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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

YKK CORPORATION and YKK
(U.S.A.), INC.,

Plaintiff(s),

vs.

JUNGWOO ZIPPER CO., LTD., and
YPP (U.S.A.), INC.,

Defendant(s).

CV 00 - 05731 FMC (RCx)

ORDER GRANTING IN PART AND
DENYING IN PART PLAINTIFF'S
MOTION FOR SUMMARY
JUDGMENT

CERTIFIED FOR PUBLICATION

This matter is before the Court on Plaintiff YKK's Motion for summary judgment. The Court has considered the arguments raised in the parties' briefs and at oral argument, held on February 19, 2002.¹

For the reasons set forth below, the Court hereby **GRANTS** in part and **DENIES** in part the Motion.

I. Background

Founded in 1934 in Japan, YKK is the world's leading manufacturer and supplier of zippers and fasteners. YKK has 121 companies operating in 59 countries around the world, including the United States. YKK manufactures zippers in Georgia, and has five divisional headquarters and

¹The Court has also received and considered the Supplemental Declaration of Sandra Cogan, filed on March 1, 2002.

1 twenty sales and distribution centers throughout the U.S. The YKK name
2 and trademark are derived from YKK's original company name, "Yoshida
3 Kogyo Kabushikikaisha." YKK has obtained a large number of trademark
4 registrations in the United States for zippers, fasteners, and related products,
5 including different stylized representations of the initials "YKK." Some of
6 these registered trademarks have achieved incontestable status.

7 YKK first started using the YKK mark in the United States in
8 approximately 1949, and has continually used the mark here ever since in
9 connection with its sales of zippers, fasteners, and related products. It sells
10 its goods to such companies as Levi Strauss, Sears, and The Gap. YKK has
11 extensively promoted its YKK branded products over the last forty years,
12 and brand recognition remains an important priority for YKK. YKK has
13 been quite successful, selling over \$220 million worth of products in the U.S.
14 and \$1.4 billion worldwide in 1999.

15 Defendant Jungwoo Zipper Company ("Jungwoo") is a Korean
16 company that distributes zippers in the United States. Defendant YPP is a
17 California company that is a branch or division of Jungwoo that markets and
18 distributes Jungwoo's products in the United States.

19 On May 26, 2000, Plaintiff filed a complaint against the Defendants for
20 federal, state, and common law trademark and trade name infringement,
21 trademark dilution, unfair competition, and copyright infringement.

22 23 **II. Standard**

24 Summary judgment is proper only where "the pleadings, depositions,
25 answers to interrogatories, and admissions on file, together with the
26 affidavits, if any, show that there is no genuine issue as to any material fact
27 and that the moving party is entitled to judgment as a matter of law." Fed.
28 Rule Civ. Pro. 56(c); *see also Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*,

1 475 U.S. 574, 106 S.Ct. 1348, 89 L.Ed.2d 538 (1986).

2 The moving party bears the initial burden of demonstrating the
3 absence of a genuine issue of material fact. *Anderson v. Liberty Lobby, Inc.*, 477
4 U.S. 242, 256, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986). Whether a fact is
5 material is determined by looking to the governing substantive law; if the
6 fact may affect the outcome, it is material. *Id.* at 248, 106 S.Ct. 2505.

7 If the moving party meets its initial burden, the “adverse party may
8 not rest upon the mere allegations or denials of the adverse party's pleading,
9 but the adverse party's response, by affidavits or as otherwise provided in this
10 rule, must set forth specific facts showing that there is a genuine issue for
11 trial.” Fed.R.Civ.P. 56(e). Mere disagreement or the bald assertion that a
12 genuine issue of material fact exists does not preclude the use of summary
13 judgment. *Harper v. Wallingford*, 877 F.2d 728 (9th Cir. 1989).

14 The Court construes all evidence and reasonable inferences drawn
15 therefrom in favor of the non-moving party. *Anderson*, 477 U.S. at 255;
16 *Brookside Assocs. v. Rifkin*, 49 F.3d 490, 492-93 (9th Cir. 1995).

17 18 **III. Discussion**

19 **A. Trademark infringement and unfair competition claims**

20 21 *Background principles and considerations*

22 Section 32(1) of the Lanham Act makes unlawful the use of a
23 “reproduction, counterfeit, copy or colorable imitation” of a registered mark
24 in such a way as “is likely to cause confusion, or to cause mistake, or to
25 deceive.” 15 U.S.C. §1114(1). In addition, Section 43(a) of the Act prohibits
26 the use of a mark that “is likely to cause confusion, or to cause mistake, or to
27 deceive as to the affiliation, connection, or association of such person with
28 another person, or as to the origin, sponsorship, or approval of his or her

