

Needed: A Comprehensive Working Definition of "Likelihood of Confusion"

BY PAUL KILMER



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With the advent of GATT-TRIPS and its application to developing nations, over the last several years I have been called upon to assist several foreign countries in improving their intellectual property laws and enforcement regimes. One question that often arises among judges and other officials charged with overseeing trademark conflicts is what standard the United States uses for assessing trademark infringement, especially in relation to traditional "word" marks.

Courts in the United States have generally used a seven- or eight-factor test for assessing likelihood of confusion.¹ However, an analysis of the case law indicates that more factors and nuances within those factors are used by the courts than are present in their current standard formulas.

As a result of experience and input from many sources, I have developed and propose a ten-factor likelihood of confusion test, which is an attempt at creating a synthesis of the factors used by the various federal circuits. I encourage, and would appreciate receiving, the comments and suggestions of the membership in relation to my effort, which may be forwarded to pkilmer@hklaw.com.

Proposed Likelihood of Confusion Factors

The determination of trademark infringement for "word" marks is based upon whether a reasonably prudent consumer for the goods or services who encounters the marks of the parties in the marketplace is likely to be confused as to the source, sponsorship, association or affiliation of the goods or services of the trademark owner (plaintiff) and the defendant. The likelihood of confusion test involves a multifactor balancing that generally includes an analysis of:

A. the strength of the plaintiff's mark:

1. The inherent nature of the mark or the mark's "conceptual strength" (that is, whether the mark is descriptive, suggestive, arbitrary or fanciful as used for the goods or services of the plaintiff); and
2. The marketplace strength of the plaintiff's mark (that is, the extent to which likely consumers associate the plaintiff's mark with a single source of services), including:

- a. the fame of the plaintiff's mark (including consumer recognition demonstrated through means such as unsolicited consumer communications, consumer surveys, unpaid media recognition, and consumer testimonials);

- b. the number and nature of similar marks used by others, including the success the plaintiff has had in preventing the use of its mark by others to identify competing or related goods or services, and in preventing use of the mark as a generic term;

- c. the extent of sales or provision of services under the plaintiff's mark (that is, the degree of potential consumer exposure to the plaintiff's mark as reflected in sales or provision of services, including the duration of use of the mark); and

- d. the nature, duration and extent of advertising of the plaintiff's services under the mark (again, going to the extent to which likely consumers have been exposed to the plaintiff's mark).

3. Any presumptions to which the mark is entitled as a result of registration (e.g., *prima facie* evidence of validity, ownership and the exclusive right to use the mark in connection with plaintiff's goods or services).

B. the similarity in appearance, sound, connotation and commercial meaning or impression of the plaintiff's and defendant's marks, including:

1. whether, when viewed as whole, the marks create similar commercial impressions;

2. whether certain elements of the marks (words and/or devices) dominate over other elements and would be more likely to influence the purchasing decision;

3. whether the marks are likely to be encountered side-by-side (e.g., on the same store shelf) or in different locations and/or at different points in time, and whether, and in what manner, those conditions of purchase affect prospects for confusion; and

4. weighing similarities of the marks more heavily than their differences (newcomer has the obligation to avoid confusion).

C. whether, and to what extent, the goods or services of the parties overlap or are related, which may include:

1. an assessment of the extent of the plaintiff's use of its mark (that is, whether the plaintiff's mark identifies only one discrete product or service or whether it is a house mark or part of a "family" of marks covering a broader range of goods or services); and

2. if the goods or services of the parties are not related, the likelihood that prospective consumers would believe that the goods or services of the defendant emanate from the plaintiff (or *vice versa*), including an analysis of whether the plaintiff or defendant is likely to bridge any gap there may be between their respective goods or services and whether the goods or services are complimentary or otherwise of a type known to trade under the same brand (e.g., clothing and perfume).

D. whether, and to what extent, the marketing methods and channels of trade (including advertising and promotional channels) and likely consumers of the parties overlap;

E. the characteristics of likely consumers, including the degree of care likely to be exercised by potential consumers, with an analysis of the sophistication of likely consumers and whether likely consumers are "impulse" shoppers (generally associated with lower cost goods or services in the mass market, where confusion may be more likely to occur) or likely to exercise a higher degree of care (generally associated with higher priced or specialized goods/services, where confusion may be less likely to occur) in selecting the products or services they use (this may include an analysis of the effect of "disclaimers" of affiliation used by the defendant);

F. whether actual confusion (initial interest, point-of-sale or post-sale) has resulted from the concurrent use of the marks of the parties, and the nature and extent of any such confusion;

G. the length of time and conditions under which the marks of the parties have been used concurrently; including past market interface between the goods or services of the parties, plaintiff's knowledge of defendant's trademark use, and plaintiff's past acquiescence regarding defendant's trademark use;

H. whether the defendant had a wrongful intent or failed to exercise reasonable prudence (acted carelessly) in adopting and using its mark (which may occasionally be inferred from the defendant's knowledge or conduct, including whether a more knowledgeable or sophisticated defendant conducted a trademark availability search before adopting and using its mark—in the absence of which some courts have found at least a willful disregard for the trademark rights of the plaintiff);

I. if the goods or services of the parties are offered in different geographic territories, the plaintiff's prospects for expanding into the defendant's territory (or *vice versa*) and/or the likelihood that consumers in the territory of one party are likely to know of the trademark of the other party (through advertising, promotion or otherwise); and

J. whether use of the product or service at issue could cause significant injury to consumers if even a limited number of instances of actual confusion were to arise (e.g. in the case of pharmaceuticals, courts may not require the same quantum of proof of likelihood of confusion as might be the case for less harmful products).

There is no set manner for evaluating the significance of any one of these factors in any particular infringement situation. In fact, the law cautions against applying the factors in the manner of a "mechanistic formula."²²

Endnotes

1. GILSON AND LALONDE, *THE LANHAM ACT: TIME FOR A FACE LIFT?* (Matthew Bender & Company, Inc., 2002) (indicating that most circuits use seven or eight factors, while one circuit uses thirteen factors and another uses a mere six).

2. *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979); *J. B. Williams Co. v. Le Conte Cosmetics*, 523 F.2d 187, 191 (9th Cir.), *cert. denied* 424 U.S. 913 (1976); Application of E.I. DuPont DeNemours & Co., 476 F.2d 1357, 1361 (CCPA 1973); *Rolex Watch USA Inc. v. Meece*, 158 F.3d 816, 829 (5th Cir. 1998); *Planetary Motion, Inc. v. Techsplosion, Inc.*, 261 F.3d 1188, 1201, fn. 22 (11th Cir. 2001); *Glenwood Laboratories, Inc. v. American Home Products Corp.*, 455 F.2d 1384 (CCPA 1972) ("lesser quantum of proof") *contrast*, *American Cyanamid v. Connaught Laboratories, Inc.*, 800 F.2d 306 (2d Cir. 1986); *Goto.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199 (9th Cir. 2000). See MCCARTHY ON TRADEMARKS § 23.19 and RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 20–23 (1995).