established by inquiries of individuals who stated that they were aware of who produced product at issue); Aztar Corp. v. NY Enter., LLC, 15 F. Supp. 2d 252, 259 (E.D.N.Y. 1998) (holding actual confusion not established where vendor instructed his wife to call plaintiff and find out if defendant’s product was associated with plaintiff or not); see also Quality Inns Int’l, Inc. v. McDonald’s Corp., 695 F. Supp. 198, 217-18 (D. Md. 1988) (holding that inquiries expressing concern about potential associations that public might draw between parties was not actual confusion but that volume of such concern was sufficiently great as to indicate likely confusion); Rosenthal A.G. v. Ritelite, Ltd., 986 F. Supp. 133, 143 (E.D.N.Y. 1997) (discounting but giving some weight to inquiries about affiliation where inquiries were driven by curiosity). But see Grey v. Campbell Soup Co., 650 F. Supp. 1166, 1174 (C.D. Cal. 1986) (holding inquiries from professional purchasers as to whether alleged infringer had obtained permission from trademark owner to use similar mark).
298 See M. Fabrikant & Sons, Ltd. v. Fabrikant Fine Diamonds, Inc., 17 F. Supp. 2d 249, 253-54 (S.D.N.Y. 1998) (distinguishing instances where inquiries have been discounted from instant case where callers made incorrect assumptions as to source); see also Allen, supra note 4, at 39 (arguing that inquiries about affiliation are less probative than inquiries where consumers ask about one of the parties’ goods or services but direct such communication to wrong party).
299 See Pump, Inc., 746 F. Supp. at 1169 (“Crucially, [plaintiff’s representative] himself alleviated any confusion by informing [the purportedly confused persons] that there was no connection between the two bands.”); McDonald’s Corp. v. McBagel’s, Inc., 649 F. Supp. 1268, 1277 (S.D.N.Y. 1986) (“While defendants argue that these inquiries may have been in jest, the fact that they occurred at all strongly suggests that a common association between plaintiff’s and defendant’s marks was established in the minds of the persons making inquiries.”); Programmed Tax Sys., Inc. v. Raytheon Co., 439 F. Supp. 1128, 1132 (S.D.N.Y. 1977) (“Mr. Cohen, having failed to see the clear . . . identification [of the defendants] in the [defendants’] ad, was not misled into contacting the defendants to discuss the purchase of one of their computers but actually called . . . an

301 See, e.g., Communications Satellite Corp. v. Comcet, Inc., 429 F.2d 1245, 1251 (4th Cir. 1970) (“‘One witness . . . testified he was initially confused when his broker advised him of the purchase of Comcet’s stock. The fact that the true identity of Comcet was quickly recognized is of little moment. The significance of this incident is its role as a harbinger of confusion’”); Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526, 544-45 (5th Cir. 1998) (holding that actual confusion was relevant even when dispelled later by disclaimers); Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 204 (5th Cir. 1998) (“Actual confusion that is later dissipated by further inspection of the goods, services or premises . . . is relevant to a determination of a likelihood of confusion.”) (citing J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 23:6 to 23:7 (4th ed. 1997)); Grupo Gigante S.A. de C.V. v. Dallo & Co., 119 F. Supp. 2d 1083, 1097 (C.D. Cal. 2000) (crediting inquiries about affiliation as evidence of actual confusion); CSC Brands LP v. Herdez Corp., 191 F. Supp. 2d 1145, 1152 (E.D. Cal. 2001) (crediting e-mail inquiring about affiliation as “compelling” evidence of actual confusion).

302 See Allen, supra note 4, at 40-42.
its products. Such confusion is actionable because it appropriates the plaintiff’s good will to draw consumer interest in a potential transaction with the defendant.

Nevertheless, the fact that initial interest confusion is actionable does not automatically translate into a finding that inquiries about affiliation constitute initial interest confusion. For there to be initial interest confusion, it must be likely that the defendant’s use of the mark in question would entice consumers into some action indicative of interest in a transaction—for example, by “reaching for the [defendant’s] product on the shelf” or getting off a highway one exit too early because of a confusingly placed billboard. If a consumer is undeterred from seeking out the plaintiff after mistakenly coming across the defendant’s presence or promotional materials, then no real initial interest has been generated. A mere inquiry about affiliation may not be sufficient for a second-comer to get its foot in the door to compete for a purchasing decision or any other meaningful action by the person temporarily confused.

Accordingly, it appears that instances of temporary or fleeting confusion are particularly likely to be discounted where relatively few in light of the opportunity for confusion to surface, where the goods or services at issue are purchased by sophisticated purchasers who are likely to make such purchases only after considering source, or where the persons purportedly confused are not persons who make purchasing decisions.

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303 See, e.g., Elvis Presley Enters., Inc., 141 F.3d at 204 (deeming actual confusion generated by advertising but dissipated by actual encounters with defendant’s establishment to be relevant under doctrine of initial interest confusion).


306 Brookfield Communications, Inc., 174 F.3d at 1064.

307 See Yellowbrix, Inc. v. Yellowbrick Solutions, Inc., 181 F. Supp. 2d 575, 581 n.3 (E.D.N.C. 2001) (holding actual confusion not established by Internet user who mistyped domain name and immediately recognized mistake); Strick Corp. v. Strickland, 162 F. Supp. 2d 372, 377 (E.D. Pa. 2001) (“It is clear that Internet surfers are inured to false starts and excursions awaiting them and are unlikely to be dissuaded, or unnerved when, after taking a stab at what they think is the most likely domain name for a particular web site guess wrong and bring up another’s webpage.”) (citations and internal quotation marks and brackets omitted); Chatham Int’l, Inc. v. Bodum, Inc., 157 F. Supp. 2d 549, 559 (E.D Pa. 2001) (same); Madison Reprographics, Inc. v. Cook’s Reprographics, Inc., 552 N.W.2d 440, 449 (Wis. Ct. App. 1996) (discounting two instances of temporary confusion, one of which was dispelled by second look at material containing mark and other of which was dispelled by inquiry).

308 See Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1207 (1st Cir. 1983) (discounting evidence of temporary confusion where instances were few in number over course of four years, where goods were purchased by sophisticated persons only after considering source, and where persons purportedly confused did not participate in purchasing decisions); Homeowners Group, Inc. v. Home Mktg.
Furthermore, initial interest is unlikely to harm a plaintiff’s good will where the respective parties’ markets are unrelated and unlikely to converge and where there is no evidence of intent to capitalize on any such initial interest confusion. Thus, for example, one court dismissed as de minimis twenty instances of communications by customers inquiring about affiliation and potential purchases where the parties had both coexisted for five years, in light of the fact that the very different nature of the parties’ products and the level of sophistication of the consumers made confusion unlikely. By contrast, a particularly large volume of inquiries may lead a court to conclude that the inquiries are indicative of real mass confusion unlikely to be easily dispelled. Similarly, inquiries may be interpreted as stronger evidence of actual confusion when combined with other items such as survey evidence that point to a likelihood of confusion.

One conceptual difficulty with discounting inquiries about affiliation or relationship is that a likelihood of confusion as to affiliation, sponsorship, or connection is actionable infringement. Yet, an inquiry about affiliation or relationship does not necessarily mean confusion as to these items. For example, the mere fact that one mark causes consumers to be reminded of another mark is not evidence of actual confusion because such mental comparisons may be consistent with distinguishing between, rather

Specialists, Inc., 931 F.2d 1100, 1110 (6th Cir. 1991) (“Short-lived confusion or confusion of individuals casually acquainted with a business is worthy of little weight . . . , while chronic mistakes and serious confusion of actual customers are worthy of greater weight.”) (citation and internal quotation marks omitted); Everest & Jennings, Inc. v. E & J Mfg. Co., 263 F.2d 254, 260 (9th Cir. 1959) (“The likelihood of confusion . . . must be demonstrated by more than merely an occasional mis-directed letter. The showing of a mere trace of confusion is insufficient.”).

See Hasbro, Inc. v. Clue Computing, Inc., 232 F.3d 1, 2 (1st Cir. 2000); Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 297-99 (3d Cir. 2001); Rust Env. & Infrastructure, Inc. v. Teunissen, 131 F.3d 1210, 1217 (7th Cir. 1997); Bigstar Entmt., Inc. v. Next Big Star, Inc., 105 F. Supp. 2d 185, 211 (S.D.N.Y. 2000).

See Checkpoint Sys., Inc., 269 F.3d at 297-99.

See Allen, supra note 4, at 42 (arguing that the number of individuals who make inquiries as to affiliation is important).


See Kirkpatrick, supra note 53, § 7:5, at 7-14; 3 McCarthy, supra note 7, § 23:5; see, e.g., Morningside Group Ltd. v. Morningside Capital Group, L.L.C., 182 F.3d 133, 141 (2d Cir. 1999) (holding district court erred in discounting evidence of phone calls and inquiries that did not rise to level of completed transactions because confusion regarding affiliation or sponsorship is actionable); Sports Auth., Inc. v. Prime Hospitality Corp., 89 F.3d 955, 964 (2d Cir. 1996) (holding district court erred in refusing to find actual confusion based on communications that showed belief in connection between parties’ establishments).
than confusion among sources. As one court observed in the course of its holding that actual confusion was not established by two e-mails inquiring as to whether the plaintiff was associated with the defendant: “I think that anytime a person visits a wrong website, in which information on the site does not correspond to the presentation given, questions are going to be raised. I do not find that the above come close to supporting a finding of a likelihood of confusion.” However, where evidence of confusion as to affiliation or relationship indicates that consumers have altered their behavior based on such confusion, then actual confusion about affiliation or relationship has been deemed to be established. Short of such a dramatic illustration of confusion, the contents of inquiries and the circumstances surrounding them may reveal genuine confusion.

d) Context

Courts must attempt to resolve ambiguities or inconsistencies in evidence of alleged actual confusion by interpreting the entire statement or event in context. For example where a witness addressed a letter regarding the defendant’s product to the correct address indicated on the defendant’s packaging but then mailed the letter to the plaintiff after it was returned for having an insufficient address, the actions of correctly and then incorrectly addressing the letter are inconsistent and possibly ambiguous as to the witness’s confusion. Yet, where the contents of the letter referred to “your fine reputation” and the plaintiff had considerable fame among the consuming public, which the defendant did not, it becomes clear that the witness was mistakenly communicating with the plaintiff regarding the defendant’s product. Another example of how context can resolve ambiguity lies in a case in which employees’ inquiries as to a union’s sponsorship were deemed not to be evidence of actual confusion where the statements were made in the context of an organizing drive during which the employees must have known that the defendant had distributed the literature that prompted the inquiries.

316 See Morningside Group Ltd., 182 F.3d at 141 (holding district court erred in disregarding evidence of phone calls and inquiries: “[I]nvestors might be confused about the affiliation between two similarly named companies and might very well alter their behavior based on that confusion. Here Morningside Group has demonstrated just such confusion by its customers, particularly with regard to Morningside Group’s role in Morningside Capital’s acquisition of Carson Products.”); see also Allen, supra note 4, at 31 (arguing that evidence of actual confusion is more probative where person confused has taken some affirmative action to illustrate confusion).
318 Id. at 384.
319 See Int’l Ass’n of Machinists & Aerospace Workers v. Winship Green Nursing Ctr., 103 F.3d 196, 205 (1st Cir. 1996).
¶115 Another contextual problem arises from the coexistence of protectable and unprotectable features. Although confusion attributable to unprotectable features of the plaintiff’s mark or product is not actionable, to the extent that each party presents its mark in the context of common surrounding features that are not protectable, those surrounding features are relevant to the likelihood of confusion inquiry.\[320\] In such cases, the challenge is to determine whether instances of actual confusion flow from the protectable features in light of the surrounding unprotectable features or whether the confusion flows only from the unprotectable features. Where there is a danger that confusion flows from unprotectable features that the court may discount the episode if the plaintiff does not submit the materials that caused the confusion.\[321\]

¶116 Interpretive problems are particularly likely with respect to out-of-court statements by persons highly knowledgeable about the industry and, therefore, unlikely to be easily confused. An example can be seen in *Fleischmann Distilling Corp. v. Maier Brewing Co.*,\[322\] in which a distributor of whiskey under the mark BLACK & WHITE sued a brewer and grocer for using that mark in connection with the sale of beer. At trial, a regional vice president of the plaintiff was asked whether it was his contention that a customer would be confused in buying a can of beer sold by the defendant under the BLACK & WHITE name and think that the customer was getting a product of the plaintiff’s producer. The witness responded as follows:

No. The only two very isolated instances, I was asked in Southern California by people who were in the business, ‘When did you people start making beer?’ And that is, as I said, only a couple of instances that has happened. No, my answer is no to your question.\[323\]

¶117 In discussing the import of this testimony, the Ninth Circuit noted that it had “some difficulty in interpreting” it.\[324\] The Ninth Circuit observed that, because the inquiries were “made by those who were in the business and hence should know better, the trial judge may have been justified in believing that these inquiries were in the nature of

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320 See *Restatement (Third) of Unfair Competition* § 21 cmt. c at 229 (1995) (arguing that similarity should be determined based on “the conditions under which the designations are encountered by prospective purchasers” as the marks “appear in the marketplace and not as they may appear in the artificial context of a courtroom”).
321 See *Self-Insurance Inst. of Am., Inc. v. Software and Info. Indus. Ass’n*, 208 F. Supp. 2d 1058, 1075 (C.D. Cal. 2000) (“Because neither declaration includes a copy of the brochure that caused the apparent confusion as to the source of the document, it is impossible for the Court to determine if the parties’ confusion was based upon the composite logo or the use of ‘SIIA’ alone.”).
322 *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149, 149 (9th Cir. 1963).
323 *Id.* at 158.
324 *Id.* at 159 n.13.
jocular remarks used by way of banter.”325 Ultimately, the court “attach[ed] little weight to his testimony.”326

¶118 Interpretive problems may also exist with respect to circumstantial evidence. For instance, where a defendant instructs its employees on how to handle inquiries based on confusion,327 that instruction could be motivated by something other than previous instances of confused inquiries. As examples, such instructions could be motivated by intent to capitalize on anticipated confusion or by the recognition that confusion was likely or simply possible.