1 goods, services, or commercial activities by another person.” 15 U.S.C.
2 §1125(a). The tests are the same for unfair competition under section 43(a)
3 and trademark infringement under section 32(1). *See Grey v. Campbell Soup*
4 *Co.*, 650 F.Supp. 1166, 1173 (C.D. Cal. 1986), *aff’d* 830 F.2d 197 (9th Cir.
5 1987). Plaintiff’s state law claims for trademark infringement and unfair
6 competition claims under Cal. Bus. & Prof. Code §17200 et seq. and the
7 common law are also guided by the same analysis. *See id.*; *see also Cleary v.*
8 *News Corp.*, 30 F.3d 1255, 1262-63 (9th Cir. 1994)(“This Circuit has
9 consistently held that state common law claims of unfair competition and
10 actions pursuant to California Business and Professions Code §17200 are
11 ‘substantially congruent’ to claims made under the Lanham Act”); *see also*
12 *J.Thomas McCarthy*, 3 *McCarthy on Trademarks and Unfair Competition*
13 §23.1 (4th ed. 2000) (“Many courts, in analyzing a claim of infringement based
14 on both federal and state law, will apply to both a single analysis of the
15 likelihood of confusion issue.”)

16 “The core element of trademark infringement is the likelihood of
17 confusion, *i.e.*, whether the similarity of the marks is likely to confuse
18 customers about the source of the products.” *E. & J. Gallo Winery v. Gallo*
19 *Cattle Company*, 967 F.2d 1280, 1290 (9th Cir. 1992). The Court’s concern for
20 confusion among “consumers” as opposed to the general public is grounded
21 in the very purpose of trademark law.

22 [T]rademark law, by preventing others from copying a source-
23 identifying mark, “reduce[s] the customer’s costs of shopping and
24 making purchasing decisions,” for it quickly and easily assures a
25 potential customer that this item — the item with this mark — is made
26 by the same producer as other similarly marked items that he or she
27 liked (or disliked) in the past. At the same time, the law helps assure a
28 producer that it (and not an imitating competitor) will reap the

1 financial, reputation-related rewards associated with a desirable
2 product.

3 *Qualitex Co. v. Jacobson Products Co. Inc.*, 514 U.S. 159, 163-64, 115 S. Ct.
4 1300, 131 L. Ed. 2d 248 (1995) (citation omitted). A “likelihood” of
5 confusion requires the Court to find that confusion is “probable, not simply
6 a possibility.” *Murray v. Cable Natl. Broadcasting Co.*, 86 F.3d 858, 861 (9th
7 Cir. 1996) (quoting *Rodeo Collection, Ltd. v. West Seventh*, 812 F.2d 1215, 1217
8 (9th Cir.1987)). Thus, the law requires “a showing that the allegedly
9 infringing conduct carries with it a likelihood of confounding an appreciable
10 number of reasonably prudent purchasers exercising ordinary care.”
11 *International Association of Machinists and Aerospace Workers, AFL-CIO v.*
12 *Winship Green Nursing Center*, 103 F.3d 196, 201 (1st Cir. 1996)

13 In this case, the central question is whether a reasonable consumer
14 wishing to purchase zippers, fasteners or related products might confuse
15 YKK’s goods with YPP’s. *See Murray*, 86 F.3d at 861 (“A likelihood of
16 confusion exists when a consumer viewing a service mark is likely to
17 purchase the services under a mistaken belief that the services are, or are
18 associated with, the services of another provider.”); *Dreamwerks Prod. Group,*
19 *Inc., v. SKG Studio*, 142 F.3d 1127, 1130 (9th Cir. 1998) (the question is
20 “whether a reasonable consumer attending a Dreamwerks-sponsored
21 convention might do so believing that it is a convention sponsored by
22 DreamWorks.”). YKK sells its goods to the following categories of
23 consumers: (1) name-brand and private-label clothing manufacturers (e.g.
24 Levi Strauss and The Gap); (2) the makers of other products ranging from
25 wetsuits to sleeping bags; (3) “assemblers” who buy and assemble zipper
26 components; and (4) “jobbers” who act as distributors.

27 Besides “source confusion” of actual and potential customers, “post-
28 sale confusion” may also be relevant. “Post-sale confusion occurs when

1 consumers view a product outside the context in which it is originally
2 distributed and confuse it with another, similar product.” *Academy of Motion*
3 *Picture Arts and Sciences v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1455
4 (9th Cir. 1991). For example, in *Levi Strauss & Co. v. Blue Bell, Inc.*, 632 F.2d
5 817 (9th Cir. 1980) the court enjoined a defendant’s use of a small red tab
6 protruding from the back pocket of its Wrangler blue jeans as infringing
7 Levi’s red pocket tab trademark. Although it appeared that confusion at the
8 point of sale was unlikely, the potential for post-sale confusion still existed
9 because prospective jeans purchasers who carried even an imperfect
10 recollection of Levi’s pocket tab trademark might confuse the defendant’s
11 jeans with Levi’s and this might influence their future purchase decisions.
12 *See id.* at 822. Finally, confusion as to affiliation, connection, or sponsorship
13 is also actionable. For example, a zipper products consumer might be
14 confused by the similarity of YKK and YPP and mistakenly believe that
15 YPP is somehow affiliated with or sponsored by YKK.

