

Update From the Chair



by Kirby Drake

The State Bar IP Section is proud to serve both its newer members as well as more seasoned members.

Most recently, the Advanced IP Law Course was held in Dallas from February 28 through March 2, 2019. We were fortunate to be able to offer attendees the ability to register for the day(s) of the course that were of interest, including a day focused on trademarks, a day providing an IP overview, and a day focused on patents. We had excellent attendance for each of the three days, and we also were fortunate to have USPTO Commissioner for Trademarks, Mary Boney Denison, participate in the trademark day as well as in a trademark roundtable co-sponsored with AIPLA, and the Women in IP breakfast. Thanks to the planning committee, particularly Course Director Leisa Peschel, for a great course!

The Section is excited to offer a Trademark Boot Camp—Nuts and Bolts of Trademark Law for the Uninitiated on March 22, 2019, at the Belo Mansion in Dallas. This Boot Camp will provide nuts and bolts of trademark law to help in protecting what can represent one of the most important assets of many businesses. The Boot Camp will begin at noon, and 3 hours of CLE credit will be offered. Dallas Bar Association IP Section members and others not needing CLE credit may attend for free. Those wishing to obtain CLE credit may attend at a cost of \$45. No pre-registration is required. If you have any questions or would like to help in planning a future Boot Camp in another city, please contact [me](#) or [Marylauren Ilagan](#), Trademark Chair.

Also, please mark your calendar for the Annual Meeting in Austin (June 2019), and the Advanced Patent Litigation course in San Antonio (July 2019). Information on each of the CLE programs may be found [here](#).

Finally, the Section is very excited to begin its IP Legends series. In the coming months, the committee will be interviewing some of the Texas IP legends. These interviews will be videotaped and made available to Section members. We hope this will provide a way to honor these Legends while also educating our members about their contributions. If you have any suggestions about IP Legends to be interviewed, please contact [Derrick Pizarro](#).

In the meantime, as always, the Section is here to serve its members. If you have any feedback or suggestions about ways that the Section can better serve, please feel free to contact [me](#). I hope to see you at one of our upcoming programs!♦

In the Section

Nominations Open For Section Awards

On June 14, 2019, the State Bar IP Law Section will host its Annual Luncheon at the State Bar Annual Meeting in Austin. During the Annual Luncheon, the Section will present various awards, including Inventor of the Year, the Trademark Award, the Women and Minority Scholarship Awards, and the Tom Arnold Lifetime Achievement Award. The Section is accepting nominations for most of these awards until **April 1, 2019**, and the Women and Minority Scholarship Awards until **May 1, 2019**. Descriptions of each award and the nomination forms can be found [here](#).

- The Section's Inventor of the Year award honors a recipient whose inventions have significantly impacted the Texas economy. Nominees must have at least one United States patent, either expired or existing.
- The Section's Trademark Award recognizes lawyers and businesses for their accomplishments on brand-related projects. The award may be given to 1) an individual lawyer or legal team for significant accomplishments in the legal community related to trademarks; or 2) a business or brand team for significant achievements related to promotion of a brand or marketing innovation. Attorney nominees must be licensed in Texas. If a business or brand team is nominated, the company should have a headquarters or significant business operations based in Texas.
- The Section's Women and Minority Scholarship Awards facilitate and encourage women and minorities to enter the practice of intellectual property law in Texas and to become active members of the Section by assisting these students with their financial needs. Selection criteria of the scholarships include merit, scholastic performance, and financial need. The Section will also consider extracurricular activities both inside and outside law school.
- The Tom Arnold Lifetime Achievement Award honors a recipient who has practiced law, or otherwise been involved with intellectual property law, for at least 25 years. The recipient's career should have had a significant impact on the intellectual property law practice in Texas and should preferably be a long-time member of the Section. ♦

Announcements

Trademark Boot Camp—Nuts and Bolts of Trademark Law for the Uninitiated

March 22, 2019

Dallas (Belo Mansion)

Noon to 3:30 p.m.

