

Survey evidence around the world – a comparative analysis

While survey evidence has an important role to play in trademark disputes, the rules vary depending on jurisdiction. This article examines how survey evidence in trademark disputes is treated by courts in five different jurisdictions. It is clear that survey evidence still has an important role to play in trademark cases, but that its use is more strictly controlled in some territories than others – in particular, the United Kingdom and Australia. Common themes emerge across jurisdiction – notably, that transparency in dealings is a laudable aim, with surveys being shared with opposing parties before trial. Cooperation between the parties is encouraged where possible, while courts are keen that parties avoid excessive costs in relation to gathering survey evidence.

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United Kingdom

Requirements for use of survey evidence

The two recent decisions of the Court of Appeal in *Interflora v Marks and Spencer PLC* ([2012] EWCA 1501 (*Interflora I*) and [2013] EWCA Civ 319 (*Interflora II*)) have clarified the law in relation to the use of survey evidence in the United Kingdom. The test as set out by Lord Justice Lewison in *Interflora II* is that: "A judge should not let in evidence of this kind unless the party seeking to call that evidence satisfies him (a) that it is likely to be of real value; and (b) that the likely value of the evidence justifies the cost."

While a party may carry out a pilot survey (at its own expense), the court's permission is required for a full survey. In addition to convincing the court that survey evidence will be of real value in deciding the issues before it, the party seeking to adduce survey evidence must also show that its survey complies with the Whitford Guidelines (the rules on the admissibility on survey evidence as set out by Judge Whitford in *Imperial Group plc v Philip Morris Ltd* in 1984). The Court of Appeal has firmly endorsed the Whitford Guidelines, which are summarised below:

- Identify the relevant cross-section of the public – if the survey is

to have any validity, the method for selecting interviewees is paramount.

- The party seeking to rely upon the survey must give the fullest possible disclosure of how many surveys were carried out, how they were conducted and the total number of persons involved.
- The survey must be of sufficient size to return results that are of statistical significance.
- The instructions given to the interviewers must be disclosed.
- The totality of all answers given to all surveys should be disclosed.
- The interviewers must record exact answers rather than a summary of the responses provided.

The *Interflora* decisions are not necessarily a death knell for survey evidence in the United Kingdom. However, they do mean that there is now a higher burden to satisfy before such evidence can be admitted.



Evidential weight of survey evidence

The UK courts have long been sceptical of the use of survey evidence in trademark infringement cases. The Court of Appeal emphasised that survey evidence remains of limited use in the vast majority of infringement cases, as the court is capable of reaching a decision on such issues on its own. The court's judgments have made it clear that survey evidence in trademark cases involving consumer confusion over ordinary consumer goods will be admissible only in limited circumstances. However, it may be easier to convince the courts that survey evidence should be permitted in cases involving goods or services not used by the average ordinary consumer, or in relation to acquired distinctiveness or even in passing-off cases.

The Court of Appeal has held that assertion of privilege in respect of survey-related communications with interviewers or consumer witnesses reduces the probative value of such evidence. Parties should be prepared to waive privilege in respect of such survey communications and perhaps even record interviewees' oral responses.

Leading questions should be avoided at all costs if the evidence is to have probative weight. The use of a leading question was found

to have undermined the reliability of the survey and resultant witness evidence in *Interflora II*, with the Court of Appeal holding that it was clear that many witnesses had been led by a question into speculating about something which they had not thought about before.

Role of experts and witnesses identified through surveys

The court's permission is required to adduce expert evidence in conjunction with any survey and to call any witnesses identified through a survey.

Costs

New rules governing costs in litigation came into effect on April 1 2013 (the Jackson Reforms), so there is now an even greater onus on parties to show that adducing survey evidence is both proportionate and justifiable (see Civil Procedure Rule 1.1). The party seeking to adduce survey evidence does so at its own costs risk. A party should not embark upon a survey unless it is confident that it can satisfy the court that such evidence will be of real value and that the costs are justified.

United States

Requirements for use of survey evidence

Survey evidence is permissible and common in both trademark infringement and dilution cases in the United States, and litigants use such evidence both offensively and defensively. The court's permission is not required to adduce such evidence. In the federal courts, where most trademark litigation occurs, the three basic requirements for use of such evidence are as follows:

- An expert must prepare a report detailing the results of the survey work and offering opinions based on that work. That report must be provided to the opposing side at a time set either generally by the Federal Rules of Civil Procedure or specifically by the judge.
- The expert is generally subject to deposition by the opponent.
- The court evaluates both the expert's qualifications and the methodology that he or she employs in determining whether a survey will be admitted into evidence.