¶119 One commentator has argued that evidence of actual confusion should be assessed according to whether the proponent has taken all feasible steps to present such evidence in the most complete and documented form possible.328 While this circumstance is relevant, it should not necessarily be controlling in all instances. For example, where the trademark owner is not acting under advice of counsel, many reports of confusion may be accumulated but not in the best form possible. These reports may be more or less reliable in light of the various circumstances affecting the quality of the evidence and in light of the other factors for assessing evidence of actual confusion.

ii) Level of Intelligence

¶120 It has long been held that the law does not protect a trademark owner “from all of the inadequacies of human thought and memory.”329 Courts examine the question of likely confusion from the standpoint of the ordinary consumer of average intelligence.330 In doing so, courts recognize that some people will always be confused and that such confusion is not actionable.331 Such courts discount instances of actual confusion that

325 Id.
326 Id.
328 See Allen, supra note 4, at 58.
329 McGraw-Hill Pub. Co. v. Am. Aviation Assocs., Inc., 117 F.2d 293, 295 (D.C. Cir. 1940); see also Sunbeam Lighting Co. v. Sunbeam Corp., 183 F.2d 969, 974 (9th Cir. 1950) (same; citations omitted).
330 See Ball v. Am. Trial Lawyers Ass’n, 92 Cal. Rptr. 228, 241-42 (Cal. Ct. App. 1971) (“The appropriate individual on the confusion issue is the member of the relevant public who is the average prudent man.”); MacSweeney Enters., Inc. v. Tarantino, 235 P.2d 266, 271 (Cal. Dist. Ct. App. 1951) (“If the facts support the conclusion that a purchaser of ordinary intelligence could reasonably be confused, that is all that is required.”) (citation omitted); Dell Pub’l’g Co. v. Stanley Publ’n’s, Inc., 211 N.Y.S.2d 393, 400 (N.Y. 1961) (“It must be assumed that the public will use reasonable intelligence. . . .”) (citations omitted).
331 See Reed-Union Corp. v. Turtle Wax Inc., 77 F.3d 909, 912 (7th Cir. 1996) (“[B]efuddlement is part of the human condition. No matter how clear the markings, no matter how different the names, no matter how distinctive the bottles, some confusion is inevitable.”); August Storck K.G. v. Nabisco, Inc., 59 F.3d 616, 618 (7th Cir. 1995) (“Many consumers are ignorant or inattentive, so some are bound to misunderstand no matter how careful a producer is.”) (citation omitted); Playboy Enters. Inc. v. Netscape Communications Corp., 55 F. Supp. 2d 1070, 1083 (C.D. Cal. 1999) (“Some people are always confused. Accordingly, to impose liability, the plaintiff must show confusion of a
cannot be attributed to anything other than cognitive failure. 332 Similarly, where wide disparities between the parties’ marks make it highly unlikely that persons of normal intelligence could be confused, courts are likely to interpret inquiries as not indicative of actual confusion. 333

¶121 Other courts have expressed solicitude for consumers who are ignorant, inexperienced, and gullible. 334 However, solicitude for such persons is often expressed as part of the standard for identifying confusion at the level of the “ordinary purchaser”. 335


333 See Int’l Ass’n of Machinists & Aerospace Workers v. Winship Green Nursing Ctr., 103 F.3d 196, 205 (1st Cir. 1996) (“The fundamental problem with the Hartford affidavit is that, even taking its contents as literally true, it does not undermine what is perfectly obvious from a reading of the record: no person of ordinary prudence and normal intelligence, aware of what was happening around her, would have been confused as to the source or sponsorship of the letters.”).

334 See, e.g., Florence Mfg. Co. v. J.C. Dowd & Co., 178 F. 73, 75 (2d Cir. 1910) (“The law is not made for the protection of experts, but for the public—that vast multitude which includes the ignorant, the unthinking and the credulous, who, in making purchases, do not stop to analyze, but are governed by appearance and general impressions.”); Tisch Hotels, Inc. v. Americana Inn, Inc., 350 F.2d 609, 614 (7th Cir. 1965) (“[T]he law protects the ignorant, the inexperienced, and the gullible, as well as the worldly wise, the intelligent and the astute.”) (citations and internal quotation marks omitted); Stork Restaurant, Inc. v. Sahati, 166 F.2d 348, 359 (9th Cir. 1948) (“It may well be true that a prudent and worldly-wise passersby would not be so deceived. The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible.”); Marquis Who’s Who, Inc. v. North Am. Adv. Assoc., Inc., 426 F. Supp. 139, 143 n.5 (D.D.C. 1976) (“The factual test which the Court applies in determining the likelihood of confusion is not that of a careful and discriminating purchaser, but that of an ordinary and casual buyer, or perhaps even an ignorant, inexperienced and gullible purchaser.”) (citations omitted); Family Record Plan, Inc. v. Mitchell, 342 P.2d 10, 16 (Cal. Dist. Ct. App. 1959) (similar; citations omitted).

In other words, a person of ordinary intelligence can, nevertheless, be ignorant, inexperienced, and gullible in the commercial marketplace.

¶122 Evidence of actual confusion among particularly sophisticated persons—where credible—may be afforded greater weight. 336 Nevertheless, where a sophisticated member of the trade has had sufficient opportunity to become acquainted with the respective parties, any purported confusion by that person may not be viewed as credible. 337 In addition, sophisticated members of the trade might be expected to make inquiries about affiliation without becoming actually confused. 338 Furthermore, “gossip” within the trade about whether a new company has anything to do with an already existing company has been discounted when not indicative of actual marketplace impact of the two companies’ marks on the consuming public. 339

iii) Carelessness or Inattentiveness

¶123 Much confusion is attributable to carelessness or inattentiveness. How such confusion should be treated is a matter of some dispute. Typically, courts assume that an average degree of care will be used by the relevant populace in determining likelihood of confusion. 340 Accordingly, a number of courts have discounted instances of confusion that appear to be driven by carelessness or inattentiveness. 341 If a consumer exercises

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336 See Stix Prods., Inc. v. United Merchants & Mfrs., Inc., 295 F. Supp. 479, 495 (S.D.N.Y. 1968) (“If the expert is confused, the consumer is easy prey to deception.”); Ball v. Am. Trial Lawyers Ass’n, 92 Cal. Rptr. 228, 242 (Cal. Ct. App. 1971) (“[T]here were actual instances of confusion even among members of the bar, the bench, and others closely related to the legal profession.”).


338 See Glow Indus., Inc. v. Lopez, 252 F. Supp. 2d 962, 1000 (C.D. Cal. 2002) (“Here, at most, Glow, Inc. present[ed] de minimis evidence of actual confusion; some of it, moreover involves ‘sophisticated’ wholesalers who might be expected to inquire about the affiliation, if any, between the companies.”).

339 See Alpha Indus., Inc. v. Alpha Steel Tube & Shapes, Inc., 616 F.2d 440, 444-45 (9th Cir. 1980); Inc. Publ’g Corp., 616 F. Supp. at 389.

340 See Ball, 92 Cal. Rptr. at 241-42 (“The appropriate individual on the confusion issue is the member of the relevant public who is the average prudent man.”); Dell Publ’g Co., 211 N.Y.S.2d at 400 (“It must be assumed that the public will use reasonable . . . discrimination. . . .”) (citations omitted); 2 GILSON, supra note 52, § 5.01[3][c][vii], at 5-27 (asserting that test is whether ordinary purchaser using ordinary care would likely be confused).

341 See, e.g., Therma-Scan, Inc. v. Thermoscan, Inc., 295 F.3d 623, 636 (6th Cir. 2002) (“[T]he fact that the confusion occurred in e-mail messages raises the possibility that consumers sent the inquiries . . . to TSI rather than to Thermoscan because they were inattentive or careless, as opposed to being actually confused.”) (citation omitted); S.C. Johnson & Son, Inc. v. Johnson, 266 F.2d 129, 141 (6th Cir. 1959) (“The owner of a trademark is not entitled to a guarantee against confusion in the minds of careless and indifferent buyers, and merely occasional cases of confusion or thoughtless error by very inattentive purchasers are of very little significance in trademark and unfair competition cases.”) (citation omitted); Duluth News-Tribune, Div. of Northwest Publ’ns, Inc. v.
less than ordinary care, any resulting confusion is irrelevant. This issue tends to arise with respect to misdirected communications. Such incidents are particularly likely to be

Mesabi Publ’g Co., 84 F.3d 1093, 1098 (8th Cir. 1996) (discounting actual confusion evidence that was “de minimis” and merely “show[ed] inattentiveness on the part of the caller or sender rather than actual confusion”); Palmer v. Gulf Pub. Co., 79 F. Supp. 731, 738 (S.D. Cal. 1948) (characterizing “undelivered letters, misdirected telephone calls and telephone calls to persons connected with one rather than the other of the publications” as being “of small significance, and entitled to little weight”); Altira Group LLC v. Philip Morris Cos., 207 F. Supp. 2d 1193, 1201 (D. Colo. 2002) (“I am not persuaded that Mr. Stellar mistyping A-L-T-R-I-A for A-L-T-I-R-A in an Internet search of Mr. McDermott’s company constitutes actual confusion.”); McGraw-Hill, Inc. v. Comstock Partners, Inc., 743 F. Supp. 1029, 1035 (S.D.N.Y. 1990) (holding misdirected telephone call and misdirected mailing did not show actual confusion); Pizzazz Pizza & Restaurant v. Taco Bell Corp., 642 F. Supp. 88, 93 (N.D. Ohio 1986) (“[T]he presentation of coupons shows only lack of care on the part of the consumers.”); Ball, 92 Cal. Rptr. at 242 (“That a few particularly undiscerning members might be misled is not enough.”); Belleville News-Democrat, Inc. v. St. Clair Cty. Pub’rs, Inc., 167 N.E.2d 573, 576 (Ill. Ct. App. 1960) (“In effect they were isolated instances arising out of the newness of the second paper, ignorance of its existence and inattention and indifference on the part of those solicited.”); Commercial Sav. Bank v. Hawkeye Fed. Sav. Bank, 592 N.W.2d 321, 331 (Iowa 1999) (discounting evidence of misdirected calls and letters that were attributable to inattentiveness); Dell Publ’g Co., 211 N.Y.S.2d at 400 (“The law does not justify interference on behalf of . . . careless persons. . . .”) (citations omitted). As discussed earlier, when such errors are made by clerical assistants, directory assistance, or post office employees, such persons are arguably not within the relevant class of actual or prospective purchasers or others whose views may impact the good will of the company. See supra notes 215-16 and accompanying text.