3 hours CLE credit

Visit [here](#) for details.

Whether you are new to the practice of law in general (i.e., a newly admitted attorney, law student, or paralegal) or are new to trademark law (i.e., non-IP attorney or paralegal), the Trademark Boot Camp will provide the nuts and bolts of trademark law to help you in protecting what can be one of the most important assets of many businesses.

On March 22, join the State Bar of Texas IP Law Section in collaboration with the Dallas Bar Association IP Section and the Texas Regional United States Patent and Trademark Office for a program that will provide an overview of what trademarks are, why to protect them, how to select a trademark, and how to file an application for registration of a trademark. The program also will include an overview of the examination process, with a presentation by Lydia Belzer, USPTO Trademark Managing Attorney. The program will conclude by discussing maintenance of trademarks, challenging trademarks, and USPTO resources for trademark law.

The Belo Mansion will offer a lunch buffet for a fee. Dallas Bar Association IP Section members and others not needing CLE credit may attend for free. Others wishing to obtain CLE credit may attend at a cost of \$45.



Cannabidiol: The Disjointed Stance at the USPTO Continues

By Chelsie Spencer

As clocks across the United States struck midnight on New Year's Eve, the American hemp industry had reason to celebrate: January 1, 2019, marked the effective date of amendments by the Agricultural Improvement Act of 2018 (the 2018 Farm Bill) to the Agricultural Marketing Act of 1946. Spearheaded by Senators James Comer and Mitch McConnell, the 2018 Farm Bill federally descheduled hemp sourced in accordance with the Bill and carried a clear message to regulatory agencies across the nation: stop interfering with the United States hemp growth and hemp product economy. The Bill was tailored to address many of the regulatory issues caused by agencies misinterpreting the 2014 Farm Bill. These issues were outlined in my prior article, published in *The TIPSHEET*, Vol. 13 No. 2, available [here](#).

To address the DEA's stance that cannabidiol (CBD) was a Schedule I substance, Congress amended the definition of "hemp" to include the term "cannabinoid." Specifically, the 2018 Farm Bill defines "hemp" as

the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, *cannabinoids*, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

Agricultural Improvement Act of 2018 § 10113 (emphasis added). Cannabinoids are chemical compounds found within the *Cannabis sativa* L plant. At least 113 naturally occurring cannabinoids have been identified in the cannabis plant, including CBD, tetrahydrocannabinol (THC), and lesser known compounds such as cannabigerol and cannabichromene. Through the new statutory definition, Congress clarified that all cannabinoids extracted from hemp sourced in accordance with the 2018 Farm Bill are legal.

Though the 2014 Farm Bill allowed "any part" of the hemp plant to be utilized, the United States Drug Enforcement Agency took the stance that only the portions of the *Cannabis sativa* L plant previously excluded from the CSA's prior definition of "marijuana" could be used. This position was directly contrary to the text of the 2014 Farm Bill. In light of the DEA's prior interference and muddling of regulatory affairs concerning properly sourced hemp, Congress went a step further in the 2018

Farm Bill and amended the federal Controlled Substance Act (CSA). The CSA’s definition of marijuana was amended to exclude “hemp, as defined in section 297A of the Agricultural Marketing Act of 1946.” *Id.* § 12619(a)(2). Moreover, the definition of tetrahydrocannabinols was modified to exclude “tetrahydrocannabinols in hemp” from scheduling. *Id.* § 12619(b). In case the DEA or other government agencies tries to regulate hemp grown pursuant to the 2018 Farm Bill without authority, Congress included a rule of construction explicitly instructing States and tribal nations that nothing in the Act authorizes interference with the interstate transport of hemp or hemp products.

