

THIS OPINION
IS NOT A PRECEDENT
OF THE TTAB

Hearing: January 11, 2018

Mailed: May 7, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board
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Standard Tools and Equipment Co.

v.

Dropship LLC d/b/a Tool USA

—
Opposition No. 91222920
—

Alan B. Felts and Blake P. Hurt of Tuggle Duggins PA,
for Standard Tools and Equipment Co.

J. Curtis Edmondson and Jason Aldred of Law Offices of J. Curtis Edmondson, PLLC,
for Dropship LLC d/b/a Tool USA.

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Before Lykos, Masiello and Pologeorgis,
Administrative Trademark Judges.

Opinion by Lykos, Administrative Trademark Judge:

On August 26, 2014, Dropship LLC (“Applicant”) filed an application to register
on the Principal Register the mark displayed below



for goods ultimately identified as “manually operated hand tools, namely, hammers, trowels, sanding wire wool, drill accessories, namely, bits for hand drills” in International Class 8.¹ During the course of prosecution, Applicant disclaimed the wording “TOOL” and “USA.COM” apart from the mark as shown. The description of the mark is as follows:

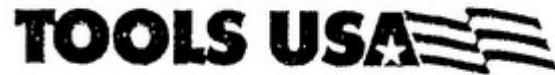
The mark consists of the word “TOOL” in white with blue outlining and to the upper right the wording “USA” with an American Flag in the background of the letters with white stars and stripes, a blue background behind the stars and red stripes, which appear over the wording “.COM” in gray. The colors red, white, blue, black, and gray are claimed as features of the mark.

Standard Tools and Equipment Company (“Opposer”) opposes registration of Applicant’s mark on the ground of likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), based on Opposer’s previously used and registered marks as well as prior common law use. In the Notice of Opposition, Opposer pleads ownership of (1) Registration No. 2011200 for the typed mark² TOOLS USA (“TOOLS” disclaimed) on the Supplemental Register for “equipment catalogs for

¹ Application Serial No. 86377838, filed on August 26, 2014 under Trademark Act Section 1(a), 15 U.S.C. § 1051(a), alleging February 2, 2007 as date of first use and date of first use in commerce.

² Prior to November 2, 2003, “standard character” drawings were known as “typed” drawings. A typed mark is the legal equivalent of a standard character mark. *In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1909 n.2 (Fed. Cir. 2012). *See also* TRADEMARK MANUAL OF EXAMINING PROCEDURE (“TMEP”) § 807.03(i) (Oct. 2017).

vehicle repair shops” in International Class 16;³ (2) Registration No. 2041542 for the mark shown below



(“TOOLS USA” disclaimed) on the Principal Register also for “equipment catalogs for vehicle repair shops” in International Class 16;⁴ and (3) Application Serial No. 86426730, filed October 17, 2014, for the standard character mark TOOLS USA (“TOOLS” disclaimed) on the Principal Register for “on-line retail store services featuring equipment for automotive, body shop, and painting industries” in International Class 35.⁵ In addition, Opposer alleges prior common law use of the “Banner Trademark” displayed below



in connection with Opposer’s online retail website located at www.toolsusa.com “that was made public and went live in June 1997, continuously selling” . . . “air

³ Registered on October 26, 1996, alleging 1988 as the date of first use anywhere and date of first use in commerce. The underlying application that matured into the registration was filed on April 26, 1993.

⁴ Registered on March 4, 1997, alleging 1985 as the date of first use anywhere and date of first use in commerce. The registration does not include a description of the mark. The underlying application that matured into the registration was filed on April 22, 1993.

⁵ Application Serial No. 86426730 filed on October 17, 2014, based on an allegation of use in commerce under Trademark Act Section 1(a), 15 U.S.C. § 1051(a), and claiming June 29, 1997 as the date of first use and date of first use in commerce. Opposer asserts a claim of acquired distinctiveness under Section 2(f), 15 U.S.C. § 1052(f), for the entire mark. See Opposer’s Notice of Reliance, Ex. D; 25 TTABVUE 74.

compressors power tools, hand tools, paint booths and other products, including but not limited to hammers, drills, drill bits, sanding tools, sanding accessories, painting booths, painting accessories and the like.” Notice of Opposition ¶¶ 1 and 3; 1 TTABVUE 5. Opposer also alleges that it has “collected incidents of actual consumer confusion, specifically between Opposer’s retail website located at www.toolsusa.com and Applicant’s website located at www.toolusa.com.”⁶ *Id.* at ¶ 11; 1 TTABVUE at 7.

Applicant, in its Answer, denied the salient allegations in the notice of opposition.⁷

An oral hearing was held on January 11, 2018. The case is now fully briefed and has been presented to us for a decision on the merits.