342 See Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 205 (3d Cir. 1995) (“[I]nstances of actual confusion may not weigh in favor of a finding of likelihood of confusion unless the confused consumer was acting with the care expected of consumers purchasing the type of good at issue.”) (citation omitted); August Storck K.G. v. Nabisco, Inc., 59 F.3d 616, 618 (7th Cir. 1995) (“Many consumers are ignorant or inattentive, so some are bound to misunderstand no matter how careful a producer is. . . . If such a possibility created a trademark problem, then all comparative references would be forbidden, and consumers as a whole would be worse off.”) (citation omitted); Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp. 2d 117, 117 (D. Mass. 1999) (“[T]o the extent that [the] affidavits show actual confusion, they do not show reasonable confusion, which is required to find infringement. . . . Considering the vast difference between Clue Computing’s services and Hasbro’s game and the explicitness of Clue Computing’s Web site as to the nature of its business, any confusion shown by Hasbro seems to fit into the latter category of ‘carelessness, indifference, or ennui.’”) (citations omitted); see generally 3 MCCARTHY, supra note 7, § 23:5.
discounted when they are minimal in light of the total volume of communications processed by a party.\footnote{343}

\[\text{¶124}\] Other courts, however, have given far more weight to confusion that is attributable to carelessness or inattentiveness or where the level of care is not certain.\footnote{344} One rationale for giving weight to such confusion is that carelessness or inattentiveness can lead to sales for the infringer that might not otherwise be reaped.\footnote{345} For example, in *Harold F. Ritchie, Inc. v. Chesebrough-Pond's, Inc.*,\footnote{346} the plaintiff claimed that the defendant's “Valcream” mark for men's hair cream infringed the plaintiff’s “Brylcreem” mark for the same product. The trial court found no likelihood of confusion and dismissed the action. The Second Circuit reversed, however, largely based upon the trial court’s mischaracterization of evidence of actual confusion. This evidence consisted of:

\footnote{343 See Duluth News-Tribune, 84 F.3d at 1098 (discounting actual confusion evidence that was “de minimis” and merely “show[ed] inattentiveness on the part of the caller or sender rather than actual confusion”); Nutri/Sys., Inc. v. Con-Stan Indus., Inc., 809 F.2d 601, 606 (9th Cir. 1987) (“[I]n light of both parties’ high volume of business, the misdirection of several letters and checks proved insignificant.”); Am. Auto. Ins. Co. v. Am. Auto Club, 184 F.2d 407, 410 (9th Cir. 1950) (“The possibility that in rare and isolate instances relatively few persons may carelessly mistake the source does not warrant relief.”); Altira Group LLC., 207 F. Supp. 2d at 1201 (“I am not persuaded that Mr. Stellar mistyping A-L-T-R-I-A for A-L-T-I-R-A in an internet search of Mr. McDermott’s company constitutes actual confusion.”); Polaroid Corp. v. Polarad Elecs. Corp., 182 F. Supp. 350, 354 (E.D.N.Y. 1960) (discounting evidence of misdelivered communications: “There were not more than one hundred such instances over a period of years, an insignificant fraction of the mail received by the plaintiff and the defendant, the daily volume of which, according to the testimony, numbered approximately 1,000 and 600 respectively.”) (emphasis in original); McGraw-Hill, Inc., 743 F. Supp. at 1035 (holding misdirected telephone call and misdirected mailing did not show actual confusion); Ball, 92 Cal. Rptr. at 242 (“That a few particularly undiscerning members might be misled is not enough.”); Belleville News-Democrat, Inc., 167 N.E.2d at 576 (“In effect they were isolated instances arising out of the newness of the second paper, ignorance of its existence and inattention and indifference on the part of those solicited.”); cf. B.D. Communications, Inc. v. Dial Media, Inc., 429 F. Supp. 1011, 1014-15 & n.6 (S.D.N.Y. 1977) (discounting several instances of misdirected mail as de minimis and collecting authority to same effect).

\footnote{344 See, e.g., Harold F. Ritchie, Inc. v. Chesebrough-Pond’s, Inc., 281 F.2d 755, 761-62 (2d Cir. 1960) (“Confusion on the part of the careless or inattentive purchaser may not be disregarded.”); Grupo Gigante S.A. de C.V. v. Dallo & Co., 119 F. Supp. 2d 1083, 1097 (C.D. Cal. 2000) (crediting as actual confusion instances where one party received products or bills intended for other party); Popular Bank of Fla. v. Banco Popular de Puerto Rico, 9 F. Supp. 2d 1347, 1360 (S.D. Fla. 1998) (“Confusion can also be shown by misdirected correspondence such as bills or letters.”), judgment entered, 180 F.R.D. 461 (S.D. Fla. 1998).

\footnote{345 See, e.g., Harold F. Ritchie, 281 F.2d at 761 (quoting Am. Chicle Co. v. Topps Chewing Gum, Inc., 208 F.2d 560, 563 (2d Cir. 1953)).

\footnote{346 Id. at 755.}
(1) a television commercial in which the defendant offered to refund purchasers of a particular size of the Valcream product with a check signed by a celebrity, which resulted in thirteen instances of Brylcreem cartons being mailed to the plaintiff and at least ten Brylcreem cartons being mailed to the defendant; (2) the testimony of a store manager and the depositions of two employees of another store about incidents whose nature was not described in the decision; (3) an instance in which a company mistakenly invoiced the plaintiff for the advertising the defendant’s product in a newspaper; (4) an instance in which a company sent the plaintiff a letter relating to a price reduction offer made by the defendant for the defendant’s products; and (5) a mistake in which Standard & Poor’s transposed the names of the respective products and attributed each to the wrong corporation. The Second Circuit held that the trial court erred in discounting these instances as carelessness and inattention rather than as actual confusion and noted that such carelessness and inattentiveness can be the basis for an infringer to obtain wrongful sales. The Second Circuit also characterized the evidence as “impressive in view of its spontaneous character and difficulty of attainment.”

¶125 It may be possible to distinguish confusion that is based on carelessness from confusion that is based on similarities between the marks. Such a distinction is purportedly the basis for the decision in Roto-Rooter Corp. v. O’Neal. In that case, the plaintiff sold sewer, drain, and pipe cleaning services under the ROTO-ROOTER mark, and the defendant sold similar services under the mark ROTARY DE-ROOTING. Although four witnesses testified that they had mistakenly purchased the defendant’s service when intending to purchase the plaintiff’s service, the trial court held that confusion was not likely and, in doing so, discounted these instances of actual confusion as based on “carelessness” or “inadvertence.” The Fifth Circuit reversed and held that the record did not support the finding that the witnesses’ confusion was based on carelessness or inadvertence. Instead, the Fifth Circuit noted that cross examination of these witnesses had demonstrated that the mistaken purchases were made based upon reliance on the similarity of marks rather than carelessness or inadvertence.

¶126 Perhaps, the Roto-Rooter court would have reached a different result if the witnesses’ testimony had indicated that they paid scant attention to the marks in making the purchasing decision. However, because that case involved a mistaken purchase, the very act of making the purchase can be seen as evidence of the level of care expected in connection with such a purchase. By contrast, with other types of evidence of actual confusion, such as inquiries and misdirected communications, carelessness and inattentiveness are likely to play a greater role in limiting the value of the evidence.

¶127 Moreover, it may be possible to recognize degrees of care that are commensurate with expectations for how an ordinary consumer would react under the circumstances. Under such an approach, carelessness that is consistent with a reasonable consumer acting under similar circumstances would not discredit that person’s confusion. For example, if reading the fine print on packaging, scrutinizing the defendant’s mark, or comparing the parties’ products directly would be necessary to avoid confusion and it would not be reasonable to expect a consumer to take such steps, any resulting confusion

347 Id. at 761–62.
348 Roto-Rooter Corp. v. O’Neal, 513 F.2d 44, 44 (5th Cir. 1975).
349 Id. at 46.
Indeed, even a court that found a low level of confusion attributable to inattentiveness to be irrelevant nonetheless observed that infringement will be established where an appreciable number of persons are likely to be confused even if they could avoid the mistake by exercising greater caution. Thus, a “casual purchaser” is held to the level of “ordinary care” that is appropriate for such persons.

Other courts, although not clearly stating so, may accept evidence of misdirected communications without scrutiny based on a particularly large quantity of such misdirected communications or based on the fact that they are coupled with evidence of customers being enticed to the wrong location or making purchases from the wrong entity. In such cases, not only can a large volume of such communications seem

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350 See Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 384-85 (7th Cir. 1976) (where witness called information to locate the “EVEREADY battery people” when trying to locate the seller of EVER-READY bulbs but did not check address on package, held that “[h]er testimony cannot be discredited because she did not make an exacting examination of the Ever-Ready mark or did not compare it with a product of Carbide containing the EVEREADY mark”).


352 See Am. Distilling Co. v. Bellows & Co., 226 P.2d 751, 759 (Cal. Dist. Ct. App. 1951) (“The test as to infringement against a trade-mark does not depend upon an exact similarity in every detail, but if the general appearance is such as to deceive a casual purchaser who exercises ordinary care in the selection of the article which he wishes to buy, its use may be enjoined. . . . All that courts of justice can do . . . is to say that no trader can adopt a trade-mark, so resembling that of another trader, as that ordinary purchasers, buying with ordinary caution are likely to be misled.”) (citations and internal quotation marks omitted).

353 See Moore Bus. Forms, Inc. v. Seidenburg, 619 F. Supp. 1173, 1184 (W.D. La. 1985) (noting “numerous” mistakes by individuals, including mistaken phone calls by two long-term customers, “many calls” that receptionist testified were misdirected, and mistakes by post office and UPS); Grenadier Corp. v. Grenadier Realty Corp., 568 F. Supp. 502, 505-06 (S.D.N.Y. 1983) (misdirected letters from attorneys and “numerous” other “pieces of misdelivered mail and dozens of misdirected phone calls” as well as unspecified confusion among several types of persons, including customers); Wyndham Co. v. Wyndham Hotel Co., 670 N.Y.S.2d 995, 999 (N.Y. Sup. Ct. 1997) (four thousand misdirected calls per year plus misdirected mail); Seattle Endeavors, Inc. v. Mastro, 868 P.2d 120, 123, 126 (Wash. 1994) (“numerous incidents of public confusion” including misdirected deliveries and customers who arrived at wrong location); Phipps Bros., Inc. v. Nelson’s Oil & Gas, Inc., 508 N.W.2d 885, 889 (S.D. 1993) (misdirected deliveries plus inquiries about ownership, confusion by customers in making payment, and customer who ceased patronizing plaintiff’s establishment based on mistaken assumption about affiliation); Bingham v. Inter-Track Partners, 600 N.E.2d 70, 74 (Ill. Ct. App. 1992) (misdirected calls, shipments, and deliveries plus claim filed against wrong party, customers arriving at wrong location, and inquiries about expansion, relocation, and sponsorship); Willowbrook Home Health Care Agency, Inc. v. Willow Brook Retirement Ctr., 769 S.W.2d 862, 868 (Tenn. Ct. App. 1988) (misdirected telephone calls and mail
difficult to ignore, but the volume may be high enough so that it will necessarily include consumers and will likely be attributable to more than mere carelessness with telephone directories and similar inattentiveness—for example, where persons identified as consumers express a mistaken belief that the parties are affiliated or connected or complain to the wrong party about goods or services sold by the other party. An additional reason that may persuade some courts to credit evidence of misdirected communications without scrutiny may be that other factors weigh heavily in favor of finding a likelihood of confusion. Nevertheless, some courts appear to give blanket approval to evidence of misdirected communications without regard for context, provided that the communications are from customers. However, at least one court

plus “incidents of confusion between the parties by various individuals”); Thompson v. Spring-Green Law Care Corp., 466 N.E.2d 1004, 1014 (Ill. Ct. App. 1984) (over 300 misdirected telephone calls during four years plus “four witnesses who testified as to instances of actual confusion”); Puget Sound Rendering, Inc. v. Puget Sound By-Pros., 615 P.2d 504, 506-07 (Wash. Ct. App. 1980) (misdirected telephone calls and mail, supplies delivered to plaintiff imprinted with defendant’s name, government notices misdirected, and “many other instances of confusion”); Powder River Oil Co. v. Powder River Petroleum Corp., 830 P.2d 403, 416 (Wyo. 1992) (variety of misdirected calls and mail); Mary A. Donovan, Sorry, Wrong Number! TM Confusion from Misdirected Calls and Letters, 1 No. 11 INTELL. PROP. STRATEGIST 9 (Aug. 1995) (arguing that courts will credit misdirected communications as evidence of actual confusion when incidents are not isolated).

See Rockland Mortgage Corp. v. Shareholders Funding, Inc., 835 F. Supp. 182, 197-98 (D. Del. 1993) (finding actual confusion established by numerous instances of misdirected communications, as well as other evidence, including callers who mistakenly believed parties were affiliated, callers who were confused as which party was servicing particular accounts, and callers who complained to plaintiff about services rendered by defendant). But see Lang v. Ret. Living Publ’g Co., 949 F.2d 576, 582-83 (2d Cir. 1991) (refusing to find actual confusion based on four hundred misdirected phone calls and several misdirected letters where such communications purportedly reflected mistaken belief that was not consistent with reverse confusion theory under which plaintiff sought relief).

See Thompson, 466 N.E.2d at 1014 (crediting over three hundred misdirected telephone calls where marks were nearly identical, services were similar, and geographic territory overlapped). See, e.g., Eckles v. Atlanta Tech. Group, Inc., 485 S.E.2d 22, 24 (Ga. 1997); Thompson v. Thompson Air Conditioning & Heating, Inc., 884 S.W.2d 555, 560 (Tex. Ct. App. 1994).