Considering the direct clarity offered by the 2018 Farm Bill, one would think that the United States Patent and Trademark Office’s prior disjointed stance on registration of hemp-derivative goods would have self-resolved with the new legislation. Guess again. From January 1, 2019, to January 29th, the USPTO has issued at least 127 Office Actions containing an unlawful-use refusal. Given the USPTO’s history of misinterpreting the applicable federal law concerning goods derived from properly sourced hemp, it is no surprise that the USPTO continues to issue refusals that are contrary to federal law.

Though the CSA was amended on January 1, 2019, to exclude hemp cannabinoids sourced pursuant to § 297A, many trademark examiners seem to be wholly unaware that the law has changed and continue to issue refusals based on the now-defunct CSA definition of marijuana. *See, e.g.*, Jan. 2, 2019 Office Action, U.S. Trademark App. Ser. No. 87783096 (“The attached Internet evidence showing that [the good] contains cannabidiol (CBD)

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plainly indicates that applicant’s identified goods include items that are prohibited by the CSA.”); Jan. 23, 2019 Office Action, U.S. Trademark App. Ser. No. 87802378 (“Applicant’s goods and/or services consist of, or include, items or activities that are prohibited by the CSA, namely, cannabinoids and vape cartridges containing cannabinoids.”); Jan. 22, 2019 Office Action, U.S. Trademark App. Ser. No. 87798876 (refusing registration based on the position that CBD is a Schedule I substance and citing expired CSA provisions that were amended by the 2018 Farm Bill); Jan. 22, 2019 Office Action, U.S. Trademark App. Ser. No. 88132667 (citing the prior definition of “marijuana” under the CSA).

What is most concerning is that the USPTO has now transformed a prior advisory refusal into a basis for an initial unlawful-use refusal. Last year, the USPTO began issuing advisory opinions to applicants whose CBD products may be subject to the Federal Food and Drug Cosmetic Act (FDCA). The Advisory was simply that—an advisory to applicants that the Food and Drug Administration (FDA) may consider CBD a new drug subject to approval. The advisory refusals stated that *if the FDA has not authorized the sale of such goods* an unlawful-use refusal *may* issue. In support of its position, trademark

examiners cited to a non-binding “Question and Answer” webpage located on the FDA’s website.

On the very day President Trump signed the 2018 Farm Bill into law, FDA Commissioner Scott Gottlieb issued a press release announcing that the FDA does not consider CBD to be a dietary supplement, but rather a new drug subject to regulation. The press release noted that the FDA would hold a public meeting for comment to discuss potential regulatory pathways for CBD. The release also noted that the FDA believes it is illegal to sell products subject to the FDCA to which CBD has been added because CBD has been the subject of an Investigational New Drug (IND) application. In reality, the referenced IND covered a specific substance: Epidiolex®. Epidiolex® is the only prescription drug sold in the United States that meets the requirements for placement and scheduling into Class 5 of the CSA, which requires that the prescription drug be approved by the FDA and contain THC below 0.1%. *See* Schedule of Controlled Substances: Placement in Schedule V of Certain FDA-Approved Drugs Containing Cannabidiol; Corresponding Change to Permit Requirements, 83 Fed. Reg. 48950 (Sept. 28, 2019).

What is clear post-enactment of the 2018 Farm Bill is that the USPTO remains disorganized in its review of applications for hemp-derivative goods and an environment of uncertainty still abounds for applicants. Invalid refusals continue to cost applicants time, money, and substantial resources to overcome.

However, the FDCA, as amended by the Dietary Supplement Health and Education Act (DSHEA) of 1994, excludes from the definition of “dietary supplement” any article that is approved as a new drug and any article “authorized for investigation as a new drug . . . for which substantial clinical investigations have been instituted and for which the existence of such investigations have been made public” *unless* the article was “before such approval, . . . or authorization marketed as a dietary supplement or as a food.” FDCA § 201(ff)(3)(B).

Essentially, the exclusionary clause provides that if the article was marketed as a dietary supplement or food before the IND approval on the article, it can continue to be marketed as a dietary supplement. Thus, CBD *may* qualify as a dietary supplement if it can be shown that it was marketed as a dietary or supplement or food before the new drug approval. The existing IND authorization for EPIDIOLEX occurred on May 24, 2014, and CBD products were marketed as dietary supplements prior to that date. To date, we have no court decision or other regulatory guidance on the issue.

