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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91222920
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

STANDARD TOOLS AND EQUIPMENT)	Opposition No.: 91222920
CO.)	
)	Serial No.: 86/377,838
Opposer,)	
v.)	Filing Date: 26 August 2014
)	
DROPSHIP, LLC d/b/a TOOL USA, LLC)	Published: 07 July 2015
)	
Applicant.)	Mark: TOOL USA.COM
)	

OPPOSER'S TRIAL BRIEF

Date: August 14, 2017

Respectfully submitted,

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SUMMARY OF THE RECORD

The evidence of record in this matter consists of the following:

- I. March 31, 2017, Opposer's Notice of Reliance including:
 - a. A true and correct copy of Applicant's U.S. Trademark Application with U.S. Serial No. 86/377838 ("ONR Ex. A").
 - b. A true and correct copy of Opposer's U.S. Trademark Registration 2,011,200 ("ONR Ex. B").
 - c. A true and correct copy of Opposer's U.S. Trademark Registration 2,041,542 ("ONR Ex. C").
 - d. A true and correct copy of Opposer's U.S. Trademark Application with U.S. Serial No. 86/426730 ("ONR Ex. D").
 - e. Applicant's Responses to Opposer's Interrogatory Nos. 3, 11, 12, and 21 ("ONR Ex. E").
 - f. A true and accurate copy of a webpage on Applicant's internet website located at www.toolsusa.com accessed and obtained on 30 March 2017 ("ONR Ex. F").
 - g. A true and accurate copy of a webpage on Applicant's internet website located at <http://toolusa.com/tzO1-91012.html> accessed and obtained on 30 March 2017 ("ONR Ex. G").
 - h. A true and accurate copy of a webpage on Applicant's internet website located at <http://toolusa.com/construction-safety/gloves/industrial-chemical.html> accessed and obtained on 30 March 2017 ("ONR Ex. H").

- i. A true and accurate copy of a webpage on Applicant's internet website located at <http://toolusa.com/catalogsearch/result/?cat=&q=sander> accessed and obtained on 30 March 2017 ("ONR Ex. I").
- j. A true and accurate copy of a webpage on Applicant's internet website located at <http://toolusa.com/hand-tools/hammers.html> accessed and obtained on 30 March 2017 ("ONR Ex. J").
- k. A true and accurate copy of a webpage on Opposer's internet website located at <https://www.toolsusa.com/dent-pulling-systems/> accessed and obtained on 30 March 2017 ("ONR Ex. K").
- l. A true and accurate copy of a webpage on Opposer's internet website located at <https://www.toolsusa.com/gloves/> accessed and obtained on 30 March 2017 ("ONR Ex. L").
- m. A true and accurate copy of a webpage on Opposer's internet website located at <https://www.toolsusa.com/air-and-electric-sanders/> accessed and obtained on 30 March 2017 ("ONR Ex. M").
- n. A true and accurate copy of a webpage on Opposer's internet website located at <https://www.toolsusa.com/auto-body-hammers/> accessed and obtained on 30 March 2017 ("ONR Ex. N").
- o. Notice of Opposition, dated 23 July 2015 ("ONR Ex. O").
- p. Answer to Notice of Opposition, dated 01 September 2015 ("ONR Ex. P").
- II. 31 March 2017, Testimony Declaration of Michael Kestler including Exhibits 1-16 ("Kestler Dec.").
- III. 01 May 2017, Applicant's Notice of Reliance on Official Records including:

- a. A copy of U.S. Trademark Registration 2,011,200 (“App. Ex. A”).
 - b. A copy of U.S. Trademark Registration 2,041,542 (“App. Ex. B”).
 - c. A copy of U.S. Trademark Application with U.S. Serial No. 86/426730 (“App. Ex. C”).
 - d. A copy of an excerpt from the application file of U.S. Trademark Application with U.S. Serial No. 86/426730 (“App. Ex. D”).
- IV. May 1, 2017, Applicant’s Notice of Reliance on Applicant’s Discovery including:
- a. A copy of a packing slip from Applicant (“App Ex. E”)
- V. April 30, 2017, Testimony Declaration of Ram Baheti (“Baheti Dec.”).

INTRODUCTION

This dispute began when Standard Tools and Equipment Co., (“Opposer”) was contacted by a customer of Applicant Dropship, LLC d/b/a Tool USA (“Applicant”) inquiring about an issue concerning a product the customer had purchased from Applicant. In response to that inquiry, Opposer contacted Applicant to (1) express concerns over the apparent actual confusion occurring in the marketplace, (2) inform Applicant of Opposer’s trademark rights in TOOLS USA, (3) put Applicant on notice that Applicant was using Opposer’s name and creating confusion in the buying public, (4) put Applicant on notice that Applicant was infringing upon Opposer’s registered trademarks, and (5) demand Applicant cease using or displaying any trademarks that are confusingly similar to TOOLS USA. In response, less than a month later, Applicant filed the application at issue in this proceeding. While Opposer had hoped to amicably resolve the instant dispute, it opposes Applicant’s attempts to register the TOOL USA.COM mark as it is confusingly similar to Opposer’s TOOLS USA marks.

Opposer offers tools and equipment for sale both through equipment catalogs and on-line in connection with the mark TOOLS USA, in standard character and special form as well as owning common law trademark rights embodied in the TOOLS USA banner mark located at www.toolsusa.com (collectively the “TOOLS USA Marks”) described herein. Opposer has developed substantial trademark rights in the term TOOLS USA through the continual and uninterrupted use of its trademarks for over twenty (20) years.

Applicant seeks registration of the stylized mark TOOL USA.COM in U.S. Trademark Application Serial No. 86/377838 for “manually operated hand tools, namely hammers, trowels, sanding wire wool, drill accessories, namely, bits for hand drills” in International Class 8 (“Opp. Ex. A”). In Opposer’s Notice of Opposition, Opposer has asserted that Applicant’s mark (the

“TOOL USA.COM Mark”) described herein is likely to cause confusion or mistake as to the source of the Applicant’s goods and services with Opposer’s TOOLS USA Marks. The dispositive issue in this Opposition Proceeding case is whether a likelihood of confusion exists between Applicant’s TOOL USA.COM Mark and Opposer’s TOOLS USA Marks.

Because consumers are likely to be confused by Applicant’s use of its TOOL USA.COM Mark that is nearly identical to Opposer’s TOOLS USA Marks in connection with substantially similar products and services, Applicant’s application must be refused registration.

STATEMENT OF THE ISSUE

Whether there is likelihood of confusion between Applicant's TOOL USA.COM Mark and Opposer's TOOLS USA Marks.

STATEMENT OF THE FACTS

Dropship, LLC d/b/a Tool USA, LLC

On or about August 1, 2014, Haden Edwards, a customer of Applicant, contacted Opposer concerning a service complaint about a product he had purchased from Applicant. (Kestler Dec. ¶ 51.) That same day, Opposer contacted Applicant to (1) express concerns over the apparent actual confusion occurring in the marketplace, (2) inform Applicant of Opposer's trademark rights in TOOLS USA, (3) put Applicant on notice that Applicant was using Opposer's name and creating confusion in the buying public, (4) put Applicant on notice that Applicant was infringing upon Opposer's registered trademarks, and (5) demand Applicant cease using or displaying any trademarks that are confusingly similar to TOOLS USA. See (Kestler Dec. ¶ 52); see also (Kestler Dec. Ex. 13.) In response to Opposer's concerns, on August 26, 2014, Applicant filed U.S. Trademark Application Serial No. 86/377,838 with the U.S. Patent and Trademark Office ("USPTO") seeking registration of the stylized TOOL USA.COM Mark for "[m]anually operated hand tools, namely, hammers, trowels, sanding wire wool, drill accessories, namely, bits for hand drills." (ONR Ex. A.) Applicant's TOOL USA.COM Mark application is based on a use date of at least as early as February 2, 2007. (Id.) A drawing of the TOOL USA.COM Mark is below:



Standard Tools and Equipment Co.

Opposer was established in 1996 to service the auto body and collision repair industry. (Kestler Dec. ¶ 3.) When it formed, Opposer acquired another entity, Tools USA and Equipment

Company. (Id.) At the time of the acquisition, Opposer acquired all right, title, and interest in the intellectual property of Tools USA and Equipment Company including the trademarks, service marks, and associate goodwill under the TOOLS USA brand which had been commercially active in the auto body and collision repair industry since 1979. (Id.)