Evidential weight of survey evidence

Trademark survey evidence is admissible under the standards that are generally applicable to expert testimony. Survey results are presented to the trier of fact, along with all other factual evidence. Survey evidence is given no special weight. However, because in many cases it is the primary or exclusive evidence of certain elements of the party's claims, it may be given substantial weight in practice.

US courts have long accepted that survey evidence of consumer perceptions has an important role to play in many trademark cases. Courts are generally more willing to admit into evidence and give more weight to surveys that follow traditional methodologies. Certain of those traditional methodologies apply only to particular types of trademark claim. Trademark surveys are regularly conducted over the Internet. This is particularly true in cases involving technology companies' trademarks, because an internet-based survey provides parties with the ability to test consumer perceptions of the mark in the format in which it is encountered in

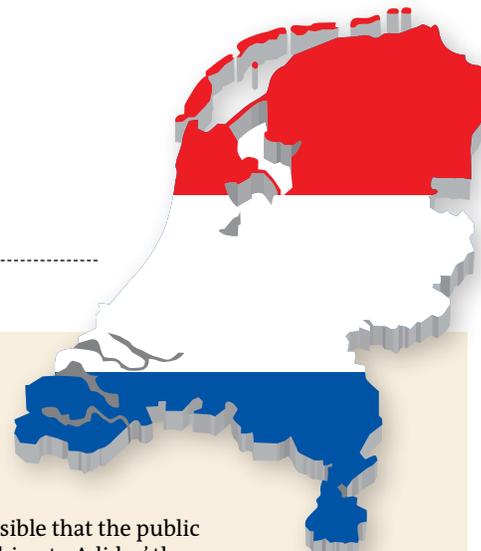


the marketplace. Nevertheless, telephone and in-person surveys are still conducted, in part because of concerns about potential sample selection bias in internet-based surveys.

Role of experts and witnesses identified through surveys

Parties bear the costs of obtaining expert surveys and testimony. Because survey evidence may be the most important in a trademark case, parties rarely forgo hiring survey experts, particularly if the other side has hired an expert as well.

Trademark surveys in the United States are conducted anonymously and most experts contract with survey houses to conduct them. These houses will sometimes obtain contact information for respondents, but this is solely for the purpose of confirming that they did in fact participate. Parties are therefore unable to contact individual respondents to request that they offer testimony about their perceptions, so the court does not hear from individual consumer witnesses identified through surveys – a material difference from other jurisdictions such as the United Kingdom, where such consumers can give evidence with the court's permission.



Netherlands

Requirements for use of survey evidence

The use of survey evidence is permissible in trademark disputes in the Netherlands. Surveys are mainly used to prove the distinctiveness of trademarks, both in the context of acquired distinctiveness and to qualify marks as well known. To a lesser extent, surveys are also used in infringement matters.

In general, the court's permission is not required in order to adduce survey evidence, although in rare circumstances such evidence may be rejected if it is contrary to the principles of due process. Both the court and the counterparty must have sufficient time to examine the evidence. No specific rules govern the use of surveys, apart from generally applicable procedural rules.

Evidential weight of survey evidence

Dutch courts are relatively sceptical of survey evidence. Nonetheless, the acceptance of surveys as evidence has progressed in the last decade and they now play an acknowledged role in trademark infringement cases.

The courts do not draw a strict distinction between the treatment of survey evidence in different types of trademark infringement case in deciding whether to allow evidence at trial. In each case, the court has to decide whether the survey has sufficient evidential weight. In general, survey evidence is almost always accepted in cases in which distinctiveness must be demonstrated, and increasingly more in infringement matters.

One of the leading trademark cases where survey evidence was heavily relied upon is *Adidas v Scapa* (*Gerechtshof Amsterdam*, November 8 2007, LJN: BB7456). Adidas sued Scapa for infringing its three-stripe Adidas trademark, as Scapa was using a two-stripe sign on its clothing line. Market survey evidence played a pivotal role in convincing the Dutch courts that the Adidas marks had been

infringed. The Court of Appeal ruled that use of the two stripes on Scapa's clothing was not merely decorative, but

made it sufficiently plausible that the public would relate Scapa's clothing to Adidas' three-stripe trademark, and that this could damage the distinctive character of Adidas' three-stripe mark, because it could lead to dilution.