Clearly, the regulatory status of CBD with the FDA is unsettled and those in the industry look forward to public comment and the public meeting to be held by the FDA. However, Office Actions issued after the effective date of the 2018 Farm Bill indicate that the USPTO has taken a definitive stance on this quite-unsettled issue. The USPTO recently instructed one applicant that its specimen

plainly indicates that applicant's identified goods/services include items and/or activities that are prohibited by the FDCA, namely, supplements containing CBD and that such goods are currently being marketed, promoted or offered for sale to consumers. Because these goods are prohibited by the FDCA, the applied-for mark, as used in connection with such goods is not in lawful use in commerce.

Jan. 18, 2019 Office Action, U.S. Trademark App. Ser. No. 87794255.

Thankfully, a small subset of trademark examiners appear to be aware that the law has changed. In response to a Request for Reconsideration on a final refusal, one examining attorney instructed the applicant that it could amend its identification of goods to either "[m]edicinal herbs derived from hemp" or "medicinal herbs derived from the plant *Cannabis sativa* L. with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis." Jan. 19, 2019 Notation to File, U.S. Trademark App. Ser. No. 87433650. Mature stalk and sterilized seed of *Cannabis sativa* L are excluded from the CSA definition of marijuana. Setting aside the fact that there is no requirement to source cannabinoids or other hemp derivatives from the seed or mature stalk of the hemp plant, the second option presented shows that the USPTO has at least some familiarity with the recent changes.

Processing hemp-derivative applications still requires a high level of knowledge of relevant cannabis laws, including the CSA, the Farm Bill, FDA regulations, the FDCA, and more. Statutes and regulations regarding hemp continue to evolve and change at a rapid rate. Technical knowledge of the *Cannabis sativa* L plant remains helpful in overcoming the educational hurdles applicants must clear with the USPTO.

However, there is hope that the USPTO may cure its ever-changing review methodology of hemp-derivative goods applications. A handful of Office Actions issued toward the end of January include the statement that "the Agricultural Improvement Act of 2018 (2018 Farm Bill) has changed the definition of marijuana under the CSA to exclude industrial hemp which has a delta-9 tetrahydrocannabinol content of no more than 0.3 percent on a dry weight basis." Jan. 23, 2019 Office Action, U.S. Trademark App. Ser. No. 87883680; Jan. 23, 2019 Office Action, U.S. Trademark App. Ser. No. 87833575. These Office Actions require the applicants to submit additional information about the hemp-derivative goods, such as product brochures or fact sheets, and to submit a written statement indicating that the goods comply with the CSA. The applicants must answer a myriad of questions about whether the goods are sourced from oil or extract, whether the sourcing hemp contains no more than 0.3% THC, whether the hemp was sourced in accordance with the 2018 Farm Bill, and whether oils or extracts from plants other than hemp will be included in the good.

With applicants self-certifying under penalty of perjury that their hemp-derivative goods do not violate the CSA, it is difficult to ascertain why the USPTO is aligning itself with its prior, often intrusive,

review methodology. In the past, the USPTO requested information from applicants that often included trade secret and other confidential information. When applicants produced that information or attempted to educate the USPTO on the 2014 Farm Bill, they were simply met, in large part, with one to two sentence Office Actions maintaining the denial that did not address the evidence presented in support of registration.

What is clear post-enactment of the 2018 Farm Bill is that the USPTO remains disorganized in its review of applications for hemp-derivative goods and an environment of uncertainty still abounds for applicants. Invalid refusals continue to cost applicants time, money, and substantial resources to overcome. Applicants are not charged with educating the USPTO on federal law and the registrability of their goods. Is it too much to expect our USPTO, a fee-funded agency, to have knowledge of current federal laws? Considering that an examining attorney's role is to review applications to determine whether federal law permits registration, one would think not.