16 The Ninth Circuit uses a multi-factor test for assessing likelihood of
17 consumer confusion in trademark infringement actions; those factors
18 include: (1) strength of mark, (2) proximity of goods, (3) similarity of the
19 marks; (4) evidence of actual confusion; (5) marketing channels used; (6)
20 type of goods and the degree of care likely to be exercised by the purchaser;
21 (7) defendant’s intent in selecting the mark; and (8) likelihood of the
22 expansion of product lines. *See AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341,
23 348-49 (9th Cir. 1979). *see also Official Airline Guides, Inc. v. Goss*, 6 F.3d 1385,
24 1391 (9th Cir. 1993); *Gallo*, 967 F.2d at 1290.

25 “This list of factors, while perhaps exhausting, is neither exhaustive
26 nor exclusive. Rather, the factors are intended to guide the court in assessing
27 the basic question of likelihood of confusion. The presence or absence of a
28 particular factor does not necessarily drive the determination of a likelihood

1 of confusion.” *E. & J. Gallo Winery*, 967 F.2d at 1290-1291. Moreover, as
2 explained by the Ninth Circuit:

3 this eight-factor test for likelihood of confusion is pliant. Some factors
4 are much more important than others, and the relative importance of
5 each individual factor will be case-specific. Although some factors –
6 such as the similarity of the marks and whether the two companies are
7 direct competitors – will always be important, it is often possible to
8 reach a conclusion with respect to likelihood of confusion after
9 considering only a subset of the factors.

10 *Brookfield Communications, Inc. v. West Coast Entertainment Corporation*, 174
11 F.3d 1036, 1054 (9th Cir. 1999).

12 “[L]ikelihood of confusion is a mixed question of law and fact that is
13 predominantly factual in nature.” *E.&J. Gallo Winery*, 967 F.2d at 1290; *see*
14 *also Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1356 (9th Cir. 1985)
15 (“Whether confusion is likely is a factual determination woven into law”).

16 With these considerations in mind, we turn to the application of the
17 eight factors to the instant case.

18
19 *Application of the Sleekcraft factors to the instant case*

20
21 *(1) strength of mark*

22 “A strong mark is inherently distinctive, for example, an arbitrary or
23 fanciful mark; it will be afforded the widest ambit of protection from
24 infringing uses.” *Sleekcraft*, 599 F.2d at 349. “[A] mark with extensive public
25 recognition and renown deserves and receives more legal protection than an
26 obscure or weak mark.” *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963
27 F.2d 350, 353 (Fed. Cir. 1992)

28 The YKK trademark is extremely strong - it is comprised of an

1 arbitrary arrangement of letters that serves no purpose other than to identify
2 YKK and the source of its products. YKK is derived from “Yoshida Kogyo
3 Kabushikikaisha,” the original company name, and is in no way either
4 descriptive or suggestive of the company’s products. Besides being an
5 inherently strong trademark, YKK has achieved worldwide brandname
6 recognition as a result of its manufacturing, distribution, marketing,
7 advertising, and sales efforts over the last half century. Even YPP admits
8 that YKK “dominates the zipper market” and “has been the leading zipper
9 manufacturer for over 50 years and has become the world’s largest supplier of
10 zippers.” (Opp. at 14).

11 YPP contends that YKK’s tremendous brand recognition and financial
12 success help enable customers to readily distinguish it from other competing
13 brands. But YPP offers no case law or authorities indicating that the
14 strength-of-mark analysis is concerned with this type of consideration. As
15 pointed out by Plaintiff in its Reply brief, the case law and authorities
16 addressing the subject contradict, rather than support, Defendants’
17 contention. (Reply at 15). In *James Burrough, Ltd. v. Sign of Beefeater, Inc.*
18 (7th Cir. 1976) 540 F.2d. 266, the Seventh Circuit explained:

19 What is intended by references to “strong” and “weak” marks is the
20 effect of such marks upon the mind of the consuming public. A mark
21 that is strong because of its fame or uniqueness, is more likely to be
22 remembered and more likely to be associated in the public mind with a
23 greater breadth of products and services than is a mark that is weak
24 because relatively unknown or very like similar marks or very like the
25 name of the product.

26 *Id.* at 276; *see also Kenner Parker Toys*, 963 F.2d at 353; Thomas McCarthy,
27 McCarthy on Trademarks and Unfair Competition, §11:73 (4th ed. 2001).

28 YKK is an arbitrary mark, and a number of YKK trademarks have

1 even achieved incontestable status. It is also famous throughout the world
2 and can claim very high consumer recognition. The strength of the YKK
3 mark is beyond question, and should “be afforded the widest ambit of
4 protection from infringing uses.” *Sleekcraft*, 599 F.2d at 349.