Opposer now uses the TOOLS USA brand, and associated trademarks as described below, to market and sell equipment and tools for numerous industries including the automotive, body shop, and painting industries. (Kestler Dec. ¶ 4.) The equipment and tools sold by Opposer under the TOOLS USA brand are often purchased by, and are suitable for use by, the general public. (Kestler Dec. ¶ 4.) The tools and equipment sold by Applicant under the TOOL USA.COM Mark have significant overlap with the tools and equipment sold by Opposer. (Kestler Dec. ¶¶ 31-44.)

Opposer engages with consumers through tools and equipment sales from both its TOOLS USA branded mail-order catalogs and from its TOOLS USA branded website located at www.toolsusa.com (the “TOOLS USA Website”). (Kestler Dec. ¶ 5.) Opposer’s customers only purchase tools and equipment through either the TOOLS USA branded mail-order catalogs or the TOOLS USA Website. (Kestler Dec. ¶ 6.)

Opposer’s Trademarks

Opposer is the owner of several federal trademark registrations and applications which are at issue in this proceeding (collectively referred to as the “TOOLS USA Federal Marks”):

- 1) U.S. Trademark Registration No. 2,011,200 for the standard character mark TOOLS USA for “equipment catalogs for vehicle repair shops” was filed on April 26, 1993 and registered on October 22, 1996 with a date of first use in commerce at least by the end of 1988. (Kestler Dec. ¶ 9); (ONR Ex. B.)

- 2) U.S. Trademark Registration No. 2,041,542 for the special form mark TOOLS USA for “equipment catalogs for vehicle repair shops” was filed on April 22, 1993 and registered on March 4, 1997 with a date of first use in commerce at least by the end of 1985. (Kestler Dec. ¶ 9) (ONR Ex. C.). A drawing of this special form mark is below:



- 1) U.S. Trademark Application No. 86/426,730 for the standard character mark TOOLS USA for “on-line retail store services featuring equipment for automotive, body shop, and painting industries” was filed on October 17, 2014 with a date of first use in commerce of June 29, 1997. (Kestler Dec. ¶ 9) (ONR Ex. D.)

Opposer is also the owner of common law trademark rights embodied in the TOOLS USA mark and design as demonstrated by the banner located at www.toolsusa.com (the “Banner Trademark”) which Opposer began using at least by the end of 1999 in connection with its on-line sales of tools and equipment. (Kestler Dec. ¶¶ 10, 16.) The Banner Trademark has also been used in connection with Opposer’s mail-order catalogs. (See App. Ex. B, Specimen to Sections 8 & 9 Combined Declaration.) The Banner Trademark is reproduced below:



Opposer has sold tools and equipment under the TOOLS USA Federal Marks, continually and without interruption, since at least 1996. (Kestler Dec. ¶¶ 11-12.) During this time, Opposer’s use of the TOOLS USA Federal Marks has been exclusive. (Kestler Dec. ¶ 14.)

Opposer believes that, prior to its acquisition by Opposer, Tools USA and Equipment Company had been using portions of the TOOLS USA Federal Marks since at least 1985 with such use being continual, without interruption, and exclusive. (Kestler Dec. ¶ 15.) Opposer has been using the Banner Trademark since 1999 and has continually, and without interruption, used the Banner Trademark for the past seventeen (17) years dating back to 1999. (Kestler Dec. ¶¶ 16-17.) During that time, Opposer's use of the Banner Trademark has been exclusive. (Kestler Dec. ¶ 18.) The TOOLS USA Federal Marks and the Banner Trademark are collectively referred to as the "TOOLS USA Marks."

Over the years, Opposer has invested significant time, money, and other resources in the TOOLS USA Marks in an effort to enhance customer recognition of the TOOLS USA Marks as trademarks of Opposer. Since 2002, Opposer has spent approximately \$3,500,000 on advertising related expenses related solely to the TOOLS USA branded mail-order catalogs. (Kestler Dec. ¶ 20.) Advertising expenditures related to the TOOLS USA branded mail-order catalogs were used for the printing and distribution of said catalogs which prominently feature "TOOLS USA" in both standard character and design form on the cover and throughout the catalog. (Kestler Dec. ¶ 21.) Examples of representative catalogs are below:

TOOLS USA
800-451-2425

We Manufacture All Our Paint Booths & Frame Machines & Sell Direct to You for Savings

BD-1000 Side Down Draft Paint Booth \$7,399⁰⁰



CF-1000 Cross Flow Paint Booth \$4,999⁰⁰



ECF-1000 Economy Cross Flow Paint Booth \$3,999⁰⁰



Call for immediate quote on the equipment you are interested in. Financing available. Customization of booths and frame machines to meet your needs.

STCP-1000 Truck Cross Flow Paint Booth from \$12,500⁰⁰



MR-1000 Paint Mixing Room \$1,999⁰⁰



[2400] Star + Rack 300 8' x 17' - 2-Tower Special \$8,499⁰⁰



[1800] Star + Rack 15' x 10' - 1-Tower Special \$6,999⁰⁰



[3000] Galaxy Star + Rack 300 8' x 19' Clear Floor Frame Machine \$12,499⁰⁰



[3800-1] StandardLaser™ 1-Tower Scissor Lift Booth Machine \$6,999⁰⁰



[4400] Standard Power Pulver Package \$1,299⁰⁰



Use the Internet Saving Source order form for 15-20% savings on body shop supplies, tools and equipment, available @ www.toolsusa.com

TOOLS USA
DISCOUNT EQUIPMENT AND TOOLS
AUTOMOTIVE REPAIR, BODY SHOP AND RESTORATION Since 1979
800-451-2425
SATISFACTION GUARANTEED Volume 701

STDTPO-9N | 9000 lb. Symmetrical/ Asymmetrical Lift by Standard Tools and Equipment Company
\$2,199 (88month payment/26 mos) or 90 Days Same as Cash (OAC)



[A32] 8-pc Insulated Screwdriver Set \$179⁰⁰

[A502] OTC Power Team 10 Ton Hydraulic Pump #4020 \$279⁹⁹

[860] 26 Gallon Mini Parts Washer \$83⁹⁹

[763] 1,000 lb. Engine Stand \$128⁹⁹

[A21] 3 Ton "Quick Pump" Hydraulic Service Jack \$175⁹⁹

[140] Dual R134a & R12 Aluminum Manifold \$175⁹⁹

SHOP OUR ONLINE E-COMMERCE STORE @ www.toolsusa.com

(App. Ex. B.) – Catalog from 2001

NEW! Measuring System | 37

NEW MEASURING SYSTEM


ECLIPSE™ COMPLETE LASER MEASURING SYSTEM
PBE_AMS_ECLMS-1000

\$24,500 PLUS SHIPPING

The patented Eclipse™ system utilizes cutting-edge technology and advanced components, yet remains extremely easy to operate. The design from AMS allows the system to do the hard work, delivering reliable and accurate results. Innovative system components have been designed to be less expensive, versatile, and far more effective compared to other systems. Complete system comes with a one-year warranty on manufacturer's parts.

Eclipse™ Complete Laser Measuring System

- 1 year warranty on AMS components
- Constant calibration for accurate readings (Calibrates 4x per second)
- 32 Foot Measuring Envelope

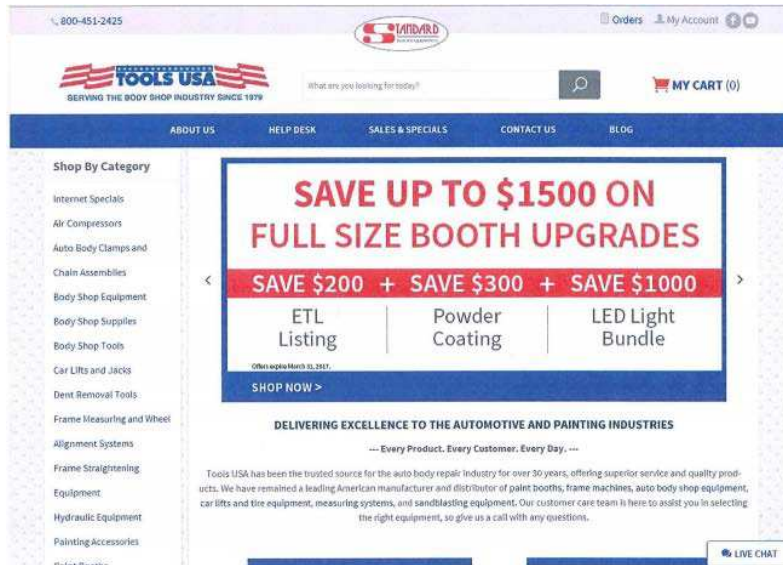


ECLIPSE™ COMPLETE LASER MEASURING SYSTEM

(Kestler Dec. ¶ 22); (Kestler Dec. Ex. B) – Catalog from 2016. Tools USA Banner Trademark displayed on side margin of each page.