See Century 21 Real Estate Corp. v. Sandlin, 846 F.2d 1175, 1179 (9th Cir. 1988); KAT Video Prods., Inc. v. KKCT-FM Radio, 584 N.W.2d 844, 848 (N.D. 1998) (citation omitted).

refused to credit relatively few instances of misdirected communications even when the communications are from customers.\footnote{358}

¶129 One basis for distinguishing between confusion that is generated by inattentiveness from confusion generated by brand identity is to examine whether consumers had any reason to know of the entity to whom a mistaken communication was addressed. For example, as one court observed in discounting several e-mails that were directed to the defendant but intended for the plaintiff, “[t]he fact that [the defendant] does not advertise increases the likelihood that the people who sent the e-mail messages to [the defendant] were inattentive or careless when attempting to find the e-mail address for [the plaintiff], rather than confused about the source of the [products].”\footnote{359}

¶130 In some cases, courts have cited the service of legal documents or industry complaints on the wrong company as evidence of actual confusion.\footnote{360} Such decisions could benefit from greater explanation of context. For example, where errors in service are attributable to carelessness or inattentiveness by a process server or clerical staff, such mistakes are analogous to other types of carelessness or inattentiveness in misdirecting communications that are not likely attributable to consumer confusion. However, if the mistake was made by a lawyer or by sophisticated support person who is knowledgeable about the party intended to be served and is likely to exercise a high degree of care, the mistake may augur confusion by less sophisticated and less attentive consumers. Despite this distinction, the prospect of a senior mark owner being tainted by any public association with the alleged legal wrongs of a junior user may lead courts to be particularly solicitous of misdirected service of process as an indicator of likely confusion. Some courts have gone so far as to find actual confusion in mistakes made by the attorneys litigating the case.\footnote{361}

\footnotetext{358}{See Quality Weaving Co. v. Regan, 369 A.2d 296, 299-300 (Pa. Super. Ct. 1976) (holding that “incidental customer confusion” including misdirected correspondence was insufficient to establish secondary meaning).}

\footnotetext{359}{Therma-Scan, Inc. v. Thermoscan, Inc., 295 F.3d 623, 636 (6th Cir. 2002).}


\footnotetext{361}{See La Maur, Inc. v. Revlon, Inc., 245 F. Supp. 839, 845 (D. Minn. 1965) (“The obvious confusion in the tendency of counsel and the witnesses to become mixed up in using the phrases . . . tends to indicate that the ordinary housewife would be subject to the same confusion.”); Grenadier Corp. v. Grenadier Realty Corp., 568 F. Supp. 502, 505 (S.D.N.Y. 1983) (“It is not without interest that on one occasion letters which defendant’s counsel intended for his client were delivered to plaintiff.”); Guardian Life Ins. Co. of Am. v. Am. Guardian Life Assurance Co., 943 F. Supp. 509, 523 (E.D. Pa. 1996) (“Plaintiff also points to instances, where, during depositions, Defendant’s own attorneys confused the two names.”); Pro Hardware, Inc. v. Home Ctrs. of Am., Inc., 607 F. Supp. 146, 152 (S.D. Tex. 1984) (“The obvious confusion in the tendency of counsel to become mixed-up in using the names . . . tends to indicate that the ordinary hardware/home improvement shopper would be subject to the same confusion.”).}
iv) Bias

Any witness is potentially subject to impeachment based upon bias. Because so much evidence of actual confusion often takes the form of out-of-court statements made either contemporaneously with the events in question or through an affidavit where the witness cannot be cross-examined for bias, courts should be particularly sensitive to the potential for bias in assessing such evidence. Often, the relationship of the witness to one of the parties will be a source of bias. For example, a number of courts have discounted or discredited confusion that was claimed by employees or relatives of employees of the plaintiff. 362 Although not as inevitably biased as employees and relatives, some courts have discounted or discredited confusion that was claimed by acquaintances of the plaintiff’s employees. 363 Acquaintances are particularly likely to be biased when they have business relationships that give them an incentive to support the plaintiff. 364


364 See Pump, Inc. v. Collins Mgmt., Inc., 746 F. Supp. 1159, 1170 (D. Mass. 1990) (“[E]ach of the four persons [claiming to be confused] is a friend or acquaintance of [plaintiff’s representative]. . . . While the fact that these incidents involved friends of [plaintiff’s representative] does not make them less relevant . . . , it does make their testimony less probative of actual confusion.”) (citation omitted); cf. Inc. Publ’g Corp., 616 F. Supp. at 388 (“Defendants attack Novak’s credibility because of his social and business relations with Goldhirsh; and on the ground that it is unlikely that Novak, being
court observed: “Trademark law is skeptical of the ability of an associate of a trademark holder to transcend personal biases to give an impartial account of the value of the holder’s mark.” Other forms of financial influence may also cause witnesses to be biased. Another potential source of bias is the desire of a sales clerk to make a sale by substituting an item in stock for a different item that was requested. In assessing whether this type of bias would have prompted a knowing substitution rather than a mistake, the court should consider the dollar value of the item and any other circumstances that would shed light on any such potential motive. Finally, animosity towards a party is yet another source of bias.

The question of bias is particularly problematic where the declarant does not appear to testify and where circumstances that may indicate bias of that declarant are not known or where sources indicating bias cannot be explored on cross examination. This problem may be compounded further where the out-of-court declarant’s statements are filtered through an additional level of bias when offered by the employees of one of the parties.

in the business, had not heard of ‘Manhattan, inc.’ earlier. These are valid points, but I need not characterize Novak’s testimony as unreliable to disregard it under the de minimis rule.”). But see Boston Athletic Ass’n v. Sullivan, 867 F.2d 22, 31 n.8 (1st Cir. 1989) (“The fact that one of these incidents involved a client of [the representative of plaintiff’s licensor] does not make it less relevant; rather it explains why the person went directly to [that representative] when he had a complaint. . . .”).

Self-Realization Fellowship Church v. Ananda Church of Self-Realization, 59 F.3d 902, 910 (9th Cir. 1995).

See Reed-Union Corp. v. Turtle Wax, Inc., 869 F. Supp. 1304, 1311 (N.D. Ill. 1994) (noting out-of-court statements were “inherently unbelievable”) (noting that all of plaintiff’s actual confusion witnesses “were financially interested in the outcome of the case”); Kroger Co. v. Johnson & Johnson, 570 F. Supp. 1055, 1059 n.7 (S.D. Ohio 1983) (refusing to credit affidavits of individuals obtained by plaintiffs from customers who received full rebate on price of product purchased where they mailed in affidavits and received double rebates where they agreed to personal interviews).

See Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 384 (7th Cir. 1976).

See id. (“we have great difficulty conceiving that a clerk’s anxiety to make this small-dollar sale would prompt a deliberate and knowledgeable misrepresentation”).

See Freedom Sav. & Loan Ass’n, 757 F.2d at 1185-86 (discounting incident of alleged confusion by witness who “had a personal dislike” for defendant); Entrepreneur Media, Inc. v. Smith, 279 F.3d 1135, 1150 (9th Cir. 2002) (witnesses involved in business disputes with defendant).

See A & H Sportswear, Inc., 237 F.3d at 227 (“The District Court, while not explicitly discrediting this evidence, viewed it with great skepticism, given the interested sources and the inability to cross-examine the supposedly confused individuals.”).

See Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 298 (3d Cir. 2001) (“[T]he District Court properly took into account the potential bias of Checkpoint Systems’ employees who testified they had been approached by consumers interested in Check Point Software’s firewall products as well as Checkpoint Systems’
Nonetheless, the mere fact that a witness has a relationship with a party or an interest in the outcome of the matter may not always discredit that witness’s testimony. Where the sources of the bias are explored and the trial judge determines the witness to be credible, that determination will not be disturbed by an appellate court. Furthermore, because of the importance of confusion among actual purchasers, it has been held to be erroneous to discredit as “self-serving” an employee’s testimony about confusion by an unidentified professional buyer where there was no finding that the employee’s testimony was not credible. Indeed, business acquaintances who have an incentive to testify favorably to the plaintiff may also be the very class of persons whose state of mind is most relevant—the consumers of the parties’ goods or services.

v) Credibility

Even where evidence of actual confusion survives the various hearsay obstacles to admission, the credibility of out-of-court statements can be a particular problem—quite apart from obvious sources of bias. In some instances, the circumstances surrounding a purported incident of confusion may simply render it implausible that the witness was actually confused by the parties’ marks. One obvious example is where great differences exist between the respective marks at issue and between circumstances relevant to other factors that affect the likelihood of confusion analysis. In some instances, an out-of-court expert security witness who testified they erroneously believed that Check Point Software was affiliated with Checkpoint Systems.” (citations omitted); Vitek Sys., Inc. v. Abbott Labs., 675 F.2d 190, 193 (8th Cir. 1982) (discounting testimony by employees and consultants of plaintiff and its parent company about customers who allegedly reported confusion); EA Eng’g, Science, and Tech., Inc. v. Envtl. Audit, Inc., 703 F. Supp. 853, 857-58 (C.D. Cal. 1989) (holding confusion not established by out-of-court statements related by plaintiff’s employees).

See Boston Athletic Ass’n v. Sullivan, 867 F.2d 22, 31 n.8 (1st Cir. 1989) (“The fact that one of these incidents involved a client of [plaintiff’s president] does not make it less relevant; rather, it explains why the person went directly to [plaintiff’s president] when he had a complaint about the shirt he bought.”); RJR Foods, Inc. v. White Rock Corp., 603 F.2d 1058, 1061 n.1 (2d Cir. 1979) (“Although one of the witnesses was employed by plaintiff and the other by one of plaintiff’s distributors, their credibility and the weight to be given their testimony was for the trial judge.”); cf. Centaur Communications, Ltd. v. A/S/M Communications, Inc., 830 F.2d 1217, 1223 (2d Cir. 1987) (holding that trial court did not err in refusing to discredit testimony by competitor of defendant regarding secondary meaning of plaintiff’s mark where defendant thoroughly investigated alleged bias and trial court found witness to be credible).

See Frehling Enters., Inc. v. Intern’l Select Group, Inc., 192 F.3d 1330, 1341 (11th Cir. 1999).

See id. at 1341 (holding district court erroneously discounted as “self-serving” employee’s testimony about professional buyer who was confused because confusion among such persons was entitled to qualitatively high significance).

See Armstrong Cork Co. v. World Carpets, Inc., 597 F.2d 496, 501-06 (5th Cir. 1979) (discounting few incidents of actual confusion, one of which was offered as out-of-court statement, after finding marks to be highly dissimilar); Door Sys., Inc. v. Pro-Line Door Sys., Inc., 83 F.3d 169, 173 (7th Cir. 1996) (expressing “doubt” as to credibility of
court statement purportedly indicating confusion may be contradicted with live testimony that is more credible. Where witnesses are offered live in court to testify about actual confusion, however, it has been held to be reversible error to refuse to hear their testimony and, instead, render judgment for the defendant based solely on a side-by-side comparison of the marks. The court explained that “such comparison cannot conclusively negative the likelihood of confusion as a matter of law nor can it negative confusion as a matter of fact by the expedient of technically accepting the offered proof but summarily rejecting its weight or credibility.” Nevertheless, it has also been held

purported instances of confusion in light of comparison of parties’ advertisements); King of the Mountain Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1092-93 (10th Cir. 1999) (“This handful of anecdotal evidence is de minimis and does not support a finding of a genuine issue of material fact as to the likelihood of confusion, especially in light of the complete lack of similarity between the defendants’ uses and plaintiff’s mark.”) (citation omitted); Universal Money Ctrs., Inc. v. Am. Tel. & Tel. Co., 22 F.3d 1527, 1535-36 (10th Cir. 1994) (“The de minimis evidence of actual confusion is especially undermined in this case by the sheer lack of similarity between the marks.”). Cf. Keebler Co. v. Rovira Biscuit Corp., 624 F.2d 366, 378 (1st Cir. 1980) (“The striking difference in the predominant colors of the two cans makes it seem highly unlikely that a reasonably prudent consumer would confuse one product for the other.”); Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp. 2d 117, 124 (D. Mass. 1999) (“Considering the vast difference between Clue Computing’s services and Hasbro’s game and the explicitness of Clue Computing’s Web site as to the nature of its business, any confusion shown by Hasbro seems to fit into the latter category of ‘carelessness, indifference, or ennui.’”) (citations omitted); Oreck Corp. v. U.S. Floor Sys., Inc., 803 F.2d 166, 173 (5th Cir. 1986) (“Considering Oreck’s weak showing on the other factors relevant to a likelihood of confusion, probably nothing short of a showing of actual confusion would be strong enough to swing the case in its favor.”) (citation omitted). It has even been suggested that some marks can be so different in general appearance or that it can be so inconceivable that an ordinary consumer could be confused as to compel a finding for the defendant without resort to “extrinsic evidence.” Avrick v. Rockmont Envelope Co., 155 F.2d 568, 572 (10th Cir. 1946).

See Freedom Sav. & Loan Ass’n v. Way, 757 F.2d 1176, 1185-86 (11th Cir. 1985) (discounting deposition testimony about alleged actual confusion where witness offered by defendant in court was credible and contradicted deponent’s account and testified that deponent was biased against defendant).

See James Burrough Ltd. v. Sign of Beefeater, Inc., 540 F.2d 266, 275 (7th Cir. 1976) (reversing district court’s granting of directed verdict: “Side-by-side comparison is not the test.”) (citation omitted); Frito-Lay, Inc. v. Morton Foods, Inc., 316 F.2d 298, 300-01 (10th Cir. 1963); Frostig v. Saga Enters., Inc., 539 P.2d 154, 158 (Or. 1975); see also Chart House, Inc. v. Bornstein, 636 F.2d 9, 10-11 (1st Cir. 1980) (holding it was reversible error for trial judge to deny injunction based on his personal observations about respective marks and business establishments without regard for record evidence).

