Reverse Confusion: Modifying the Polaroid Factors to Achieve Consistent Results

Molly S. Cusson

J.D. Candidate, Fordham University School of Law, 1996
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Cover Page Footnote
I would like to thank my family and friends for their constant support and encouragement.
NOTES

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INTRODUCTION

In a typical trademark infringement case, the trademark owner seeks to prohibit a subsequent user, generally a smaller company, from using the same or similar mark. A secondary purpose in such “direct confusion” cases is to prevent the infringing party from causing consumers to mistake the defendant’s products as emanating from the trademark owner’s. In “reverse confusion” cases, however, the trademark owner is often a smaller and lesser known company, and the infringing second user is generally larger and more well known; therefore, consumers may associate the mark with the larger company and be confused into believing that the smaller company is actually the infringing party.

For instance, most consumers are probably familiar with the tune to “Gatorade is Thirst Aid for that deep down body thirst.” But, suppose instead that there was an advertisement for “Pet’s THIRST-AID.” Would the jingle: “for that deep down body thirst” still come to mind? And, if so, would most assume that Pet’s THIRST-AID was thus somehow associated with Gatorade? In other words, would the assumption automatically be that Pet “borrowed” the term “THIRST-AID” from Gatorade?

* J.D. Candidate, Fordham University School of Law, 1996. I would like to thank my family and friends for their constant support and encouragement.
1. See generally 3 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23.01[5], at 23-22 (3d ed. 1995).
2. See generally id.
3. See generally id.
In fact, the mark “THIRST-AID” was registered 34 years before Gatorade even started using it. Even though most consumers associate “THIRST-AID” with “that deep down body thirst,” it was actually Joseph Middleby, Jr. Inc. (“Middleby, Inc.”) that first registered the mark “THIRST-AID” in 1950 in connection with its soft drinks and beverage syrups, and later assigned the mark to Pet Inc., (“Pet”) for use in connection with Pet’s isotonic beverage. It was not until 1984, more than thirty years after Middleby, Inc. initially registered the mark, that Gatorade first started using its own “Thirst Aid” mark.

Nonetheless, upon hearing the words “Thirst Aid,” most consumers automatically think of Gatorade and hum “for that deep down body thirst.” Despite the fact that Pet’s first use of the mark “THIRST-AID” pre-dated Gatorade’s first use, if Pet now used the “THIRST-AID” mark, most consumers would mistakenly believe that Pet’s products somehow emanated from Quaker Oats’ Gatorade product, or that Pet was the second user attempting to infringe upon Gatorade’s good will.

Reverse confusion is similar to direct confusion in that it examines whether a trademark has been infringed; however, it is also a legal phenomenon distinct from direct confusion in that the market positions and motivations of the parties are reversed. Nonetheless, courts have failed to acknowledge that reverse confusion infringement is a separate legal paradigm from traditional confusion. Consequently, courts have continued to apply the direct confusion test to reverse confusion cases as well. There is a problem in treat-

5. Id. at 949.
6. An isotonic beverage is one which is specifically formulated to replenish the fluids and minerals lost by the body through perspiration, especially the loss caused by strenuous exercise. Id. at 950 n.1.
7. See id.
8. For an explanation of “good will” in trademarks, see MCCARTHY, supra note 1, § 2.08.
9. See MCCARTHY, supra note 1, § 23.01[5], at 23-22 (“In a reverse confusion situation, rather than trying to profit from the senior user’s mark, the junior user saturates the market and ‘overwhelms the senior user.’”).
ing both types of confusion synonymously, however, in that the likelihood of confusion test, originally developed to analyze direct confusion situations, does not provide an adequate treatment when applied to reverse confusion, yet the courts continue to use the same test for both situations.

This Note analyzes the problems and inconsistencies encountered when applying the direct confusion test to a reverse confusion claim and argues the need for a more focused, uniform approach. Part I defines reverse confusion and explains how it differs from direct confusion in trademark infringement. Part I also describes the history of the reverse confusion doctrine, including its initial recognition by the Tenth Circuit in 1977. Part II introduces and outlines the likelihood of confusion test as initially developed in *Polaroid Corp. v. Polarad Electronics Corp.*, a direct confusion case. Part III examines how courts have subsequently applied the likelihood of confusion test to reverse confusion cases by studying in depth several reverse confusion cases. The purpose of this side-by-side examination is two-fold. It demonstrates, first, that the factors for direct confusion cannot be equitably applied to reverse confusion, and, second, that the these factors are applied inconsistently among the federal circuits. Part IV argues that such deviations have caused inconsistencies among the courts and that a more comprehensive means for analysis is needed. Finally, this Note concludes that the courts should take more progressive steps in defining reverse confusion and adjusting the *Polaroid* factors to conform more specifically to the reverse confusion scenario, and it outlines a means for doing so.

I. REVERSE CONFUSION—WHAT IT IS AND HOW IT DIFFERS FROM DIRECT CONFUSION IN A TYPICAL TRADEMARK INFRINGEMENT CASE

A. Background

In a typical direct confusion case, the senior user generally has a mark which has gained national recognition through extensive

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10. *See infra* part II.C (discussing the origins of the likelihood of confusion test).
advertising; thus, it is well-developed in the public eye.\textsuperscript{12} When the senior user has such a recognizable mark and the junior user adopts a similar mark, confusion occurs because "customers mistakenly think that the junior user's goods or services are from the same source as or are connected with the senior user's goods or services."\textsuperscript{13} In these cases, the junior user is generally attempting to profit from the good will attached to the senior user's mark.\textsuperscript{14}

Conversely, in a reverse confusion situation, consumers are confused as to the source of the \textit{senior} user's goods; the public comes to believe that the senior user is actually the second user and that the senior user's goods somehow emanate from those of the junior user.\textsuperscript{15} Reverse confusion generally occurs when the junior user—the infringer—is more financially equipped than the senior user\textsuperscript{16} and is able to gain national recognition by saturating the market with advertising and promotion.\textsuperscript{17} The outcome, thus, is that "reverse confusion occurs when the junior user's advertising and promotion so swamps the senior user's reputation in the market that customers are likely to be confused into thinking that the senior user's goods are those of the junior user: the reverse of traditional confusion."\textsuperscript{18} In addition, reverse confusion differs from

\textsuperscript{12} See, e.g., Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867 (2d Cir. 1986) (enjoining Lois Sportswear from using back pocket stitching pattern similar to the one for which Levi held registered trademark and which was intimately associated with Levi's products). For the purpose of this Note, the "senior user" is defined as the first user of a mark, while the "junior user" is the second user of a similar mark.

\textsuperscript{13} \textsc{3} \textsc{Mccarthy}, supra note 1, § 23.01[5], at 23-22.

\textsuperscript{14} \textit{Id.} § 23.01[5], at 23-22 to 23-23.

\textsuperscript{15} \textsc{see} \textsc{3} \textsc{Rudolf Callmann}, \textsc{The Law of Unfair Competition Trademarks and Monopolies} § 21.09, at 21-52 to 21-53 (4th ed. 1981). The Gatorade case is a perfect example of this—consumers are confused as to the source of the senior user's (Pet's) product. The public comes to believe that the senior user's product (Pet's) somehow emanates from the junior user (Gatorade).

\textsuperscript{16} \textit{Id.} § 21.09, at 21-53.

\textsuperscript{17} \textsc{see} \textsc{3} \textsc{Mccarthy}, supra note 1, § 23.01[5], at 23-22.

\textsuperscript{18} \textit{Id.; see, e.g., Tanel Corp. v. Reebok Int'l, Ltd., 774 F. Supp. 49 (D. Mass. 1990). Where plaintiff, owner of the registered trademark "360°" for shoes, sued defendant, Reebok, for using "360° Jam" on its athletic shoes, the court held that:

Reebok's use of plaintiff's mark may result in confusion as to the origin of Tanel's product. Reebok is a much larger and longer established enterprise than Tanel, and the Reebok trademark and trade name is one of the best if not the
REVERSE CONFUSION

direct confusion in that the junior user in reverse confusion is not trying to gain anything from its association with the senior user’s mark:

A reverse confusion claim differs from the stereotypical confusion of source or sponsorship claim. Rather than seeking to profit from the goodwill captured in the senior user’s trademark, the junior user saturates the market with a similar trademark and overwhelms the senior user. The public comes to assume the senior user’s products are really the junior user’s or that the former has become somehow connected to the latter.¹⁹

Such is the case in the “THIRST-AID” example, where consumers so closely associate the mark with Gatorade that most would assume that Pet’s product somehow emanated from Gatorade’s product.²⁰

One might question, however, why a senior user with a weak mark, like Pet, would object to an association with such a well-established mark or company, like Gatorade. In fact, some courts view the situation as beneficial to the less-financially equipped senior user, and have perceived the senior user as receiving a “free ride” through its association with the more powerful, well-established junior user.²¹ However, the “free ride” attitude—that the senior user could only stand to benefit from such an association with a more nationally recognized junior user—assumes that the junior user is one with which the senior user would unequivocally choose best known names to potential purchasers of footwear. Purchasers who saw “360°” on a Reebok shoe before ever seeing a Tanel shoe might conclude that Tanel was in some way affiliated with Reebok, that plaintiff’s shoes were made by Reebok, or that Tanel in using “360°” was imitating Reebok.

Id. at 56.


²⁰. The public might also assume that it was Pet who was infringing on Gatorade’s mark. Such an association could serve to negatively impact the good will of Pet’s name. See infra text accompanying note 255 (emphasizing the importance of protecting the trademark owner’s good will in reverse confusion cases).

²¹. See, e.g., W.W.W. Pharmaceutical Co. v. Gillette Co., 984 F.2d 567, 575 (2d Cir. 1993); see also infra text accompanying note 226.
to be associated. In fact, there are sound reasons why a smaller senior user would not want such an association, even with a larger, more marketable company or trademark. For example, the senior user may want to expand into new areas with a mark; however, expansion might be impeded if a newer, more powerful company adopted a similar mark. Additionally, the junior user’s company might stand for certain ideals with which the senior user does not want to be associated.

Most of the federal circuit courts have accepted the doctrine of reverse confusion, based on the belief that “[w]ithout the recogni-

22. See, e.g., Ameritech, 811 F.2d at 964 (“The result [of such an association] is that the senior user loses the value of the trademark—its product identity, corporate identity, control over its goodwill and reputation, and ability to move into new markets.”).

23. See, e.g., Quaker, 978 F.2d at 956, 959 n.13. This was actually the case in Quaker where Pet had developed an isotonic beverage and had test marketed it in 20 stores in South Carolina, using the same media and the same channels of trade as Gatorade. Id. at 950. The beverage met with a fair amount of success, capturing approximately 25% of the isotonic beverage market in the test area. Id. However, once the assignee attempted to license the mark nationwide, it was impeded from moving into new markets by Gatorade’s use of a similar mark. Id. at 959 n.13; see also infra text accompanying note 242.

24. Consider the case where former body builders form a small, local rock band named Pump for the purpose of “promot[ing] physical self-improvement as an alternative to drugs, thereby providing a positive role model for today’s youth.” Pump, Inc. v. Collins Management, Inc., 746 F. Supp. 1159, 1161 (D. Mass. 1990). The name Pump is then adopted by a nationally-recognized rock band, Aerosmith, for use on its album. Id. at 1164. How then is the small band, Pump ever to expand on its name and continue to project an image of physical fitness when most music enthusiasts would associate them with the rock band Aerosmith? Even though the court ultimately ruled in favor of the defendant, it did acknowledge that the reverse confusion in this case could serve to destroy the goodwill of the band, Pump: “Given its strong anti-drug stance, this confusion could be especially damaging to the band Pump. The court notes that like many rock bands, Aerosmith has been rumored to be associated with a hedonistic lifestyle and a rather laissez-faire attitude toward substance abuse.” Id. at 1166 n. 11.

25. See Fisons Horticulture, Inc. v. Vigoro Indus., Inc., 30 F.3d 466 (3d Cir. 1994); In re Shell Oil Co., 992 F.2d 1204 (Fed. Cir. 1993); DeCosta v. Viacom Int’l, Inc., 981 F.2d 602 (1st Cir. 1992); Sands, Taylor & Wood Co., v. Quaker Oats Co., 978 F.2d 947 (7th Cir. 1992); Americana Trading Inc., v. Russ Berrie & Co., 966 F.2d 1284 (9th Cir. 1992); Ameritech, Inc. v. American Info. Technologies Corp., 811 F.2d 960 (6th Cir. 1987); Plus Prods. v. Plus Discount Foods, Inc., 722 F.2d 999 (2d Cir. 1983); Capital Films Corp. v. Charles Fries Prods., Inc., 628 F.2d 387 (5th Cir. 1980); Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co., 561 F.2d 1365 (10th Cir. 1977); see also 3 MCCARTHY, supra note 1, § 23.01[5], at 23-25 to 23-26.
tion of reverse confusion, smaller senior users would have little protection against larger, more powerful companies who want to use identical or confusingly similar trademarks.26 However, in spite of the courts' recognition of the concept of reverse confusion, the doctrine itself, as applied, does not always guarantee protection for the smaller, lesser known senior user. Consider, for example, some of the companies who have prevailed in using trademarks similar to those of a smaller, senior user—Ford Motor Company,27 American Telephone & Telegraph ("AT&T"),28 Gillette,29 and Reader's Digest.30

The reason that reverse confusion protection is often illusory is that although most of the circuits have recognized the doctrine, the means for analyzing reverse confusion differs from circuit to circuit, thereby producing inconsistent results.31 There are two problems contributing to this inconsistency. The first problem is that the test that courts apply for analyzing reverse confusion is the same test that is used for determining direct confusion. Even though reverse confusion is its own legal phenomena, courts have failed to fully recognize this and have failed to tailor a test specifically for reverse confusion.32 The second problem is that, even in direct confusion cases, the determination of infringement is a highly subjective test. This is because the test is based upon a number of factors, none of which is dispositive, and all of which are highly manipulable.33

26. Fisons Horticulture, 30 F.3d at 475.
29. W.W.W. Pharmaceutical Co. v. Gillette Co., 984 F.2d 567 (2d Cir. 1993); see discussion infra part III.C.1.
30. Lang v. Retirement Living Publishing Co., 949 F.2d 576 (2d Cir. 1991) (where plaintiff used "New Choices Press" in publishing books and tapes on charisma, and defendant, a subsidiary of Reader's Digest, thereafter used "New Choices for the Best Years" for its magazine on retirement, the court found no infringement).
31. See discussion infra part III (analyzing the application of reverse confusion tests through case law).
32. See infra text accompanying note 297.
33. See infra note 95 (noting the subjectivity of the Polaroid test).
B. Origins of the Doctrine of Reverse Confusion

The concept of reverse confusion was first alluded to as early as 1918, but was not judicially accepted until 1977. In 1968, the Seventh Circuit, the first federal Court of Appeals to address the concept, rejected it. Then, ten years later, the Tenth Circuit became the first federal circuit court to accept it.


Westward Coach Manufacturing Co, Inc. v. Ford Motor Co. was one of the first cases to directly address the concept of a reverse confusion claim as actionable by a court of law. In that case, Justice Holmes asserted:

The ordinary case, I say, is palming off the defendant’s product as the plaintiff’s, but the same evil may follow from the opposite falsehood—from saying, whether in words or by implication, that the plaintiff’s product is the defendant’s.... The falsehood is a little more subtle, the injury a little more indirect, than in ordinary cases of unfair trade, but I think that the principle that condemns the one condemns the other.

Id. at 247 (Opinion per Holmes, J.).

The Fifth Circuit also addressed the concept of reverse confusion in 1980. Capital Films Corp. v. Charles Fries Prods., Inc., 628 F.2d 387 (5th Cir. 1980). It first noted a 1944 AMERICAN LAW REPORT which it called “a subtle precursor of the Doctrine of Reverse Confusion,” id. at 394 (citing 148 ALR 56 (1944)), and then went on to acknowledge a reverse confusion aspect of unfair competition:

The doctrine [of unfair competition] is applicable not only whereby the acts of the infringer customers are mislead [sic] to believe that the infringer’s goods, services or business are the complaining party’s, but also where the impression is created that the complaining party has sponsored, or approved or is in any way connected with the activities of the infringer, or that the latter is affiliated with, or a part or a branch and subsidiary of the former.