Telephone and internet surveys are frequently used before the Dutch courts. In particular, internet surveys have gained popularity over the past years and this type of survey will probably gain even more weight in the coming years.

Role of experts and witnesses identified through surveys

Experts, such as marketing or psychology academics, often provide statements of validity in relation to surveys, but such statements are strictly limited to validity. These statements are not required by the courts, so providing them is at a party's discretion. Experts are not called to appear in court in relation to validity statements, as the courts simply rely upon their written statements. Individuals identified through surveys are not called to give evidence in court as witnesses.

Costs

The costs of survey evidence qualify as costs of the proceedings. This means that they can form part of the total procedural costs which are eligible for recovery by the unsuccessful party at trial. In IP cases in the Netherlands, the successful party can claim back all of its legal costs and the survey costs can therefore be recovered as part of these.

Australia

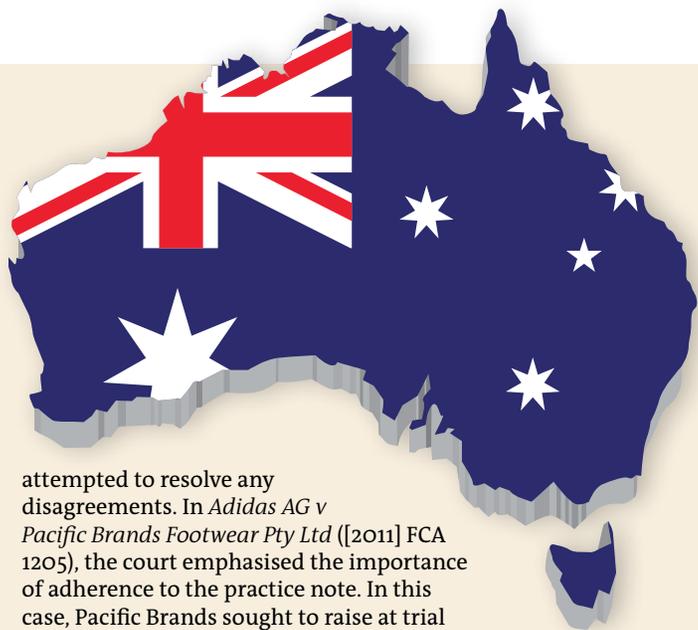
Requirements for use of survey evidence

In theory, relevant survey evidence is permissible in all kinds of trademark and passing-off cases in the Australian courts. The admissibility of survey evidence is a matter for the court to determine on a case-by-case basis, and that determination is usually not made until trial. A party that undertakes a survey therefore bears a risk that its survey will not be admitted into evidence at trial, or if it is, will be afforded little weight. Those risks can be minimised in Federal Court proceedings by following the practice outlined in Practice Note CM 13 issued by the Federal Court. This provides that the party seeking to conduct a survey should give the other parties prior written notice together with an outline of:

- the purpose of the proposed survey;
- the issue to which the survey is directed;
- the proposed form and methodology;
- the particular questions that will be asked;
- the introductory statements or instructions that will be given to the persons conducting the survey; and
- other controls to be used in the interrogation process.

The practice note also provides that the parties should attempt to resolve any disagreement concerning the manner in which the survey is to be conducted, and that the matter of the survey should be raised with the court as soon as possible after the parties have

attempted to resolve any disagreements. In *Adidas AG v Pacific Brands Footwear Pty Ltd* ([2011] FCA 1205), the court emphasised the importance of adherence to the practice note. In this case, Pacific Brands sought to raise at trial an objection to the survey that it had not brought up earlier. The court dismissed the objection, stressing that all objections to the survey should have been raised before trial in accordance with the practice note.





Evidential weight of survey evidence

Before 1990, survey evidence was generally not permitted by Australian courts as it was deemed to be inadmissible hearsay under the rules for evidence. However, a material shift took place, starting with *Arnott's Ltd v Trade Practice Commissioner* ([1990] 24 FCR 313). Since then, courts have accepted that survey evidence can be admissible. While the courts are not sceptical of survey evidence, it is apparent that they pay careful attention to the quality of the survey in deciding what weight should be given to this evidence.