Since 2003, Opposer has spent approximately \$2,400,000 on advertising expenses related solely to the TOOLS USA Website. (Kestler Dec. ¶ 20.) Advertising expenditures related to the TOOLS USA Website fall into three primary categories: (1) Search engine optimization (SEO) and keyword services, (2) lead generation services, and (3) targeted email marketing campaigns. (Kestler Dec. ¶ 23.) The extensive advertising expenditures related to SEO and keyword services have resulted in the TOOLS USA Website having a priority position when searched on Google. (Kestler Dec. ¶ 24, Ex. 3.) Expenditures related to targeted email marketing campaigns prominently feature “TOOLS USA” in both standard character and design form, as registered in the TOOLS USA Federal Marks. (Kestler Dec. ¶ 25).

Since 2002, the TOOLS USA brand has resulted in sales for Opposer amounting to over \$100,000,000 in revenue from TOOLS USA branded mail-order catalogs and the TOOLS USA Website. (Kestler Dec. ¶ 26.) This figure is generated solely by customers purchasing from mail-order catalogs and from the TOOLS USA Website because Opposer employs no outside sales force. (Kestler Dec. ¶¶ 26-27.) Customers purchasing from the TOOLS USA Website encounter the TOOLS USA Marks on every website page. An example website page is below:



(Kestler Dec. ¶ 10, Ex. 1.)

Opposer monitors various metrics to track statistics related to the TOOLS USA Website. It has tracked user data since 2012. (Kestler Dec. ¶ 29.) Since 2012, the TOOLS USA Website has been visited by over 840,000 visitors with an annual average of approximately 168,000 visitors. (Kestler Dec. ¶ 29.) Seventy-five percent (75%) of annual visitors qualify as new and unique visitors to the TOOLS USA Website based on website analytics. (Kestler Dec. ¶ 29.)

Actual Consumer Confusion

Opposer has received multiple inquiries from customers who have demonstrated actual confusion with respect to Opposer’s website at www.toolsusa.com and Applicant’s website at www.toolusa.com as well as with the marks that comprise the TOOLS USA brand. (Kestler Dec. ¶ 49.) Specifically:

- On or about April 28, 2016, Opposer received a complaint from Jane Thiels Lyle about a product she bought from Applicant. Ms. Lyle did not believe that Opposer was a separate entity from Applicant and did not understand why Opposer could no assist her with the problems she was experiencing with her product purchase. (Kestler Dec. ¶ 50.)

- On or about August 1, 2014, Opposer received an inquiry from Haden Edwards, another customer of Applicant, concerning a service complaint with one or more of Applicant's products. Mr. Edwards provided Opposer with a packing slip that incorrectly listed Opposer's website at www.toolsusa.com but also listed Applicant's physical address. (Kestler Dec. ¶ 51, Ex. 12.) Following Mr. Edward's complaint, Opposer contacted Applicant to express concerns about growing consumer confusion. (Kestler Dec. ¶ 52); (Kestler Dec. Ex. 13.)
- On or about June 15, 2015, Opposer received a product return from Jessica Harding, another customer of Applicant. The packing slip used by Ms. Harding incorrectly listed Opposer's address as that of Applicant. (Kestler Dec. ¶ 51); (Kestler Dec. Ex. 14.)

Opposer's Past Efforts to Protect the TOOLS USA Brand

Opposer has invested significant time and resources into developing its valuable TOOLS USA brand and increasing brand awareness and consumer perception. To that end, Opposer has restricted the use of TOOLS USA and confusingly similar marks by competitors of Opposer. (Kestler Dec. ¶ 55.) Opposer has previously demanded that entities operating at the websites located at www.toolsusaandequipment.com and www.usatoolsandequipment.com cease and desist from using confusingly similar trademarks to TOOLS USA as it created a likelihood of confusion with Opposer's TOOLS USA trademarks. (Kestler Dec. ¶ 56, Ex. 15-16.)

PROCEDURAL HISTORY

On August 26, 2014 , Applicant filed U.S. Trademark Application Serial No. 86/377,838 with the U.S. Patent and Trademark Office ("USPTO") seeking registration of the TOOL USA.COM Mark for "[m]anually operated hand tools, namely, hammers, trowels, sanding wire wool, drill accessories, namely, bits for hand drills." Upon publication, Opposer timely filed a

Notice of Opposition with the Trademark Trial and Appeal Board (the “Board”) on July 23, 2015 alleging that Applicant’s use and registration of the TOOL USA.COM Mark in connection with its tool and equipment related goods and services is likely to cause confusion or mistake, or to deceive the trade and purchasing public into believing that Applicant’s goods originate with or are otherwise authorized, licensed, or sponsored by Opposer, due to Opposer’s prior use and registrations, pending application, and common law rights in the TOOLS USA Marks. (ONR Ex. O.) Applicant Answered the Notice of Opposition on September 1, 2015. (ONR Ex. P.) The testimony periods of Opposer and Applicant have closed and this proceeding is ripe for final briefing and resolution by the Board.

ARGUMENT

The TOOLS USA Marks and the TOOL USA.COM Mark are practically identical in overall appearance, sound, connotation and commercial impression. The parties’ respective marks are also in highly similar goods and services segments, and, to the extent Opposer’s marks are dissimilar from Applicant’s marks with respect to the goods and services with which they are associated, Applicant’s goods and services are within the natural zone of expansion of Opposer’s goods and services. The parties offer their goods and services to identical consumers utilizing the same channels of trade. Further, there have been multiple instances of actual consumer confusion. Thus, Applicant’s TOOL USA.COM Mark is likely to cause consumer confusion or mistake as to source with Opposer’s TOOLS USA Marks. Accordingly, the Board must sustain this opposition on the basis of Section 2(d) and refuse registration to Applicant’s U.S. Trademark Application with U.S. Serial No. 86/377838 which attempts to register the TOOL USA.COM Mark.

I. GROUNDS FOR OPPOSITION

To succeed in an opposition, an oppose must plead and prove, by a preponderance of the evidence, that (1) it has standing to oppose the mark attempting to be registered; and (2) there are valid grounds why the applicant is not entitled under law to register the mark it claims. Lipton Indus., Inc. v. Ralston Purina Co., 213 U.S.P.Q. 185, 187 (C.C.P.A. 1982). As detailed below Opposer has standing to oppose Applicant's attempts to register the TOOL USA.COM Mark by virtue of its ownership of the TOOLS USA Marks. Opposer opposes Applicant's application on the grounds that Section 2(d) of the Lanham Act precludes Applicant's registration of the TOOL USA.COM Mark because the proposed mark is so similar to the Opposer's TOOLS USA Marks as to be likely to cause confusion.

II. OPPOSER HAS STANDING TO OPPOSE APPLICANT'S APPLICATION¹

Under the Lanham Act, "[a]ny person who believes that he would be damaged by the registration of a mark" may file an opposition. Lanham Act § 13(a), 15 U.S.C. § 1063(a). This threshold standing requirement is an essential element of proof in any opposition proceeding and is satisfied where the oppose possesses a "real interest" in the proceeding. Compuclean Mktg. & Design v. Berkshire Prods. Inc., 1 U.S.P.Q.2d 1323, 1324 (T.T.A.B. 1986). As the owner of the TOOLS USA Federal Marks in standard character and stylized format as well as the Banner Trademark, Opposer has standing to challenge an application for a mark confusingly similar to the TOOLS USA Marks. 15 U.S.C. § 1063; 15 U.S.C. § 1052(d). Additionally, Opposer's pending application has been suspended pending the disposition of Applicant's Application for the TOOL USA.COM Mark.

¹ The Board has previously determined that Opposer has established standing in this proceeding. 21 TTABVUE 7.