Id. at 394 (quoting Burge v. Dallas Retail Merchants Ass’n, 257 S.W.2d 733 (Tex. Civ. App. 1953) (emphasis omitted) (first alteration in original)).

However, it was not until 60 years after Justice Holmes first acknowledged the existence of such a situation, and 33 years after it was memorialized in the AMERICAN LAW REPORTS that a court formally accepted the theory. After the Seventh Circuit rejected the notion of reverse confusion in 1968, see infra part I.B.1, the Tenth Circuit finally acknowledged and accepted it in 1977, ruling for the plaintiff. See infra part I.B.2.

34. Although the doctrine of reverse confusion was not formally accepted by the courts until 1977, see discussion infra part I.B.2, the concept of a reverse confusion type of infringement claim as actionable by a court of law was first alluded to by Justice Holmes in 1918. International News Serv. v. Associated Press, 248 U.S. 215 (1918). In that case, Justice Holmes asserted:

35. 388 F.2d 627 (7th Cir.), cert. denied, 392 U.S. 927 (1968).
verse confusion doctrine. Westward, a smaller, less-financially equipped company than Ford, argued that Ford’s use of the mark “MUSTANG” created a likelihood of confusion as to the source of the first user’s product.

In 1960 Westward Manufacturing began using the “MUSTANG” mark on its campers, and in 1962 Westward secured an Indiana state trademark registration for the “MUSTANG” mark along with the representation of a charging horse. The application indicated that the “MUSTANG” mark would be used on “utility coaches, vehicle-carried accommodations for campers or travelers, vans, and the like.”

Also in 1962, Ford Motor Company built an experimental sports car and began using the name “MUSTANG.” Westward informed Ford that it had been using the name and mark since 1960 and requested that Ford cease its use of the word “MUSTANG.” Ford responded that it did not believe Westward had an exclusive right, and that, furthermore, there was no likelihood of confusion between Ford’s product and Westward’s product.

In Westward, the Seventh Circuit’s analysis focused on the minimal expansion of the mark on the part of the plaintiff, the defendant’s countervailing capability of effectively exploiting the mark (i.e., its financial position), and the relative market positions of the two companies. Moreover, the court used a direct confu-

36. Id. at 633-34.
37. Id. at 631 (“[Westward] allege[s] that Westward’s products and Ford’s products are closely related and that Ford’s use of the MUSTANG name and representation of a horse infringes Westward’s trademark by creating a likelihood of confusion concerning the source of the products and by preventing Westward’s expansion into the manufacture of self propelled recreational vehicles.”).
38. Id. at 630.
39. Id. (citing Westward’s registration application).
40. Id.
41. Id.
42. Id. Ironically, Ford later conceded that the public was, in fact, likely to be confused: “Appellants produced slight evidence of actual confusion, and Ford apparently concedes the likelihood that Westward’s MUSTANG-marked products will be mistaken for products of Ford.” Id. at 633.
43. See id. at 635 (“It seems to follow as a necessary conclusion that the trade-mark has the advantage of strength where its owner has invested a considerable amount in
sion approach, analyzing whether the junior user was attempting to pass off his goods as those of the senior user. Finding for the defendant, Ford, the court concluded that the plaintiff Westward’s mark was weak and that there was no likelihood of confusion of the origin of Ford’s “MUSTANG” mark.

In rejecting the plaintiff’s reverse confusion claim, the Seventh Circuit stated that: “[a]ppellants apparently put forth a suggested doctrine of ‘reverse confusion’ concerning which we find no rational basis for support.” Thus, the Seventh Circuit was seemingly not yet ready to adopt the notion of reverse confusion.

2 Breaking Ground: Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co. and the Courts’ First Acknowledgement of Reverse Confusion

It was not until nearly ten years later, in Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co., that the Tenth Circuit became the first circuit court to recognize reverse confusion, interpreting Colorado’s state trademark common law as implicitly including a reverse confusion type of protection. By doing so, the Tenth Circuit concluded that Colorado would wish to extend its common law policy of both “protecting trade names and preventing public confusion.”

44. See generally id. at 633-34. But see discussion infra part IV.B.2.b (intent to pass off is irrelevant in reverse confusion).
45. Westward, 388 F.2d at 635. But see supra note 15 and accompanying text (by definition reverse confusion occurs when the consumer is likely to confuse the origin of the senior user’s product).
46. Westward, 388 F.2d at 634 (emphasis added).
47. See, e.g., Thad G. Long & Alfred M. Marks, Reverse Confusion: Fundamentals and Limits, 84 TRADEMARK REP. 1, 7 (1994) (“The Seventh Circuit’s opinion in Westward Coach sheds little light, except as a study in the psychology of judges who know what conclusion they want to reach and are groping for a way to get there over obstacles set up by established legal principles.”).
48. 561 F.2d 1365 (10th Cir. 1977), cert. dismissed, 434 U.S. 1052 (1978).
49. Id. at 1371-72.
50. Id. at 1372 (citing Wood v. Wood’s Homes, Inc., 33 Colo. App. 285, 519 P.2d
In *Big O Tire* the plaintiff Big O was a tire-buying and reselling organization which provided tires and other services to approximately 200 independent retail tire dealers in 14 different states, each of whom identified themselves as Big O tire dealers. Big O had two lines of private brand tires identified with the name "Big Foot," which it began selling in 1974. Big O did not succeed, however, in registering the "Big Foot" mark with the United States Patent and Trademark Office.

Simultaneously, in 1974, Goodyear obtained a federal registration for its "Bigfoot" mark, to be used in conjunction solely with its snowmobile tracks. Goodyear subsequently decided to expand its use of the mark "Bigfoot" and to use it in promoting its new tires in a nationwide advertising campaign. Goodyear learned of Big O's prior use of the "Big Foot" mark in conjunction with tires, and before using the mark on its tire advertising campaign, Goodyear executives asked Big O for a letter indicating that it had no objection. Big O, however, did object to Goodyear's use of the mark "Bigfoot," and rejected Goodyear's offer of money in exchange for the use of the mark.

Despite Big O's objections, Goodyear nonetheless launched its "Bigfoot" tires advertising campaign during a national telecast of ABC's "Monday Night Football," spending more than $9.5 million in its first year's advertising campaign—a figure nearly 50 times that of Big O's entire net worth at the time. Rather than heeding the Seventh Circuit's earlier decision that a reverse confu-

1212, 1215-16 (1974)).

51. *Id.* at 1367.
52. *Id.* at 1367-68.
53. *Id.* at 1368.
54. *Id.*
55. *Id.*
56. *Id.*
57. *Id.*
58. *Id.*
59. *Id.* In 1977, at the time of the trial, Big O's net worth was $200,000, while in 1974 Goodyear's net sales totalled $5.25 billion, and its net income was $157 million. *Id.* at 1367.
sion claim was not actionable, the Tenth Circuit held for the plaintiff Big O, concluding that Goodyear infringed Big O's mark.

The Tenth Circuit acknowledged Big O's reverse confusion argument, holding that a junior user could be liable for infringement, even absent a showing of proof by the senior user that the junior user intended to trade on its good will:

'[t]he logical consequence of accepting Goodyear's position [of no liability] would be the immunization from unfair competition liability of a company with a well established trade name and with the economic power to advertise extensively for a product name taken from a competitor. If the law is to limit recovery to passing off, anyone with adequate size and resources can adopt any trademark and develop a new meaning for that trademark as identification of the second user's products.'

The Tenth Circuit in Big O thus established a legal premise under which a smaller senior user could recover for infringement. The court did so, however, without establishing a test for analyzing such a claim.

II. TRADEMARK INFRINGEMENT ANALYSIS—AS ORIGINALLY DEVELOPED IN DIRECT CONFUSION

Following the Big O decision, there existed a legal premise for a reverse confusion claim, yet no method of determining infringement in reverse confusion cases. It was not until six years after

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60. Westward, 388 F.2d at 634; see supra part I.B.1.
61. Big O, 561 F.2d at 1372.
62. Id. (quoting the district court in 408 F. Supp. at 1236) (emphasis added).
63. While the Tenth Circuit was progressive in recognizing reverse confusion as a valid claim, it never applied the doctrine to the case at hand. The court acknowledged that a reverse confusion claim was actionable and set forth likelihood of confusion as the relevant test. Big O, 561 F.2d at 1371. However, it never delineated a means of applying a likelihood of confusion test with respect to a reverse confusion claim.
64. One of the earliest courts to follow the Tenth Circuit's lead in recognizing reverse confusion was the Fifth Circuit in Capital Films Corp. v. Charles Fries Prods., Inc., 628 F.2d 387 (5th Cir. 1980), which endorsed the Big O decision and the doctrine of reverse confusion: "The Big O decision [has] been lauded as a leading authority in the
Big O that the Second Circuit, in *Plus Products v. Plus Discount Foods, Inc.*, even acknowledged the need for a test to analyze reverse confusion cases. Recognizing such a need, the *Plus* court determined that a reverse confusion infringement analysis should proceed along the same lines as a direct confusion analysis. In a direct confusion analysis the plaintiff must first show that there is a protectable mark. Second, the plaintiff must demonstrate that there is a likelihood of confusion—a likelihood that consumers would be confused as to the sources of the two goods. Because both direct confusion and reverse confusion proceed along the same lines, it is useful to examine the overall process for determining trademark infringement.

**A. Protectability of the Trademark: Determining Distinctiveness**

In analyzing whether a mark has been infringed, the plaintiff must first prove that there is a protectable mark. Marks may be characterized in descending order of protectability as: (1) arbitrary or fanciful, (2) suggestive, (3) descriptive, or (4) generic. Arbitrary, fanciful or suggestive marks are afforded the highest level of protection, whereas generic names are not considered “marks” and

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65. 722 F.2d 999 (2d Cir. 1983).
66. See id. at 1004; see also discussion infra part III.A.
67. For an explanation of the two steps involved in examining infringement, see Banff, Ltd. v. Federated Dep’t Stores, Inc., 841 F.2d 486, 489 (2d Cir. 1988).
68. See id.; see also discussion infra part II.A (discussing protectability of marks).
69. See Banff, 841 F.2d at 489; see also infra part II.B (discussing likelihood of confusion).
70. See Banff, 841 F.2d at 489.
71. Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976); see also infra notes 117-19 and accompanying text (further describing the four levels of protectability).
72. See 1 McCarthy, supra note 7, § 11.01[1] at 11-5 to 11-6.
are therefore unprotectable. If the mark is suggestive or arbitrary, the mark is said to be inherently distinctive and the plaintiff does not have to prove secondary meaning in order to present a claim. If the mark is merely a descriptive one, however, the plaintiff must

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73. *Id.* § 11.01[1] at 11-4.

74. *Id.* “Secondary meaning” is an automatic association in the consumer’s mind between a mark and the product it represents. See Sunmark Inc. v. Ocean Spray Cranberries, Inc., 1994 LEXIS 15186 (N.D. Ill. Oct. 13, 1994), aff'd, 64 F.3d 1055 (7th Cir. 1995) (“A descriptive term can become a protectible trademark if it has become distinctive. The ‘acquisition of distinctiveness is referred to as “secondary meaning.”’ Secondary meaning is a mental association in consumers’ minds between the asserted trademark and a single source of the product.”) *Id.* at *21 (citations omitted).

The court in *Sunmark* examined several factors in determining whether the use of two descriptive words combined into one—SweeTart—was still merely descriptive. See *id.* at *19-22. It then went on to list different ways in which proof of secondary meaning could be established, including through “direct consumer testimony, consumer surveys, length and manner of use, amount and manner of advertising, volume of sales, place in the market and proof of intentional copying.” *Id.* at *22 (quoting Spring Systems Co. v. Delavan, Inc., 975 F.2d 387, 393 (7th Cir. 1992)). However, the court also noted that whether a descriptive trademark used on a product has acquired secondary meaning is a question of fact. *Id.* at *23 n.12.

Additionally, other courts have held that there is a presumption of secondary meaning for marks which have been federally registered. In Americana Trading, Inc. v. Russ Berrie & Co., 966 F.2d 1284, 1287 (9th Cir. 1992), the court held that: “[R]egistered trademarks are presumed to be distinctive and should be afforded the utmost protection.” *Id.* [The defendant] therefore had the burden to prove that secondary meaning had not attached if it wished to argue that [the plaintiff’s] mark was weak. To the extent that secondary meaning had attached to a descriptive mark, the mark was rendered stronger and more worthy of protection. *Id.* (citing 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 15:11, at 687 (2d ed. 1984)).
show that it has acquired secondary meaning. Characterization of a mark may be based upon, among other things, the mark's originality or distinctiveness and its prevalence as a trademark used by other entities.

B. Likelihood of Confusion

Once it has been established that the mark is protectable, the plaintiff has the secondary burden of proving that there is a likelihood of confusion that "an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of goods in question." Likelihood of confusion exists when consumers viewing the mark would assume that the product or service that the mark represents is associated with the source of a different product or service identified by a similar mark. Likelihood of confusion has thus been dubbed the "sine qua non" of a trademark infringement claim in all circuits. In any type of action for infringement, whether state or federal, proof of the likelihood of confusion is essential.

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75. McCarthy, supra note 1, § 11.01[1], at 11-4 to 11-5.
76. Id.
77. See Banff, 841 F.2d at 489 (citations omitted). Although the process is broken down into two steps, some courts treat the first step of determining protectability as part of the likelihood of confusion process and merge it with the Strength of Mark factor. See, e.g., infra notes 120-25 and accompanying text.
78. 3 McCarthy, supra note 1, § 23.01[1].
80. Marcia Paul & Anthony F. LoCicero, Litigating Trademark, Section 43(a) and Unfair Competition Cases, in Litigating Copyright, Trademark, and Unfair Competition Cases 1993, 217, 263 (PLI in Pats., Copyrights, Trademarks, and Literary Prop. Course Handbook Series No. 374, 1993). The authors state that the basic test for all trademark infringement claims, whether brought under common law, state trademark law, or Section 43(a) of the Lanham Act, 15 U.S.C. § 1051-1127, is likelihood of confusion. Id.; see also 3 McCarthy, supra note 1, § 23.01[1]. Because the test is the same in all cases, this Note will not differentiate between marks registered at the state level and those registered federally.
81. An action for trademark infringement may be brought under a number of theories including federal law, state law and common law. See, e.g., Long & Marks, supra note 47, at 1 ("The essential element of a successful trademark infringement action is the existence of a likelihood of confusion. That remains the touchstone both for common law and statutory infringement, as well as for a claim of unfair competition."); see also Paul & LoCicero, supra note 80, at 263:
The likelihood of confusion test is approached by weighing a number of factors, which were originally delineated in the 1938 Restatement of Torts. Although each circuit has developed its own likelihood of confusion test, the Second Circuit set forth a list of factors in *Polaroid Corp. v. Polarad Electronics Corp.*, which has been highly influential in the development of trademark law. In addition, it was the *Polaroid* test that was first applied in reverse confusion in *Plus Products v. Plus Discount Foods, Inc.* Because the *Polaroid* test was used in *Plus* and is still used today, it will provide the basis for discussion for the remainder of this Note.

C. The Polaroid Factors

In *Polaroid Corp. v. Polarad Electronics Corp.*, Polaroid brought an action against the defendant alleging state and federal trademark infringement and unfair competition for the defendant's use of the name Polarad. By 1958, Polaroid was a $65 million

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Once a trademark owner has demonstrated that he owns a valid and protectible mark, the next—and most crucial—element in an action for trademark infringement is proof of likelihood of confusion. Whether an action for trademark infringement is brought under common law, state trademark statutes, Section 43(a) of the Trademark Act of 1946, or the statutes pertaining to registered trademarks, a successful plaintiff must always prove that the defendant's activities are likely to cause confusion, mistake or deception.

Id.