Here in Texas, representing hemp and CBD companies still involves inherent risk. Our criminal statutory definitions of marijuana and THC continue to encompass hemp. *See* Tex. Health & Safety Code § 481.002 (“‘Marihuana’ means the plant *Cannabis sativa* L.”). Depending on the locality, many police departments are actively enforcing these prohibitions. Possession of hemp-derivative goods, which are legal under federal law, are leading to the arrests of many individuals across our State. If a product presents with detectable or trace THC upon testing, law enforcement may elect to pursue criminal charges. Thus, though the USPTO may register of a mark in connection with a hemp-derivative good sourced from a hemp plant containing less than 0.3% THC, attorneys in Texas still need to ensure that any potential applicant of hemp-derived goods in Texas can secure independent laboratory testing with a cannabinoid potency profile to ensure that their goods test with non-detectable THC levels.

Our legislature is currently convened for its 87th session and will be in session until May 27 of this year. With at least thirty-seven cannabis-related bills, there is hope that the conflict between current Texas and federal law regarding hemp will be remedied. Until then, I conclude in the same manner as my prior article: Welcome to the (continuing) wild west of hemp and CBD branding and compliance issues.✳

Chelsie Spencer is an attorney with Ritter Spencer PLLC in Addison. She is licensed in Texas and Florida, both states with permissive medical marijuana statutes. Her primary practice is in trademark and copyright law, transactional and litigation. She also practices in the areas of medical marijuana, hemp, and CBD and represents clients within those industries for business and compliance issues.

This article expresses the personal views of the author and not necessarily that of the State Bar of Texas IP Law Section.



Costs, Expectations, and Methodologies for Trademark Surveys

By James T. Berger

In likelihood of confusion, trade dress, and secondary meaning cases, I am often called upon to develop surveys based on personal interviews at shopping malls, research centers, via telephone, or over the Internet. Most attorneys who have never personally been involved in such research generally ask a number of key questions:

- How many interviews or responses are needed for significant results in such IP litigation surveys?
- How many research venues are needed?
- How do you gauge the effectiveness of results?
- What can my client expect to pay for this research?

“Significant” Results

What is considered a large or significant percentage of measured consumers? First, a good rule of thumb is to conduct a minimum of between 200 and 300 interviews. See Fred W. Morgan, *Judicial Standards for Survey Research: An Update and Guidelines*, 54 J. of Marketing 59–70 (Jan. 1990) (“Though sample size can always be criticized, minimum samples of 200 to 300 respondents seem to achieve a certain amount of face validity in the courts.”). Generally, “an informal rule of thumb is that four testing sites are a minimum number to ensure a reasonable degree of projection to universe of a larger area.” J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* (4th ed. 1996).

McCarthy writes, “Percentages over 50 percent are usually viewed as persuasive evidence of likely confusion, with the Seventh Circuit remarking that a result of over 50 percent is strongly probative of a likelihood of confusion as ‘far in excess’ of the needed figure.” *Id.* at 32-315.

Generally, figures in the range of 25 percent to 50 percent have been viewed as solid support for a finding of likelihood of confusion. The Ninth Circuit has said that a survey showing a 27.7% level of confusion is alone sufficient evidence to prevent a summary judgment that there is no likelihood of confusion. . . . [T]he Second Court found that a 15–20 percent rate corroborates a finding of likely confusion.

Id. at 32-326 to 32-327.

On the other hand, there are results that courts have considered to be too low. When the percentage results of a confusion survey dip below 10 percent, they can become evidence which will indicate confusion is not likely. The Seventh Circuit reviewing prior cases involving low percentage results found that 7.6 percent is “a factor weighing against the infringement.” Similarly low percentage figures have been relied upon to support a finding of no likelihood of confusion and no infringement.

Id. at 32-318.