III. OPPOSER'S TOOLS USA MARKS HAVE ACQUIRED DISTINCTIVENESS

In the Board's November 22, 2016 Order denying Opposer's Motion for Summary Judgment, the Board found that Opposer's U.S. Registration No. 2,011,200 on the Supplemental Register was insufficient to establish proprietary rights in the mark absent a demonstration that the mark had acquired distinctiveness. 21 TTABVue 13. The Board noted the same for Opposer's U.S. Application No. 86/426730. 21 TTABVue 13. Finally, as to Opposer's stylized U.S. Registration No. 2,041,542 and the Banner Trademark, the Board noted that the literal elements of those marks, "TOOLS USA", did not include a demonstration that those elements had acquired distinctiveness. Opposer disagrees that a showing of acquired distinctiveness is required as to U.S. Registration No. 2,041,542 for the stylized mark TOOLS USA. U.S. Registration No. 2,041,542 is registered on the Principal Register (ONR Ex. C.) U.S. Registration No. 2,041,542 for TOOLS USA in stylized form is also incontestable under 15 U.S.C. § 1065 by virtue of the Combined Declaration of Use and Incontestability Under Sections 8 & 15 filed in or around April 2002. See (ONR Ex. C); see also (App. Ex. B.) 15 U.S.C. 1115(b) provides that "to the extent that the right to use the registered mark has become incontestable under section 1065 [of the Lanham Act], the registration **shall be conclusive evidence** of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, **and of the registrant's exclusive right to use the mark in commerce.**" 15 U.S.C. 1115(b) (emphasis added). Here, the TOOLS USA stylized mark is federally registered on the Principal Register, is incontestable, and, therefore, Opposer has the exclusive right to use the mark in commerce and no showing of acquired distinctiveness is required. Although Opposer maintains the TOOLS USA stylized mark requires no showing of acquired distinctiveness based on its registration status, Opposer argues, in the alternative, that it

and Opposer's other TOOLS USA Marks have sufficient acquired distinctiveness as detailed below.

A descriptive mark is entitled to registration if it is shown to have secondary meaning, i.e., has become distinctive as applied to the applicant's goods and services. 15 U.S.C. § 1052(f). The Board may accept as prima facie evidence of secondary meaning the fact that Opposer has used the mark in commerce for five years in a substantially exclusive and continuous manner before the claim of distinctiveness is made. 15 U.S.C. § 1052(f). Other evidence of secondary meaning includes the exclusivity, length and manner of use, amount and manner of advertising, amount of sales, number of customers and position in the marketplace. Opposer's long-standing continuous and exclusive use of the TOOLS USA Marks along with the ample and sufficient evidence pertinent to acquired distinctiveness establish that "TOOLS USA" has acquired distinctiveness in the context of the TOOLS USA Marks.

The crux of the secondary meaning doctrine is that Opposer's marks come to identify not only its goods and services, but the source of such goods and services. To establish secondary meaning, it must be shown that the primary significance of the term in the minds of the consuming public is not the product, but the producer. Ralston Purina Co. v. Thomas J. Lipton, Inc., 341 F.Supp. 129, 133, 173 U.S.P.Q. 820, 823 (S.D.N.Y. 1972). Opposer is not required to conclusively establish acquired distinctiveness, but need only establish a prima facie case. In re Capital Formation Counselors, Inc., 219 U.S.P.Q. 916 (T.T.A.B. 1983).

Opposer has provided substantial evidence of acquired distinctiveness through continuous and exclusive use of the TOOLS USA Marks, advertising expenditures related to both forms of Opposer's sales mediums—branded mail-order catalogs and the TOOLS USA Website, website rankings, website analytics, and sales figures. This evidence establishes that

Opposer's Mark has obtained acquired distinctiveness. Opposer has used TOOLS USA as depicted in U.S. Registration Nos. 2,011,200 and 2,041,542 continuously and exclusively since at least 1996 corresponding to over twenty (20) years of continuous and exclusive use². Opposer has used TOOLS USA as depicted in U.S. Application No. 86/426730 continuously and exclusively since 1997 corresponding to twenty (20) years of continuous and exclusive use. Opposer has used the Banner Trademark continuously and exclusively since at least 1999 corresponding to over seventeen (17) years of continuous and exclusive use.

Although Opposer has spent money advertising and promoting under the TOOLS USA Marks since Opposer's inception, since 2002, it has spent approximately \$3.5 million on advertising related expenses related solely to the TOOLS USA branded mail-order catalogs. These advertising dollars were used for the printing and distribution of the TOOLS USA branded mail-order catalogs. Since 2003, Opposer has spent approximately \$2.4 million on advertising related expenses related to the TOOLS USA Website which includes: (a) search engine optimization, (b) lead generation services, and (c) targeted email campaigns. Opposer's efforts in search engine optimization have resulted in Opposer's TOOLS USA Website being the first search result on Google. Additionally, Opposer has tracked visitor data to the TOOLS USA Website since 2012. Since that time, the TOOLS USA Website has been visited by over 840,000 visitors with an annual average of approximately 168,000 visitors. Seventy-five percent (75%) of annual visitors qualify as new and unique visitors to the TOOLS USA Website.

Since 2002, Opposer's revenue from TOOLS USA branded mail-order catalogs and the TOOLS USA Website has amounted to in excess of \$100,000,000. This figure is critical as Opposer employs no outside sales force. Accordingly 100% of this revenue figure is derived

² As Opposer acquired these marks from Tools USA and Equipment Company in 1996, Opposer contends it is entitled to claim continuous and exclusive use dating back into the 1980s.

from either sales made from TOOLS USA branded mail-order catalogs or the TOOLS USA Website. Both the catalogs and the TOOLS USA Website prominently display the TOOLS USA Marks. This means that 100% of TOOLS USA customers encounter the TOOLS USA Marks during the course of their transaction which requires them to recognize and associate the TOOLS USA brand with Opposer. Contrast this with a manufacturer who sells product through third-party retailers like Amazon whereby a consumer may be purchasing from a manufacturer but it may not be abundantly clear who the source of the product actually is during their purchase.

The evidence provided by Opposer is the same type of evidence that this Board has determined to be sufficient to sustain the burden to show acquired distinctiveness. See In re My Virtual Model, Inc., 2005 WL 1822537 (T.T.A.B. July 21, 2005); In re Capital Formation Counselors, Inc., 219 USPQ 916 (T.T.A.B. 1983); In re SV Spirits, Ltd., 2012 WL 6137594 (T.T.A.B. Nov. 28, 2012); In re Petersen Manufacturing Co., 229 USPQ 466 (T.T.A.B. 1986); In re Zuffa, LLC, 2005 WL 2295186 (T.T.A.B. Sept. 9, 2005); In re Advice Company, 2012 WL 2588557 (T.T.A.B. June 7, 2012). Opposer does not need to provide sales volume, revenues, or market share to meet its burden to show acquired distinctiveness, even for a highly descriptive mark³. See In re Zuffa, LLC, 2005 WL 2295186 (T.T.A.B. Sept. 9, 2005) (no evidence of advertising revenues, sales, market share or sales volume yet highly descriptive mark found to have attained acquired distinctiveness); In re Capital Formation Counselors, Inc., 219 U.S.P.Q. 916 (TTAB 1983) (no evidence of sales or market share yet descriptive mark found to have attained acquired distinctiveness); In re My Virtual Model, Inc., 2005 WL 1822537 (T.T.A.B. July 21, 2005) (no evidence of sales or market share yet highly descriptive mark found to have attained acquired distinctiveness). In fact, Opposer's evidence of website traffic and advertising

³ Opposer denies any of the TOOLS USA Marks are "highly descriptive."

expenditures exceed the same type of evidence presented by the application seeking to register the highly descriptive term TRAFFIC LAW CENTER that this Board found sufficient to show acquired distinctiveness. See In re Robin Sullivan, 2005 WL 2034532 (T.T.A.B. Aug. 18, 2005) (the applicant averaged 9,283 clients per year and \$272,000 in advertising expenditures per year).

In In re Capital Formation Counselors, Inc., the applicant submitted an affidavit showing at least five years substantially exclusive and continuous use along with evidence indicating the mark at issue had been used throughout the United States for approximately the past 18 years as well as affidavits from consumers who attested to recognizing the mark in connection with the services emanating from applicant. In re Capital Formation Counselors, Inc., 219 U.S.P.Q. at 919. The applicant in that case submitted no evidence of sales figures or advertising expenditures, but the Board concluded that the proffered evidence was “sufficient to establish a prima facie showing of distinctiveness.” Id. at 919-920. In the instant proceeding, Opposer has submitted testimonial evidence of longstanding continuous and exclusive use for the same amount of time, if not more, that the Board concluded was sufficient in In re Capital Formation. In addition, and unlike the applicant in In re Capital Formation, Opposer has offered advertising figures, sales figures, website analytics including visitor and user data, as well as Google search ranking data in support of its claim for acquired distinctiveness. Additionally, given Opposer’s method of sales to consumers, consumers by default encounter the TOOLS USA Marks whenever they order from either Opposer’s TOOLS USA branded mail-order catalogs or the TOOLS USA Website creating a direct link between the TOOLS USA Marks and Opposer. Accordingly, Opposer has met its prima facie burden of establishing acquired distinctiveness for the TOOLS USA Marks to the extent such a finding is necessary.

IV. THE TOOL USA.COM MARK IS NOT ENTITLED TO REGISTRATION UNDER SECTION 2(d) OF THE LANHAM ACT

Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d) states that registration shall be refused for a trademark that:

Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive.