I. The Record

The record includes the pleadings and, pursuant to Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b), Applicant’s application file. In addition, the parties introduced the following:

A. Opposer’s Evidence

1. Opposer’s Notice of Reliance (filed March 31, 2017 at 25 TTABVUE)

⁶ The Board sua sponte dismissed Opposer’s claims of deceptiveness and false suggestion of a connection under Trademark Act Section 2(a), 15 U.S.C. § 1052(a), and dilution under Trademark Act Section 43(c), 15 U.S.C. § 1125(c), identified on the ESTTA generated cover sheet without supporting allegations in the text of the notice of opposition. *See* November 22, 2016 interlocutory order denying Opposer’s motion for summary judgment. 21 TTABVUE 3-4.

Citations to the record are by entry and page number to TTABVUE, the Board’s online docketing information and file database. *See, e.g., Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014).

⁷ The Board sua sponte struck Applicant’s affirmative defenses as either unsupported by the allegations in the answer or legally futile. *See* November 22, 2016 interlocutory order denying Opposer’s motion for summary judgment. 21 TTABVUE 4-5.

comprised of:

A true and correct copy of Applicant's U.S. Trademark Application Serial No. 86377838 and file history obtained from the USPTO TSDR database showing current status and title ("Ex. A");⁸

A true and correct copy of Opposer's U.S. Trademark Registration No. 2011200 obtained from the USPTO TSDR database showing current status and title and USPTO Assignment Branch record ("Ex. B");

A true and correct copy of Opposer's U.S. Trademark Registration No. 2041542 obtained from the USPTO TSDR database showing current status and USPTO Assignment Branch record ("Ex. C");

A true and correct copy of Opposer's U.S. Trademark Application with U.S. Serial No. 86426730 and file history obtained from the USPTO TSDR database showing current status and title ("Ex. D");

Applicant's Responses to Opposer's Interrogatory Nos. 3, 11, 12, and 21 ("Ex. E");

A true and accurate copy of a webpage on Applicant's website at www.toolsusa.com accessed and obtained on 30 March 2017 ("Ex. F");

A true and accurate copy of a webpage on Applicant's website at <http://toolusa.com/tzO1-91012.html> accessed and obtained on 30 March 2017 ("Ex. G");

A true and accurate copy of a webpage on Applicant's website at <http://toolusa.com/construction-safety/gloves/industrial-chemical.html> accessed and obtained on 30 March 2017 ("Ex. H");

A true and accurate copy of a webpage on Applicant's website <http://toolusa.com/catalogsearch/result/?cat=&q=sander> accessed and obtained on 30 March 2017 ("Ex. I");

A true and accurate copy of a webpage on Applicant's website at <http://toolusa.com/hand-tools/hammers.html> accessed and obtained on 30 March 2017 ("Ex. J");

⁸ The submission of the opposed application was superfluous. *See* Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b).

A true and accurate copy of a webpage on Opposer's website located at <https://www.toolsusa.com/dent-pulling-systems/> accessed and obtained on 30 March 2017 ("Ex. K");

A true and accurate copy of a webpage on Opposer's website at <https://www.toolsusa.com/gloves/> accessed and obtained on 30 March 2017 ("Ex. L");

A true and accurate copy of a webpage on Opposer's website at <https://www.toolsusa.com/air-and-electric-sanders/> accessed and obtained on 30 March 2017 ("Ex. M"); and

A true and accurate copy of a webpage on Opposer's website located at <https://www.toolsusa.com/auto-body-hammers/> accessed and obtained on 30 March 2017 ("Ex. N").⁹

2. Testimony Declaration of Michael Kestler, President of Opposer (filed March 31, 2017 at 26 TTABVUE) with the following exhibits:

A true and accurate copy of an excerpt from Opposer's TOOLS USA website accessed and obtained on March 30, 2017 displaying the "Banner Trademark" ("Ex. 1");

A true and accurate copy of a representative TOOLS USA catalog distributed the public ("Ex. 2");

Google® search engine results for the term "Tools USA" accessed and obtained on March 30, 2017 ("Ex. 3");

A true and accurate copy of an excerpt from Applicant's website at <http://toolusa.com/tz01-91012.html> offering for sale an automotive dent puller accessed and obtained on March 30, 2017 ("Ex. 4");

A true and accurate copy of an excerpt from Opposer's website at <https://www.toolsusa.com/dent-pulling-systems> offering for sale automotive dent pulling systems ("Ex. 5");

A true and accurate copy of an excerpt from Applicant's website at <http://toolusa.com/hand-tools/hammers.html> offering for sale hammers ("Ex. 6");

⁹ Opposer's submission of copies of the notice of opposition and answer in this proceeding (Exhibits O and P) with its notice of reliance was unnecessary.