82. See Restatement of Torts, § 729 at 592-93 (1938); see also infra note 91 and accompanying text (listing the Restatement factors).
83. See generally 3 MCCARTHY, supra note 1, § 24.06[4][a], at 24-49 to 24-57 (listing the factors used by the various circuits).
84. 287 F.2d 492, 495 (2d Cir.), cert. denied, 368 U.S. 820 (1961); see also discussion infra part II.C (discussing the Polaroid case).
85. See infra note 93. See generally MCCARTHY, supra note 1, § 24.06[4][a], at 24-52.
86. 722 F.2d 999 (2d Cir. 1983); see also discussion infra part III.B (analyzing the Second Circuit's application of the factors in Plus Products).
87. See infra part III.B (listing and applying the Polaroid factors). Although this author acknowledges that each circuit has developed its own derivation of the eight-factor Polaroid test, for purposes of simplicity this Note will use the term "Polaroid test" in referring to the test developed by the Second Circuit, or any derivation thereof as used by other circuits.
89. Id. at 493.
company and owned the trademark Polaroid, 22 related U.S. registrations and one New York state registration.\textsuperscript{90}

In responding to Polaroid's infringement claim, which was based upon direct confusion, the Second Circuit derived the following list of factors from the Restatement of Torts:

\[w\]here the products are different, the prior owner's chance of success is a function of many variables: the strength of his mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant's good faith in adopting its own mark, the quality of defendant's product, and the sophistication of the buyers. Even this extensive catalogue does not exhaust the possibilities—the court may have to take still other variables into account.\textsuperscript{91}

Ironically, the \textit{Polaroid} court never needed to explore this list of factors in depth, because although the court acknowledged there was some likelihood of confusion between at least two of the products, it held that the plaintiff's delay in proceeding against the defendant barred the claim.\textsuperscript{92} Thus, while the \textit{Polaroid} court set out the list of factors which serves as the foundation for determining the likelihood of confusion,\textsuperscript{93} it was the task of subsequent courts to set the parameters for analyzing and applying the factors.

\textsuperscript{90} Id. at 493-94.
\textsuperscript{91} Id. at 495 (quoting American Law Institute, Restatement of Torts, §§ 729-31 (1938)).
\textsuperscript{92} Id. at 493. The plaintiff had waited 11 years to bring suit. See id. at 493-94.
\textsuperscript{93} See Paul & LoCicero, \textit{supra} note 80, at 264:

The test for likelihood of confusion involves a balancing of several factors in light of the particular facts of each case, with no single factor being determinative. The majority of courts have formulated a test for determining likelihood of confusion, based upon the balancing of several factors adopted substantially from the Second Circuit's opinion in \textit{Polaroid Corp.}, and in Section 729 of the Restatement of Torts.

\textit{Id.} (citation omitted).
III. A FRAGMENTED MEANS OF ANALYSIS: APPLYING THE POLAROID FACTORS IN REVERSE CONFUSION

As a result of the fragmented beginnings of the likelihood of confusion analysis, a number of issues arise when applying the Polaroid test to reverse confusion. First, the factors were set out in Polaroid as a list and were never defined, even in the direct confusion context. Thus the means for applying them have subsequently been developed and defined throughout case law in each of the circuits, thereby producing inconsistent results. Some of the inconsistencies stem from the origin of this test in the Second Circuit, and others from the way in which the test has been individually revised by each of the circuits.

94. See discussion infra part IV.A (addressing the inconsistencies among the circuits in applying the likelihood of confusion factors).

95. See 3 MCCARTHY, supra note 1, § 24.09, discussing "Judicial Schizophrenia in the Second Circuit." In this section, discussing the period leading up to the 1961 Polaroid case and the determination of the list of factors, McCarthy points out the inconsistencies within the Second Circuit decisions and the fact that there were two opposing factions co-existing, each citing to its own precedent. See id. One faction was attempting to narrow the scope of protection in non-competitive goods cases, while the other one was taking a more expansive approach. Id. § 24.90[2], at 24-73. The culmination of these opposing factions was the eight-factor Polaroid test; however, as has already been noted, no one factor within that test was dispositive. Id. § 24.09[4][b], at 24-80; see also infra note 110. In addition, the Second Circuit has stated that "the Polaroid test is not a 'rigid formula'. . . where the party with the greatest number of factors weighing in its favor wins. Rather, it is a non-exhaustive catalogue of factors to be considered in determining likelihood of confusion." Id. (quoting Physicians Formula Cosmetics, Inc. v. West Cabot Cosmetics, Inc., 857 F.2d 80, 8 U.S.P.Q.2d (BNA) 1136 (2d Cir. 1988)).

Consequently, it could be argued that the test was formulated merely as a way for each of the opposing factions to continue taking its own approach, whether narrow or expansive, by applying a subjective, yet uniform, eight-factor test, and "weighing," or manipulating each of the factors to conform the overall result to its desired outcome. By creating, in the first instance, such a subjective test for its own likelihood of confusion determination, the Second Circuit set a precedent from which other circuits would derive their own subjective list of factors.

This theory, taken to its limits, suggests that because the means for analyzing direct confusion claims is flawed, the derivative reverse confusion test is likewise flawed. As such, this theory could provide the basis for another entire discussion. For the purpose of this Note, however, it should suffice to mention that some of the difficulties in applying the likelihood of confusion test to reverse confusion evolve from the highly subjective nature of the test itself and from the means through which it is applied, not only throughout the circuits, but within individual circuits as well.
Second, and more importantly, the factors were originally derived in a direct confusion case. Many courts have been remiss in recognizing this fact and have consequently tried to apply the factors identically for direct confusion and reverse confusion situations alike, overlooking that the two are distinct from one another and, as such, should not be identically analyzed.\(^9\) As will be demonstrated in the discussion below, these difficulties have lead to a doctrine of reverse confusion that is inconsistent and fragmented throughout the circuits, as well as within some of the circuits.

The first circuit court to apply a Polaroid direct confusion test in a reverse confusion situation was the Second Circuit in \textit{Plus Products v. Plus Discount Foods, Inc.}\(^9\)\(^7\) However, even though it was the Second Circuit which originally developed the Polaroid test, the court nonetheless had difficulty reviewing the district court’s balancing of the factors and in applying the factors for the first time in a reverse confusion context.\(^9\)\(^8\)


In \textit{Plus Products}, the plaintiff, Plus Products, Inc. ("Plus Products") began producing and selling health products in 1939 bearing the mark "PLUS."\(^9\)\(^9\) From that time on, Plus Products added various products to its line, including pet foods, spices, and cooking oils, all of which were known for high quality and high price.\(^10\) By the end of 1981, Plus Products sold its goods in over 35 chains with 923 retail locations.\(^10\)\(^1\) Plus Products was also the owner of three variations of the trademark "PLUS," and was diligent in attempting to restrict use of the word "PLUS" in other trademarks.\(^10\)\(^2\)

The defendant, Plus Discount Foods ("Plus Discount"), opened

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\(^9\) See, e.g., infra note 283 and accompanying text. \textit{But see infra} text accompanying note 297.

\(^{97}\) 722 F.2d 999 (2d Cir. 1983).

\(^{98}\) See generally infra notes 132, 158, 179, 187 and accompanying text.

\(^{99}\) \textit{Plus}, 722 F.2d at 1002.

\(^{100}\) \textit{Id}.

\(^{101}\) \textit{Id}.

\(^{102}\) \textit{Id}. Between 1970 and 1983 (the time of the suit), Plus Products had sent cease and desist letters to companies relating to more than 130 various uses of the mark "PLUS." \textit{Id}.
its first discount store in 1979 selling, among other things, pet foods, spices, and food oils under its own "PLUS" label. In contrast to Plus Products' practice of selling high quality goods, Plus Discount established its stores as a bargain-type operation.

Plus Discount, despite prior knowledge of Plus Products' use of the mark "PLUS" for similar types of products, incorporated and adopted "PLUS" as the trade name for both its stores and its brand name items. Within two years of incorporation, in 1981, Plus Discount had 81 stores in operation. Plus Products subsequently brought an action against Plus Discount seeking to enjoin Plus Discount from using the mark, and the district court granted an injunction with respect to three overlapping goods. The defendant appealed the judgment which enjoined it from using the mark, and the plaintiff cross-appealed seeking both a recovery of damages and a broadening of the scope of the injunction.

Once the district court determined that the case was a question of reverse confusion, it had to decide what type of analysis to apply. It held that the Polaroid likelihood of confusion factors used in determining direct confusion provided the basis for the appropriate test. The Second Circuit subsequently affirmed the district court.

103. Id. at 1003 & n.4.
104. Id. at 1003. Plus Discount customers had to choose their purchases from bins or cartons, had to pay in cash, and had to bag their own goods. Id.
105. Id. The parent company of Plus Discount Foods, the Great Atlantic and Pacific Tea Company, Inc. ("A & P") was purchased by a German retailer, the Tenglemann Group, who previously had used the "PLUS" mark in conjunction with a German chain of discount food stores operating under the name "PLUS." When purchasing the American company, the defendant company conducted a trademark search of the mark "PLUS" in the United States; the search revealed Plus Products' registrations. Id. In addition, it attempted to register the mark, but the U.S. Patent and Trademark Office refused registration. Id.
106. Id. at 1003 n.4.
107. Plus Prods. v. Plus Discount Foods, Inc., 564 F. Supp. 984, 995 (S.D.N.Y. 1983). In addition, the district court required the defendant to add "Foods" to its logo and to post disclaimers in its store as well as on its advertising. Id.
108. See Plus, 722 F.2d at 1001.
109. Plus, 564 F. Supp. at 989 ("Although no precise precedent has been presented, the most helpful tools for analysis of the likelihood of confusion are the commonly accepted factors enumerated in Polaroid Corp. v. Polarad Electronics Corp.") (citation omitted).
court’s decision to use the *Polaroid* factors. The Second Circuit acknowledged Plus Products’ argument that, as a high quality manufacturer, it did not want to be associated with a junior user producing goods of inferior quality under a similar mark:

The gravamen of plaintiff’s complaint is chiefly directed to *reverse confusion* as to the source of its products. It is plaintiff’s claim that consumers will perceive that Products’ line of health products is associated with or emanates from [plus Discount] Foods. If they conclude that defendant Foods is the source of Products’ goods, Products’ reputation for high quality merchandise may well become tarnished because of Foods’ bargain basement, no-frills image.

Together, the district court for the Southern District of New York, in the first instance, and the Second Circuit, affirming on appeal, established that the *Polaroid* likelihood of confusion factors provided the appropriate test for analyzing reverse confusion cases.

B. The *Polaroid* Likelihood of Confusion Factors—As First Applied to Reverse Confusion in Plus Products

Once the Second Circuit determined that *Polaroid* should be applied to reverse confusion, the problems did not subside, however, because the question of *how* to apply the factors still remained. The district court first set out certain guidelines which the Second Circuit, in reviewing the district court’s balancing of factors, attempted to define further. Subsequently, this same pro-

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110. *Plus*, 722 F.2d at 1004. After confirming that the *Polaroid* test was the appropriate means for analysis, the court went on to note that, in applying the *Polaroid* test:

No single *Polaroid* factor is determinative. Rather each must be considered in the context of all of the other factors, and from a balance of these determinations, one is able to reach the ultimate conclusion, whether there is likelihood of confusion between the two parties’ products.

*Id.* (citations omitted).

111. *Id.* at 1003-04 (emphasis added).

112. *See id.* at 1004; *Plus*, 564 F. Supp. at 989.

113. *See supra* note 109 (*Plus* was essentially a case of first impression).

114. *Plus*, 722 F.2d at 1005 (“The district court comprehensively set out and scrutinized each of the *Polaroid* factors, and we find that none of the factual findings it made is clearly erroneous. However, we do find that the court’s balancing of the *Polaroid* factors was incorrect.”) *Id.*

Although other courts had acknowledged the reverse confusion doctrine after the *Big
cess of defining the likelihood of confusion factors with respect to reverse confusion has been attempted by other circuits. Each court has emerged from the analysis, however, with a slightly different version of the test, thus producing inconsistencies.

In order to understand the likelihood of confusion factors in the context of reverse confusion, it is essential to first define the factors as they have evolved in direct confusion. This part will thus break down the eight factors, defining them first, and then analyzing how they were applied by both the district court and the Second Circuit in Plus.

The eight likelihood of confusion factors, as set forth in *Polaroid*, are:

1) Strength of the Senior User’s Mark
2) Actual Confusion
3) Quality of the Product
4) Sophistication of Buyers
5) Good Faith
6) Similarity of the Marks
7) Proximity of the Products
8) Bridging the Gap

1. Strength of the Mark

“Strength of the Mark” is determined by the mark’s relative strength or weakness; the weaker the mark, the less worthy it is...
of protection. The four types of marks, in ascending order of protectability, are: (1) generic, a common description of goods, ineligible for trademark protection; (2) descriptive, describing a product's features, qualities or ingredients, protectable only if secondary meaning is established; (3) suggestive, employing terms which do not describe but merely suggest the features of the product, requiring the purchaser to exercise "mature thought or follow a multi-stage reasoning process;" and (4) fanciful or arbitrary, eligible for protection without proof of establishing secondary meaning.

The Second Circuit, however, has treated "strength" (which is generally the first factor in determining likelihood of confusion), as synonymous with "distinctiveness" (which is the first step in determining if there has been infringement):

The term "strength" as applied to trademarks refers to the distinctiveness of the mark, or more precisely, its tendency to identify the goods sold under the mark as emanating from a particular, although possibly anonymous, source.

historically has weighed the strength of the senior user's mark. See, e.g., Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 873 (2d Cir. 1986) (analyzing the strength of the senior user's mark). However, more recently it has been suggested that an analysis of the junior user's mark would be more appropriate in the context of a reverse confusion situation. See, e.g., Quaker, 978 F.2d at 959-60 (the more appropriate analysis in a reverse confusion scenario is to consider the strength of the junior user's mark); Sunenblick v. Harrell and MCA, Inc., 895 F. Supp. 616, 627 (S.D.N.Y. 1995) (same); infra notes 332-35 and accompanying text.

117. See generally 1 MCCARTHY, supra note 1, § 11.01[1]. "Fanciful" marks consist of 'coined' words that have been invented or selected for the sole purpose of functioning as a trademark." Id. § 11.03[1], at 11-10 (e.g., CLOROX bleach or KODAK photographic supplies). Id. § 11.03[4]. "Arbitrary marks comprise those words, symbols, pictures, etc., that are in common linguistic use but which, when used with the goods or services in issue, neither suggest nor describe any ingredient, quality or characteristic of those goods or services." Id. § 11.04[1] (e.g., BLACK & WHITE scotch whiskey, SUN bank). Id. § 11.04[3]. "Suggestive" marks merely suggest "some quality or ingredient of goods." Id. § 11.20[1] (e.g., COPPERTONE sun tan oil, Q-TIPS wooden sticks with cotton on end). Id. § 11.23, at 11-120 to 11-122. Marks are "descriptive" if they describe the "intended purpose, function or use of the goods; the size of the goods, the class of users of the goods, a desirable characteristic of the goods, or the end effect upon the user." Id. § 11.05[2][a] (e.g., BEER NUTS salted nuts, JOY detergent). Id. § 11.08, at 11-32 to 11-35.

118. See 1 MCCARTHY, supra note 1, § 11.21[1], at 11-108.

119. Id. (citations omitted).
The strength or distinctiveness of a mark determines both the ease with which it may be established as a valid trademark and the degree of protection it will be accorded. Thus, this factor borrows in some respects from the first step in the infringement analysis, determining distinctiveness, or protectability. However, initial distinctiveness of a mark, alone, may not always determine relative strength. Other factors may be considered, such as the commercial strength or marketplace recognition value of the mark, third party usage, and commonality.

In analyzing the Strength of the Mark, the district court in Plus applied the following test: "[a] term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of the goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods." The court stated that the word PLUS had merely an everyday, dictionary meaning connoting something that is better than average. Additionally, the court noted that the word PLUS as a mark lacked originality and distinctiveness, and that there was extensive third party usage (as evidenced by the more than 130

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120. 1 McCarthy, supra note 1, § 11.24[3] & n.11 (quoting McGregor-Doniger, Inc. v. Drizzle, Inc. 599 F.2d 1126, 202 U.S.P.Q. (BNA) 81 (2d Cir. 1979)); see also supra note 77 (noting that many courts merge protectability with the Strength of Mark factor).