What Do Surveys Cost?¹

The cost of survey is a function of several things. The paramount factor is to make sure you are interviewing members of the relevant universe. For example, if the product in question is a package good available on supermarket or drug store shelves, one can safely develop a questionnaire directed to members of the general population. The shopping mall is the ideal venue for such research, and it can be done relatively quickly and inexpensively.

If the product is a specialty good targeted to specific consumers, a fast and relatively inexpensive telephone interview protocol can be employed. On the other hand, if the product in question is targeted to a specific market segment and a face-to-face interview is required, the researcher must recruit appropriate members of this target group and arrange for them to come into a research center at a specific time. Targeting this type of subject can be time-consuming and expensive.

In other cases, the face-to-face in-person interview is not feasible. Here, creative solutions that involve scheduling times for an Internet-type protocol or the delivery of materials that the subject will review while on the telephone with an interviewer will have to be employed.

Costs of Consumer Products Mall Surveys

Here recruiters from research companies within the mall screen and recruit suitable subjects. When the subjects enter the mall research center, they are signed in and taken to a room where the interview takes place. There is generally some small incentive involved. Depending on the length of the interview, who is being targeted, and the time constraints, a good rule of thumb is \$5. Most mall research centers will charge from \$20 to \$30 per interview in addition to the incentive fee. So, an attorney can figure a four- or five-venue survey of 250 people ranges from \$6250 to \$8750.

In addition, there is the cost of the research professional. When I contract to perform such studies, I like to be on hand to make sure that all the protocols are being followed. I observe the recruiting and the interviewing so that when I issue a report, I can do so with the assurance that I witnessed the execution. Fees for a research professional typically range from \$3000 to \$5000 per day plus the travel-related expenses of about \$500 per venue. Thus, one can safely figure a four-or-five venue mall study encompassing 250 participants to run from \$20,250 to \$30,750.

Add to these costs the time involved in creating the questionnaire and tabulating and reporting on the results. Most questionnaires can be developed in approximately 10 hours of the expert's time (\$3000 to \$5000). Tabulation costs will run around \$1000. The cost of developing the expert's report will be in the range of 20 hours (\$6000 to \$10,000.)

Totaling all these variables, one can figure the cost of creating, executing, and reporting on a mall survey to be from \$31,000 to \$46,000, depending primarily on the hourly rate of the survey expert.

The problem with mall surveys is the people who visit malls. Data shows that malls do not get that cross-section of the population that it is necessary for the right kind of relevant target market. Malls seem to be populated by young people and older people. Unfortunately, the average housewife and other members of families do not frequent the malls. Because of the problems with mall research, many malls have given up their research facilities, which can make it difficult to find shopping malls that are useful for survey research.

Costs of Consumer Products Telephone Surveys

This is perhaps the least expensive research alternative. Research companies operate call centers that interview randomly selected consumers or consumers whose phone numbers or addresses are generated by mailing lists. There is no incentive needed, and a good rule of thumb is a cost of \$20 per call. There is no need for the survey expert to be present at the call centers.

Therefore, one can figure a telephone survey of 250 to cost \$5000 plus the cost of the expert creating the survey (\$3000 to \$5000), the tabulations (\$1000), and the cost of developing the report (\$6000 to \$10,000). Thus, the total cost for this survey alternative will range from \$15,000 to \$21,000, depending on the hourly rate of the survey expert.

But technology and invention—specifically caller ID and mobile phones—have almost killed the telephone survey. Not terribly long ago, call centers worked around the clock calling people at home with questionnaires. Because most surveys emanate from 800-number call centers, that 800-number shows up on the respondent's caller ID. Many people won't even answer the phone when they see that it comes from an 800 number. And virtually everybody has a mobile phone number, which are not listed in directories. In fact, a very large percentage of telephone customers have given up their land lines in favor of cell phones.