Frito-Lay, Inc., 316 F.2d at 301.
that, in some cases, a mere side-by-side comparison of the marks, without more, will be sufficient to establish a likelihood of confusion.\footnote{See Ball v. Am. Trial Lawyers Ass’n, 92 Cal. Rptr. 228, 241 (Cal. Ct. App. 1971) (“In some instances, . . . just the comparison of the two names themselves may be adequate to establish the likelihood of confusion.”) (citations omitted); see also Healing the Children, Inc. v. Heal the Children, Inc., 786 F. Supp. 1209, 1213-14 (W.D. Pa. 1992) (“[W]here the owner of the trademark and the infringer deal in competing goods or services, the court need rarely look beyond the mark itself to determine whether there is a likelihood of confusion among the relevant buyer class.”) (citation omitted).}

Another circumstance that may render it improbable that a witness was actually confused would be where the witness had extensive knowledge and understanding of the respective parties. This circumstance may occur where the witness is a highly sophisticated and experienced member of the trade and where the respective parties have each achieved sufficient prominence in the trade so as to make it unlikely that a witness of such sophistication and experience would not understand the differences between the parties.\footnote{Cf. Inc. Publ’g Corp. v. Manhattan Magazine, Inc., 616 F. Supp. 370, 388 (S.D.N.Y. 1985) (“Defendants attack Novak’s credibility . . . on the ground that it is unlikely that Novak, being in the business, had not heard of ‘Manhattan, inc.’ earlier. These are valid points, but I need not characterize Novak’s testimony as unreliable to disregard it under the \textit{de minimis} rule.”)}

Conversely, however, the purportedly confused persons may have insufficient knowledge of the parties to be actually confused. For example, where the parties did not have an overlapping presence among the same consumer audience during the period in which purportedly confused persons stepped forward, then it seems unlikely that those persons were confused as to the source of products or services offered by the respective parties.\footnote{See Alltel Corp. v. Actel Integrated Communications, Inc., 42 F. Supp. 2d 1265, 1272-73 (S.D. Ala. 1999).}

Ways of attacking the credibility of a witness purporting to recount confusion by others include demonstrating that the witness is unable to recall specifics about the instances or showing that the number of specific instances the witness can recall conflicts with the witness’s blanket generalization about the number of instances of confusion. For example, in \textit{Choice Hotels International, Inc. v. Kaushik}, the plaintiff offered two of its own employees as witnesses, and these employees recounted episodes of confusion by customers. However, the first employee was unable to identify names of customers or dates of the incidents and was only able to give specifics regarding two incidents, each of which involved police and fire department personnel arriving at the wrong location. The second employee had recounted “many” instances of confusion among customers in his deposition but could only recall one incident at trial.\footnote{Choice Hotels Int’l, Inc. v. Kaushik, 147 F. Supp. 2d 1242, 1242 (M.D. Ala. 2000).} Given that the two establishments were located across the street from each other and that these employees would have been in a position to observe incidents of confusion, the court found it telling that the

\begin{footnotesize}
\footnotetext{379}{See Ball v. Am. Trial Lawyers Ass’n, 92 Cal. Rptr. 228, 241 (Cal. Ct. App. 1971) (“In some instances, . . . just the comparison of the two names themselves may be adequate to establish the likelihood of confusion.”) (citations omitted); see also Healing the Children, Inc. v. Heal the Children, Inc., 786 F. Supp. 1209, 1213-14 (W.D. Pa. 1992) (“[W]here the owner of the trademark and the infringer deal in competing goods or services, the court need rarely look beyond the mark itself to determine whether there is a likelihood of confusion among the relevant buyer class.”) (citation omitted).}
\footnotetext{380}{Cf. Inc. Publ’g Corp. v. Manhattan Magazine, Inc., 616 F. Supp. 370, 388 (S.D.N.Y. 1985) (“Defendants attack Novak’s credibility . . . on the ground that it is unlikely that Novak, being in the business, had not heard of ‘Manhattan, inc.’ earlier. These are valid points, but I need not characterize Novak’s testimony as unreliable to disregard it under the \textit{de minimis} rule.”)}
\footnotetext{381}{See Alltel Corp. v. Actel Integrated Communications, Inc., 42 F. Supp. 2d 1265, 1272-73 (S.D. Ala. 1999).}
\footnotetext{382}{Choice Hotels Int’l, Inc. v. Kaushik, 147 F. Supp. 2d 1242, 1242 (M.D. Ala. 2000).}
\footnotetext{383}{\textit{Id.} at 1254.}
\end{footnotesize}
employees made no effort to document instances of confusion or express concern to the plaintiff. The court characterized the evidence as “vague and contradictory” and held that any actual confusion “was not substantial.”

Credibility of the witness may also be subject to challenge where the plaintiff instigated the reports of confusion. In some instances, courts have discounted purported confusion that was first reported in response to a communication by a plaintiff who sought such evidence. Similarly, courts have looked with a jaundiced eye at a party’s effort to “manufacture” evidence by contriving transactions. Such contrived

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384 Id. at 1254-55.
385 Id.
386 See, e.g., Sun Banks of Fla., Inc. v. Sun Fed. Savs. & Loan Ass’n, 651 F.2d 311, 319 (5th Cir. 1981) (“The first indicia of confusion offered by Sun Banks came in response to a letter written by Sun Banks’ president to all subsidiary banks requesting employees to report incidents of confusion . . .”); Spraying Sys. Co. v. Delavan, Inc., 975 F.2d 387, 396 (7th Cir. 1992) (“The statements were solicited and drafted by Spraying Systems’ counsel and were based on interviews with only its own customers. These factors are indicative of bias.”) (citations omitted); Kroger Co. v. Johnson & Johnson, 570 F. Supp. 1055, 1059 n.7 (S.D. Ohio 1983) (refusing to credit affidavits of individuals obtained by plaintiffs where “[t]he affidavits were prepared by plaintiffs’ counsel and the initial telephone interviews were conducted by counsel or members of is staff”); Pan Am. World Airways, Inc. v. Panamerican School of Travel, Inc., 648 F. Supp. 1026, 1037 (S.D.N.Y. 1986) (refusing to credit instances of actual confusion by persons who did not come forward until contacted by plaintiff where there was no evidence as to how plaintiff elicited this evidence).

387 See Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 384 (7th Cir. 1976) (attorney’s secretary sent to store to purchase products); Flinkote Co. v. Tizer, 158 F. Supp. 699, 702 (E.D. Pa. 1957) (“There is no proof that any customer was ever confused, the evidence consisting of the testimony of an investigator, offered to show confusion on the part of clerks and salesmen. This is probably the easiest kind of evidence to get, since salesmen are always ready to sell a buyer something ‘just as good’ if what he wants is not in stock—which he is entitled to do—but it is also one of the most unsatisfactory kinds because it is susceptible of such varying inferences.”); see also Holiday Inns, Inc. v. Holiday Out in Am., 481 F.2d 445, 449 n.3 (5th Cir. 1973) (characterizing two letters written after suit was filed both referring to a newspaper article published nine months earlier as “suspiciously similar” and discrediting such evidence). Nevertheless, such attempts to uncover evidence are not necessarily improper, and such evidence cannot be dismissed out of hand. See Union Carbide Corp., 531 F.2d at 384 (finding that evidence that district court characterized as “manufactured” was relevant); Wuv’s Int’l, Inc. v. Love’s Enters., Inc., 208 U.S.P.Q. (BNA) 736, 753 (D. Colo. 1980) (holding incidents of confusion discerned through informal interviews by plaintiff’s counsel to be relevant); Giratex, S.r.L v. Campaniello Imports, Ltd., 82 F. Supp. 2d 119, 124 (S.D.N.Y. 1999) (“[R]eliable reports from investigators posing as consumers are frequently recognized as probative and admissible evidence in trademark disputes.”) (citations omitted); Selchow & Richter Co. v. Decipher, Inc., 598 F. Supp. 1489, 1501-02 (E.D. Val. 1984) (crediting
transactions are particularly likely to be discredited where the purchaser deliberately requests a product by using one party’s mark but the product is only made by the second party. However, it has been held that a bald allegation of manufacturing evidence of actual confusion, without evidence to support the charge, will not be grounds for discrediting evidence of actual confusion. Nevertheless, witnesses who come forward on their own have been deemed more credible. A series of identical or nearly identical statements, however, may be more open to challenge. Out-of-court statements that sound contrived or inconsistent with commercial reality will similarly be subject to challenge. In one example, a court found it incredible that out-of-court witnesses confusion gleaned from investigator’s questions to sales clerks where answers showed sales clerks were confused).

See Philco Corp. v. F. & B. Mfg. Co., 170 F.2d 958, 961 (7th Cir. 1948) (discounting instances in which plaintiff employed persons to ask dealers for auto parts under plaintiff’s mark where such parts were only made by defendant and dealers fulfilled orders by supplying correct parts needed).

See Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc., 43 F.3d 922, 937 n.18 (4th Cir. 1995) (“Alpha discounts this confusion by arguing that the confusion may have been ‘manufactured by Lone Star Steakhouse itself.’ . . . The record does not support this bald allegation.”).

See, e.g., Harold F. Ritchie, Inc. v. Chesebrough-Pond’s, Inc., 281 F.2d 755, 762 (2d Cir. 1960) (“Here the evidence is impressive in view of its spontaneous character. . . .”); Jellibeans, Inc. v. Skating Clubs of Georgia, Inc., 716 F.2d 833, 844 (11th Cir. 1983) (“[T]he reports of confusion that do exist appear genuine, given that the three witnesses independently and on their own initiative contacted Dr. Feinman to inquire about the new rink.”).

See Blue Ribbon Feed Co. v. Farmers Union Central Exch., Inc., 731 F.2d 415, 419-20 (7th Cir. 1984) (“We are not unmindful of the fact that BRF’s affidavits were suspiciously similar in format. We recognize that there are cases in which the movant will fail to establish the absence of a triable issue because his affidavits are inherently unreliable.”); Japan Telecom, Inc. v. Japan Telecom Am. Inc., 287 F.3d 866, 874 (9th Cir. 2002) (noting that six declarations “contain[ed] a more or less identical paragraph” which was found insufficient to establish confusion as to source and noting that declarants all personally knew plaintiff); Source Servs. Corp. v. Source Telecomputing Corp., 635 F. Supp. 600, 612-13 (N.D. Ill. 1986) (“Defendant asserts these affidavits are incredible because they originate with plaintiff’s employees, because they often lack specificity as to the details of the alleged conversations, and because their similar format suggests that they were prepared by a single source. The Court agrees that these arguments have some validity, but notes that, in each case, the criticism goes to the weight to be accorded the evidence, not its admissibility.”) (citations omitted); Pump, Inc. v. Collins Mgmt., Inc., 746 F. Supp. 1159, 1169-70 (D. Mass. 1990) (noting that affidavits on actual confusion set forth “nearly identical accounts” and holding such affidavits to be insufficient on several grounds).

See Glen Raven Mills, Inc. v. Ramada Int’l, Inc., 852 F. Supp. 1544, 1552 (M.D. Fla. 1994) (“[T]he Court notes that the letter Ms. Parke sent shows a remarkable grasp of key words used in the analysis of likelihood of confusion.”); Reed-Union Corp. v. Turtle
could have associated the defendant’s logo with the defendant sufficiently to be confused so soon after the defendant began using it.\textsuperscript{393} Similarly suspect are fact witnesses who have repeatedly testified for or against one of the parties in the past.\textsuperscript{394} Out-of-court statements may be subject to attack based on credibility where they do not include specificity as to the details of the incidents.\textsuperscript{395}

Apart from circumstances that cast obvious doubt on a witness’s purported confusion are unknown circumstances that surround so much evidence in trademark litigation. For example, one fundamental problem of credibility occurs where the persons who were purportedly confused cannot be identified.\textsuperscript{396} This problem is particularly pronounced when one cannot identify the individual in question as a potential customer for the goods in question.\textsuperscript{397} Where an out-of-court declarant can be identified, there is always the possibility that the declarant will come forward with testimony indicating that the statement attributed to that declarant is either incorrect or is not indicative of the declarant’s true state of mind.\textsuperscript{398} One way to measure out-of-court declarants’


\textsuperscript{394} See S Indus., Inc. v. Stone Age Equip., Inc., 12 F. Supp. 2d 796, 818 (N.D. Ill. 1998) (“Bianchi’s testimony is inherently unreliable. . . . Bianchi’s name has surfaced in several SI cases as a consumer who was ‘confused’ about whether SI was the source of various products, including bug zappers, garage door openers, and radios.”).

\textsuperscript{395} See Source Servs. Corp., 635 F. Supp. at 612-13 (noting affidavits subject to less weight based on lack of specificity but finding credibility bolstered by testimony of others); Hutchinson v. Essence Communications, Inc., 769 F. Supp. 541, 555 (S.D.N.Y. 1991) (“This lack of detail dilutes the probative value of the evidence as demonstrating actual confusion.”) (citation omitted).

\textsuperscript{396} See, e.g Sun Banks of Fla., Inc. v. Sun Fed. Savs. & Loan Ass’n, 651 F.2d 311, 319 (5th Cir. 1981); CAE, Inc. v. Clean Air Eng’g, Inc., 267 F.3d 660, 686 (7th Cir. 2001); Hasbro, Inc., 66 F. Supp. 2d at 117; Finkote Co. v. Tizer, 158 F. Supp. 699, 702 (E.D. Pa. 1957); Stolte, supra note 1, at 248 (noting that courts have given little weight to out-of-court statements by unidentified persons).