121. See discussion supra part II.A (discussing protectability of a mark).

122. See 1 McCarthy, supra note 1, § 11.25. For instance, AMERICAN airlines or FORD Motor cars may have been considered weak marks at first yet may have gained in strength as marketplace recognition of the marks increased. Id. § 11.25, at 11-140.

123. This test evaluates the actual customer recognition value of the mark. Id. § 11.25, at 11-139 to 11-140.

124. When numerous sellers use similar marks, the distinctiveness between the marks blurs; therefore, the more the mark is used by third parties, the less distinct it becomes. See id. § 11.26[1], at 11-140 to 11-142.

125. Marks consisting of common words, such as ROYAL or ACME which are used on numerous types of goods, tend to lose their distinctiveness and so are generally extended less protection than words such as KODAK or POLAROID. Id. § 11.26[2], at 11-142 to 11-143.


127. Id.
cease and desist letters that Plus Products had sent. According-
ly, the district court found that the mark was weak, which weighed
"slightly against [Plus] Products." The Second Circuit, however, did not agree that the mark’s weakness weighed only slightly against Plus Products. The court examined a number of related elements, including the originality and uniqueness of the mark, and the extent of third party usage or opposition proceedings. The Second Circuit agreed with the district court’s finding that the mark was weak, but disagreed with the district court’s weighing of this factor. The Second Circuit instead concluded that, “the scope of protection accorded a weak mark, like “PLUS” which is little more than self praise, will be confined to competing products unless a convincing combination of other Polaroid factors militates strongly in favor of likelihood of confusion.”

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128. Id. The court also noted that, in several opposition proceedings, the U.S. Patent and Trademark Office Trademark Trial and Appeal Board had held that the mark was weak. Id.; see also Reed-Union Corp. v. Turtle Wax, Inc., 869 F. Supp. 1304, 1307-08 (N.D. Ill. 1994) (discussing descriptive versus suggestive marks).


130. Plus, 722 F.2d at 1006.

131. Compare id. (where the court’s consideration of these factors focused on the mark itself in determining strength of mark) with Lang v. Retirement Living Publishing Co., Inc., 949 F.2d 576 (2d Cir. 1991) (where, in determining strength of plaintiff’s “New Choice” mark, the court focused not only on third party usage and issues associated with the mark itself, but also on issues associated with the plaintiff’s business such as the limited nature of plaintiff’s business and its limited marketing) and Pump, Inc. v. Collins Management, Inc., 746 F. Supp. 1159, 1171 (D. Mass. 1990) (where court held that the “[plaintiff’s] failure to get a record contract indicates that neither it nor the mark is well-known in the music industry”).

132. See Plus, 722 F.2d at 1005-06. (“When a mark is as weak as that of Products’ PLUS—comprised of an undistinctive word and coexisting with extensive third-party usage—it is extremely unlikely that prudent customers will confuse it with similar marks on non-competitive goods.”) Id. at 1006.

133. Id. For a discussion of non-competitive goods, see 3 McCarthy, supra note 1, § 24.01-03. The old rule was that there could only be infringement through use of a similar mark on products in direct competition with those of the senior user. Id. at § 24.01[2]. The new rule gives the senior user protection of its mark on products which “would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner.” Id. at § 24.03[2].
2. Actual Confusion

Although evidence of actual consumer confusion is the best indication of likelihood of confusion, there is no burden on the plaintiff to prove actual confusion. The overall test for determining infringement is the likelihood of confusion test, comprised of several factors, of which actual confusion is but one of many contributing components. However, evidence indicating actual confusion, while not a categorical requirement, can weigh in favor of a finding of likelihood of confusion. Additionally, in cases where evidence indicating actual confusion is not readily attainable, surveys of prospective customers may also be used as evidence of actual confusion. Thus, evidence of actual confusion can be presented in the form of testimony of individuals who were confused by the similar marks or by prospective consumer surveys.

Courts, however, have been inconsistent in analyzing reported instances or surveys of confusion. For example, differences exist in how survey evidence is viewed by different courts.
as to who must be confused and how much or what type of confusion is sufficient. The type of evidence and its veracity also contribute to the weight of the evidence; the weight must be deter-

140. See Michael J. Allen, The Scope of Confusion Actionable Under Federal Trademark Law: Who Must be Confused and When?, 26 WAKE FOREST L. REV. 321 (1991) (noting that while "[m]any courts have properly stated, without analysis, that the infringement is based on the likelihood of confusion among purchasers and potential purchasers," other courts "have persisted in focusing on the purchaser at the time he makes his purchasing decision, despite the fact that Congress in 1962 specifically deleted language in the Lanham Act that limited actionable confusion to that of 'purchasers'). Id. at 322 (emphasis added) (footnotes omitted).

Compare In re Shell Oil Co., 992 F.2d 1204, 1208-09 (Fed. Cir. 1993) (confusion is to be considered with respect to end-users as well as actual purchasers) with Lang, 949 F.2d at 582-83 (the 400 phone calls plaintiff received from people inquiring about defendant's company were not probative because there was no evidence that they were prospective customers and that their confusion had an effect on their purchasing decisions). See also infra notes 221-23 and accompanying text (discussing Gillette, 984 F.2d at 574, where company president testified that his friend was confused, the court held that the evidence was not probative because there was no proof that the unnamed friend was a prospective purchaser).

141. Surveys can be presented in various forms and can be applied to different factors. They can be used, for instance, in determining the strength of a mark, as in the case of so-called "association" surveys, which ask consumers to identify certain products with marks. See, e.g., Quaker, 978 F.2d at 959 n.14. Or, they can be used in determining actual confusion, to record the past impressions of identifiable consumers. See, e.g., Universal Money Ctrs., Inc. v. American Tel. & Tel., Co., 22 F.3d 1527, 1534-36 (10th Cir. 1994). It is useful at this point in the discussion to momentarily set aside the distinction in order to demonstrate the discrepancies in the treatment of survey evidence amongst the circuits.

Compare Quaker, 978 F.2d at 959 n.14 (holding that survey which asked consumers to identify the phrase "___ is thirst aid" with a certain product was "precisely the sort of study that this court has held to be the correct methodology for assessing consumer confusion," id. at 960) with Universal, 22 F.3d at 1534-36 (where the court accepted defendant's 2.6% rate of confusion over plaintiff's 22% rate, and found the 2.6% rate to be de minimis) and Reed-Union Corp. v. Turtle Wax, Inc., 869 F. Supp. 1304, 1311-12 (N.D. Ill. 1994) (where the plaintiff's survey showed 28% confusion and little "noise," and defendant's survey showed 20% confusion and greater "noise," the court stated that it had to decide which one to accept and so rejected the plaintiff's survey altogether based upon a potential shortcoming in the plaintiff's choice of a product in determining the amount of noise). "Noise" is defined as "the inherent confusion in the market which exists independently of and thus is not caused by confusion between the products being tested." Id. at 1311.
mined by analyzing the number of instances of actual confusion in light of the number of opportunities for confusion.\(^{142}\)

In analyzing the Actual Confusion factor, the district court in \textit{Plus} held that the plaintiff's survey evidence was defective, and that there was no evidence of actual confusion.\(^{143}\) The Second Circuit, acknowledging that it is difficult to establish actual confusion in a retail context, held that the district court's finding that there was no evidence at all of actual confusion during a three-year period in which both companies had substantial sales, weighed greatly against any likelihood of confusion.\(^{144}\) However, the Second Circuit failed to acknowledge the survey presented at the trial level or to justify any reason for rejecting the evidence that the plaintiff presented.\(^{145}\) In arriving at this decision, neither the district court nor the Second Circuit ever articulated a standard for reviewing survey evidence.\(^{146}\) They never addressed any guidelines as to who must be confused, what type of information is needed to prove confusion, or how much confusion there must be for it to be significant.\(^{147}\)

3. Quality of the Product

There are two conflicting views regarding the Quality of Product factor.\(^{148}\) Some courts have held that the more dissimilar the

\(^{142}\) 3 \textsc{McCarthy}, \textit{supra} note 1, § 23.02[2][b].

\(^{143}\) \textit{Plus}, 564 F. Supp. at 993. The district court held that because the survey was directed to consumers within a close proximity to defendant's Foods' stores, and because the questioning was formulated to lead the consumers to a certain answer, the probative value of the survey was limited. \textit{Id.} at 993 & n.7.

\(^{144}\) \textit{Plus}, 722 F.2d at 1006.

\(^{145}\) \textit{Id.} The Second Circuit even stated that the district court failed to articulate the importance it gave to lack of actual confusion evidence, yet it never went on to suggest a standard of its own. \textit{Id.}

\(^{146}\) Neither the district court, in making its findings of fact in this area, nor the Second Circuit, in reviewing the findings, ever articulated a standard for determining this factor. Neither court addressed what type of evidence would have been deemed probative.

\(^{147}\) Although admittedly these questions as to the weight to be afforded to certain types of evidence are difficult ones to answer and may be fact specific, courts often seem to virtually ignore them. \textit{See, e.g., supra} note 139; \textit{Universal}, 22 F.3d 1527 (rejecting evidence of a 22% finding of actual confusion by the plaintiff, without articulating any standards).

\(^{148}\) \textit{See Hasbro, Inc. v. Lanard Toys, Ltd.}, 858 F.2d 70, 78 (2d Cir. 1988)
products' quality, the more damaging the confusion, because if a high quality product is compared with a low quality product, it could damage the reputation of the high quality product.\textsuperscript{149} Other courts have reasoned that the more similar the quality of the products, the more damaging the confusion, because consumers are more likely to be confused by similarities.\textsuperscript{150}

The Second Circuit, in \textit{Plus}, took the latter approach and found that such vast discrepancies in the quality of the products weighed against any finding of likelihood of confusion: "the dissimilarity between the goods as well as between the groups of consumers that each party targets substantially lessens the likelihood of consumers' misapprehending the source of either type of products."\textsuperscript{151} The court weighed this factor in favor of the defendant reasoning that consumers are not likely to confuse goods which are of such polar qualities.\textsuperscript{152}

4. Sophistication of the Buyers

The sophistication of the Buyers factor examines the amount of care that the buyer could be expected to use in discerning between the two similar marks.\textsuperscript{153} The analysis takes into account "[t]he general impression of the ordinary purchaser, buying under the normally prevalent conditions of the market and giving the attention such purchasers usually give in buying that class of goods . . ."\textsuperscript{154} The Quality of Product factor, discussed immediately above,\textsuperscript{149, 150, 151, 152, 153, 154}
might also be considered in determining this factor. For example, if goods or services are of a high quality and are relatively expensive, the buyer is expected to be more discriminating, and is therefore less likely to be confused.  

This factor presents the one area in which the Second Circuit, in Plus, sharply disagreed with the district court’s evaluation and balancing of the factors. The district court found that although “[t]he buyer of vitamins and health foods is likely to be somewhat discriminating and sophisticated, and is therefore unlikely to confuse Foods’ image with Products’,” the trend towards healthier lifestyles blurred the distinction between health foods and regular foods. The district court thus found the Sophistication of Buyers factor unhelpful in the likelihood of confusion determination.

In contrast, the Second Circuit concluded that the district court had undervalued the sophistication of the plaintiff’s customers. The Second Circuit, noting the contrast in images; marketing styles and quality of goods between the two companies, found that, despite the “blurring” between high quality health foods and regular grocery store health items, sophisticated consumers of high quality products could be expected to exercise greater care than the average consumer. “[S]ophisticated consumers may still be expected

155. See Reed-Union Corp. v. Turtle Wax, Inc., 869 F. Supp. 1304, 1310 (N.D. Ill. 1994) (holding that, when buying a $5 bottle of car wax, purchasers will exercise little care so the likelihood of confusion increases; however, in buying a $5 bottle of wax to be applied to an expensive car, purchasers are likely to exercise a greater degree of care, thereby reducing the likelihood of confusion); see also AHP, 1 F.3d at 616 (holding that when purchasing low cost items, consumers take less time and care, presumably increasing the likelihood of confusion).


157. See id.

158. Plus, 722 F.2d at 1007.

159. Id. Contra Shell, 992 F.2d at 1208-09 (where applicant attempted to register a mark for automotive parts which was confusingly similar to registrant’s mark for lube and oil changes, the court held that the fact that the applicant’s consumers could be expected to use a high degree of care in picking automotive parts, did not mean that those same consumers would use a similarly high level of care in purchasing oil change and lube services). The Shell court based this reasoning on its finding that the relevant consumers with respect to the applicant’s automotive parts were the (professional) distributors, whereas the relevant consumers with respect to the oil changes were all potential (retail) customers or users, who could not be held to as high a level of sophistication as
to exercise greater care than most other shoppers . . . . Under the circumstances, it seems likely that sophisticated buyers will not be confused in distinguishing Products' top-of-the-line merchandise from Foods' discount stores and the low-cost brand-name goods sold therein.\textsuperscript{160}

5. Good Faith

The asserted good faith of a defendant, or even evidence that the junior user adopted a mark to accurately reflect its product, or that it conducted a trademark search, or relied on the advice of counsel, is not dispositive in determining the likelihood of [consumer] confusion.\textsuperscript{161} For, in essence, "intent [of the junior user] is largely irrelevant in determining if \textit{consumers} likely will be confused as to source."\textsuperscript{162}

Nonetheless, some reverse confusion decisions have equated a junior user's good faith with a lack of intent, holding that a junior user's lack of prior knowledge equals a lack of intent and therefore weighs against a finding of infringement.\textsuperscript{163} As noted previously though, the very definition of reverse confusion dictates that intent to pass off is not an issue in reverse confusion.\textsuperscript{164} Yet, many courts still fail to recognize this, and liken the defendant's lack of intent to trade on the good will of the plaintiff with good faith.\textsuperscript{165}

The Second Circuit, in \textit{Plus}, did not address this issue at any length, except that it did state how the finding of defendant's good faith would be weighed: "Foods had a prior interest, economic and

\textsuperscript{160} See generally \textit{3 MCCARTHY}, supra note 1, § 23.30-31.

\textsuperscript{161} See generally \textit{3 MCCARTHY}, supra note 1, § 23.30-31.

\textsuperscript{162} Id. § 23.31[1] (emphasis added) (citation omitted). As one commentator has stated: "[w]hat the defendant was thinking is poor evidence of what \textit{consumers} were likely to have been thinking." Id. § 23.32[1] (citing Perlman, \textit{The Restatement of the Law of Unfair Competition: A Work in Progress}, 80 TRADEMARK REP. 461, 472 (1990)).

\textsuperscript{163} See, e.g., Universal Money Centers, Inc. v. American Tel. & Tel. Co., 22 F.3d 1527, 1532 (10th Cir.), cert. denied, 115 S. Ct. 665 (1994); \textit{infra} notes 283-84 and accompanying text; W.W.W. Pharmaceutical Co. v. Gillette Co., 984 F.2d 575, 567 (2d Cir. 1993); \textit{infra} notes 223-27 and accompanying text.

\textsuperscript{164} See supra note 19 and accompanying text.

\textsuperscript{165} See \textit{3 MCCARTHY}, supra note 1, § 23.30[2], at 23-194 ("some modern decisions cling to the fiction that wrongful intent is necessary").
historical, in the use of the word "PLUS" in its special type of food retailing. Accordingly, [the district court] correctly found that there was no bad faith on the part of Foods in using the mark—*a factor to be weighed in determining injunctive relief.*’  

6. Similarity of the Marks

Assessment of the Similarity of Marks involves a number of variables: color and physical appearance, typeset, design and overall packaging, the specific words used as part of the mark, placement of the words, and use of other descriptive words or brand names in conjunction with the mark. It is the overall impression of a mark that is important in determining this factor. However, courts disagree as to whether the marks are to be viewed separately or together.

The Second Circuit in *Plus* held that, while Products and Foods each used the word "PLUS" written in similar scripts, the overall design of the logos was different, as was the overall packaging effect of the two goods. The court thus found only a slight possibility of confusion presented by the similarity of the marks.