5 The Court finds that this factor weighs strongly in favor of a finding of
6 likelihood of confusion.

7
8 (2) *proximity of goods*

9 “Related goods are more likely than non-related goods to confuse the
10 public as to the producers of goods.” *Official Airline Guides, Inc.*, 6 F.3d at
11 1392. “Related goods are those ‘products which would be reasonably thought
12 by the buying public to come from the same source if sold under the same
13 mark.’” *Sleekcraft*, 599 F.2d at 348 n.10 (quoting *Standard Brands, Inc. v.*
14 *Smidler*, 151 F.2d 34, 37 (2d. Cir. 1945). Moreover, when goods are
15 complementary, sold to the same class of purchasers, or similar in use and
16 function, less similarity between the marks need be demonstrated when
17 analyzing this factor. *See Sleekcraft*, 599 F.2d at 350.

18 The parties’ goods are direct competitors, and therefore their goods are
19 about as proximate as they could possibly be. *See Hillerich & Bradsby Co. v.*
20 *Palm Springs Golf Company*, 215 U.S.P.Q. 680, 683 (C.D. Cal. 1982) (finding
21 that plaintiff’s POWER BILT golf clubs and defendant’s POWER BOLT
22 golf clubs are proximate goods).

23 The Court finds that this factor weighs strongly in favor of a finding of
24 likelihood of confusion.

25
26 (3) *similarity of the marks*

27 Similarity of the marks is “a critical question in the likelihood of
28 confusion analysis.” *GoTo.Com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205

1 (9th Cir. 2000). The greater the similarity between the two marks, the greater
2 the likelihood of confusion. *See id.* at 1206. Similarity is determined by the
3 appearance, sound and meaning of the marks when considered in their
4 entirety and as they appear in the marketplace. *See GoTo.Com*, 202 F.3d at
5 1206; *Dreamwerks*, 142 F.3d at 1131; *Sleekcraft*, 599 F.2d at 351. The
6 similarities of the marks are weighed more heavily than differences. *See*
7 *GoTo.Com*, 202 F.3d at 1206; *Brookfield*, 174 F.3d at 1054. In addition, “[a]
8 diminished standard of similarity is ... applied when comparing the marks of
9 closely related goods.” *Official Airline Guides, Inc.*, 6 F.3d at 1392.

10
11 Appearance:

12 Defendants maintain that the letter “Y” is “generic” in the zipper
13 industry because it is descriptive of the appearance of an open zipper. In
14 support, YPP points to a number of other zipper companies that feature the
15 letter “Y” in their logos. As a result of “Y”’s alleged generic status, YPP
16 contends that the two companies’ shared use of the letter “Y” at the
17 beginning of their marks is irrelevant. In so arguing, YPP appears to ignore
18 the anti-dissection rule of trademark comparison. McCarthy describes this
19 rule as: “Conflicting composite marks are to be compared by looking at them
20 as a whole, rather than breaking the marks up into their component parts for
21 comparison... The rationale for the rule is that the commercial impression of
22 a composite trademark on an ordinary prospective buyer is created by the
23 mark as a whole, not by its component parts.” 3 McCarthy on Trademarks
24 and Unfair Competition §23:41 (4th ed. 2001).

25 In addition, Defendants point out that “PP” looks different from “KK”
26 and that the YPP advertising logo is quite different from the YKK one. The
27 YPP advertising logo depicts “Y” in light blue and “PP” in a darker blue.
28 Additionally, the letters are straight with a line going through them to

1 signify a zipper. The YKK advertising logo until recently featured “YKK”
2 in bubble letters with all three letters bearing the same color. YKK has
3 recently changed its bubble logo to a solid logo, but YPP claims that this was
4 done after the filing of this lawsuit in an attempt to make YPP look worse.

5 YKK claims that the marks are far more similar in appearance than
6 Defendants would like to admit. First, they are both three letters, beginning
7 with “Y” and followed by a single hard consonant repeated twice. Moreover,
8 Plaintiff claims that the YPP mark appears on its zippers in a similar fashion
9 to the way in which YKK appears on its zippers. YKK also correctly points
10 out that under Ninth Circuit case law, “similarities in these characteristics [of
11 sight, sound, and meaning] ‘weigh more heavily than differences.’” *E. & J.*
12 *Gallo*, 967 F.2d at 1291 (quoting *Sleekcraft*, 599 F.2d at 351).

13
14 Sound:

15 Defendants claim that YPP and YKK are pronounced differently and
16 sound different. Plaintiff YKK, however, contends that the cadence is the
17 same and that the “Y” plus two hard consonants structure makes the two
18 marks sound similar.

19
20 Meaning:

21 YPP claims that its three letters stand for “Your Premium Product,” a
22 slogan that accompanies the YPP logo in many of the company’s
23 advertisements. By contrast, YKK is simply the initials of the founder of
24 YKK, Yoshida Kogyo Kabushiki.

25 The marks are very similar and their differences relatively minor.
26 “Obviously, the greater the similarity between the two marks at issue, the
27 greater the likelihood of confusion.” *GoTo.com, Inc. v. Walt Disney Co.*, 202
28 F.3d. at 1206. In the most obvious context in which the mark would appear

1 – the zipper tab attached to each product - a reasonable juror would have to
2 find the marks similar. Accordingly, the Court finds this factor to favor the
3 plaintiff.