\textsuperscript{397} See, e.g., Sun Banks, 651 F.2d at 319; CAE, 267 F.3d at 686; Big Top USA, Inc. v. Wittern Group, 998 F. Supp. 30, 51-52 (D. Mass. 1998).

\textsuperscript{398} See Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1207 (1st Cir. 1983) (where plaintiff offered affidavits of two salespersons reporting that different purchasing directors had been confused, defendant then offered affidavit from those purchasing directors, one of whom testified that he was never confused and the other of whom testified that he was never confused regarding parties’ products or sponsorship thereof but had initially assumed that plaintiff’s salesperson worked for defendant).
credibility may be to compare those statements to the statements of witnesses who actually testify—credibly—that they were not confused.399

The credibility of witnesses purporting to be confused or reporting the confusion of others can be bolstered in a number of ways. Where such statements come from the mouths of an opposing party or its employees, the law of evidence deems such admissions to be inherently reliable.400 In addition, live testimony may assist in establishing the witness’s credibility, depending upon how well the witness testifies.401 Contemporaneous statements of confusion by the witness, if available, may bolster such testimony.402 A consumer survey may also bolster the credibility of witnesses claiming to have been confused or reporting confusion.403 Some witnesses’ credibility may be bolstered by consistent accounts of confusion that is the subject of testimony by other witnesses.404 The credibility of witnesses testifying as to their own confusion or reported instances of confusion can be bolstered by any circumstantial evidence of confusion that may be available, such any defendant practice of instructing its sales force in how to address confused inquiries.405 In addition, the plausibility of accounts of confusion and

399 See Vitek Sys., Inc. v. Abbott Labs., 675 F.2d 190, 193 (8th Cir. 1982) (discounting out-of-court statements of customers offered by interested employees and consultants where other customers also testified but such testimony did not show confusion).

400 Fed. R. Evid. 801(d)(2) (exempting admissions of party opponent from hearsay definition); see, e.g., Conagra, Inc. v. Singleton, 743 F.2d 1508, 1515 (11th Cir. 1984) (crediting confusion reported in defendant’s answers to interrogatories); Les Ballets Trockadero de Monte Carlo, Inc. v. Trevino, 945 F. Supp. 563, 571-72 (S.D.N.Y. 1996) (crediting defendant’s admission of confusion by family, friends, and employee of plaintiff); Tortoise Island Homeowners Assoc., Inc. v. Tortoise Island Realty, Inc., 790 So. 2d 525, 534 (Fla. Dist. Ct. App. 2001) (“Even [the defendant’s] own witness . . . testified she had several customers who thought [the defendant] was the exclusive agent for [the plaintiff].”), rev. dismissed, 804 So. 2d 331 (Fla. 2001); see generally Kirkpatrick, supra note 53, § 7:9.2, at 7-31 to 7-32.


402 See, e.g., AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1544 (11th Cir. 1986) (upholding trial court’s finding of actual confusion: “In the instant case, Isaly presented four consumers who testified that they had been confused while making purchases in the market place. Each of the witnesses had notified Isaly of his or her confusion by letter or telephone.”).

403 See, e.g., Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 385 (7th Cir. 1976) (noting that disagreement with district court over interpretation of evidence of actual confusion would not prompt reversal but for survey evidence); AmBrit, Inc., 812 F.2d at 1544 (survey introduced in addition to live witnesses).

404 See Source Servs. Corp. v. Source Telecomputing Corp., 635 F. Supp. 600, 612-13 (N.D. Ill. 1986) (holding that affidavits by persons whose credibility was subject to challenge gained enhanced credibility through deposition testimony of others establishing actual confusion).

the fact that they are supported by individuals who are not subject to any credibility or bias challenge as well as those who are may persuade the court to credit all of the accounts.\textsuperscript{406}

IV. APPROACHES TO EVIDENCE OF ACTUAL CONFUSION

\textsuperscript{¶142} Discerning any formal standard by which to apply the actual confusion factor is difficult. Because so many decisions involving evidence of actual confusion are marked by differing treatment of the same or similar types of evidence, they provide limited guidance. In some instances, courts have focused on particular problems affecting such evidence—such as whether there has been sufficient opportunity for confusion to surface—and addressed such issues in a way that appears to formulate a standard for assessing such evidence.\textsuperscript{407} Piecemeal standards, however, do not provide comprehensive guidance. Other courts have articulated standards and tests that appear to be more comprehensive. Yet, closer examination reveals that even these tests often fail to address the full range of issues affecting the actual confusion factor—and, worse, either overemphasize the importance of the presence or lack of evidence of actual confusion or are too vague to provide meaningful guidance. This section reviews those standards for addressing actual confusion that are more comprehensive in nature and concludes that they reflect an insufficient appreciation for the multi-factor nature of the likelihood of confusion analysis and the different ways in which so many different circumstances impact the proper assessment of such evidence.

A. Burden Shifting and Presumptions

\textsuperscript{¶143} A number of jurisdictions apply a form of burden shifting whereby a showing of the plaintiff’s actual confusion will place a more substantial burden on the defendant to prove that confusion is not likely. This approach was developed by the Fifth Circuit in

\textsuperscript{406} See Home Shopping Club, Inc. v. Charles of the Ritz Group, Inc., 820 F. Supp. 763, 777 (S.D.N.Y. 1993) (finding that plaintiff established actual confusion and noting that, while certain witnesses were interested, others were not, and that all accounts were plausible).

\textsuperscript{407} See TCPIP Holding Co. v. Haar Communications Inc., 244 F.3d 88, 102 (2d Cir. 2001) (holding that presence or absence of actual confusion is probative only where “two marks have existed side by side in commerce” but not where “there has been little or no opportunity for actual confusion to be manifested”). Accord Lois Sportswear U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 875 (2d Cir. 1986) (“In any event, the record indicates that sales of appellants’ jeans have been minimal in the United States thus far and there has been little chance for actual confusion as yet.”); McDonald’s Corp. v. Shop at Home, Inc., 82 F. Supp. 2d 801, 808-09 (M.D. Tenn. 2000) (“Evidence of the number of instances of actual confusion must be viewed against the background of the number of opportunities for confusion before one can make an informed decision as to the weight to be given the evidence.”) (quoting 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:14 at 23-43 (4th ed. 1999)).

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World Carpets, Inc. v. Dick Littrell’s New World Carpets.\(^{408}\) In that case, a manufacturer and wholesale distributor of carpets under the WORLD mark sued a carpet retailer for using the words NEW WORLD CARPETS in its trade name. The parties went to trial, and, after the close of evidence, the trial court directed a verdict in favor of the plaintiff on its infringement claim.\(^{409}\) During the trial, the plaintiff introduced “uncontradicted testimony that World Carpets had been called by retailers who [mistakenly] thought World Carpets had entered the retail market.”\(^{410}\) Because of this evidence of actual confusion and the defendant’s failure to refute it, the Fifth Circuit shifted the burden to the defendant and upheld the directed verdict.\(^{411}\) In a frequently quoted passage, the court explained: “reason tells us that while very little proof of actual confusion would be necessary to prove the likelihood of confusion, an almost overwhelming amount of proof would be necessary to refute such proof.”\(^{412}\) A number of courts have followed this approach.\(^{413}\)

In light of the preferred status given to evidence of actual confusion, World Carpets’ form of burden-shifting appears to shift to the defendant the burden, not merely of disproving actual confusion, but also of proving that confusion is not likely. Indeed,

\(^{408}\) World Carpets, Inc. v. Dick Littrell’s New World Carpets, 438 F.2d 482, 482 (5th Cir. 1971).

\(^{409}\) Id. at 483-85.

\(^{410}\) Id. at 489.

\(^{411}\) Id.

\(^{412}\) Id.

the Fifth Circuit subsequently referred to this test as one that “shift[s] the burden of proof on the likelihood of confusion issue to the defendants.” According to one court, a defendant “may rebut the evidence of actual confusion with evidence, for example, that the confused customer was a rarity or drew an unreasonable conclusion and that there was no confusion regarding [the products’] history in the overwhelming majority of transactions.”

As discussed above, a number of courts have held that the lack of actual confusion carries evidentiary weight of its own. Not surprisingly, some have cast this approach as creating a presumption that confusion is not likely from the absence of evidence of actual confusion. Others do not use the term “presumption” but find that the absence

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416 See authorities cited supra note 76.

417 See Volkswagenwerk Aktiengesellschaft v. Wheeler, 814 F.2d 812, 818 (1st Cir. 1987) (“[C]ourts have stated that absence of actual confusion, when marks have been side by side in the same market for a substantial period of time, raises a strong presumption that there is little likelihood of confusion.”) (citations omitted); Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482, 490 (1st Cir. 1981) (“[A]bsent evidence of actual confusion, when the marks have been in the same market, side by side, for a substantial period of time, there is a strong presumption that there is little likelihood of confusion.”) (quoting 3 RUDOLPH CALLMAN, THE LAW OF UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 82.3(a), at 849 (3d ed. 1969)); Petro Shopping Ctrs., L.P. James River Petro., Inc., 130 F.3d 88, 95 (4th Cir. 1997) (“At worst, the company’s failure to uncover more than a few instances of actual confusion creates a presumption against likelihood of confusion in the future.”) (citation and internal quotation marks omitted); Amstar Corp. v. Domino’s Pizza, Inc., 615 F.2d 252, 263 (5th Cir. 1980) (“[T]he fact that only three instances of actual confusion were found after nearly 15 years of extensive concurrent sales under the parties’ respective marks raises a presumption against likelihood of confusion in the future.”) (citation omitted); Application of Myers, 201 F.2d 379, 384 (C.C.P.A. 1953) (“We think the failure or inability to show even one instance of the kind in the past creates a strong presumption against likelihood of confusion in the future.”); FS Servs. Inc. v. Custom Farm Servs., Inc., 325 F. Supp. 153, 162 (N.D. Ill. 1970) (“The substantial side-by-side use of the trademarks and service marks of plaintiff and defendant, without evidence of actual confusion, creates a strong presumption against likelihood of any such confusion in the future.”) (citations omitted); Greentree Labs., Inc. v. G.G. Bean, Inc., 718 F. Supp. 998, 1002 (D. Me. 1989) (quoting Pignons); Bayshore Group Ltd. v. Bay Shore Seafood Brokers, Inc., 762 F. Supp. 404, 413 (D. Mass. 1991) (quoting Pignons); Ackerman Sec. Sys., Inc. v. Design Sec. Sys., Inc., 412 S.E.2d 588, 589 (Ga. Ct. App. 1991) (“Design argues that a presumption against a likelihood of confusion is raised if the marks have coexisted in the marketplace over a significant period of time with no evidence of actual confusion. . . . We agree.”) (citations omitted); see also Barre-Nat’l, Inc. v. Barr Labs., Inc., 773 F. Supp. 735, 744 (D.N.J. 1991) (“While . . . the Court will not apply a presumption here, it notes that the
of such evidence weighs heavily against the plaintiff.\textsuperscript{418} Still others take a different tack and simply hold that an inference \textit{may} be drawn against the relevant party based on the presence or absence of evidence of actual confusion.\textsuperscript{419} However, where circumstances indicate that no confusion would be expected, no negative inference should be drawn where no confusion has surfaced.\textsuperscript{420} Other courts reject any inference from the lack of absence of confusion . . . during at least 17 years of concurrent use, weighs heavily against a finding of likelihood of confusion.”); Oreck Corp. v. U.S. Floor Sys., Inc., 803 F.2d 166, 173 (5th Cir. 1986) (“In light of the concurrent use of the STEAMEX DELUXE 15 XL name and Oreck’s XL mark for seventeen months, Oreck’s inability to point to a single incident of actual confusion is highly significant.”). \textit{Cf.} Frink Am., Inc. v. Champion Road Mach. Ltd., 48 F. Supp. 2d 198, 211 (N.D.N.Y. 1999) (holding absence of evidence of actual confusion to be “a factor strongly favoring defendant”) (citation omitted); \textit{see also} 3A CALLMAN, \textit{supra} note 45, § 21:64, at 21-848 to 21-850 (asserting that absence of confusion after substantial period of concurrent use leads to “strong presumption” that confusion not likely).


evidence of actual confusion without making it clear whether that rejection is rooted in specific circumstances of the case.\textsuperscript{421} Finally, another approach simply views the actual confusion factor as one of many factors relevant to the likelihood of confusion inquiry and views the presence or absence as establishing or not establishing the factor—although within the decisions taking this approach there is a difference as to whether the lack of such evidence means that the factor favors the defendant or is simply neutral.\textsuperscript{422}


One commentator has argued that courts should not draw any automatic presumption or inference from the absence of evidence of actual confusion but, instead, should consider whether such evidence should have surfaced in light of the types of products and companies, whether confused consumers would be likely to express their confusion, the volume of the parties’ sales, and any other factors that would affect the accessibility of such evidence.\footnote{423}

¶146 These varying approaches are not all consistent with the same type of burden-shifting. For example, nothing short of presuming a likelihood of confusion from the presence of actual confusion could shift the burden of proving no likelihood of confusion to the defendant. By contrast, a permissive inference that confusion is likely based on actual confusion could conceivably shift the burden of coming forward with evidence— but solely with respect to the actual confusion factor itself and not with respect to the entire infringement standard.