To prevail in this opposition proceeding under Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), Opposer must show that (1) it has valid, prior, proprietary rights in the TOOLS USA Marks; and (2) Applicant's use of the TOOL USA.COM Mark is likely to cause confusion among consumers as to the sponsorship, affiliation, or connection of goods under the mark. See Hilson Research Inc. v. Society for Human Res. Mgmt., 27 U.S.P.Q.2d 1423, 1429 (T.T.A.B. 1993). As detailed below, Opposer has established the requisite proprietary rights and a substantial likelihood of confusion exists.

A. Opposer has Prior Rights to the TOOLS USA Marks

Opposer's trademark registrations for TOOLS USA as well as Opposer's trademark application for TOOLS USA establish Opposer's priority. See Centraz Indus., Inc. v. Spartan Chem. Co., 77 U.S.P.Q.2d 1698, 1699 (T.T.A.B. 2006) ("In view of opposer's ownership of a valid and subsisting registration, there is no issue regarding opposer's priority.") Opposer's registered trademarks for TOOLS USA have a first use date of 1988 and 1985 respectively. See (ONR Exs. B-C); see also (Kestler Dec. ¶ 9.) Opposer's pending trademark application for TOOLS USA has a listed first use date of 1997. See (ONR Ex. D); see also (Kestler Dec. ¶ 9.) Further, Opposer has been using the Banner Trademark since at least 1999. See (Kestler Dec. ¶ 16.) Applicant's application lists its first use date for the TOOL USA.COM Mark as no earlier

than 2007. See (ONR Ex. A.) Applicant's use of the TOOL USA.COM Mark is well after the registration dates, and first use dates of Opposer's registered TOOLS USA Marks, pending TOOLS USA application, and the Banner Trademark. Opposer has used the TOOLS USA mark shown in U.S. Registration Nos. 2,011,200 and 2,041,542 since 1996 and those respective registrations were in use since 1988 and 1985 respectively under a prior trademark owner. Opposer has used the TOOLS USA mark shown in U.S. Trademark Application No. 86/426,730 since June 29, 1997. Opposer has used the Banner Trademark located at www.toolsusa.com since at least the end of 1999. (Kestler Dec. ¶ 16.) Accordingly, Opposer's TOOLS USA Marks have priority over Applicant's TOOL USA.COM Mark as all dates predate Applicant's alleged first use date of 2007 for the TOOL USA.COM Mark.

B. A Likelihood of Confusion Exists Between Applicant's TOOL USA.COM Mark and Opposer's TOOLS USA Marks

Given Opposer's priority, the Board must sustain Opposer's Section 2(d) opposition if Applicant's use of the TOOL USA.COM Mark would create a likelihood of confusion with Opposer's TOOLS USA Marks. See Warner Bros., Inc. v. Road Runner Car Wash, Inc., 189 U.S.P.Q. 430, 432 (T.T.A.B. 1976). To determine whether a likelihood of confusion exists, the decision-maker must consider a number of relevant factors enumerated by the Court of Customs and Patent Appeals in In re E.I. Du Pont de Nemours & Co., 476 F.2d 1357, 1360-62; 177 U.S.P.Q. 563, 566-67 (C.C.P.A. 1973). These factors include:

- (1) The similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation, and commercial impression;
- (2) The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use;
- (3) The similarity or dissimilarity of established, likely-to-continue trade channels;

- (4) The conditions under which and buyers to whom sales are made, *i.e.*, “impulse” vs. careful, sophisticated purchasing;
- (5) The fame of the prior mark (sales, advertising, length of use);
- (6) The number and nature of similar marks in use on similar goods;
- (7) The nature and extent of any actual confusion;
- (8) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion;
- (9) The variety of goods on which a mark is or is not used (house mark, “family” mark, product mark);
- (10) The market interface between applicant and the owner of a prior mark;
- (11) The extent to which applicant has a right to exclude others from use of its mark on its goods;
- (12) The extent of potential confusion, *i.e.*, whether *de minimis* or substantial; and
- (13) Any other established fact probative of the effect of use.

In re E.I. Du Pont de Nemours & Co., 476 F.2d 1357, 1360-62; 177 U.S.P.Q. 563, 567 (C.C.P.A. 1973). There is no rigid test for analyzing likelihood of confusion. Of these factors, the most important factors in this opposition proceeding are: (1) the similarities of the marks in their entireties as to appearance, sound, connotation, and commercial impression; (2) the relatedness of the goods or services as described in the application and registration(s); (3) the similarity of established, likely-to-continue trade channels viewed in their entireties as to overall appearance and commercial impression; and (4) the degree of actual consumer confusion. See generally Du Pont, 177 U.S.P.Q. at 567.

If there are any doubts, they must be resolved in favor of the senior user. Nina Ricci, S.A.R.L. v. E.T.F. Enters., Inc., 889 F.2d 1070, 1074 (Fed. Cir. 1989) (finding “there is no excuse for even approaching the well-known trademark of a competitor.”)⁴ Whether a likelihood of confusion exists is a question of law, based on underlying factual determinations. Lloyd’s Food Prods., Inc. v. Eli’s, Inc., 987 F.2d 766, 767 (Fed. Cir. 1993).

In this case, a comparison of both Applicant’s TOOL USA.COM Mark as well as Opposer’s TOOLS USA Marks reveals that the two marks are virtually identical in the critical aspects of appearance, sound, connotation, and overall commercial impression. Additionally, both Applicant and Opposer offer highly similar and overlapping goods and services in the same industry and in identical trade channels. Finally, there are instances of actual confusion indicating that consumer confusion between Applicant’s TOOL USA.COM Mark and Opposer’s TOOLS USA Mark is a real and actual concern of Opposer. Upon considering the relevant Du Pont factors in this proceeding⁵, a likelihood of confusion exists between Applicant’s and Opposer’s marks.

1. Applicant’s TOOL USA.COM Mark is Substantially Similar to Opposer’s TOOLS USA Marks

The similarity of the marks is to be considered with respect to appearance, sound, connotation, and commercial impression. Du Pont, 177 U.S.P.Q. at 567. Applicant’s TOOL




⁴ As described above, Opposer put Applicant on notice of its trademark rights prior to Applicant’s filing of the trademark application for the TOOL USA.COM Mark. See (Kestler Dec. ¶ 52); see also (Kestler Dec. Ex. 13.)

⁵ Not all of the Du Pont factors are relevant here, and Opposer has only set out the factors most relevant to the Board’s consideration of the likelihood of confusion in this case. See e.g. In re Majestic Distilling Co., 315 F.3d 1311, 1315 (Fed. Cir. 2003) (“Not all of the Du Pont factors may be relevant or of equal weight in a given case, and ‘any one of the factors may control a particular case’”) (quoting In re Dixie Rests., Inc., 105 F.3d 1405, 1406-07, 41 U.S.P.Q.2d 1531, 1533 (Fed. Cir. 1997)). To the extent not discussed here, Opposer contends the factor is either irrelevant to this proceeding or weighs equally in favor of Opposer and Applicant.

USA.COM Mark is nearly identical to Opposer’s TOOLS USA Marks in sound, meaning, appearance, and commercial impression that consumer confusion is likely.

a. Appearance

Applicant’s TOOL USA.COM Mark and Opposer’s TOOLS USA Marks are highly similar in appearance. The marks at issue in this proceeding are as follows:

<u>Opposer’s Trademarks</u>	<u>Applicant’s Trademark</u>
TOOLS USA	
	
	

Both feature the operative words “TOOL” and “USA.” Applicant’s TOOL USA.COM Mark adds “.COM” at the end and Opposer’s TOOLS USA Marks contains the plural of “TOOL” as compared to Applicant’s singular usage. Applicant’s mark may be confusingly similar in appearance despite the addition, deletion, or substitution of letters or words. See Canadian Imperial Bank of Commerce, N.A., v. Wells Fargo Bank, 811 F.2d 1490, 1 U.S.P.Q.2d 1813 (Fed. Cir. 1987) (finding COMMCASH likely to be confused with COMMUNICASH, both for banking services); see also In re Pix of Am., Inc., 225 U.S.P.Q. 691 (T.T.A.B. 1985) (finding NEWPORTS and NEWPORT to be essentially identical in appearance); In re Pellerin Milnor Corp., 221 U.S.P.Q. 558 (T.T.A.B. 1983) (finding MILTRON and MILLTRONICS (stylized) to be highly similar in appearance); T.M.E.P. § 1215.09 (noting non-source identifying portions of a website like ‘.COM’ should be accorded little weight).