7. Proximity of the Products

The Proximity of the Products factor examines the extent to which products with similar marks compete with each other. If

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166. *Plus*, 722 F.2d at 1007 (emphasis added).
167. *See generally 3 McCarthy, supra* note 1, § 23.04, at 23-48 (describing the analysis of the similarity factor as a comparison of "the overall impression created by the designations; pronunciation; translation of foreign words; and verbal translation of pictures; suggestions, connotations or meanings of the designations") (citing Restatement (Third) of Unfair Competition § 21(a) (Tentative Draft No. 2, 1990)).
168. *Plus*, 722 F.2d at 1007; *see also Banff*, 841 F.2d at 492.
169. *Compare Banff*, 841 F.2d at 492 (the proper test is whether the labels create the same impression when viewed separately) and Worthington Foods, Inc. v. Kellogg Co., 732 F. Supp. 1417, 1439 (S.D. Ohio 1990) (the court must refrain from side-by-side comparisons) with Turtle Wax, 869 F. Supp. at 1309 (a side-by-side comparison is proper when the goods are sold side-by-side).
170. *Plus*, 722 F.2d at 1007. While both logos were in a similar script, Foods' logo "PLUS" was used as an acronym for Priced-Low-U-Save and was in a blue and orange outline, while Products' "PLUS" logo consisted of a white "+" sign within a red circle in the center of the "P". *Plus*, 564 F. Supp. at 991.
the products are within the same class, serve the same purpose or are used in conjunction with one another, similar marks are more likely to cause confusion.\textsuperscript{173}

The district court regarded the essential issue as: "whether the nature of the products and the structure of the relevant markets is such that consumers are likely to perceive the goods in question as emanating from a common source."\textsuperscript{174} Given the prevalence of diversification and mass merchandising in the modern market, the district court concluded the public could likely connect two complementary goods as emanating from the same source.\textsuperscript{175} The district court acknowledged the subjectivity involved in making such a determination,\textsuperscript{176} as well as the resulting need to look at the different modes in which the parties products are sold,\textsuperscript{177} and ultimately found the proximity of the goods to be of slight importance in \textit{Plus}.\textsuperscript{178}

\textsuperscript{173} \textit{Id.; see also Turtle Wax, 869 F. Supp. at 1307 (where the defendant adopted a mark for car wax in direct competition with plaintiff's car wax and sold through the same channels of trade, the court held that such proximity diminished the amount of similarity required between the marks to establish confusion).}

\textsuperscript{174} \textit{Plus, 564 F. Supp. at 991. Compare Shell, 992 F.2d at 1207 (where registrant sold automotive parts to distributors and applicant sold oil changes and lubricant services to consumers, consumers could conceivably assume a common source) with Lang, 949 F.2d at 582 (where plaintiff's "New Choices Press" sold books and tapes on charisma and defendant published a retirement magazine, "New Choices for the Best Years," no proximity found, even though both were in the field of publishing).}

\textsuperscript{175} \textit{Id., 991-92.}

\textsuperscript{176} The court cited a number of cases to demonstrate that the determination is fact-specific. \textit{Id. at 992-93. Compare Standard Brands, Inc. v. Smidler, 151 F.2d 34, 37 (2d Cir. 1945) (finding proximity and recognizing that there could be an expectation on the part of the buying public that the business of a food manufacturer and a vitamin manufacturer were significantly proximate in that a consumer could reasonably expect that a manufacturer or distributor of "V-8" vegetable juice might also make or distribute "V-8" vitamins) with Vitarroz Corp. v. Borden, Inc., 644 F.2d 960, 967 (2d Cir. 1981) (finding only a slight proximity between BRAVO corn chips and BRAVO crackers because the taste and preparation of the products varied and the two products were sold within different sections of the supermarkets) and Buitoni Foods Corp. v. Gio. Buton & C. S.p.A., 680 F.2d 290, 292 (2d Cir. 1982) (finding only slight proximity between table wine, brandies, liqueurs and aperitifs because there were different alcohol contents and uses).}

\textsuperscript{177} \textit{Plus, 564 F. Supp. at 992-93.}

\textsuperscript{178} \textit{Id. at 993.}
The Second Circuit agreed with the district court's finding that the two companies' "Plus" goods were proximate, yet disagreed with the district court's conclusion that the proximity of the goods was of prime importance. The Second Circuit held instead that countervailing indicators made the proximity factor insignificant. Specifically, the Second Circuit focused on three issues: (1) that the Plus Products' line was segregated in supermarkets, and was not sold at all in Discount Foods' stores, (2) that the marketing approaches of the two differed, and (3) that Plus Products' customers were interested in high quality, as opposed to Discount Foods' customers, who were primarily interested in a bargain. The Second Circuit thus concluded that "[t]he differences in modes of marketing and the segregation of Products' merchandise renders the slight proximity of the parties' products insignificant."  

8. Bridging the Gap

The Bridging the Gap factor refers to two separate possibilities: (1) that the senior user of the mark will expand its production base into the product area for which the junior user has adopted the mark; or (2) that, even if the senior user does not intend to expand, the products are close enough that consumers will nonetheless assume that they emanate from the same source.

179. *Plus*, 722 F.2d at 1008.
180. *Id.*
181. *Id.* (“[T]he degree of proximity between the two products in the food sections of retail stores is relevant only insofar as it bears on the likelihood of confusion and gives the impression that non-competing goods are from the same origin.” (citing McGregor-Doniger, Inc. v. Drizzle, Inc., 599 F.2d 1126, 1134 (2d Cir. 1979))).
182. *Id.*
183. *Id.*
184. *Id.*
185. 3 *McCarthy*, supra note 1, § 24.05[3][b] at 24-35. In outlining the two possibilities, McCarthy cited from Lambda Electronics:

In the likelihood of confusion context, "bridging the gap" refers to two distinct possibilities. The first is that the senior user presently intends to expand his sales efforts to compete directly with the junior user; likelihood of confusion is created by the likelihood that the two products will be directly competitive. The second possibility is that, while there is no present intention to bridge the gap, consumers will assume otherwise and conclude, in this era of corporate diversification, that the parties are related companies.

*Id.* (quoting Lambda Elects. Corp. v. Lambda Technology, Inc., 515 F. Supp. 915, 211
The district court, in *Plus*, noted that Richardson-Vicks, the parent company of the plaintiff Plus Products, was an aggressive merchandiser and that, because the line between health food products and conventional food items was ill-defined, Plus Products might well bridge the gap into conventional food items. The Second Circuit agreed to an extent, but also noted that the defendant, Discount Foods, ran a brand-name discount store, and that even if Plus Products was to sell conventional food items, it would in all probability carry on the tradition of offering only high quality items. The court thus concluded that, although Plus Products might attempt to bridge the gap into Plus Discounts' product market, such an event would not be likely to cause confusion. Even if the companies were to sell competing goods, they would each maintain their polar images and marketing standards such that the quality of the products would still be dissimilar and the potentially slight proximity of the products would remain insignificant.

9. Summing Up the *Polaroid* Factors in *Plus Products*

The Second Circuit in *Plus* found a weak mark, no actual confusion, dissimilarity between the quality of the goods, so-

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U.S.P.Q. 75, 86 (S.D.N.Y. 1981)).

186. *Plus*, 564 F. Supp. at 989; see also Worthington Foods, Inc. v. Kellogg Co., 732 F. Supp. 1417, 1450 (S.D. Ohio 1990) (where the plaintiff made a similar argument). The plaintiff there, Worthington Foods, first used the "HEARTWISE" mark in conjunction with its Morningstar Farms frozen food breakfast items, including frozen meats and eggs. *Id.* at 1424-26. Kellogg subsequently began using a similar "Heartwise" mark in marketing a breakfast cereal. *Id.* at 1426. Worthington argued that because it had signed a letter of intent to buy a health food company which made breakfast cereal, and because Kellogg was already selling frozen Eggo waffles, there was a strong possibility that either one of the parties might expand its line of products to include an item which would compete directly with an existing product of the other company. *Id.* at 1450. The court found, however, that Worthington's plans to expand were merely speculative and that Kellogg provided no evidence of plans to manufacture meat analogue or egg substitute goods nor to use the mark "Heartwise" in conjunction with frozen breakfast foods. *Id.* at 1450-51.

188. *Id.*
189. See *id.*
190. See discussion *supra* part III.B.1.
191. See discussion *supra* part III.B.2.
192. See discussion *supra* part III.B.3.
phistication of Plus Products’ buyers, no bad faith on the part of Discount Foods, only a slight similarity of the marks, an insignificant proximity of the goods, and a low probability that any attempts by Plus Products’ to bridge the gap would cause confusion. In essence, the only factors that weighed, even remotely, in Plus Products’ favor were a slight similarity of the marks and a low probability of bridging the gap. After weighing the likelihood of confusion factors, the Second Circuit held that Plus Products’ injunction should be limited to the three overlapping goods.

Although the Second Circuit was progressive in making this determination, the analysis nonetheless had its own shortcomings, affording more attention to some factors than to others, and leaving some gaps. As a result, courts in subsequent cases started filling in the gaps, but again, these courts were doing so almost as a matter of first impression, and so, in essence, were each setting their own standards. In fact, even the Second Circuit itself seemed to vary the analysis of the factors in subsequent cases.

C. Additional Case Law


Nine years after the Plus decision, the Second Circuit decided another reverse confusion case, W.W.W. Pharmaceutical Co., Inc. v. Gillette Co. In 1981, W.W.W. Pharmaceutical (“WWW”) purchased both the formula for “Sportstick” lip balm and its predecessor’s interest in the trademark. One year later, WWW began selling the lip balm and received a federal registration for the mark. The lip balm, packaged in a blue tube with white letter-

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193. See discussion supra part III.B.4.
194. See discussion supra part III.B.5.
195. See discussion supra part III.B.6.
196. See discussion supra part III.B.7.
197. See discussion supra part III.B.8.
198. Plus, 722 F.2d at 1008-09. The three overlapping goods consisted of pet foods, spices, and food oils. Id. The court also held that the disclaimers proposed by the district court were unnecessary. Id. at 1009.
199. 984 F.2d 567 (2d Cir. 1993).
200. Id. at 569. WWW’s predecessor in interest, Rumby Int’l, had applied for federal registration in 1981. Id.
201. Id. The Federal Registration, applied for by Rumby Int’l, was issued to WWW on May 11, 1982. Id.
ing, was sold primarily at check out counters and point of sale displays in retail stores.202 WWW’s “Sportstick” sales were erratic, peaking in 1985 with $233,267 in gross sales nationwide.203

Gillette, who had manufactured deodorant under the Right Guard name since 1959, decided in late 1986 or early 1987 to launch a new Right Guard product in order to appeal to the more active consumer.204 In 1988, after successful test surveys, Gillette launched its new deodorant, in solid stick form as well as in traditional aerosol form, and named it “Sport Stick.”205 Gillette’s in-house counsel had conducted a search for the terms “Sport” and “GS Sportsline,” and came up with over 60 marks, including WWW’s “Sportstick” mark for lip balm.206 Gillette nonetheless began marketing the product nationally, using well-known athletes and advertising during such prime time shows as “Monday Night Football.”207 WWW subsequently contacted Gillette, contesting the use of the mark, and when Gillette failed to respond, WWW filed suit for infringement of its federally registered mark for lip balm.208 WWW alleged that Gillette’s use of the term “Sport Stick” confused WWW’s potential customers and caused them to assume that Gillette’s “Sport Stick” mark for deodorant was the source of WWW’s “Sportstick” mark for lip balm.209 In sum, WWW claimed reverse confusion—that consumers would believe that it was WWW, the senior user, who was infringing on Gillette’s mark.210

The Second Circuit first sought to determine Strength of the Mark, setting out two tests: (1) the degree to which the mark is inherently distinctive; and (2) the degree to which it is distinctive in

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202. Id.
203. Id.
204. Id.
205. Id. at 569-70.
206. Id. at 569.
207. Id. at 570.
208. Id.
209. Id. at 571. WWW claimed trademark infringement pursuant to 15 U.S.C. § 1114, as well as false designation of origin, pursuant to 15 U.S.C. §1125(a). Id. at 570. Only the claim for the former will be discussed herein, although, in order to prove either claim, there must be a showing of likelihood of confusion. Id. at 570-71.
210. Gillette, 984 F.2d at 571.
Applying the first test, the Second Circuit noted that the combination of the words “sport” and “stick” into one mark required some imagination, and held that the “Sportstick” mark was suggestive, rather than merely descriptive. It then noted that a finding of suggestiveness alone did not determine strength, and proceeded with the second test, analyzing the mark’s secondary meaning. In considering this secondary meaning, however, the court looked to the senior user’s sales figures, not to any objective evidence of actual recognition by consumers, and transferred those sales figures into a conclusion about the strength of the mark. The court noted WWW’s modest sales figures, and concluded that “[t]his evidence indicates a low national recognition of WWW’s product.”

Under the Similarity of the Marks factor, the Second Circuit took much the same approach as it did in Plus, analyzing the products’ overall impression as viewed by the sizes, logos, typefaces, and package designs, and determined that the marks themselves were not confusingly similar, despite the similar names. It also found that the Proximity of Products factor was insignificant and

211. Id. at 572 (citing McGregor-Doniger, Inc. v. Drizzle, Inc., 599 F.2d 1126, 1131-33 (2d Cir. 1979)).
213. Gillette, 984 F.2d at 572-73. But see supra note 73 (secondary meaning is only required when a mark is descriptive, not when a mark is suggestive).
214. Gillette, 984 F.2d at 573.
215. Id.
216. Id. The court pointed out as distinguishing factors the diminutive size of “sport” and “stick” for most of Gillette’s advertising and the separation of the two words in Gillette’s mark by a running figure as well as Gillette’s use of the brand name Right Guard immediately preceding “Sport Stick” and in bigger letters. Id. Compare id. (focusing on the use of brand name Right Guard in conjunction with the mark decreases the likelihood of confusion) with Banff, 841 F.2d at 492 (holding that, rather than offsetting the mark’s similarity, the presence of defendant Bloomingdale’s name in conjunction with its “B-wear” mark may increase misappropriation of plaintiff’s “Bee Wear” mark by linking defendant’s name with plaintiff’s good will).
217. Gillette, 984 F.2d at 573-74. The court noted here that, in determining the proximity of products, the proper analysis is to determine whether the two products compete with each other, whether they “serve the same purpose, fall within the same general class, or are used together. . . .” Id. at 573 (citing Lang, 949 F.2d at 582).
that the plaintiff, WWW, presented no evidence of an intention to expand its product line, to Bridge the Gap.\textsuperscript{218}

As evidence of Actual Confusion, WWW's president offered testimony that on two separate occasions he had conversations with people who confused the source of origin of WWW's product with that of Gillette's.\textsuperscript{219} The court dismissed the testimony with respect to the first person who was reportedly confused, because there was no evidence that the person was a potential purchaser or that his reported confusion affected his purchasing decision.\textsuperscript{220} The court cited the Eleventh Circuit, which had previously discounted similar testimony because the confused persons were not identified as potential customers and did not testify at trial.\textsuperscript{221}

In analyzing the Good Faith factor, the Second Circuit noted that Gillette had selected a name which matched the image of its product, had performed a trademark search, and had relied on the advice of counsel.\textsuperscript{222} Thus, the court concluded, given this "good faith effort" shown by Gillette, WWW failed to put forth any evidence that Gillette intended to promote confusion.\textsuperscript{223} The Second Circuit placed the burden on the senior user to prove bad faith on the part of the second user, and the court focused on whether the second user \textit{intended} to capitalize on the plaintiff's good will.\textsuperscript{224} The Second Circuit then went even further and concluded that, "[g]iven Gillette's name recognition and good will, and WWW's obscurity, any confusion would have redounded to the plaintiff's,

\footnotesize{acknowledged that the two were both generally characterized as personal care products, and that they shared some of the same channels of trade; however, ultimately the court concluded that because the products were displayed in different sections of stores, the proximity factor was not of overriding importance. \textit{Id.} at 573-74.}

\footnotesize{218. \textit{Id.} at 574.}

\footnotesize{219. \textit{Id.}}

\footnotesize{220. \textit{Id.}}


\footnotesize{222. \textit{Id.} at 575.}

\footnotesize{223. \textit{Id.} But see supra note 62 (discussing Big O Tire, 561 F.2d at 1372 (intent is irrelevant)); \textit{infra} note 265 (discussing Quaker, 978 F.2d at 960-61 (same)).}