4
5 (4) *evidence of actual confusion*

6 Evidence of actual confusion is “persuasive proof that future confusion
7 is likely.” *Kendall-Jackson Winery, Ltd. v. E.&F. Gallo Winery*, 150 F. 3d 1042,
8 1048 (9th Cir. 1998) (citation omitted). But although “[e]vidence of actual
9 confusion is relevant to the issue of likelihood of confusion ... the absence of
10 such evidence need not create an inference that there is no likelihood of
11 confusion.” *E.&F. Gallo*, 967 F.2d at 1292.

12 YKK alleges that actual confusion can be presumed based upon the
13 similarity of the trademarks and the fact that the YKK and YPP are
14 competitors both selling zippers. YKK also claims that three of its
15 customers, and even its advertising agency, contacted YKK to express their
16 concern that YPP’s trademark would confuse customers.

17 Defendants contend that there is no actual confusion occurring
18 between YPP and YKK products. Defendants assert that the mere concern
19 of possible confusion by some of YKK’s customers is not evidence of actual
20 confusion. Moreover, they point to YKK’s inability to demonstrate
21 instances of actual confusion as indicative of there being none.

22 Defendants also provide the analysis and testimony of two alleged
23 experts in support of their claim that there is no actual confusion occurring.
24 “While survey evidence is sometimes said to be evidence of ‘actual’
25 confusion, it is so only to the extent that the survey replicates the real world
26 setting which can create an instance of actual confusion. In any event, the
27 two types of evidence are significantly different in *kind* and are treated
28 separately here.” Thomas J. McCarthy, *McCarthy on Trademarks and Unfair*

1 Competition §23:17 (4th ed. 2001). Nonetheless, survey evidence may be
2 probative to the central inquiry in trademark infringement cases: whether
3 there is a likelihood of customer confusion.

4 In support of their contention that there is no actual confusion,
5 Defendants offer the expert opinion of Weston Anson. Defendants claim
6 that Anson has extensive experience in the trademark licensing field and has
7 viewed the documents and information gathered in the case and read the
8 relevant Ninth Circuit authority. Based upon his application of the *Sleekcraft*
9 factors, Anson concludes that there is no likelihood of confusion between the
10 two trademarks. Anson's report is completely unhelpful; in fact, it bears a
11 truly amazing resemblance to Defendants' Opposition. In particular, the
12 Anson report's *Sleekcraft* analysis is substantively identical to the Opposition.
13 The report provides absolutely nothing in the way of new factual or industry-
14 specific background or analysis. Furthermore, although the Defendants
15 assert that Anson is an expert, it does not appear that he is a licensed
16 attorney. Therefore, it is hard to see how his *Sleekcraft* analysis can constitute
17 expert opinion, as it requires him not only to make factual determinations,
18 but also to draw legal conclusions. Expert testimony is required to be within
19 the scope of the proffered expert's expertise. By opining on the likelihood of
20 confusion based on the *Sleekcraft* factors, the Anson Report draws a legal
21 conclusion. While Fed. R. Evid. Rule 704 abolished the so-called "ultimate
22 issue" rule, "[i]n general, testimony about a legal conclusion, or the legal
23 implications of evidence is inadmissible under Rule 704." 4 Weinstein's
24 Federal Evidence §704.04[1] at (Matthew Bender ed. 2001); see also *United*
25 *States v. Weitzenhoff*, 1 F.3d 1523, 1531 (9th Cir. 1993), *modified on other*
26 *grounds*, 35 F.3d 1275 (9th Cir. 1994); Advisory Committee Note to Rule 704.
27 The expert's legal conclusions are unhelpful because they "suppl[y] the jury
28 with no information other than the witness's view of how the verdict should

1 read.” 4 Weinstein’s Federal Evidence §704.4[2][a] at 704-12. Although
2 there are some exceptions to this rule that an expert’s legal conclusions are
3 inadmissible, Defendants have not raised any that might apply to Anson’s
4 Report; nor does the Court find that any could. Therefore, the Court will not
5 consider Anson’s legal conclusions, although his opinions on the individual
6 foundational facts, i.e. the individual *Sleekcraft* factors are admissible and will
7 be considered.

8 Defendants also offer a customer survey conducted by Dr. Sandra
9 Cogan as evidence of there being no likelihood of consumer confusion. Dr.
10 Cogan interviewed a number of companies that purchase zippers for clothing
11 and asked them questions relating to the YKK and YPP marks. This survey
12 allegedly demonstrates that the relevant consumers are not confused by any
13 similarity between the YKK and YPP marks. According to Cogan, only
14 2.74% of survey respondents thought that YPP brand zippers were made by
15 or connected with YKK brand zippers, and none of the respondents made
16 this connection based on “name reasons.”²