Specialty Surveys

Occasionally, I am called upon to develop surveys where specific respondents have to be specially recruited. For example, in doing a survey for a law firm representing a power tools company, it was necessary to interview professional tradesmen. The problem here is that these people are not available during the workday, so the interviews had to be scheduled on weekends or evenings during the week. Recruiting these people is time-consuming, and a rather large incentive is needed to bring them into

the research center. The costs for recruiting can run from \$30 to \$40 per person, and the incentive costs can run from \$40 to \$60 per person.

All the other costs would be the same as for the mall study. So, one can figure for a four-or-five venue study of 250 participants, where members of a specific target market are brought into a research center, the costs can range from \$17,500 to \$25,000 for the basic threshold research costs. Adding the additional expert daily fees, travel expenses, plus the preparation of the questionnaire, tabulations and developing the report, the total cost of such a survey can range from \$41,500 to \$63,000.

When you have to do interviews and cannot bring people into a research facility, there is no basic way to figure costs. The incentives would be a function of the target market. For example, if you were to survey heart surgeons, what kind of incentive would you provide? It probably would have to be a substantial donation to a charity. Then, you would have to figure a way to communicate—especially if you want to ask specific questions about some products or brand names. One way would be through a customized web site that the participant could access only when instructed by the interviewer on the phone. Another way would be through an pre-delivered package, which the respondent would be instructed not to open in advance of the interview. These scenarios become extremely complex and costly.

Internet Surveys

In addition to being cost-effective, the Internet is fast and the data is often presented in real time. For a normal, consumer package good, one can produce an Internet survey of about 250 respondents for under \$10,000. Additional costs will come from the survey expert. These costs include developing a survey protocol and questionnaire, working with the field research firm, analyzing the data, and developing a final report. Different experts charge different rates for these activities.

While technology and buyer behavior characteristics have hurt telephone and mall intercept research, technology has strengthened the ability of the Internet to provide the trademark survey research function. Statistics show that people use their computers to access the Internet virtually every day. People also have become very comfortable with the point-and-click method of accessing and inputting data. Many surveys adapt nicely to the cell phone. Instead of having to use a computer, the survey researchers can obtain data input through cell phones.

The Internet method favored by most survey experts involves the use of Internet survey panels. Survey panels consist of large numbers of people who volunteer to take surveys for compensation. Series are introduced to the panel so that qualified panel members can take the surveys.

One problem with using these panels involves doing surveys with essentially professional survey takers. This problem often comes to light when a “validation” is needed for an Internet survey. “Valida-

tion” involves hiring an independent research organization to recontact a percentage of survey respondents to determine if these respondents (1) are qualified to take the survey, and (2) remember taking the survey. Because Internet panelists are often professional survey takers, there is a chance they may not remember taking the survey in question.

No survey method is perfect. Short of an expensive probability study, any of these judgment sample methods have problems. Realizing that any methodology will not be perfect, the Internet seems to possess more positives than the other methodologies.

Courts like the Internet, too. A number of peer-reviewed articles that have appeared in respected journals all confirm that judges, courts, and the market research industry view Internet surveys in a positive light.² Moreover, they confirm that the Internet has become the methodology of choice in the market research industry.

Final Concerns

Even the least expensive of these alternatives is costly. Depending on the nature of the litigation and the characteristics of the target market, the costs can be enormous. Before embarking on any of these journeys, the smart IP attorney will do an inexpensive local test to determine (1) the merits of the questionnaire; (2) the time and expenses that will be required to recruit respondents; and (3) most importantly, the approximate results that the survey can be expected to generate. ♦

James T. Berger is principal of James T. Berger / Market Strategies, LLC in Northbrook, Illinois. A marketing consultant with broad experience in corporate and agency marketing services, he also performs expert witness work and consulting for intellectual property attorneys throughout the United States. He focuses on likelihood of confusion, trade dress, secondary meaning, distinctiveness, and dilution issues. In addition to developing surveys, he also critiques adversarial surveys.

This article expresses the personal views of the author and not necessarily that of the State Bar of Texas IP Law Section.