\footnotesize{224. Gillette, 984 F.2d at 575.}
rather than the defendant’s, benefit.\textsuperscript{225} In essence, the Second Circuit said that, assuming \textit{arguendo} Gillette did infringe upon WWW’s trademark, Gillette’s large advertising expenditures could only serve to benefit WWW’s business by association.\textsuperscript{226}

2. \textit{Sands, Taylor \& Wood Co. v. Quaker Oats Co.}

In 1992, the Court of Appeals for the Seventh Circuit, the same court that had rejected the notion of reverse confusion in \textit{Westward Manufacturing},\textsuperscript{227} addressed the “THIRST-AID” case, \textit{Sands, Taylor \& Wood Co. v. Quaker Oats Co.},\textsuperscript{228} levying damages against Quaker Oats for its infringing use of the mark “THIRST-AID.”\textsuperscript{229}

In 1980 STW, then owner of the mark “THIRST-AID,” entered into a licensing agreement with Pet, Inc., whereby Pet used the mark “THIRST-AID” to test market an isotonic beverage which was intended to compete directly with Gatorade and to be advertised through the same channels.\textsuperscript{230} Pet test-marketed the beverage, capturing 25% of the market in the test area,\textsuperscript{231} but never pursued that beverage, and its right to use the mark expired in 1981.\textsuperscript{232} However, in 1981, STW sold the assets of Middleby Inc. to L. Karp \& Sons,\textsuperscript{233} and, based upon Pet’s prior successes in testing its product,\textsuperscript{234} Karp subsequently hired a consultant for the purpose of licensing the mark, “THIRST-AID,” for use in connection with a beverage.\textsuperscript{235} Within that same time period, however, Gatorade had

\begin{itemize}
\item \textsuperscript{225} \textit{Id.}
\item \textsuperscript{226} \textit{Id.; see also Kellogg, 732 F. Supp. at 1456 (stating that, despite confusingly similar marks, the confusion caused by Kellogg’s large advertising budget could serve to benefit the plaintiff). But see supra notes 22-24 and accompanying text.}
\item \textsuperscript{227} \textit{See Westward Coach Mfg. Co. v. Ford Motor Co., 388 F.2d 627 (7th Cir.), cert. denied, 392 U.S. 927 (1968); see also supra part I.B.1.}
\item \textsuperscript{228} 978 F.2d 947 (7th Cir. 1992), \textit{cert. denied}, 113 S. Ct. 1879 (1993).
\item \textsuperscript{229} \textit{Id. at 963.}
\item \textsuperscript{230} \textit{Id. at 950.}
\item \textsuperscript{231} \textit{Id.}
\item \textsuperscript{232} \textit{Id.}
\item \textsuperscript{233} \textit{Id. at 950.}
\item \textsuperscript{234} \textit{Id. at 958-59.}
\item \textsuperscript{235} \textit{Id. at 956. At some time between 1981 and 1984, Karp’s consultant contacted two well-known beverage companies, Shasta and Tropicana, to attempt to license the mark. \textit{Id.}
started using its own "Thirst-Aid" mark.\textsuperscript{236}

In March of 1984, Quaker Oats presented its Gatorade "Thirst Aid" campaign to its in-house counsel, Charles Lannin, who initially concluded that there could be no infringement because Quaker was using the words "Thirst Aid" in a descriptive manner, to describe the attributes of the product.\textsuperscript{237} When two employees of Quaker subsequently informed Lannin of the test-marketing of Pet's "THIRST-AID" beverage,\textsuperscript{238} he nonetheless conducted a search of the mark and found the three "THIRST-AID" marks registered by Middleby, as well as the subsequent transfer to Karp.\textsuperscript{239} A Quaker representative then contacted Karp, whose employee said that he did not think Karp, Inc. marketed anything under that name anymore.\textsuperscript{240} Counsel Lannin reiterated that, regardless of the use of the mark by Karp, there was no infringement because "THIRST-AID" was merely descriptive.\textsuperscript{241} However, STW offered a letter from the Chief Operating Officer of Tropicana to Karp as evidence that Karp's efforts to market a beverage product similar to Pet's isotonic beverage was thwarted by Gatorade's use of the mark:

"Thirst Aid" as a brand name is right on strategy. However, protection of this trademark may be difficult, as I have recently seen Gatorade TV spots using Thrist [sic] Aid superimposed on the screen with the tag, "Gatorade is Thirst Aid." If we were to pursue this at a later date, we would require trademark protection, as "Thirst Aid" is a key element offered in the proposal.\textsuperscript{242}

STW, who still owned the rights to use the mark under a licensing back agreement with Karp, informed Quaker that Quaker was infringing on those rights.\textsuperscript{243} Under an assignment back from

\begin{footnotes}
\item[236] Id. at 950.
\item[237] Id.
\item[238] Id.
\item[239] Id.
\item[240] Id.
\item[241] Id. at 951.
\item[242] Id. at 959 n.13 (alteration in original).
\item[243] Id. at 951.
\end{footnotes}
Karp, STW then reacquired all rights to the mark and filed suit.244 The district court held for STW on the issue of trademark infringement, and awarded STW 10% of Quaker’s (pre-tax) profits from using “Thirst-Aid” in its Gatorade advertising.245 The Court of Appeals for the Seventh Circuit affirmed the finding of infringement, but remanded on the issue of damages.246 In its decision, the Seventh Circuit noted that Karp’s efforts to license the mark might have been successful, had Gatorade not launched its “Thirst Aid” campaign.247

The Seventh Circuit’s approach to this case differed from the Second Circuit’s approach in Plus Products and Gillette. Before addressing the likelihood of confusion test, the Seventh Circuit launched into a discussion of Quaker’s allegation that STW was misappropriating a merely “descriptive” mark by using the term as a trademark.248 The court found that, even though “THIRST-AID” was not “descriptive” by virtue of a common meaning, it was nonetheless descriptive rather than suggestive, because it did not require a lot of imagination to link it with “First Aid” or lemonade and a

244. Id.
245. Id. at 951 (citing Sands, Taylor & Wood v. The Quaker Oats Co., 18 U.S.P.Q.2d (BNA) 1457, 1990 WL 251914 (N.D. Ill. 1990)).
246. See Quaker, 978 F.2d at 961-64 (discussing the issue of damages). The district court awarded the plaintiff $24 million in damages, 10% of the $240 million profit realized by Quaker. 18 U.S.P.Q.2d (BNA) 1457, 1990 WL 251914 (N.D. Ill. 1990). The Seventh Circuit reversed the district court’s award of $24 million in profits reasoning that it was a windfall and that the appropriate amount of damages should be commensurate to the amount defendant would have had to pay to obtain licensing from the plaintiff. 978 F.2d at 963. The concurring opinion agreed with the majority that a 10% royalty was too speculative, but argued that compensatory damages alone, as suggested by the majority, were insufficient and that there should have been more emphasis placed on deterrence as consistent with the finding of bad faith on the part of the defendant. Id. at 963-64 (Ripple, J., concurring). Conversely, the dissent argued that because there was a finding of bad faith and because under the district court’s measure of damages the defendant would still realize 90% of the profits (or $216 million), 10% was not an unreasonable amount to award the plaintiff. Id. at 964 (Fairchild, J., dissenting). Despite the Seventh Circuit’s determination that some quantum of damages was appropriate, the case has been remanded numerous times for recalculation of damages. See 1993 U.S. Dist LEXIS 7893 (N.D. Ill. June 8, 1993), aff’d in part, rev’d and remanded in part, 34 F.3d 1340 (7th Cir. 1994), aff’d in part, rev’d and remanded in part, 44 F.3d 579 (1995).
247. Quaker, 978 F.2d at 958-59.
248. Id. at 951-54.
product that quenches thirst. Concluding that the term was merely "descriptive," the court noted that even a descriptive term may be protectable as a trademark, to the extent that it has developed secondary meaning.

After determining that the "THIRST AID" mark could be worthy of protection, the Seventh Circuit next analyzed the reverse confusion claim and the likelihood of confusion factors. The first issue it addressed was Bridging the Gap, noting that this was one of the most important considerations in a reverse confusion case, because, without it, the senior user would not be able to capitalize on its mark and move into new product markets. The court set forth as a compelling reason for protecting the trademark the need to "protect the owner’s ability to enter product markets in which it does not now trade but into which it might reasonably be expected to expand in the future." Consequently, the court held that it was a distinct possibility that, following Pet’s test market of its isotonic beverage, Karp would have been successful in licensing the "THIRST-AID" mark for use on an isotonic beverage. Acknowledging that the plaintiff, STW, had contacted companies such as Tropicana and Shasta in an attempt to market its isotonic beverage and capitalize on its "THIRST-AID" label, the court stated:

249. Id. at 953.
250. Id. at 953-54.
251. Id. at 958-61. The test used by this court analyzed the following 7 factors:
1) the degree of similarity between the marks in appearance and suggestion
2) the similarity of the products for which the name is used
3) the areas and manner of concurrent use
4) the degree of care likely to be exercised by consumers
5) the strength of the complainant’s mark
6) actual confusion
7) an intent on the part of the alleged infringer to palm off his products as those of another.
Id. at 959 (citations omitted).
252. Id. at 958 (referring to this factor as the plaintiff’s ability to expand into product markets).
253. Id. (citing Interpace Corp. v. Lapp, Inc., 721 F.2d 460, 464 (3d Cir. 1983)).
254. See id. at 958-59. Prior to the licensing of the mark to Pet for use in its test market, the mark was used on ice cream toppings, and beverage products and syrups sold to food service establishments. Id. at 949-50.
Protecting the trademark owner's interest in capitalizing on the good will associated with its mark by moving into new markets is especially compelling in the context of a reverse confusion case, where the junior user so overwhelms the senior user's mark that the senior user may come to be seen as the infringer. Such a scenario is particularly likely if the senior user were to attempt to expand into the precise field where the junior user has created a strong association between its product and the senior user's mark. "When it appears extremely likely.... that the trademark owner will soon enter the defendant's field, this . . . factor weighs heavily in favor of injunctive relief."²⁵⁵

Because the senior user could prove its prior efforts to license its mark and capitalize on its product, the court viewed this as evidence that the senior user planned to bridge the gap, and that it could conceivably have moved into the isotonic beverage market.²⁵⁶

The court then took a new approach with respect to the Strength of Mark factor. Noting that the defendant had adopted a mark virtually identical to the plaintiff's for a product in direct competition, the court stated that "whether a mark is weak or not is of little importance where the conflicting mark is identical and the goods are closely related."²⁵⁷ The court then suggested that, in a reverse confusion context, the Strength of Mark factor should be examined in light of its association with the junior user's mark, rather than that of the senior user.²⁵⁸ The court supported this proposition by citing to the plaintiff's evidence that Gatorade had

²⁵⁵. Id. at 958 (quoting Interpace, 721 F.2d at 464).
²⁵⁶. Id. at 958-59.
²⁵⁷. Id. at 959 (quoting McCarthy, supra note 1, § 11.24, at 505-06).
²⁵⁸. See id.

In a reverse confusion case, then, it may make more sense to consider the strength of the mark in terms of its association with the junior user's goods. Here, there was abundant evidence that consumers strongly associate the words "thirst aid" with Gatorade, even when those words appear on a product label along with a different brand name.

Id. The court also cited a study presented by STW's expert which supported this proposition. Id. at 959 n.14. But see supra note 115 (citing original Polaroid factors, basing Strength of the Mark factor on strength of senior user's mark).
such a strong association with the words "Thirst Aid" that consumers surveyed associated the words "Thirst Aid" with the Gatorade product even if the words were used in conjunction with a different product or on a different label. In supporting this proposition, the Seventh Circuit disagreed with the district court's conclusion that the survey was not probative of confusion. Instead, the Seventh Circuit found that the Pet product used in the survey fairly represented the isotonic beverage that Pet would have introduced into the marketplace but for Quaker's infringement, and concluded that the survey was probative of confusion.

With respect to the Intent factor, the Seventh Circuit acknowledged that the question of intent to pass off is insignificant in reverse confusion and held that the district court erred in considering Quaker's intent. The court reasoned that intent of the junior user to trade on the good will of the senior user is irrelevant because, in a reverse confusion case the defendant, by definition, is not palming off:

"Even in a traditional case of forward confusion the defendant's intent is relevant to the issue of likelihood of confusion only if he intended 'to palm off his products as those of another,' thereby profiting from confusion . . . . In a reverse confusion case, of course, the defendant by definition is not palming off or otherwise attempting to create confusion as to the source of his product. Thus, the 'intent' factor of the likelihood of confusion analysis is essentially irrelevant in a reverse confusion case."

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259. See Quaker, 978 F.2d at 959-60 & n.14. The plaintiff presented survey evidence that 1) 79.2% of the 375 consumers surveyed filled in the blank in the phrase "_____ is thirst aid," with the word "Gatorade," and 2) that 24% of the customers who were shown the label that Pet used when test-marketing its own isotonic beverage thought that the product was associated with Gatorade. Id.

260. Id. at 960. The Seventh Circuit disagreed with the district court's conclusion that the survey failed to expose the consumer to a product which could be found in the marketplace and thus was not probative. Id.

261. Id. Contra Universal, 22 F.3d at 1534-36; infra notes 285-88.

262. Quaker, 978 F.2d at 960.

263. Id. at 960-61.

264. Id. at 961 (citation omitted) (first and third emphases added).
The Seventh Circuit concluded by confirming the district court's overall finding that there was infringement, but remanding on the issue of damages.\textsuperscript{265}

3. \textit{Universal Money Centers, Inc. v. American Telephone & Telegraph Co.}

In 1994, the Tenth Circuit, the same court which had first acknowledged reverse confusion in 1978, heard another reverse confusion case and this time held for the defendant. In \textit{Universal Money Centers, Inc. v. American Telephone \\& Telegraph Co.},\textsuperscript{266} the plaintiff Universal Money Centers ("UMC") established electronic banking services in 1981, and registered four trademarks for plastic electronic banking cards, all with derivations of the mark "UNIVERSAL."\textsuperscript{267} UMC's cards could be used to purchase certain retail goods and services, to access selected insurance products, and to obtain cash from ATM machines operated by UMC or by those organizations which were associated with UMC.\textsuperscript{268}

Nine years later, in March 1990, AT&T, introduced its combination telephone and retail credit card, the "AT&T Universal Card," in a television commercial during the Academy Awards.\textsuperscript{269} The card was affiliated with Visa and MasterCard and could be used as a credit card, a phone card, or as a bank card.\textsuperscript{270} A year after the introduction of its card, AT&T had already spent over $60 million in advertising and marketing, and less than four years later, AT&T had more than 10,000,000 cardholders, as opposed to UMC's 160,000 cardholders.\textsuperscript{271} However, UMC and AT&T were not affiliated, and AT&T cardholders could not use their cards to obtain cash from UMC's ATM machines.\textsuperscript{272}

\begin{itemize}
\item \textsuperscript{265} Id. at 961-63.
\item \textsuperscript{266} 22 F.3d 1527 (10th Cir.), cert. denied, 115 S. Ct. 665 (1994).
\item \textsuperscript{267} Id. at 1528.
\item \textsuperscript{268} Id. Universal had an association with American Express, Discover, Cirrus and BankMate. \textit{Id.}
\item \textsuperscript{269} Id. at 1528-29.
\item \textsuperscript{270} Id.
\item \textsuperscript{271} Id. at 1528; see also \textit{Universal Money Ctrs., Inc. v. American Tel. \\& Tel Co.}, 797 F. Supp. 891 (D. Kan. 1992).
\item \textsuperscript{272} \textit{Universal}, 22 F.3d at 1529.
\end{itemize}
Certain UMC executives saw the initial broadcast advertisement for the "AT&T Universal card," and UMC subsequently filed a motion for a preliminary injunction to enjoin AT&T from using the mark "UNIVERSAL." The district court denied the plaintiff's motion and, finding that UMC failed to establish likelihood of confusion between its "Universal" ATM card and AT&T's combination telephone/credit card, the Tenth Circuit affirmed the district court's grant of summary judgment in favor of AT&T.

The Tenth Circuit was divided, however, with respect to the evidence presented. The majority held for the defendant and found no likelihood of confusion, while the dissent opposed the majority's decision to grant the motion for summary judgment in light of the conflicting evidence presented by each side.