¶147 A benefit of the burden-shifting approach is that it could provide guidance to trial courts on the amount of evidence required to establish actual confusion and set constraints on the trial court’s discretion by making reversal much more likely where evidence of actual confusion is ignored—if the courts could settle on a consistent form of burden-shifting. An example is Meridian Mutual Insurance Co. v. Meridian Insurance Group, Inc., where an insurer using the MERIDIAN mark sued an insurance broker that during two and a half years in France and two years in United States, Giorgio Beverly Hills, Inc. v. Revlon Consumer Prods. Corp., 869 F. Supp. 176, 184-85 (S.D.N.Y. 1994) (holding actual confusion factor favors defendant “slightly” where products had not yet competed in United States and absence of such confusion in Europe during period of competition may not be probative given differences in markets), and Pizzeria Uno Corp. v. Temple, 566 F. Supp. 385, 399 (D.S.C. 1983) (“In that plaintiff has presented no evidence of actual confusion, the court concludes that this factor weighs against a finding of likelihood of confusion.”) (citation omitted), aff’d, 747 F.2d 1522 (4th Cir. 1984), with Saks & Co. v. Hill, 843 F. Supp. 620, 623 (S.D. Cal. 1993) (“Here, plaintiff did not produce substantial evidence of actual confusion. . . . On balance, this factor is neutral.”), appeal dismissed, 65 F.3d 1175 (9th Cir. 1995), and Mexican Food Specialties, Inc. v. Festida Foods, Ltd., 953 F. Supp. 846, 852 (E.D. Mich. 1997) (holding actual confusion factor “favors neither party” given lack of evidence), and Lever Bros. Co. v. Mattel, Inc., 609 F. Supp. 1395, 1402-03 (S.D.N.Y. 1985) (deeming factor to be “a wash” in absence of evidence), and Stop & Shop Supermarket Co. v. Big Y Foods, 943 F. Supp. 120, 125 (D. Mass. 1996) (holding actual confusion factor “favors neither party” given that there was no evidence but where lack of evidence was explained by circumstances), and Aero-Motive Co. v. U.S. Aeromotive, Inc., 922 F. Supp. 29, 41-42 (W.D. Mich. 1996) (holding that lack of confusion justified “draw[ing] the inference that this factor militates against finding a likelihood of confusion” in light of length of use but affording factor “little weight” in light of other conditions making it likely that confusion would not be reported), and Smithkline Beckman Corp., 591 F. Supp. at 1243-44 (“Even though there is no evidence of actual confusion, the Court has not given great weight to its absence because the [defendant’s] product has not been on the market long enough for the absence of actual confusion to be an indicator.”) (citation omitted).

\footnote{423} See Allen, supra note 4, at 26.
was using the term “Meridian” as part of its name. The district court had denied a preliminary injunction and, in doing so, found four misdirected telephone calls to be irrelevant because they did not involve actual or prospective purchasers. The Seventh Circuit reversed and, in doing so, found that the district court committed clear error and concluded that the four persons who made the misdirected calls constituted the “very little evidence” necessary to shift to the defendant the burden of coming forward with “overwhelming proof” to rebut such evidence, at least for purposes of a preliminary injunction hearing. Moreover, steps that the defendant had taken to avoid confusion, such as discontinuing the telephone number that was the source of the misdirected calls, was held to be insufficient to rebut the evidence of actual confusion. Thus, the failure to give “substantial weight” to even a small number of instances of actual confusion among a relevant group, at least at the preliminary injunction phase, may constitute reversible error under the burden-shifting approach.

¶148 The problem with the burden-shifting approach is that it does not differentiate between different types and quantities of evidence of actual confusion produced under different circumstances. Thus, in the Meridian example, misdirected calls are relatively weak evidence of actual confusion, and four is a relatively small number. By contrast, where such factors are used to discredit such evidence and avoid burden-shifting, that analytic step occurs before applying the test and, hence, without any guidance from it.

¶149 An example of how critical evaluation of evidence may precede and, thus, circumvent any burden-shifting test can be seen in Holiday Inns, Inc. v. Holiday Out in America. In that case, the plaintiff operated a chain of motels under the HOLIDAY INN mark, and the defendants offered campground services under marks containing the term “Holiday Out.” After the district court found in favor of the defendant, the plaintiff argued on appeal that evidence of actual confusion shifted the burden to the defendant. Although the plaintiff’s vice president testified to receiving inquiries about the defendant, and although the plaintiff introduced nine letters and a memorandum of a telephone call indicating confusion by the persons making such communications, the Fifth Circuit held that the burden was not shifted to the defendant. Without offering much description of the substance of these communications, the court questioned them in light of the fact that their authors were not available for cross examination, in light of the fact that two of the letters were suspiciously similar and generated after the litigation commenced, and in light of the testimony of a manager of one of the plaintiff’s motels at the only location where the defendant was also based to the effect that no confusion was observed over the course of two years.

¶150 Thus, in Holiday Inns, all of the evaluation of the evidence of actual confusion occurred prior to, and as a way of circumventing, the burden-shifting test; yet no real

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425 Id. at 1118-19.
426 Id. at 1119.
427 See id. at 1118-19.
429 Id. at 447, 449 n.4.
430 Id. at 448, 449 n.3.
guidance was offered as to how to evaluate such evidence short of applying the burden-shifting test. The lack of such guidance is particularly striking with respect to the absence of evidence of actual confusion at the one location where the parties were in competition for a significant period of time. As previously discussed, a number of courts, including those in the Fifth Circuit, have held that the absence or relative lack of such evidence, where many instances of actual confusion would be expected, actually gives rise to a presumption that confusion is not likely.  431

As with the presumption that is drawn against the defendant when the burden is shifted, however, merely establishing such evidentiary rules does not address the distinctions in different quantities of evidence and different circumstances in which the absence or relative lack of such evidence may arise. Indeed, determining when a presumption from the lack of evidence of actual confusion would arise is particularly difficult, given that the lack of such evidence often will not demonstrate anything in light of the difficulty of obtaining such evidence. 432 A presumption in either direction presents the additional problem of elevating one of the likelihood of confusion factors over all others, including ones that are recognized as more accurate predictors of likely confusion. 433

B. Totality of the Circumstances

Some courts weigh the evidence of actual confusion by looking to the totality of circumstances surrounding the claimed confusion. 434 “This examination may include consideration of the time period in question and how extensively the product is advertised or made known to the public . . . , as well as the type of confusion that exists and who suffers the confusion.” 435 The examination should encompass “countervailing circumstances which lessen the impact of asserted instances of confusion.” 436

Although the total quantity of incidents in light of the opportunity for confusion to develop is relevant to this analysis, other factors such as price, incentive to report confusion, the types of persons confused, and the quality of the evidence of confusion may lead a court to give greater emphasis to instances of confusion that are relatively few

431 See supra note 417 and accompanying text.
432 See Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695, 704 (5th Cir. 1981) (holding that absence of evidence of actual confusion does not demonstrate that confusion is not likely and noting difficulties in obtaining such evidence).
433 See supra notes 17-23 and accompanying text.
436 Sun Banks, 651 F.2d at 319 (citation omitted).
in number. For example, in *AmBrit, Inc. v. Kraft, Inc.*, the Eleventh Circuit upheld a finding that an ice cream bar wrapper infringed the plaintiff’s trade dress and trademark used to distribute its competing ice cream product and upheld a finding of actual confusion based upon just four reported instances of actual confusion. Specifically, the Eleventh Circuit held that the trial court had properly found actual confusion based upon testimony of four consumers who reported being confused by letter or telephone, as well as a survey that was given little weight by the trial court. Although the defendant argued that four instances of confusion were too few in light of the high sales volumes at issue, the Eleventh Circuit concluded that this argument was not persuasive in light of the difficulties of obtaining evidence of consumer confusion – particularly, in cases involving such low-priced goods. Given that many consumers who are confused will not realize their confusion in order to report it and given that many consumers who come to realize their confusion will not bother to report that confusion to a “faceless corporation” when the dollar value of the purchase was so minimal, the court found that the four reported instances of confusion were sufficient to establish actual confusion. The Eleventh Circuit characterized this evidence as “far from overwhelming” but, nonetheless, sufficient to support the finding. Although the defendant argued that the four instances of confusion were inconsequential because the consumers were careless, the court held that the argument was misguided insofar as the items in question were inexpensive impulse items that are not typically purchased with great care. Finally, albeit not emphasized by the court, although the number of reported instances of actual confusion were few, the evidence of these instances was likely highly credible insofar as the incidents involved mistaken purchases and the witnesses testified in person and had contemporaneously reported their confusion by letter or telephone.

¶154 One problem with the totality of the circumstances approach is that it often provides little or no guidance as to the manner in which various circumstances should affect how evidence of actual confusion or the lack thereof should be viewed. One example is as follows:

[A]ctual confusion or its absence is only one factor in the analysis of likelihood of confusion, and cases . . . have found its absence to be either important or insignificant, depending on the evaluation of all the other factors. The significance of this factor will therefore have to be judged in light of the evidence with respect to the other factors.

¶155 The solution proposed by this Article is to establish non-exhaustive factors to be weighed in assessing evidence of actual confusion.

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437 *AmBrit, Inc.*, 812 F.2d at 1531.
438 *Id.* at 1544-45.
439 *Id.* at 1544.
440 *Id.*
441 *E.I. DuPont de Nemours & Co.*, 393 F. Supp. at 515 (citations omitted).
C. Value of the Evidence

¶156 One approach that has the potential to capture critical judgments that other approaches either elide or obscure is to focus on the value of the evidence of actual confusion. This approach recognizes that evidence of actual confusion, including its type, quantity, and/or lack can be more or less valuable in different circumstances.\(^{442}\) The fact that value is assigned based upon particular circumstances brings to mind the totality of the circumstances test. However, focusing on the value of the evidence brings attention to those aspects of the case that can enhance or detract from various types of evidence of actual confusion. By recognizing the different types of circumstances that tend to give more or less value to evidence of actual confusion, this approach has more potential to channel the seemingly untethered discretion of lower court judges.

¶157 An example of judicial scrutiny of the value of evidence of actual confusion can be seen in the Seventh Circuit’s decision in *Union Carbide Corp. v. Ever-Ready Inc.*\(^{443}\) In that case, the plaintiff owned trademark registrations on the term EVEREADY for use in connection with electric batteries, flashlights, and miniature bulbs for automobile and marine use. Between October 1965 and July 1967, the plaintiff sold bulbs under its EVEREADY mark in blister packages designated for use in high-intensity reading lamps. The defendants used the mark EVER-READY in connection with importing and distributing electrical supplies, stationary, gift items, and accessories, including lamps, light bulbs, light fixtures, and flashlights. In 1969, the defendants began importing miniature lamp bulbs with the EVER-READY mark stamped on the bases and distributed these bulbs in blister packages also bearing that mark and designated for use in high-intensity lamps. The defendants also imported high-intensity lamps stamped with the same mark.\(^ {444}\)

¶158 In reversing the district court’s holding that there was no likelihood of confusion, the Seventh Circuit closely scrutinized the district court’s rejection of all evidence of actual confusion. In framing this discussion, the Seventh Circuit noted the tension among cases holding actual confusion to be unnecessary, cases holding actual confusion to be the best evidence of likelihood of confusion, and cases holding isolated instances of actual confusion to be insufficient in establishing a likelihood of confusion. The *Union Carbide* court resolved this tension by focusing on the value of the evidence of actual confusion in light of the commercial realities:

¶159 The value of evidence of actual confusion is greater when the products involved are low value items because purchasers are unlikely to complain when dissatisfied, which would bring to light confusion; but rather they are likely simply to avoid all products produced by the company which they believe produced the product which caused them trouble.

¶160 With this focus on the value of the particular evidence of actual confusion, the Seventh Circuit then evaluated three incidents of actual confusion and emphasized

\(^{442}\) See, e.g., Therma-Scan, Inc. v. Thermoscan, Inc., 295 F.3d 623, 634 (6th Cir. 2002) (“Where evidence of actual confusion exists, the weight to which such evidence is entitled varies depending upon both the type and amount of confusion that occurs.”) (citation omitted).

\(^{443}\) *Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366, 366 (7th Cir. 1976).