Here, the change from plural to singular in the word “TOOL” and the addition of “.COM” by Applicant do not meaningfully change the appearance of the marks. The literal elements of both marks are identical: “TOOL” and “USA.” Similar to In re Pix, changing a word from the plural form to the singular form is insufficient to distinguish marks where the operative word is identical. The fact that Applicant’s mark is a design trademark is of little importance in this analysis. Applicant’s design elements are not so unique that a consumer would have a different overall mental image from the words conveyed in Applicant’s TOOL USA.COM Mark when compared to Opposer’s standard character TOOLS USA marks. See generally In re Viterra Inc., 671 F.3d 1358, 1367, 101 U.S.P.Q.2d 1905, 1912 (Fed. Cir. 2012) (If one feature of a mark is more significant than another feature, greater weight may be given to the dominant feature for purposes of determining likelihood of confusion). The word elements of Applicant’s TOOL USA.COM Mark dominate the minor design elements that may be present. Therefore, greater weight should be given to the more significant features – the literal words when comparing them to Opposer’s standard character TOOLS USA marks. This rationale is premised on the fact that consumers use words to reference and request goods or services, thus the words are more significant. Applicant’s TOOL USA.COM Mark contains no significant design elements that convey a different meaning from the words it is literally composed of.

Further, with respect to the stylized elements of Applicant’s TOOL USA.COM Mark and Opposer’s TOOLS USA registration in special form and the Banner Trademark, Opposer’s marks convey a strong sense of U.S. patriotism by virtue of their inclusion of American flag motifs combined with the literal element “USA.” Applicant’s “USA” is written in lettering using the American flag as background imagery for the font. Similarly, Opposer’s registration for the TOOLS USA mark in special form includes a stylized A with a star in place of the normal gap in

A with flowing ribbons to the right of the A. This conveys the impression of the American flag to consumers as well as the concepts of patriotism and liberty. The overall design themes utilized in both sets of marks is the same and do not vary such that consumers would be able to readily distinguish Opposer's marks from Applicant's mark. Therefore, Applicant's TOOL USA.COM Mark is sufficiently similar to Opposer's TOOLS USA Marks—both in standard character and design form.

Finally, the only remaining literal element differing between the parties' marks is the phrase “.COM.” Most consumers will believe “.COM” simply describes the website of the company they are purchasing goods or services from and would not equate it as part of their trademark. In fact, the average consumer is unlikely to notice a meaningful difference between the parties' marks and, similarly, is unlikely to notice a subtle difference between Applicant's www.toolusa.com and Opposer's www.toolsusa.com. When analyzing whether a domain name mark is likely to cause confusion with another pending or registered mark, the examining attorney must consider the marks as a whole, but generally, should accord little weight to a non-source-identifying TLD portion of the mark. See T.M.E.P. § 1215.09. Here, the addition of “.COM” does nothing to identify the source of goods and services of Applicant's TOOL USA.COM Mark. Accordingly, the “.COM” should be disregarded in the likelihood of confusion of analysis which presents an even stronger argument for the parties' respective marks to be virtually identical.

b. Sound

Similarity in sound is another factor in determining whether marks are similar. See e.g. In re Viterra Inc., 671 F.3d 1358, 1367, 101 U.S.P.Q.2d 1905, 1912 (Fed. Cir. 2012) (upholding Board's affirmance of a Section 2(d) refusal to register XCEED for agricultural seed based on a

likelihood of confusion with the registered mark X-SEED and design for identical goods); Kabushiki Kaisha Hattori Tokeiten v. Scutto, 228 U.S.P.Q. 461 (T.T.A.B. 1985) (holding SEYCOS and design for watches, and SEIKO for watches and clocks likely to cause confusion); In re Great Lakes Canning, Inc., 227 U.S.P.Q. 483 (T.T.A.B. 1985) (holding CAYNA (stylized) for soft drinks, and CANA for, *inter alia*, canned and frozen fruit and vegetable juices, likely to cause confusion).

Here, the sounds of the marks must be compared as if heard singly, subject to the consumer's indefinite recollection. Applicant's TOOL USA.COM Mark and Opposer's TOOLS USA Marks create a confusingly similar impression when heard or spoken aloud. The consumer is most likely to hear both "TOOL USA" and "TOOLS USA" as the primary elements of the parties' respective marks – making confusion inevitable. Most consumers would not pick up on the subtle difference between "TOOL" and "TOOLS." Further, consumers are likely to believe ".COM" simply describes the website of the same company for both marks and are unlikely to believe the ".COM" adds any significant auditory cue to differentiate Opposer from Applicant.

c. Connotation

Similarity in meaning or connotation is another factor in determining whether the marks are confusingly similar. The focus is on the recollection of the average purchaser who normally retains a general, rather than specific, impression of trademarks. See e.g. In re Ass'n of the U.S. Army, 85 U.S.P.Q.2d 1264, 1267-68 (T.T.A.B. 2007). Here, Applicant's TOOL USA.COM Mark and Opposer's TOOLS USA Marks are both in goods and services segments within the tooling and equipment industry. When consumers encounter these marks, there is likely to be confusion as they are nearly identical in meaning—both conveying the impression of tools (by virtue of their use of the word "TOOL") as well as implying the geographic origin (by virtue of

their use of the word “USA”). Applicant’s TOOL USA.COM Mark and Opposer’s TOOLS USA Marks convey the same meaning and consumers are likely to presume that the services offered under the respective marks emanate from the same source.

d. Commercial Impression

Overall, the combination of appearance, sound and connotation of the mark contribute to the similarity in the overall commercial impression that the marks convey. Here, Opposer’s TOOLS USA Marks and Applicant’s TOOL USA.COM Mark are virtually identical in appearance, are virtually identical in sound, and are virtually identical in connotation. Taken as a whole, a consumer would conclude that Applicant’s TOOL USA.COM Mark is part of the same family of Opposer’s TOOLS USA Marks, owing to the same overall impression. This significant similarity in the overall commercial impression of the parties’ respective marks indicates that consumers are likely to be confused. Accordingly, this factor weighs heavily in favor of Opposer.

2. Applicant’s and Opposer’s Goods and Services are Substantially Similar

a. Applicant’s Mark and Opposer’s Marks Share Virtually Indistinguishable Goods and Services within the Tool Industry

Regarding the second Du Pont factor—the similarity of the goods and services—it is not necessary that Applicant’s goods and services and Opposer’s goods and services are competitive to find that they are related for purposes of demonstrating a likelihood of confusion. In re Rexel, Inc., 223 U.S.P.Q. 830 (T.T.A.B. 1984); In re Int’l Telephone & Telegraph Corp., 197 U.S.P.Q. 910 (T.T.A.B. 1978). Where the goods and/or services of an applicant and registrant are identical or virtually identical, the degree of similarity between the marks required to support a finding of likelihood of confusion is not as great as in the case of diverse goods and/or services. See In re Bay State Brewing Co., 117 U.S.P.Q.2d 1958, 1960 (T.T.A.B. 2016)

(citing Coach Servs., Inc. v. Triumph Learning LLC, 668 F.3d 1356, 1368, 101 U.S.P.Q.2d 1713, 1721 (Fed. Cir. 2012)); United Global Media Grp., Inc. v. Tseng, 112 U.S.P.Q.2d 1039, 1049 (T.T.A.B. 2014) (quoting Century 21 Real Estate Corp. v. Century Life of Am., 970 F.2d 874, 877, 23 U.S.P.Q.2d 1698, 1701 (Fed. Cir. 1992)); T.M.E.P. § 1207.01(b). The goods and services of the parties need not be identical or even competitive to find a likelihood of confusion. See On-line Careline Inc. v. Am. Online Inc., 229 F.3d 1080, 1086, 56 U.S.P.Q.2d 1471, 1475 (Fed. Cir. 2000); Recot, Inc. v. Becton, 214 F.3d 1322, 1329, 54 U.S.P.Q.2d 1894, 1898 (Fed. Cir. 2000) (“[E]ven if the goods in question are different from, and thus not related to, one another in kind, the same goods can be related in the mind of the consuming public as to the origin of the goods.”); T.M.E.P. §1207.01(a)(i). The respective goods need only be “related in some manner and/or if the circumstances surrounding their marketing [be] such that they could give rise to the mistaken belief that [the goods] emanate from the same source.” Coach Servs., Inc. v. Triumph Learning LLC, 668 F.3d 1356, 1369, 101 U.S.P.Q.2d 1713, 1722 (Fed. Cir. 2012) (quoting 7-Eleven Inc. v. Wechsler, 83 U.S.P.Q.2d 1715, 1724 (T.T.A.B. 2007)); T.M.E.P. §1207.01(a)(i). The goods and services offered by Applicant and Opposer are not only competitive, they are nearly identical.