17
18
19 ² Plaintiff claims that the Cogan survey is so replete with errors that it lacks any scientific
20 or evidentiary value and is therefore inadmissible under Fed. R. Evid. Rule 702. Plaintiff maintains
21 that the Cogan survey has not been conducted in accordance with accepted principles and
22 “pervasive and fundamental errors - far exceeding mere technical deficiencies - permeate every
23 aspect of the Cogan survey.” (Reply at 20). In support of its contention that the Cogan survey is
24 defective and was not conducted in accordance with accepted principles, YKK provides the Court
25 with the Report of Dr. Stewart. According to Stewart, the Cogan survey violates all seven pillars
26 of survey reliability set forth in the Federal Judicial Center’s Manual for Complex Litigation
27 §21.493 (3d. ed. 1995). As a result, Dr. Stewart concludes that no expert in the field of consumer
28

1 Although Cogan concludes that there is no likelihood of confusion
2 between the YPP and YKK marks, the survey data itself actually suggests
3 that there is a substantial potential for confusion. Cogan's Report
4 inexplicably ignores a whole category of survey respondents who were unsure
5 whether the two marks were affiliated and therefore appear to be prime
6 candidates for actual confusion in the future. The survey respondents were
7 faxed five one-page printouts from the Internet websites of zipper companies
8 having the following letters in their names: YKK, YPP, YCC, YJX, and
9 LYC. They were then asked whether they thought any of the four non-YKK
10 brands were made by or otherwise affiliated with YKK. Those who answered
11 "yes" were asked which brands they thought were connected to YKK.³
12 Cogan's subsequent confusion analysis only focuses on this subgroup of "yes"
13 respondents. But the 34.25% of respondents who answered that they "did
14 not know", "had no opinion", or were "not sure" if any of the four non-YKK
15 brands were connected to YKK were not asked any follow-up questions and
16 were thereafter discarded from the survey. This group of respondents looks
17 to be the very definition of potential confusion; they did not know or were

18 _____
19 research could reasonably base any opinion or draw any inference from the survey.

20 Generally, deficiencies in a survey go to the weight (and not the admissibility) of survey
21 evidence. *See e.g. E. & J. Gallo*, 967 F.2d at 1292. On the other hand, surveys are only admissible
22 "as long as they are conducted according to accepted principles." *Id.* After reading Dr. Stewart's
23 Report and Dr. Cogan's Supplemental Declaration (Exhibit C), the Court finds that Dr. Cogan's
24 Report is admissible and its deficiencies go to its weight.

25
26 ³Nine respondents (12.33% of the 73 total respondents) thought that at least one of the four
27 non-YKK brands was affiliated or made by YKK. Of those, five respondents (6.85% of total)
28 thought that YPP was made by YKK.

1 unsure whether there was any connection between YKK and the other four
2 brands, including YPP. Some of them may have answered “Don’t know/no
3 opinion/not sure” for reasons other than confusion, but we will never know
4 because Cogan did not ask this group any follow-up questions. Although the
5 34.25% of respondents who answered “not sure,” “no opinion,” or “don’t
6 know” are not evidence of *actual* confusion,⁴ they are evidence of potential,
7 perhaps even likely, confusion in the future.

8 The Court finds that this factor favors plaintiff. Although the Court
9 has been presented with little, if any, evidence of actual, real-world
10 confusion, Cogan’s survey suggests that there is serious potential for
11 consumer confusion in the future, as over one-third of survey respondents
12 either “had no opinion,” “were not sure,” or “did not know” if YPP was
13 affiliated with YKK. This factor weighs slightly in favor of a finding of a
14 likelihood of confusion.

15
16 *(5) marketing channels used*

17 The parties are direct competitors and utilize the same marketing
18 channels. Although the parties may not have the same distributor clients,
19 they compete for the same clients using similar advertising and promotional
20 efforts. They also both attend and sponsor booths at the same trade shows
21 (the Bobbin show) and they both send out product catalogs.

22 The Court finds that this factor strongly weighs in favor of Plaintiff.
23

24 *(6) type of goods and the degree of care likely to be exercised by the purchaser*

25
26 ⁴“Actual confusion” consists of consumers who mistakenly thought that the products of one
27 company, e.g. YPP, were affiliated with another company, e.g. YKK. The 34.25% “uncertain”
28 group did not make an actual mistake regarding affiliation, they merely professed their uncertainty.

1 “Likelihood of confusion is determined on the basis of a ‘reasonably
2 prudent consumer.’ . . . What is expected of this reasonably prudent
3 consumer depends on the circumstances.” *Brookfield*, 174 F.3d at 1060
4 (citations omitted).

5 As discussed previously, YKK sells its goods to the following
6 categories of consumers: (1) name-brand and private-label clothing
7 manufacturers (e.g. Levi Strauss and The Gap); (2) the makers of other
8 products ranging from wetsuits to sleeping bags; (3) “assemblers” who buy
9 and assemble zipper components; and (4) “jobbers” who act as distributors.