\(^{444}\) *Id.* at 370-71.
additional circumstances that may impact the value of the evidence such as whether the statements of allegedly confused persons reflect assumptions about which company those persons were communicating with, whether instances of confusion appear credible in light of evidence that transactions were instigated by interested parties and in light of commercial circumstances that shed light on the motives of the parties involved in such transactions, and whether the level of care exercised by the purportedly confused persons was consistent with the nature of the products at issue.\footnote{\textit{Id.} at 383-85.}

¶161 In addition to offering considerable guidance on how to value evidence of actual confusion, \textit{Union Carbide} is also instructive in the limited control the court exerted over the discretion of trial judges. Specifically, notwithstanding several areas of disagreement with the district court’s findings as to the value of the evidence presented on actual confusion, the Seventh Circuit noted that these points of disagreement, standing alone, would not be sufficient to hold that the trial court was clearly erroneous in holding that there was no likelihood of confusion.\footnote{\textit{Id.} at 385-88. \textit{See also} Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1207 (1st Cir. 1983) (discounting evidence of actual confusion in light of factors diminishing its value); Imperial Serv. Sys., Inc. v. ISS Int’l Serv. Sys., Inc., 701 F. Supp. 655, 659 (N.D. Ill. 1988) (“The weight given to evidence of actual confusion varies according to the identity of those confused, the value of the services involved, and the context in which the confusion occurs.”) (citations omitted); Source Servs. Corp. v. Source Telecomputing Corp., 635 F. Supp. 600, 614 (N.D. Ill. 1986) (“[T]he weight to be accorded that evidence [of actual confusion] remains an open issue to be evaluated in light of the evidence concerning the degree of competition between the parties, the strength of plaintiff’s marks, the circumstances surrounding the confusion, and the universe of contacts within which these incidents of confusion arose.”).}

¶162 Nevertheless, when these areas of disagreement over the evidence of actual confusion were combined with the district court’s rejection of survey evidence that the appellate court found probative of likely confusion, as well as other factors weighing in favor of likely confusion, the Seventh Circuit held that the district court committed clear error and reversed.\footnote{Safeway Stores, Inc. v. Safeway Discount Drugs, Inc., 675 F.2d 1160, 1160 (11th Cir. 1982).}

In light of the wide degree of discretion afforded to district courts, it is not enough for appellate courts simply to provide examples of how they would value particular instances of confusion in light of particular circumstances if they were sitting as trial courts. Rather, explicit criteria are needed to guide trial courts valuing such evidence.

Even courts purporting to follow the burden-shifting test have showed signs of abandoning that approach in favor of an approach that affords different value to different types of evidence of actual confusion. Specifically, in \textit{Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.,}\footnote{\textit{Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.,} 675 F.2d 1160, 1160 (11th Cir. 1982).} the then newly-formed Eleventh Circuit purported to follow its predecessor, the Fifth Circuit, but noted an inconsistency between the burden-shifting test, which is triggered by very little evidence of actual confusion, and decisions that have discounted relatively few instances of actual confusion that have occurred over a
significant period of time. The court then focused on how much weight should be afforded to such evidence and pointed to factors influencing this determination other than simply the quantum of evidence and the relevant time period:

¶163 Perhaps as important as, and helping to explain the various interpretations of the relevance of, the number of instances of confusion are the kinds of persons confused and degree of confusion. Short-lived confusion or confusion of individuals casually acquainted with a business is worthy of little weight . . . while confusion of actual customers of a business is worthy of substantial weight.

¶164 The court went on to find only two instances of confusion to be highly probative. One instance involved a misdirected letter from a supplier whose familiarity with the trade would presumably make confusion difficult. The second instance involved a customer—the precise class that must not be confused for a business to compete.

¶165 The value of the evidence approach improves upon the totality of the circumstances approach by recognizing that not all evidence deserves equal weight. Some evidence of confusion is highly probative. Other such evidence is less so. In each case, the value of the evidence must be determined by context.

¶166 Ultimately, however, like the totality of the circumstances approach, the value of the evidence approach fails to provide sufficient guidance. Missing are any general methods for ranking different types of evidence and any received understanding as to contextual factors that affect value. The solution proposed by this article is to articulate types of evidence that tend to have differing degrees of value and types of circumstances that tend to affect value in the form of a multi-factor test.

V. A MULTI-FACTOR TEST FOR VALUING EVIDENCE OF ACTUAL CONFUSION

¶167 Each of the approaches set forth above presents different difficulties. Either such approaches do not provide meaningful guidance or such approaches reflect overemphasis on the presence or absence of evidence of actual confusion with insufficient regard for context or the multi-factor nature of the likelihood of confusion analysis and the proper place of the actual confusion factor in that test. One solution to the difficulty in determining actual confusion is to take a lesson from the approach that courts have developed to establishing likelihood of confusion—namely, to use a multi-factor test that should be considered in valuing such evidence. These factors should give explicit recognition to the types of circumstances set forth in this article that are relevant to valuing evidence of actual confusion. In turn, each factor should be considered in light of sub-factors. As with the likelihood of confusion test itself, any such list of factors should be nonexclusive due to the infinitely varied circumstances that may affect any particular case.

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449 See id. at 1166-67 (citations omitted).
450 Id. at 1167. See also Homeowners Group, Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1110 (6th Cir. 1991) (same).
451 See Safeway Stores, Inc., 675 F.2d at 1167.
A. Quality of the Evidence

The first factor to be assessed is the quality of the evidence of actual confusion. One component of this factor is admissibility of the evidence. If the evidence is not in admissible form, it should be excluded at trial. At a preliminary injunction hearing, the court must determine if there is reason to accept such evidence. This assessment must take into account the apparent reliability of the evidence—including its completeness and context—as well as the proponent’s ability to present the evidence in a better format in light of the stage of the proceedings and the court’s ability to conduct a full evidentiary hearing at the preliminary injunction phase.

If the court relaxes the evidentiary rules, or if the evidence satisfies an exception to the hearsay rule but, nonetheless, presents the very concerns that underlie the hearsay rule, then the court should discount such evidence, unless present in an overwhelming quantity or bolstered by evidence of other types of evidence of actual confusion, survey evidence, or a strong showing with respect to the other likelihood of confusion factors. Among other things, courts should determine whether the persons whose statements or actions at issue are identified, how many chains of declarants translate their statements or actions before they are offered into evidence, the opportunity of lawyers to shape the statements or actions that are offered into evidence, the completeness of any statements or actions, and context for any statements or actions, and the feasibility of gathering and presenting evidence with greater detail, given, among other circumstances, the nature of the incidents of confusion, the nature of the businesses, the ease with which such incidents can be documented, and the involvement of counsel during the time when incidents of confusion were surfacing.

B. Types of Evidence

Courts should recognize that different types of evidence of confusion are subject to differing degrees of reliability of evidence depending upon the degree to which such evidence consists of actual real-world reactions to the parties’ marks as used in the commercial world, whether the actions or statements at issue require a degree of investment of thought, resources, or energy such that any confusion rises above the level of mere musings about the parties or careless or inattentive actions or statements, and whether such evidence takes the form of clear and unambiguous actions or statements and provides sufficient context to discern the nature and context of confusion. Thus, evidence of actual confusion will vary in descending order of quality roughly from mistaken purchases, other mistaken commercial interactions such as provision of financing, credit, or supplies, obtaining service or repairs from the wrong party, returning products to the wrong party, redeeming coupons with the wrong party, mistakes by advertisers, mistakes in the press that are likely to mislead others, misdirected communications that reflect a mistaken understanding, inquiries that reflect a mistaken understanding (as opposed to mere musing), and other types of misdirected communications, inquiries, and impressions whose import is less clear.
C. Categories of Persons

¶171 This factor has two components. First, the court must determine where the persons at issue fall within the spectrum of those whose views are relevant and how credible the persons are. Based on the discussion in Section III, categories of confused persons are relevant in roughly the following descending order: actual purchasers; potential purchasers with proximity to a purchasing decision; investors, suppliers, service providers, or others whose decisions may affect the good will of the trademark owner where such persons are in proximity to a relevant decision; advertisers or members of the media who are likely to impact the purchasing public; potential purchasers who are more remote from actual purchasers; potential investors, suppliers, service providers, or others whose decisions may affect the good will of the trademark owner where such persons are more remote from a relevant decision; persons charged with using a high degree of care to identify the parties correctly; and others whose reactions may be indicative of the reactions of persons in some relevant category.

¶172 Second, courts must consider bias and credibility. Factors indicating that the person might be biased include relationships with, or hostility towards, one of the parties or other financial or economic incentive to favor one of the parties. Factors that may bear on credibility include sheer contrast between the account of confusion and the other likelihood of confusion factors, the inability of the witness to recall specifics, whether the account is consistent with the witness’s degree of sophistication, whether the plaintiff was involved in instigating the incidents, whether there are circumstances that bolster the credibility of an account, and whether the relevant persons are subject to cross examination (or, at least, to being deposed by the defendant).

D. Level of Care

¶173 Courts must consider whether the persons at issue exercised the appropriate level of care and attentiveness for the types of products or services at issue and for the type of interaction at issue in each case. The level of apparent care used by persons allegedly confused should be assessed in light of the market conditions relevant for determining likelihood of confusion. Consumers should not be held to a higher level of care than they would exercise in the marketplace. While confusion may erode a trademark owner’s good will in contexts other than a mistaken purchase, where carelessness or inattentiveness occurs in circumstances that are not indicative of potential impact on the trademark owner’s good will, then such confusion should be discounted. Thus, misdirected communications regarding warranties, service, or product returns are likely to be more relevant than communications that merely report impressions about a product.

E. Level of Sophistication and Intelligence

¶174 Much like the level of care, the sophistication of persons purportedly confused should be assessed in light of marketplace conditions and in light of what such evidence foretells regarding persons in the marketplace. Persons purportedly confused should be held to a reasonable level of ordinary intelligence—but not more than would be expected of the average member of the consuming public for the relevant product or service. To the extent persons reporting actual confusion are more sophisticated, such confusion (if
credible and if occurring in a context indicative of the reactions of others) may foretell broader confusion among persons more representative of the actual marketplace.

F. Degree of Confusion

¶175 To some extent this factor overlaps with the type of evidence at issue. For example, a mistaken purchasing decision will exhibit a higher degree of confusion than a casual inquiry about whether two parties are related. However, courts should also consider the degree to which reports of confusion continue to surface over time—as an indicator of the reliability of incidents at any particular time to predict likely confusion and as an indicator of whether incidents are likely attributable to some factor other than the parties’ marks (like the temporary existence of only one party in a telephone directory), which may disappear over time.

G. Duration, Extent, and Nature of Coexisting Uses

¶176 This factor measures the degree to which evidence of actual confusion would be expected to surface by looking to whether there has been sufficient coexistence in the marketplace to produce confusion. For that to happen, the parties must have presented their marks to a common audience—either through direct competition, through sales as complimentary or related products or services, or through advertising to a common audience in a common territory or in overlapping channels of trade. In addition, the court must take into account factors regarding the context of the coexisting uses that may make incidents of confusion more or less likely to surface—factors such as price of the goods or services, ease of communicating with the parties, the degree to which the parties communicate directly with consumers, the degree to which communications with intermediaries such as retailers are passed to the parties, the degree to which consumers are likely to realize their mistakes and report them to the parties, the degree to which consumers are likely to be deterred from coming forward by concerns such as embarrassment or the fear of becoming a witness in litigation, and the parties’ recordkeeping practices. In light of the extent and nature of the particular coexisting uses, the court must then determine whether the coexistence has endured for a sufficient period that some amount of confusion should have surfaced if confusion were likely to occur.

H. Ability to Gather Evidence of Confusion

¶177 The courts should also consider the practical ability of a party to obtain evidence of confusion that has surfaced. Circumstances affecting the ability of a party to obtain such evidence include whether consumers typically communicate with third parties regarding the products or services at issue instead of the parties themselves, the degree to which the parties’ have had the opportunity to conduct discovery, and the opposing party’s recordkeeping practices.

I. Quantity of Incidents

¶178 With the various other factors in mind, for each type of person and each type of incident, the quantity of incidents will be important but the degree of importance will
vary with the strength of the evidence and the degree to which evidence of actual confusion should be expected. While courts should be wary of imposing any statistical significance threshold that could only be achieved properly in the context of a survey, courts should also be mindful of benchmarks that provide context, such as extent of sales, advertising, and publicity.

179 In light of the many textual and policy reasons underpinning the rule that evidence of actual confusion is not required, no inference should automatically be drawn against a plaintiff where instances of actual confusion are minimal or nonexistent. Rather, if the defendant seeks to use this factor to overcome other evidence of likely confusion offered by the plaintiff, it should be incumbent on the defendant to put the lack of evidence of actual confusion in context and to demonstrate its significance. In some cases, this task will be easy, such as where there has been extensive side-by-side competition over many years. In other cases, the task will be more difficult. By contrast, where the plaintiff seeks to establish the actual confusion factor as pointing to likely confusion, it should be incumbent on the plaintiff to put the evidence of actual confusion in context and to demonstrate its significance. Given the many problems with evidence of actual confusion and the many contextual nuances that affect the value of such evidence, presumptions in either direction from the presence or lack of such evidence are not appropriate. However, the strength of the inference drawn in either direction may vary depending upon the showing made by the party seeking to establish such an inference.

VI. CONCLUSION

180 In sum, far from serving as a stable, objective determinant of likely confusion, the actual confusion factor has been a source of inconsistency, incoherence, unpredictability, and, indeed, confusion in trademark law. Evaluating evidence of actual confusion requires highly subjective judgments. To date, the courts have not yet articulated an approach to such evidence that promotes a consistent, coherent, and predictable approach to the evidence. A multi-factor test will best achieve that end and, by providing uniform guidance, should ultimately help courts discern between evidence of actual confusion having more objective value and evidence of actual confusion that is more prone to subjective interpretation.