The goods and services identified in Applicant’s application are “manually operated hand tools, namely, hammers, trowels, sanding wire wool, drill accessories, namely, bits for hand drills.” The services identified in Opposer’s TOOLS USA Marks are “equipment catalogs for vehicle repair shops” for Opposer’s registered TOOLS USA trademarks, and “on-line retail store services featuring equipment for automotive, body shop, and painting industries” for Opposer’s applied for TOOLS USA trademark. Similar to the applied for TOOLS USA mark, Opposer has used its common law TOOLS USA Banner Trademark in connection with its on-line retail store

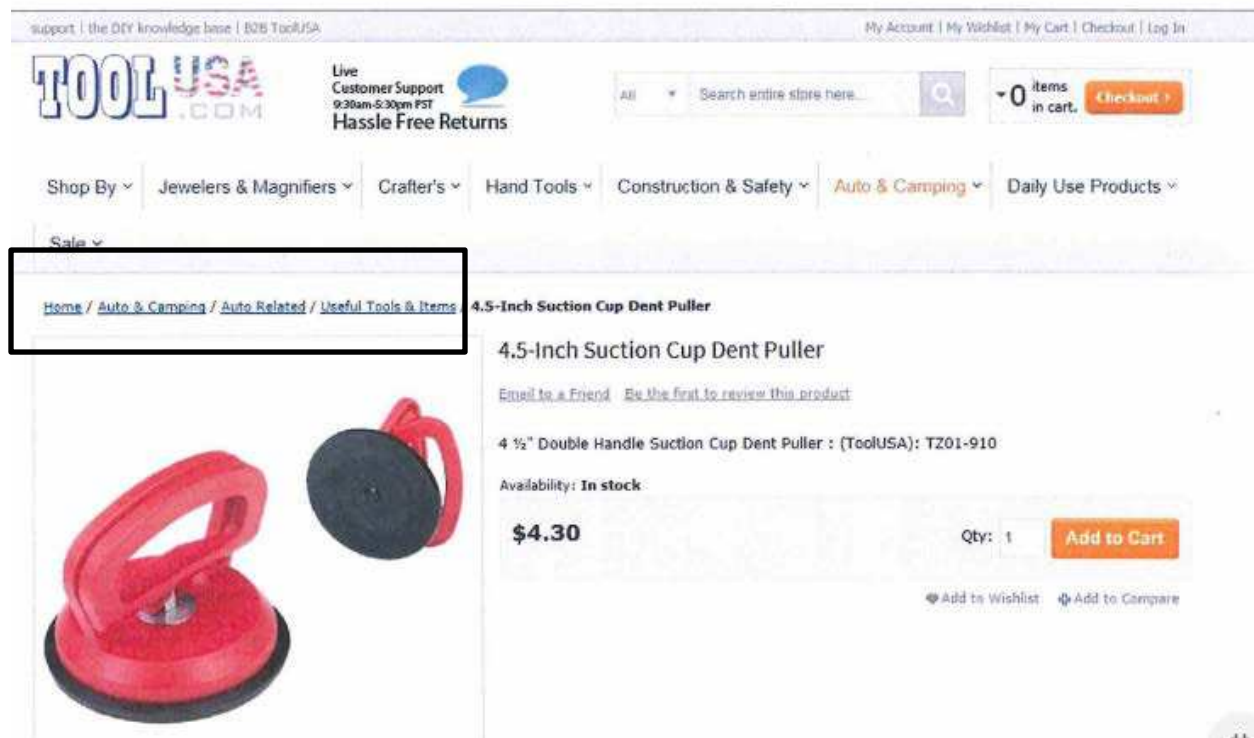
selling equipment and tools since at least 1999. While the services identified in Applicant's application and Opposer's registrations and application are not word-for-word identical, there is no meaningful distinction between tools themselves, as listed in Applicant's application, and the service of selling tools and equipment as described in Opposer's TOOLS USA Marks.

Mr. Kestler, Opposer's president, undertook a detailed review of Opposer's and Applicant's goods and services and found substantial overlap in product offerings under the TOOLS USA Marks from Opposer (from both the branded mail-order catalogs and the TOOLS USA Website) and the TOOL USA.COM Mark from Applicant. (Kestler Dec. ¶ 31.) Specifically:

- Both Opposer and Applicant offer automotive dent pulling systems for sale under their respective marks. See (Kestler Dec. ¶¶ 32-33); see also (Kestler Dec. Exs. 4-5); see also (ONR Exs. G, K.) The dent pullers sold by Applicant are used in the automobile or body shop industry and are used solely for auto body repair. (Kestler Dec. ¶ 34.)
- Both Opposer and Applicant offer a wide variety of hammers for sale under their respective marks. See (Kestler Dec. ¶¶ 34-35); see also (Kestler Dec. Exs. 6-7); see also (ONR Exs. J, N.) The hammers sold by Applicant are suitable for use in the automobile or body shop industry and some are of a type nearly identical to those sold by Opposer. (Kestler Dec. ¶ 37.)
- Both Opposer and Applicant offer sanding equipment for sale under their respective marks. See (Kestler Dec. ¶¶ 38-39); see also (Kestler Dec. Exs. 8-9); see also (ONR Exs. I, M.) The sanding equipment sold by Applicant are suitable for use in the automobile or body shop industry. (Kestler Dec. ¶ 40.)

- Both Opposer and Applicant offer latex and vinyl gloves for sale under their respective marks. See (Kestler Dec. ¶¶ 41-42) see also (Kestler Dec. Exs. 10-11); see also (ONR Exs. H, L.) The latex and vinyl gloves sold by Applicant are suitable for use in the automobile or body shop industry and some are of a type nearly identical to those sold by Opposer. (Kestler Dec. ¶ 43.)

Additionally, as shown below, Applicant has an entire section of its website dedicated to Auto & Camping with a subsection for Auto Related Useful Tools where its dent pullers are sold under the TOOL USA.COM Mark:



(Kestler Dec. ¶ 46, Ex. 4.) – Auto Related Section of Applicant’s TOOL USA.COM Website

There is clearly substantial overlap in the goods and services offered by Applicant and Opposer. Further, in comparing goods and services, where the marks are virtually identical (as discussed above), a lesser degree of similarity between the parties’ goods and services is required to support a finding of likelihood of confusion. See In re Shell Oil Co., 992 F.2d 1204, 26

U.S.P.Q.2d 1687, 1688-1689 (Fed. Cir. 1993). Here, the marks, as described above, are virtually identical. This factor favors rejection of Applicant's application if the goods or services at issue "are related in some manner," or if "the circumstances surrounding their marketing are such that they would be likely to be seen by the same persons under circumstances, that could give rise, because of the marks used thereon, to a mistaken belief that they originate from or are in some way associated with the same producer or that there is an association between the producers of each parties' goods or services. In re Melville Corp., 18 U.S.P.Q.2d 1386 (T.T.A.B. 1991); In re International Telephone & Telegraph Corp., 197 U.S.P.Q. 910, 911 (T.T.A.B. 1978). Because Opposer and Applicant's respective goods and services are in direct competition and are substantially similar, this factor weighs in favor of Opposer.

b. Applicant's Goods and Services are within the Natural Zone of Expansion with Opposer's Goods and Services

Although Opposer contends that its services are extremely similar, if not practically identical, to Applicant's listed goods and services, Opposer submits that, in the alternative, Applicant's goods and services are within Opposer's zone of natural expansion as described in the doctrine of natural expansion. Under the doctrine of natural expansion, the first user of a mark in connection with particular goods or services possesses superior rights in the mark not only as against subsequent users of the same or similar mark for the same or similar goods, but also against subsequent users of the same or similar mark for any goods which purchasers might reasonably expect to emanate from it in the normal expansion of its business under the mark. See The May Department Stores Co. v. Prince, 200 U.S.P.Q. 803 (T.T.A.B. 1978). This is so whether or not the first user of the mark has actually expanded its use of its mark, after the commencement of the subsequent user's use, to goods which are the same as or closely related to those of the subsequent user. An expansion of market is "natural" if, at the time when the junior

user began use, purchasers would have been likely to be confused as to source or as to sponsorship, affiliation or connection. The application of the doctrine “is strictly limited to those cases where the expansion, whether actual or potential, is ‘natural,’ that is, where the goods or services of the subsequent user, on the one hand, and the goods or services as to which the first user has prior use, on the other, are of such nature that purchasers would generally expect them to emanate from the same source.” See Mason Engineering and Design Corporation v. Mateson Chemical Corporation, 225 U.S.P.Q. 956, 962 (T.T.A.B. 1985); see also J. Wiss & Sons Co. v. The W.E. Bassett Co., 462 F.2d 567, 174 U.S.P.Q. 331 (C.C.P.A. 1972). In this case, it is natural for a business that sells a specific good to expand its business into the manufacture of that specific good – and the marketplace is replete of examples of such commercial activity. Here, Opposer has been selling tools and equipment under the TOOLS USA Marks since 1996. Applicant sells tools and equipment allegedly bearing the TOOL USA.COM Mark. A prime example of this phenomenon is a grocery store that acts as a product distributor for other manufacturers, but also sells its own house branded goods, often right beside its “competitors.” Pharmacies are another general category of retail environment where house branded items are sold right next to outside manufactured goods. It is entirely possible, if not likely, that Opposer will choose to expand its product offerings into its own branded tools and equipment under the TOOLS USA trademark at some point in the future and therefore Applicant’s goods are within Opposer’s natural zone of expansion and the similarity of goods and services factor should weigh in favor of Opposer.