With respect to the Similarity of the Marks, the court found that, even though both marks used the word "Universal," and so

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273. Id. UMC based its preliminary injunction on trademark infringement pursuant to 15 U.S.C. § 1114(1), false designation of origin under 15 U.S.C. § 1125(a), and unfair competition under state common law. Id.
274. Id.
275. Id. at 1536.
276. Id. at 1534.
277. Id. at 1536. The factors considered by the Tenth Circuit were:
   (a) the degree of similarity between the designation and the trade-mark or trade name in
      (i) appearance;
      (ii) pronunciation of the words used;
      (iii) verbal translation of the pictures or designs involved;
      (iv) suggestion;
   (b) the intent of the actor in adopting the designation;
   (c) the relation in use and manner of marketing between the goods or services marketed by the actor and those marketed by the other;
   (d) the degree of care likely to be exercised by purchasers.
Id. at 1530 (citing Jordache Enters. Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1484 (10th Cir. 1987)).

The Universal court also stated that, "'[t]his list is not exhaustive. All of the factors are interrelated, and no one factor is dispositive,... evidence of actual confusion and the strength or weakness of UMC's trademarks are two additional relevant factors." Id. (citing Jordache, 828 F.2d at 1484).
278. Id. at 1538 (Ebel, J., dissenting). Judge Ebel disagreed with the majority and, applying the same summary judgment standard as the majority, found that there was a genuine issue of material fact. Id.; see also infra notes 288-90.
were phonetically identical, the differences in the lettering styles, logos, and coloring schemes gave different overall impressions.\textsuperscript{279} In addition, the majority held that there was never any intent on the part of AT&T to trade on the good will of UMC,\textsuperscript{280} and further, that the reported instances of actual confusion were \textit{de minimis}.\textsuperscript{281} In analyzing the Good Faith factor, the majority focused on whether AT&T intended to derive a benefit from UMC's good will: "'[t]he proper focus [remains] whether defendant had the intent to derive benefit from the reputation or goodwill of plaintiff'. . . . [T]here are absolutely no facts to support an inference that AT&T adopted the word 'Universal' with the intent to derive benefit from UMC's marks."\textsuperscript{282} However, in focusing on intent, the Tenth Circuit quoted from a direct confusion case, \textit{Jordache}, as authority, failing to recognize the precedent of other reverse confusion cases which acknowledged that intent to pass off is irrelevant in a reverse confusion analysis.\textsuperscript{283}

The majority decided that UMC's report of actual confusion was \textit{de minimis}, even though UMC had presented evidence that 22\% of the AT&T cardholders who were contacted had tried to use their AT&T card in a UMC machine.\textsuperscript{284} UMC also testified that this 22\% rate of confusion was 4.5 times the normal rate of confusion among ATM card users in general.\textsuperscript{285} On the other hand,

\begin{itemize}
  \item 279. \textit{Universal}, 22 F.3d at 1531. \textit{But see Shell}, 992 F.2d at 1206 (where words "RIGHT-A-WAY" were used in both marks, even differences in script and arrow design did not diminish their similarity when viewed as a whole, because the words themselves dominated the marks).
  \item 280. \textit{Universal}, 22 F.3d at 1531-32.
  \item 281. \textit{Id.} at 1535.
  \item 282. \textit{Id.} at 1532 (quoting \textit{Jordache}, 828 F.2d at 1485) (second alteration in original).
  \item 283. \textit{See id. But see Quaker}, 978 F.2d at 961 (intent to pass off is irrelevant in reverse confusion); \textit{supra} text accompanying note 265 (same).
  \item 284. \textit{Universal}, 22 F.3d at 1535. \textit{But see Shell}, 992 F.2d at 1207 (where registrant argued that because applicant had a relatively small customer base the rate of confusion would only be \textit{de minimis}, the court rejected the argument, reasoning that the Lanham Act accords prima facie exclusive rights to all trademark holders, regardless of their size).
  \item 285. \textit{See Universal}, 22 F.3d at 1538-40 (Ebel, J., dissenting). UMC presented evidence that, within a nine month time period, in a limited area, 400 AT&T cardholders attempted to use their Universal cards in UMC's machines. \textit{Id.} at 1539. Moreover, UMC submitted affidavits that 14 of the 64 AT&T cardholders interviewed in a phone survey (or 22\%) attempted to use the card in a UMC machine because they were confused by
AT&T testified that when surveying cardholders to determine whether they were confused or had tried to use one card in the other's machine, its survey yielded only a 2.6% rate of confusion.286 The majority apparently dismissed UMC's showing of a 22% rate of confusion and held instead that "UMC's failure to sufficiently rebut AT & T's [sic] preliminary showing of no significant actual confusion in the marketplace ... convinces us that a 'reasonable jury could [not] return a verdict for [UMC]."287

The dissenting judge, Judge Ebel, criticized the majority's application of the summary judgment standard and posited that UMC had presented sufficient evidence of actual confusion to present a genuine issue of material fact, such that the jury could have found in favor of the non-moving party, UMC.288 Judge Ebel noted that

286. Id. In answer to UMC's survey, AT&T presented evidence that, of the 400 AT&T cardholders that attempted to use their cards in UMC's machines, only 2.6% of them were confused by the similar Universal marks. Id. In addition, AT&T attempted to dismiss UMC's showing of a 22% rate of confusion by presenting AT&T cardholders as witnesses who testified that they attempted to use their cards in UMC machines only because it was an ATM machine and they did not know of (or did not pay attention to) the differences in ATM machines. Id. at 1534-35.

287. Universal, 22 F.3d at 1535. But see 3 McCARTHY, supra note 1, § 23.02[2][a] ("Any evidence of actual confusion is strong proof of the fact of a likelihood of confusion. No matter how convinced a trial judge may be of the absence of any likelihood of confusion, he or she must at least listen to evidence presented of actual confusion.") (footnotes omitted). Note that the Universal court also dismissed the issue of UMC's repeated requests for discovery and a list of AT&T's accounts with phone numbers so that they could be contacted for its survey. Universal, 22 F.3d at 1539-40. Even though the court granted UMC a motion to compel discovery in order to obtain information necessary to conduct its own survey, the order was never enforced and was then declared moot because the court assumed that the survey would likely produce evidence that the AT&T cardholders questioned had never attempted to use their cards at UMC's ATMs. Id. at 1540.

288. Id. at 1538-39 (Ebel, J., dissenting). Judge Ebel criticized the majority's decision to grant the defendant's motion for summary judgment in light of the conflicting evidence presented, stating that, the evidence presented by the plaintiff was such that, when taken in the light most favorable to the plaintiff, a reasonable juror could find in the plaintiff's favor. Id. at 1538 (Ebel, J., dissenting). Judge Ebel went on to say that, "[a]t a minimum, these affidavits call into question [the defendant's expert's] results and clearly raise a material issue of fact that should have been resolved by a jury. . . . It is the jury who should weigh the evidence rather than a judge on a summary judgment..."
the cards were significantly similar in that they both emphasized the word "Universal," and that UMC had bolstered the evidence of similarity of marks with empirical evidence in the form of surveys and expert testimony. Moreover, according to the dissent, neither the majority nor the defendant AT&T offered any explanation for the conflicting evidence nor provided any standard to be used in analyzing evidence of actual confusion. Ironically it was the Tenth Circuit, the first circuit to acknowledge the concept of a reverse confusion type of actionable claim in Big O Tire, which rejected the plaintiff's evidence of a 22% rate of confusion and granted summary judgment for the defendant without ever justifying its reason for doing so.


Recently, a district court addressed the uniqueness of reverse confusion as its own legal doctrine, and recognized the need for a more appropriately tailored test. The Southern District of New York, in Sunenblick v. Harrell and MCA, Inc., acknowledged that the doctrine of reverse confusion is still a relatively new concept, and that the existing Polaroid test remains far from perfect.

The plaintiff in Sunenblick operated an independent jazz company using the mark "UPTOWN RECORDS," and from 1979 to 1995 produced 35 recordings and sold a total of 80,000 units, all under the "UPTOWN RECORDS" mark. Defendant, in conjunction with MCA records, began using its "MCA/UPTOWN RECORDS" label in 1986 to produce rap and R&B recordings and, between 1986 and 1994, sold 27 gold and platinum records.

In addressing the Strength of Mark factor, the plaintiff argued
that the appropriate approach would be to reject the precedent from the Second Circuit and instead apply law from other circuits which held that the Strength of Mark factor should focus on the strength of the junior user's mark, rather than the senior user's mark.\footnote{296} The defendant disagreed, urging that the court was bound by precedent in the Second Circuit; however, the court rejected the defendant's argument and instead signalled its willingness to make new law in the area of reverse confusion:

Defendants thus press the argument that this court is bound by the decisional law of the Circuit in which it sits. The court is not persuaded, however, that it would be improper to acknowledge the force of precedent outside this Circuit, inasmuch as the doctrine of reverse confusion is still at an early stage of development. It should be recalled that, in applying the Polaroid factors to allegations of reverse confusion, this Circuit has employed a test that was originally designed to evaluate cases of forward confusion. Indeed, prior to Banff, reported cases of reverse confusion were quite rare in any circuit, and virtually non-existent at the time Judge Friendly authored Polaroid.\footnote{297}

The Southern District acknowledged that the Polaroid test was initially developed for direct confusion and thus is not the most appropriate test for reverse confusion. Yet, despite this acknowledgement, the court nonetheless reverted to applying some of the Polaroid factors as if it was deciding a direct confusion case. For instance, with respect to the Good Faith factor, the court set out a well-reasoned argument in which it demonstrated that defendant's

\footnote{296. Id. at 627. The plaintiff argued that the court should follow the lead of the Third Circuit, in Fisons Horticulture, and the Seventh Circuit in Sands, Taylor & Wood, and analyze the strength of the junior user's mark, because the confusion in a reverse confusion situation flows from the fact that the consumer recognizes the stronger of the two, the junior user's mark, and thus believes that the senior user's mark somehow emanates from the junior user's. Id. (citations omitted).

297. Id. at 627-28 (emphasis added) (citations omitted). The court took a progressive stance in acknowledging that the doctrine of reverse confusion, due to its inception based upon forward confusion premises, is a flawed one. Id. at 627-28. Thus, the court determined that it must look, not solely to precedent within its own jurisdiction, but rather to the better policy. See id.}
choice of a mark, which reflected his company's recording style, combined with his lack of knowledge of the plaintiff's prior use of the mark, weighed in his favor.\textsuperscript{298} It also stated that defendant's failure to conduct a trademark search, alone, did not constitute bad faith.\textsuperscript{299} The court then regressed, however, in failing to differentiate between intent to misappropriate and intent to pass off, concluding that the defendant did not act in bad faith because he did not choose his mark with the \textit{intent} to confuse customers.\textsuperscript{300} The court failed to acknowledge the fact that intent to pass off is irrelevant in a reverse confusion likelihood of confusion analysis.\textsuperscript{301}

Despite its shortcomings, the \textit{Sunenblick} court broke ground in recognizing the recency and uncertainty of the reverse confusion doctrine and in asserting that courts must take a more progressive approach in analyzing reverse confusion cases. Having determined that it was not bound by precedent within its own circuit, the court instead adopted the approach more appropriate for a reverse confusion case and decided to analyze the Strength of Mark factor by applying precedent from different circuits.\textsuperscript{302} Ironically though, in adopting precedent from other circuits, the \textit{Sunenblick} court also caused further inconsistencies in the reverse confusion analysis by following law from another circuit. Consequently, the recent \textit{Sunenblick} decision confirms that there is a need for a comprehensive reformulation of the \textit{Polaroid} test, specifically addressing the reverse confusion legal paradigm.

\begin{itemize}
\item \textsuperscript{298} \textit{Id.} at 632-33.
\item \textsuperscript{299} \textit{Id.} at 633.
\item \textsuperscript{300} \textit{Id.}
\item \textsuperscript{301} See, e.g., \textit{supra} text accompanying note 264 (intent is irrelevant).
\item \textsuperscript{302} \textit{Sunenblick}, 895 F. Supp. at 628. The court asserted that it would follow the reasoning of other courts, outside of its own circuit:
\begin{quote}
[T]his court agrees with the observations made in Fisons Horticulture and Sands, Taylor. It is the essence of reverse confusion that the senior user's mark will be comparatively weaker—and will be probably much weaker indeed—than that of the powerful junior user. It is in such cases, where the visibility and strength of the junior user's mark have occupied the field, that the consumer is likely to consider the senior user's product as either emanating from the junior user or infringing upon the junior user's trademark rights. \textit{Consequently, the court should properly examine the strength of the junior user's mark.}
\end{quote}
\textit{Id.} (emphasis added) (citations omitted).
\end{itemize}
IV. THE UNMODIFIED POLAROID TEST: AN INSUFFICIENT ANALYSIS FOR REVERSE CONFUSION

A. The Problem: The Courts' Inconsistencies

An inherent problem exists in analyzing any likelihood of confusion claim because it is a highly subjective, fact specific task, and thus, it is difficult to establish bright line rules. Moreover, the difficulty becomes increasingly pervasive because the doctrine was initially based on a different type of legal problem—direct confusion—and few attempts have been made to tailor the doctrine specifically to the reverse phenomena. As demonstrated above, the net result is that these obstacles have created fragmented and inconsistent case law in the area of reverse confusion. Courts, therefore, must examine the doctrine of reverse confusion more carefully to determine in what aspects the Polaroid factors present a sufficient test for analyzing reverse confusion and in what aspects they do not provide a sufficient test.

B. Proposed Solutions

As novel problems, concepts and technologies evolve, courts must examine new ways to analyze them, often by borrowing from old doctrines and redeveloping them to fit the novel situations. For instance, in 1921, Justice Cardozo referred to the then-evolving technology known as the telephone and stated that, with new technology, courts should first try to apply existing law, and if that approach failed, they should then develop law to conform to the new technology. The courts, in addressing reverse confusion,

303. See Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 872 (2d Cir. 1986) ("the ultimate conclusion as to whether a likelihood of confusion exists is not to be determined in accordance with some rigid formula. The Polaroid factors serve as a useful guide through a difficult quagmire. Each case, however, presents its own peculiar circumstances.").

304. See Symposium, First Amendment and the Media: Regulating Interactive Communications on the Information Highway, 5 FORDHAM INTELL. PROP., MEDIA & ENT. L.J. 235, 262 & n.75 (1995) ("with new conditions there must be new rules" (citing BENJAMIN N. CARDOZO, THE NATURE OF THE LEGAL PROCESS 137 (1921))). The symposium addressed, in part, the issue of how to change law to conform to changing technology. Although the main issue in the symposium was changing technology, the same concepts can be applied here.

For instance, one panelist cited Justice Cardozo's 1921 reference to telephones as
have followed Cardozo’s first step and tried to apply existing law in the form of the Polaroid test. They have, in most cases, however, failed to move onto the second step—when the existing law has not exactly fit, they have not gone on to develop new law. This is evident, for instance, in the Tenth Circuit’s Universal decision, and the Second Circuit’s Gillette decision, both of which steadfastly applied Intent as a factor in reverse confusion, failing to recognize the differences in analyzing reverse confusion as opposed to direct confusion.

After acknowledging that the existing Polaroid test for reverse confusion is insufficient, as the Sunenblick court has initially done, courts must proceed to the second step. They must not only recognize a need for a new system of evaluating reverse confusion, but they must also begin fulfilling that need by developing new law to fit the reverse confusion situation specifically.

1. Bright Line Tests: Implausible Solution

Some commentators have offered revised systems of reverse confusion analysis by proposing certain bright line rules. Such rules offer solutions akin to mathematical equations, proposing that certain situations should automatically dictate the equivalent out-
comes. For instance, situation $A = solution B$.\textsuperscript{309} However, the determination of the likelihood of confusion is a highly subjective practice. Even in direct confusion, a likelihood of confusion determination by such a mathematical formula is not feasible because the likelihood of confusion test is an analysis of several different factors \textit{taken as a whole}, in which no one factor is determinative.\textsuperscript{310}

Inherently, bright line tests cannot be uniformly applied to determinations of such a subjective quality. However, courts can, at least, adopt a more uniform approach by taking the lead from some of the more reasoned approaches to analyzing and applying the \textit{Polaroid} factors within the context of a reverse confusion scenario.