There is no discernible difference in how the Australian courts treat survey evidence depending on the type of trademark or passing-off case before them. Each case in which survey evidence is adduced is viewed on its merits. It is clear from case law that all survey results should be disclosed to the court to allow for a proper weighing of the value of the evidence. Failure to do so is likely to result in adverse inferences being drawn and little or no weight being given to the aspects of the survey sought to be relied upon. In practice, an opposing party is likely to serve a notice to produce all survey results if they are not voluntarily disclosed.

It is apparent from case law that greater weight will be given to survey evidence when the practice note has been followed and:

- independent professionals conduct the surveys;
- the structure and methodology used are disclosed in detail;
- the participants reflect the relevant section of the public to

which the issue relates;

- the legal issue(s) are addressed;
- participants are placed in an environment that is similar to the market conditions being tested; and
- probing or leading questions are avoided.

Role of witnesses identified through surveys

There is no specific requirement for permission to lead evidence from individual witnesses identified via a survey and the general rules as to admissibility of evidence apply. However, where individual witnesses identified in a survey are put forward as representative members of a relevant class, disputes over the validity of the identification and selection process are foreseeable. Where one of the purposes or desirable outcomes of conducting a survey is to identify individual witnesses, the party conducting the survey would be well advised to raise this when serving notice in accordance with the practice note, so that any objections to methodology can be debated and hopefully be resolved before trial.

Costs

Relying on survey evidence in the Australian courts can be expensive (perhaps more than A\$75,000 for a significant survey), and such evidence is of unpredictable evidentiary value. Strict adherence to the terms and spirit of the practice note is encouraged.

France

Requirements for use of survey evidence

Under French law, parties do not need the court's permission to submit survey evidence. Parties are free to submit a survey to the court, which will then assess the evidentiary value of that survey as part of the proceedings. However, survey evidence must comply with the following principles of fairness:

- The parties must deal fairly with each other. In a litigation context, this means that a party submitting a survey as evidence must provide it to the other party with sufficient notice to allow that party to organise its defence (Article 15 of the Civil Procedure Code). This is a fundamental principle of French litigation law. In *Bellure NV v L'Oreal* (CA Paris, January 25 2006), the Paris Court of Appeal ruled that a party that disclosed a survey to the other party less than a week before the hearing date had not acted fairly. If the rules of due process are upheld, the court will examine the survey as seen in *Ferrero v WIHA* (CA Versailles, February 26 2013).
- The evidence must serve the truth. The method of the survey (eg, online, telephone, face to face) is irrelevant, provided that the court can draw upon it to issue its decision. This is the more controversial of the two factors.

The use of survey evidence is not restricted to specific types of trademark case and surveys may be deployed in support of both distinctiveness and consumer confusion. Consumer survey evidence in trademark disputes can be used to contest or prove:

- the reputation of a well-known mark, as seen in *Sa Tuto4pc.com v SNCF* (CA Paris, October 28 2001) and *Free v Nike* (CA Paris, January 16 2008) – in *Guccio Gucci v Eram* (CA Paris, April 10 2013), the court even bemoaned the lack of a survey to demonstrate the mark's reputation; and
- unfair competition infringement – as in *Ferrero v WIHA* (CA Versailles, February 26 2013) and *Cinq-huitiemes v SA TNT*

(CA Paris, February 10 2012).

Evidential weight of survey evidence

Regardless of the type of case in which the survey is adduced, certain principles must be upheld in order to comply with the condition of fairness. This is fundamental to ensure that the survey evidence is admissible. Survey evidence was disregarded in *Sodebo v Lustucru* (TGI Paris, October 11 2012) because it lacked clarity, as the mark was not shown in full in the survey submitted to the general public.

If a survey is to be viewed credibly by the French courts, it must be based on questions put to a representative panel of respondents. This is the case, for example, where the panel is composed of men and women from different age groups and/or with different professional backgrounds, or simply a large number of people. Further, the evidentiary value of a survey will be assessed on a case-by-case basis, depending upon the type of the infringement and the circumstances of the case.

Role of witnesses identified through surveys

Surveys are conducted anonymously in France, so individual consumers are not called as witnesses if they have only been identified through a survey.