10 Defendants contend that their customers are less likely to be confused
11 than ordinary consumers because they are commercial purchasers who can be
12 reasonably expected to exercise a higher degree of care in their purchasing
13 decisions. “Where the relevant buyer class is composed solely of professional
14 or commercial purchasers, it is reasonable to set a higher standard of care
15 than exists for consumers.” *McCarthy* §23:101; *see also Walter v. Mattel, Inc.*,
16 31 F.Supp.2d 751, 761 (C.D. Cal. 1998). On the other hand, as noted above,
17 the survey conducted by Defendants’ expert demonstrated substantial
18 potential for confusion even by these sophisticated buyers.

19 Nonetheless, the Court finds that this factor weighs against a finding of
20 a likelihood of confusion.

21
22 *(7) Defendants’ intention in selecting the mark*

23 “When an alleged infringer knowingly adopts a mark similar to
24 another’s, courts will presume an intent to deceive the public.” *See Official*
25 *Airline Guides*, 6 F.3d at 1394. Moreover, “[w]hen the alleged infringer
26 knowingly adopts a mark similar to another’s, reviewing courts presume that
27 the defendant can accomplish his purpose: that is, that the public will be
28 deceived.” *Sleekcraft*, 599 F.2d at 354. And although “a showing of good faith

1 [by a defendant] is not very probative as to the determination of likelihood of
2 confusion, a knowing adoption and appropriation of a prior user's mark is
3 'entitled to great weight on the issue of likelihood of confusion.'" *Hillerich &*
4 *Bradsby Co. v. Palm Springs Golf Company*, 215 U.S.P.Q. 680, 684 (quoting
5 *Golden Door, Inc. v. Odisho*, 208 U.S.P.Q. 638 (9th Cir. 1980)).

6 Defendants go to considerable lengths to explain that they acted in
7 good faith and their choice of "YPP" had nothing to do with that mark's
8 being quite similar to the "YKK" used by Plaintiff, the worldwide leader in
9 zippers and related products. First, they contend that their mark needed to
10 start with the letter "Y" because "Y" looks like an unzipped zipper. In
11 support, YPP points to a number of other zipper companies with marks that
12 begin with the letter "Y."⁵ YPP notes that a number of zipper companies
13 utilize the "Y" as an unzipped zipper image in their advertisements, although
14 YPP does not do so itself. Second, Defendants claim that YPP was chosen
15 based upon Korean parables, although those parables are not described in the
16 briefs. Third, Defendants maintain that YPP signifies a "progressive and
17 dynamic company" because "PP" are letters that point to the right" and
18 therefore "depict progression." Finally, YPP's president has testified that
19 YPP's similarity to market-leader's YKK mark had nothing to do with
20 Jungoo's choice of marks.

21 Defendants' story of how they came to choose the "YPP" name is called
22

23 ⁵As Plaintiff points out in its Reply brief, Defendants fail to provide evidence that these
24 alleged zipper companies have actually used their marks beginning with the letter "Y" in commerce
25 in the U.S. The deposition testimony of a number of witnesses with great familiarity with the zipper
26 industry demonstrates that these alleged companies are, at best, relative unknowns in the U.S. zipper
27 market.
28

1 into serious doubt, however, by a number of documents that YPP turned
2 over during discovery only upon the threat of sanctions from the Court.
3 These documents concern the naming process that occurred back in 1997
4 when Jungwoo was in the process of choosing a name for its American zipper
5 company. Jungwoo hired one of the world's leading branding companies,
6 Interbrand, to help it make a naming decision. In the "Interim Report on
7 the Development of Brand Name" sent to Jungwoo in October 1997,
8 Interbrand acknowledged that YKK was the leading global brand and
9 presented Jungwoo with a number of potential marks that bore no
10 resemblance to YKK apart from the fact that they were all combinations of
11 three letters. Initially proposed were CLU, TYE, PAL, SAW, COG, CUE,
12 ZQZ, ZDC, ROP, ZOZ, CPV, and CST. In response to Interbrand's
13 suggestions, Jungwoo agreed that a number of the proposed names were
14 good, but rejected them all and requested that Interbrand work on names
15 beginning with the letter "Y." Jungwoo's October 1997 letter to Interbrand
16 stated that "In consideration of high recognition on YKK(overseas), YBS(in
17 Korea), the word containing 'Y' is desired." No mention is made of "Y"
18 being desirable because it resembles an open zipper. Heeding Jungwoo's
19 desires, Interbrand returned in November with a number of new names,
20 including some that began with the letter "Y." But in Interbrand's list of
21 final recommendations, the top four recommended names did not begin with
22 "Y", and only "YCC" of the "Y" names was recommended at all. Only after
23 Jungwoo rejected these names did the "YPP" mark emerge.⁶

24
25
26 ⁶Moreover, the events surrounding the production of the documents chronicling the evolution
27 of the name casts further suspicion on Jungwoo's motivations for choosing YPP. Although the
28 documents were responsive to discovery served on YPP on October 13, 2000, and March 21, 2001

1 The documents themselves strongly suggest that Defendants chose the
2 YPP mark because of its similarity to the YKK mark. Particularly damning
3 is the letter sent by Jungwoo to Interbrand in which Jungwoo tells the
4 branding company that “In consideration of high recognition on
5 YKK(overseas), YBS(in Korea), the word containing ‘Y’ is desired.”