2. A Revised \textit{Polaroid} Test: The Best of Each Court

A better solution than implementing bright line tests is for the courts to recognize reverse confusion as its own unique legal paradigm, distinct from direct confusion, and to formulate a test specific for the reverse confusion situation. The best method for analyz-

\textsuperscript{309} Long and Marks set forth seven scenarios in which courts can automatically determine who should prevail, the senior user or the junior user. \textit{id}. Some of these proposed guidelines, however, do not take into account the very premise of a likelihood of confusion determination, that in a seven or eight factor test, no single factor is dispositive. \textit{See supra} note 110. Their proposed scenarios, although some are extremely detailed and particularized, discount both this premise and the fact that likelihood of confusion determinations are extremely subjective and fact specific and should therefore each be decided on an individual basis, applying each of the factors. For instance, the first two guidelines are:

1. The senior user of a protectable mark always wins against a junior user who adopts a confusingly similar mark with knowledge of the senior's prior usage.
2. A senior user who federally registers its mark prior to the junior user's first use always wins.

\textit{Long & Marks, supra} note 47, at 28.

Again, when taken in light of all other factors, even these guidelines are not foolproof. The first guideline, for instance, does not take into account quality of the product, sophistication of the buyers, proximity of the products, or actual confusion, all of which, when taken collectively, could significantly impact the outcome. Likewise, the second guideline does not consider that the senior user's mark, although federally registered, may be weak or that the two marks are not similar, or that the two products are not proximate, or even that the senior user may have abandoned its mark.

\textsuperscript{310} \textit{See Plus}, 722 F.2d at 1004 (no single \textit{Polaroid} factor is determinative); \textit{Lois Sportswear}, 799 F.2d at 872 (referring to the likelihood of confusion test as a "difficult quagmire"); \textit{see also} supra note 110 and accompanying text.
ing reverse confusion is to borrow the factors from the direct confusion Polaroid likelihood of confusion test and modify them to fit into the reverse confusion context. Under this approach, some factors could remain the same, while others would be readjusted to fit into the reverse confusion context.

a. Factors Remaining the Same

Some of the Polaroid factors are not impacted by the reverse situations of the parties and, therefore, can be applied equally to reverse confusion as to direct confusion. One thing that must be remembered, however, is that even if the factors need not be revised for reverse confusion, the courts must still strive to battle the inconsistencies among the circuits which appear even in direct confusion cases.

For instance, in reverse confusion and direct confusion alike, courts have applied two different approaches with respect to Quality of the Products, one which views goods of similar quality as more likely to cause confusion and one which views similar goods as less likely to cause confusion. This factor must be uniformly applied, and the better approach is to treat two products of similar quality as more likely to cause confusion than if the qualities were dissimilar. In addition, courts might find it beneficial to view the Quality factor in conjunction with the Sophistication of Purchasers. While it is true that consumers are likely to use less care when buying inexpensive goods, or goods of lesser quality, it is also true that the sophistication of purchasers must be viewed in its entirety. For instance, as the court in Reed Union Corp. v. Turtle Wax, Inc. noted, consumers will use little care in purchasing a $5 bottle of wax, unless it is a $5 bottle of car wax, to be applied to a $20,000 car. In such cases, the totality of the situation must be taken into account.

The courts have also taken divergent views on the Similarity of the Marks factor. Some courts which view the words themselves as dominating have treated phonetically identical marks as weigh-

311. See supra notes 148-50 and accompanying text.
313. Id. at 1311-12; see also supra note 155 and accompanying text.
ing highly in favor of confusion. Others have found that phonetic similarity can be overcome by other differences in design, and so have given little weight to this factor. In addition, some courts view the presence of a brand name in conjunction with a mark as decreasing the likelihood of confusion, while others view the presence of brand names as increasing it. Although this factor can be applied equally for reverse confusion and direct confusion alike, the courts must, nonetheless, apply the factor consistently throughout the circuits.

The Bridging the Gap factor has been fairly consistently applied and need not be dramatically revamped. However, certain courts, such as the district court in Worthington Foods, Inc. v. Kellogg Co., must be more pragmatic in examining this factor. In fact, courts may be well-advised to analyze this factor in conjunction with Proximity of the Products, taking into account not only the stated intentions of the senior user to expand, but also the probability that the two products are so closely related that the consumers will perceive them as emanating from the same source, thereby conceptually bridging the gap in their own minds. In Kellogg, where one party produced breakfast meat substitutes and frozen egg substitutes using the “HEARTWISE” mark, and the other party produced both ready-to-eat cereal using the “HEARTWISE” mark and frozen waffles under another mark, the court found it unlikely that either party would expand into the other’s market. However,

314. See, e.g., Shell, 992 F.2d at 1206 (words themselves dominate similarity of marks despite differences in design).
315. See, e.g., Universal, 22 F.3d at 1531 (design dominates such that overall impression can outweigh the words themselves).
316. See, e.g., Gillette, 984 F.2d at 573 (use of the brand name Right Guard immediately following the mark “Sport Stick” decreased rather than increased the likelihood of confusion).
317. See, e.g., Banff, 841 F.2d at 492 (use of the store name Bloomingdale’s on clothes with “B-wear” mark increased the likelihood of confusion by linking defendant, Bloomingdale’s name with plaintiff’s good will).
319. See supra note 185 and accompanying text; see also McGregor-Doniger, 599 F.2d at 1134 (citing as important “the likelihood that customers may be confused as to the source of the products, rather than as to the products themselves”).
320. Worthington, 732 F. Supp. at 1450-51; see also supra note 186. But see Plus,
the court failed to address the likelihood that because Kellogg is a well-known mass merchandiser and producer of breakfast products, consumers might perceive the "HEARTWISE" goods of Worthington as emanating from the same source as the "HEARTWISE" goods of Kellogg.

b. The Revised Factors

The factors discussed immediately above—Quality of the Products, Sophistication of Purchasers, Similarity of Marks, and Bridging the Gap—have been adequately, although inconsistently, defined through case law and may be applied equally to direct confusion and reverse confusion alike, so long as they are applied consistently from circuit to circuit and case to case. However, other factors—Good Faith/Intent, Proximity of the Products, Actual Confusion, and Strength of the Mark—which have been ill-defined throughout case law, must first be more adequately defined in trademark infringement overall. In addition, some of these factors, Good Faith especially, must then be more narrowly tailored to specifically address reverse confusion situations.

The most crucial step in reformulating the likelihood of confusion determination is the Good Faith factor, or Intent. In balancing this factor, courts must remember that, even in direct confusion cases, good faith does not affect the likelihood of confusion per se, and, especially in reverse confusion, Intent to pass off is not a factor. Typical good faith issues, such as whether the junior user conducted a trademark search or relied on counsel, might appropriately weigh in the defendant's favor in assessing the amount of relief awarded. Likewise, typical bad faith issues,
such as a defendant's continued use of a mark despite its knowledge that another company was already using the mark, can weigh against the defendant in assessing damages or relief. However, these issues should be considered only once the overall infringement issue has been determined. Courts must be wary of allowing these Good Faith issues to play a role in balancing the likelihood of confusion factors. Whether the defendant conducted a trademark search, or relied on counsel is simply irrelevant in determining whether consumers are likely to be confused, both in reverse confusion and direct confusion determinations.

Moreover, it is time that all courts acknowledge that Intent to trade on the good will of the senior user, while it may be relevant in determining damages in direct confusion, is simply not an issue at any stage in the reverse confusion analysis. In 1986 the Third Circuit, in defining reverse confusion, differentiated it from direct confusion by explaining that in reverse confusion a junior user is simply not seeking to profit from the good will associated with the senior user's mark. The Seventh Circuit then reiterated this notion in *Quaker* that, by definition, intent is irrelevant in reverse confusion because the defendant is not trying to pass off his goods as emanating from the same source as those of the senior user. The other circuits which continue to focus on intent in reverse confusion, such as the Tenth Circuit in *Universal*, and the Second Circuit in *Gillette*, must examine the definition of reverse confusion and realize the incongruity of focusing on the intent of the junior user to pass off its product or trade on the senior user's

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326. See generally id. § 23.31[2]; see also Big O Tire, 561 F.2d at 1373-76 (court's holding that defendant's false statements harmed the plaintiff's reputation is a factor in assessment of damages).

327. See supra note 162.

328. See supra note 166 (bad faith is a factor to be weighed in determining injunctive relief).

329. See Ameritech, Inc v. American Info. Technologies Corp., 811 F.2d 960, 964 (6th Cir. 1987); see also supra note 19 and accompanying text.

330. See *Quaker*, 978 F.2d at 961; supra notes 262-64 and accompanying text.

331. See *Universal*, 22 F.3d at 1532; supra notes 282-83 and accompanying text.

332. See *Gillette*, 984 F.2d at 575; supra notes 223-24 and accompanying text.
good will in a reverse confusion context.\textsuperscript{333}

Another factor which must be reformulated for the reverse confusion determination is the Strength of the Mark. This should be done in two ways. First, Strength of Mark should be assessed in terms of the junior user's mark. This notion, as first developed by the Seventh Circuit in \textit{Quaker}\textsuperscript{334} and most recently adopted by the court in \textit{Sunenblick},\textsuperscript{335} focuses on the difference between direct and reverse confusion. If in reverse confusion the junior user has so saturated the market that the consumer comes to believe that the senior user's product somehow emanates from the junior user,\textsuperscript{336} then the courts should analyze the strength of the junior user's mark and whether it will potentially confuse consumers.

Second, Strength of Mark should focus on the attributes of the mark itself and should not be synonymous solely with strength of the junior user's advertising budget, or with lack of senior user's financial success, as has been the case in some courts' determinations.\textsuperscript{337} Only when a mark is found to be descriptive, or otherwise non-inherently distinctive, should the court examine secondary meaning,\textsuperscript{338} and even then, secondary meaning should focus on factors such as third party usage, commonality, and commercial strength,\textsuperscript{339} not on company finances alone.

In applying the Proximity of Products factor, courts need to develop consistent, objective guidelines as to which types of products can be considered proximate. For instance, general categories must be established such that the courts cannot continue to generate

\textsuperscript{333} See, e.g., \textit{Ameritech}, 811 F.2d at 964; \textit{Quaker}, 978 F.2d at 960-61.
\textsuperscript{334} See \textit{Quaker}, 978 F.2d at 959; \textit{supra} note 258 and accompanying text.
\textsuperscript{335} See \textit{Sunenblick}, 895 F. Supp. at 628; \textit{supra} note 302 and accompanying text.
\textsuperscript{336} See \textit{supra} note 18 and accompanying text.
\textsuperscript{337} See \textit{supra} note 215 and accompanying text (citing \textit{Gillette}, 984 F.2d at 573, where the court analyzed the senior user's sales figures in determining strength of mark); \textit{supra} note 131 (citing \textit{Pump}, 746 F. Supp. at 1171, where the court held that band's failure to get a record contract was a sign of a weak mark).
\textsuperscript{338} See \textit{supra} notes 73-74. Conversely, there is no secondary meaning requirement for suggestive, or otherwise inherently distinctive marks. \textit{But see} \textit{Gillette}, 984 F.2d at 572 (where the court determined that the mark was suggestive and then proceeded nonetheless to examine secondary meaning); \textit{supra} notes 212-15 and accompanying text.
\textsuperscript{339} See \textit{supra} notes 123-25 and accompanying text.
inconsistent decisions whereby one case holds that vitamins and vegetable drinks are in the same general markets while another case holds that crackers and corn chips are not.\textsuperscript{340}

Courts should also recognize the Plus district court's finding\textsuperscript{341} that, in the modern day context of corporate diversification and mass merchandising, it is more likely that two types of products could emanate from the same source, or, at least, that consumers are more likely to perceive them as emanating from the same source.\textsuperscript{342} The court in \textit{In re Shell Oil Co.}\textsuperscript{343} was progressive in recognizing that auto parts and oil lubes could either emanate from the same source, or that consumers could, at least, likely perceive that they do.\textsuperscript{344} Conversely, the court in \textit{Gillette} was remiss in not addressing whether lip balm and deodorant, even if sold in different parts of the store, could nonetheless be considered proximate by the purchasing public.\textsuperscript{345} The emergence of mass merchandising means that courts must give less credence to physical proximity of goods within a store, and place more emphasis on whether consumers could perceive two products as emanating from the same source. When an enormous conglomerate such as Philip Morris, produces everything from Marlboro cigarettes and Miller Beer to Kraft Macaroni & Cheese and Louis Rich deli meat, it could have its products at the grocery store check out, in the dry goods section, in the dairy section, and even in liquor stores or at newsstands. Thus, considering physical proximity within stores, alone, is insufficient.

Finally, surveys presenting evidence of actual confusion must, in all cases, be afforded the utmost attention. General standards for reviewing surveys must be clearly delineated by the courts, and reasons for rejecting survey evidence within individual cases must be specifically addressed.\textsuperscript{346} There is no better evidence of likelihood of confusion than actual confusion. The courts' treatment of the Actual Confusion factor, however, has been inconsistent in all

\begin{itemize}
  \item[\textsuperscript{340}] See supra note 176.
  \item[\textsuperscript{341}] See Plus, 564 F. Supp. at 991-92.
  \item[\textsuperscript{342}] Id.; see also supra notes 177, 315-17 and accompanying text.
  \item[\textsuperscript{343}] 992 F.2d 1204 (Fed. Cir. 1993).
  \item[\textsuperscript{344}] Id. at 1207; supra note 174.
  \item[\textsuperscript{345}] Gillette, 984 F.2d at 573-73; supra note 218.
  \item[\textsuperscript{346}] See, e.g., supra note 288.
\end{itemize}
types of infringement actions; thus, a more uniform approach is needed overall:

There are almost as many different answers to the questions of whose confusion is prohibited and when it must occur as there are judicial decisions on the subject. Such a variance is not surprising. Court decisions in this area often involve close, fact specific determinations and competing economic interests. However, the nature of infringement cases should not prevent the courts from formulating guidelines to enhance judicial consistency.

Although the courts themselves must continue to set guidelines as to who must be confused and when in order to establish what type of evidence is relevant, evidence in the form of questions of material fact should not be questions for the court. For instance, in Universal where the plaintiff presented a seemingly feasible survey which yielded a 22% rate of confusion, the court should not have, without explanation, dismissed the conflicting survey results and granted summary judgment. Although the likelihood of confusion determination is a somewhat subjective one, it should not fall victim to the whims of the court.

347. See supra notes 139-40 and accompanying text.
348. Allen, supra note 140, at 356 (emphasis added).
349. See, e.g., supra note 140 (courts must determine whether to consider evidence of confusion from actual consumers only, or to allow also for evidence from potential purchasers, or even end-users).
350. See Universal, 22 F.3d at 1538-39 (Ebel, J., Dissenting) (jury should weigh evidence raising material issue of fact); supra notes 288-90 and accompanying text.
351. See Universal, 22 F.3d at 1536; see also supra note 139 (stating that the inconsistency of courts in evaluating evidence of actual confusion has been exacerbated by the courts’ failure to describe the evidence and explain why they find it either probative or non-probative).
352. See id. at 1539 (Ebel, J., dissenting) (“It is the jury who should weigh the evidence rather than a judge on a summary judgment motion.”) (citing Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249 (1986)); see also Fed. Rules Civ. Proc. Rule 56(c) (Summary judgment “shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law”).
CONCLUSION

The doctrine of reverse confusion was first judicially recognized nearly 20 years ago; yet, since that time, courts have made little progress in forming a system of analysis specific to the legal paradigm. It is a basic function of the law that, as new systems and concepts of law arise, society looks to the courts to define the legal parameters. However, in the realm of reverse confusion, the courts have consistently failed to accurately define these parameters. As small companies become more aggressive in protecting their marks and reverse confusion claims become increasingly prevalent, the courts must take progressive steps toward revamping the Polaroid test to relate more accurately within the reverse confusion context. Some courts have begun by acknowledging reverse confusion as its own legal phenomenon, separate and distinct from direct confusion, and attempting to redefine some of traditional direct confusion tests. It is now up to prospective courts to continue to shape a test specific to the reverse confusion situation.

353. See generally supra note 304.