3. The Parties’ Trade Channels are Identical

Applicant has not limited its identification of services, and thus the Board must presume that Applicant’s goods and services move through all reasonable trade channels for such goods

and services. Centraz Indus. Inc. v. Spartan Chem Co., Inc., 77 U.S.P.Q.2d 1697, 1700 (T.T.A.B. 2006). Applicant’s application describes “manually operated hand tools, namely, hammers, trowels, sanding wire wool, drill accessories, namely, bits for hand drills.” See (ONR Ex. A.) Applicant sells those goods online via its www.toolusa.com website. (ONR Ex. E, App. Response to Int. #11.) Applicant also markets its products in various other on-line marketplaces including Amazon, Ebay, and Sears.com (ONR Ex. E, App. Response to Int. #11.) Similarly, Opposer provides tools and equipment to consumers through its www.toolsusa.com website as well as through printed catalogs. (Kestler Dec. ¶ 5.) Opposer has seen, and continues to see, growth in its on-line sales trade channel. (Kestler Dec. ¶ 7.) Opposer expects consumers to continue to utilize both the on-line sales trade channel as well as the catalog system. (Kestler Dec. ¶¶ 7-8.) Although some of the tools and equipment available from Opposer under the TOOLS USA Marks are specialized, many are general purpose and are not limited to the automotive, body shop, and painting industries. (Kestler Dec. ¶ 47.) Opposer does not exclusively target advertising for the TOOLS USA Marks to the automotive, body shop, and painting industries. (Kestler Dec. ¶ 48.) Although the tools and equipment offered by Opposer might be used in the automotive, body shop, and painting industries, there is no requirement that only industry professionals are able to purchase from Opposer. As discussed above, many of the tools and equipment are general purpose and members of the general public who may engage in hobbies that utilize the tools and equipment from Opposer are eligible to purchase them from Opposer. Most advertising dollars are directed towards general advertising applicable to all consumers. (Kestler Dec. ¶ 48.) Both Applicant and Opposer sell goods to consumers throughout the country and are generally available to the public at large. See also (ONR Ex. E, App. Response to Int. #12.) As there is no limitation on the goods and services on Applicant, the

Board must presume that Applicant's goods and services move through all reasonable trade channels for such goods and services—including those that may reach individuals who desire to purchase tools and equipment that service the above-referenced industries. As described above, Applicant sells tools and equipment that is suitable for use in the auto body industry. Because both Applicant and Opposer sell tools and equipment to consumers via an on-line marketplace, and that trade channel is likely to continue, this factor weighs heavily in favor of Opposer.

4. Actual Confusion Exists between Applicant's TOOL USA.COM Mark and Opposer's TOOLS USA Marks

Although actual consumer confusion is not required, evidence of actual confusion is generally very persuasive evidence of likelihood of consumer confusion. See Weiss Associates Inc. v. HRL Associates Inc., 902 F.2d 1546, 1549, 14 U.S.P.Q.2d 1840, 1842-43 (Fed. Cir. 1990); Exxon Corp. v. Texas Motor Exch., Inc., 628 F.2d 500, 208 U.S.P.Q. 384, 389 (5th Cir. 1980) (“The best evidence of likelihood of confusion is provided by evidence of actual confusion”); see also In re Majestic Distilling Co., Inc., 315 F.3d 1311, 1315, 65 U.S.P.Q.2d 1201, 1205 (Fed. Cir. 2003) (“A showing of actual confusion would of course be highly probative, if not conclusive, of a high likelihood of confusion”).

Proof of actual confusion may be shown in a variety of ways, including “inquiries regarding possible affiliations between the parties,” “attempts to purchase goods or services actually offered by the other party,” and “misdirected correspondence such as bills or letters.” Popular Bank of Fla. v. Banco Popular de Puerto Rico, 9 F.Supp.2d 1347, 1360 (S.D.Fla. 1998).

Opposer has received numerous inquiries dating back to at least 2014 concerning consumers who were confused about the source of services offered by Applicant. Specifically:

- 1) On or about August 1, 2014, Opposer received an inquiry from Mr. Haden

Edwards, a customer of Applicant, who was attempting to register a complaint

- concerning one or more of Applicant's products. The packing slip provided by the customer incorrectly recited Opposer's website at www.toolsusa.com instead of Applicant's www.toolusa.com website, despite listing Applicant's physical address. See (Kestler Dec. ¶ 51); see also (Kestler Dec. Ex. 12.)
- 2) On or about June 15, 2015, Opposer received a product return from Ms. Jessica Harding, a customer of Applicant, who was attempting to return a product purchased from Applicant. The packing slip erroneously listed Opposer's physical address instead of Applicant's. See (Kestler Dec. ¶ 53); see also (Kestler Dec. Ex. 14.)
 - 3) On or about April 28, 2016, Opposer received a complaint from Jane Thiels Lyle, a customer of Applicant, about a product she purchased from Applicant. The customer did not believe that Opposer and Applicant were separate companies and did not understand why Opposer could not remedy the problem she was having with the product she purchased from Applicant. See (Kestler Dec. ¶ 50.)

Applicant admits to at least one instance of actual confusion in its interrogatory responses. (ONR Ex. E, App. Response to Int. #21.) In the Declaration of Ram Baheti, Mr. Baheti alleges that "one of the three instances [of actual confusion] is due to Applicant's printing mistake." (Baheti Dec. ¶ 7.) That instance, concerning Mr. Edwards, still involved the customer contacting Opposer about the service related issue with his purchase from Applicant. (Kestler Dec. ¶ 51.) Regardless of the origin of the source of the mistake, the customer was still actually confused as to the source of goods. Mr. Baheti then acknowledges another instance of actual confusion, but claims the issue involving Ms. Jessica Harding was due to "consumer mistake."

(Baheti Dec. ¶ 7.) Opposer is unsure what difference, if any, exists between consumer confusion and consumer mistake. If a consumer mistakenly contacted Opposer concerning goods purchased from Applicant, then, by definition, the consumer could not differentiate between Opposer and Applicant. Mistaken correspondence is a form of actual confusion recognized by the Board. Following the customer complaint received on August 1, 2014, Opposer reached out to Applicant to inform Applicant that Opposer had been receiving customer inquiries that were directed at Applicant. See (Kestler Dec. ¶ 52); see also (Kestler Dec. Ex. 13.) These instances of actual confusion are by no means exhaustive, but are highly probative, if not conclusive, of a finding of a likelihood of confusion in this matter.

CONCLUSION

Reviewing the relevant Du Pont factors outlined above, it is clear that confusion is likely between Applicant's TOOL USA.COM Mark and Opposer's TOOLS USA Marks. Any doubt regarding a likelihood of confusion is resolved in favor of the prior registrant. Hewlett-Packard Co., v. Packard Press Inc., 281 F.3d 1261, 62 U.S.P.Q.2d 1001, 1004 (Fed. Cir. 2002). The parties' marks are virtually indistinguishable. The parties' goods are virtually identical and/or are closely related. The trade channels are nearly identical. There are multiple instances of actual consumer confusion. Therefore, Opposer respectfully requests that the Board sustain this opposition and enter judgment in favor of Opposer and thereby reject and strike U.S. Trademark Application Serial No. 86377838 and let no registration thereupon issue to Applicant.

Respectfully submitted, the 14th day of August, 2017.

/s/ Alan B. Felts

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **OPPOSER'S TRIAL BRIEF** was served upon the parties by e-mail and by mailing a copy thereof by U.S. Mail to:

J. Curtis Edmondson Law Offices of J. Curtis Edmondson 3699 NW John Olsen Place Hillsboro, OR 97124 E-mail: jcedmondson@edmolaw.com

This the 14th day of August, 2017.

/s/ Alan B. Felts

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