6 In comparison with the hard evidence provided by such
7 documentation, Defendants’ assertions that YPP was chosen based upon
8 Korean proverbs, the “dynamic and progressive” nature of the letters “PP”,
9 or the letter “Y”’s resemblance to an open zipper lack evidentiary support
10 and simply strain credulity.

11 The Court finds that this factor weighs strongly in favor of Plaintiff
12 YKK.

13
14 *(8) likelihood of the expansion of product lines.*

15 Both parties agree that this factor is irrelevant because they are already

16
17 _____
18 and on Jungwoo on March 21, 2001, Jungwoo did not produce the documents until September 24,
19 2001. Jungwoo produced the documents only after being served with a proposed motion for
20 sanctions for the spoliation of evidence, which had been prompted by YPP’s president’s deposition
21 testimony that the documents had been lost, stolen, or destroyed some time after the date that
22 Plaintiff filed the instant trademark infringement lawsuit. At oral argument, counsel for YPP argued
23 that any delay in producing the documents was due to the fact that Mr. Kim and YPP are located in
24 the U.S. and parent Jungwoo is located in Korea. Defendants contend that Kim requested all
25 relevant documents, but that Jungwoo initially made a mistake and sent Kim an incomplete set of
26 documents.
27
28

1 direct competitors.

2
3 *Weighing the factors*

4 The preceding analysis demonstrates that the *Sleekcraft* factors weigh
5 heavily in favor of the Plaintiff. The strength of the YKK mark, the
6 proximate nature of the goods, the similarity of the marks, and the parties'
7 status as direct business competitors support the conclusion that there is a
8 likelihood of confusion. Moreover, Defendant Jungwoo's decision to choose
9 a brand name starting with the letter "Y" and followed by two more letters
10 "[i]n consideration of high recognition of YKK(overseas)..." implies that
11 Jungwoo believed that consumer confusion was likely. The only *Sleekcraft*
12 factor weighing in favor of the Defendants is the degree of care that is
13 typically exercised by the purchasers of YPP's and YKK's products.
14 Nonetheless, the Defendants' own survey, conducted by their expert, suggests
15 that even among this group of sophisticated consumers, a significant amount
16 of confusion is likely to occur. In addition, the Court determines that no
17 reasonable trier of fact could conclude that the marks are dissimilar. See
18 *Entrepreneur Media, Inc. v. Smith*, 279 F.3d. 1135, 1145 (9th Cir. 2002).

19 The Court holds that Defendants' use of the YPP mark creates a great
20 likelihood of confusion between its zippers and related products and those of
21 Plaintiff YKK. Accordingly, summary adjudication of Plaintiff's trademark
22 claims is granted.

23
24
25 B. Trademark dilution claim

26 The Federal Trademark Dilution Act protects a famous mark from the
27 dilution of the distinctive quality of that mark that results from its
28 unauthorized commercial use. See 15 U.S.C. §1125(c). The California anti-

1 dilution statute is similar to the federal one and is subject to the same
2 analysis. Therefore, Plaintiff's federal and state trademark dilution claims
3 are discussed and analyzed together. *See Panavision Int'l L.P. v. Toeppen*, 141
4 F.3d 1316, 1324 (9th Cir. 1998).

5 The Court finds the reasoning of trademark scholar J. Thomas
6 McCarthy relevant and persuasive here. McCarthy believes that recovery on
7 a theory of trademark dilution is inappropriate when the plaintiff and
8 defendant are competitors offering similar goods:

9 It is difficult to understand why an anti-dilution law is invoked when
10 the parties operate in competitive or closely related product or service
11 lines. The legal theory of anti-dilution was conceived to protect strong
12 marks against a diluting use by a junior user in a product or service line
13 far removed from that in which the famous mark appears. Thus, using
14 the anti-dilution law when the parties are competitors in the same
15 market sounds a dissonant and false note. Why the need to invoke the
16 'super weapon' of the anti-dilution law to resolve what appears to be a
17 garden variety infringement case?...

18 The anti-dilution laws should only be rarely and sparingly applied to
19 cases involving parties selling in the same market. The anti-dilution
20 theory was not designed or conceived to apply to such cases and it
21 makes a poor fit. It is the wrong tool for the job. Its mis-use in
22 competitive situations is bound to upset the balance of free and fair
23 competition and deform the anti-dilution doctrine.

24 McCarthy §24:72 (Author's Comment).

25 The Court denies summary adjudication of the trademark dilution
26 claims in favor of Plaintiff.
27
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1
2
3 **IV. Conclusion**

4 The Court hereby **GRANTS** Plaintiff's Motion for summary
5 adjudication of its claims for trademark infringement and unfair competition
6 and **DENIES** Plaintiff's Motion for summary adjudication of its claims for
7 trademark dilution. (Docket #81)
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14 Dated: April 25, 2002.



15 FLORENCE-MARIE COOPER, JUDGE
16 UNITED STATES DISTRICT COURT
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