Endnotes

¹ Cost estimates are based on my personal experience. Actual costs may vary depending on who is selected as the survey expert to develop and manage the survey, the specific problem or opportunity being studied, and geographic locations. Estimates referenced here are not meant to be quotations of the costs that I charge. Instead, these are averages ranges for marketing survey costs.

² See, e.g., Gabriel M. Gelb & Betsy D. Gelb, *Internet Surveys for Trademark Litigation Ready or Not Here They Come*, 97 *The Trademark Reporter* 1073 (2007); Hal Poret, *A Comparative Empirical Analysis of Online Versus Mall and Phone Methodologies for Trademark Surveys*, 100 *The Trademark Reporter* 756 (2010) (noting that “[d]espite . . . many theoretical and practical concerns, the number of actual judicial criticisms of online surveys is quite small”; “Courts considering online surveys conducted in 2009 and

2010 seem not to question the use of online methodologies at all, finding them admissible without raising any concerns regarding the use of the Internet”; “Most importantly, perhaps, the Internet is now the single most common means of collecting consumer opinion and behavior data in the market research industry”).

Calendar

USPTO Practice Update

Dallas Bar Association IP Law Section

12:00 p.m., March 18, 2019

Dallas (Belo Mansion)

Visit [here](#) for details.

USPTO Practice Update

Houston Intellectual Property Law Association

6:00 p.m. to 8:30 p.m., March 19, 2019

Houston (Artisans)

Visit [here](#) for details.

14th Annual Patent Law Institute

The University of Texas School of Law and George Mason University Antonin Scalia Law School

March 21–22, 2019

Alexandria, VA (USPTO)

Visit [here](#) for details.

Trademark Boot Camp—Nuts and Bolts of Trademark Law for the Uninitiated

Dallas Bar Association IP Law Section

12:00 p.m. to 4:00 p.m., March 22, 2019

Dallas (Belo Mansion)

Visit [here](#) for details.

HIPLA Annual Meeting and Election Luncheon

11:30 a.m. to 1:00 p.m., March 26, 2019

Houston (Fleming's Prime Steakhouse)

Visit [here](#) for details.

Austin IPLA—March 2019 Luncheon CLE

Blockchain: Applications and Emerging IP and Non-IP Legal Issues

March 27, 2019

Austin (Event Space at Fareground)

Visit [here](#) for details.

Dallas Bar Association IP Law Section—March 2019 Luncheon

Branding the Great Bambino—Jane Leavy, author and reporter with Washington Post, will discuss an IP dispute Babe Ruth had over the Baby Ruth candy bar.

12:00 p.m., March 27, 2019

Dallas (Belo Mansion)

Visit [here](#) for details.

Austin IPLA—April 2019 Luncheon

Judge Alan Albright of the Western District of Texas, Waco Division

Thursday, April 25, 2019

Austin (Chez Zee)

Visit [here](#) for details.

State Bar of Texas Annual Meeting 2019

June 13–14, 2019

Austin (JW Marriott)

Visit [here](#) for details.

15th Annual Advanced Patent Litigation Course

July 18–19, 2019

San Antonio (Hyatt Regency Hill Country Resort)

Visit [here](#) for details.

Odds & Ends

Calls for Submissions

The TIPSHEET welcomes the submission of articles for potential publication in upcoming issues, as well as any information regarding IP-related meetings and CLE events. If you are interested in submitting an article to be considered for publication or adding an event to the calendar, please email mdeanpaul@gmail.com.

Article Submission Guidelines

STYLE: Journalistic, such as a magazine article, in contrast to scholarly, such as a law review article. We want articles that are current, interesting, enjoyable to read, and based on your opinion or analysis.

LENGTH: 1–5 pages, single spaced.

FOOTNOTES AND ENDNOTES: Please use internal citations.

PERSONAL INFO: Please provide a one-paragraph bio and a photograph, or approval to use a photo from your company or firm website.

If you have any questions, please email mdeanpaul@gmail.com.