A true and accurate copy of an excerpt from Opposer's website at <https://www.toolsusa.com/auto-body-hammers/> offering for sale auto body hammers ("Ex. 7");

A true and accurate copy of an excerpt from Applicant's website at <http://toolusa.com/catalogsearch/result/?cat=q=sander> offering for sanding equipment ("Ex. 8");

A true and accurate copy of an excerpt from Opposer's website at <https://www.toolsusa.com/air-and-electric-sanders> offering for sale sanding equipment ("Ex. 9");

A true and accurate copy of an excerpt from Applicant's website at <http://toolusa.com/construction-safety/gloves/industrial-chemical.html> offering for sale construction safety gloves ("Ex. 10");

A true and accurate copy of an excerpt from Opposer's website located at <https://www.toolsusa.com/gloves> offering for sale latex and vinyl gloves ("Ex. 11");

Email correspondence from Haden Edwards, a customer of Applicant, to Opposer dated August 1, 2014 comprised in part of a scanned copy of a packing slip incorrectly listing Opposer's website address alongside Applicant's physical address ("Ex. 12");

Email correspondence from Mr. Kestler to Applicant dated August 1, 2014 ("Ex. 13");

A true and accurate copy of the return packing slip dated June 15, 2015 from a product return from Jessica Harding, a customer of Applicant, addressed to Opposer ("Ex. 14"); and

A true and accurate copy of a demand letter dated October 24, 2013 from Opposer's attorney sent to an entity using the domain name toolsusaandequipment.com ("Ex. 15") and a true and accurate copy of an email showing compliance in disconnecting the websites ("Ex. 16").

B. Applicant's Evidence

1. Applicant's Notice of Reliance (filed May 1, 2017 at 27 TTABVUE) comprised of:

A true and correct copy of the record of Registration No. 2011200 printed from the USPTO Trademark Status and Document Retrieval ("TSDR") database ("Ex. A");

A true and correct copy of the record of Registration No. 2041542 printed from TSDR (“Ex. B”);

A true and correct copy of excerpts from the record of Application Serial No. 86426730 (“Exs. C and D”); and

A copy of a packing slip from Applicant (“Ex. E”).

2. Testimony Declaration of Ram Baheti, Manager of Applicant (“Baheti Dec.”) (at 27 TTABVUE 319-320).

II. Standing

Standing is a threshold issue that must be proven by the plaintiff in every inter partes case. *See Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014), *cert. denied*, 135 S. Ct. 1401 (2015). Our primary reviewing court, the U.S. Court of Appeals for the Federal Circuit, has enunciated a liberal threshold for determining standing, namely that a plaintiff must demonstrate that it possesses a “real interest” in a proceeding beyond that of a mere intermeddler, and “a reasonable basis for his belief of damage.” *Empresa Cubana Del Tabaco*, 111 USPQ2d at 1062 (citing *Ritchie v. Simpson*, 170 F.3d 1902, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999)). A “real interest” is a “direct and personal stake” in the outcome of the proceeding. *Ritchie v. Simpson*, 50 USPQ2d at 1026.

Opposer has demonstrated through the USPTO TSDR database printouts made of record with its notice of reliance that it is the owner of its pleaded registrations and that the registrations are valid and subsisting. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Ind., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). In addition, Opposer submitted evidence of Opposer’s ownership of its pleaded trademark

application and of the Office action suspending said application pending resolution of Applicant's application. *See Weatherford/Lamb Inc. v. C&J Energy Servs. Inc.*, 96 USPQ2d 1834, 1837 (TTAB 2010) (standing established where Office action suspending plaintiff's application pending possible refusal based on alleged likelihood of confusion with defendant's registration made of record). Lastly, as discussed in more detail below, Opposer, through its declaration testimony and related exhibits has established common law use of the Banner Trademark in connection with tools and online retail sales of equipment and tools. *See Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009) (common-law use sufficient to establish standing). All of the aforementioned evidence demonstrates that Opposer has a real interest in this proceeding and a reasonable belief that it would be damaged by registration of Applicant's mark. In view thereof, Opposer has established its standing.

III. Section 2(d) Claim

Opposer, as plaintiff in this proceeding, bears the burden of proof by a preponderance of the evidence. To prevail on a likelihood of confusion claim brought under Trademark Act Section 2(d), a party must first prove that it owns "a mark registered in the Patent and Trademark Office or a mark or trade name previously used in the United States . . . and not abandoned" 15 U.S.C. § 1052(d). Typically in cases such as the one before us where an Opposer has properly made its pleaded registrations of record, the Board will find that priority is not at issue with respect to the marks and goods identified therein, and proceed directly to the likelihood of

confusion analysis. *See, e.g., Mini Melts, Inc. v. Reckitt Benckiser LLC*, 118 USPQ2d 1464, 1469 (TTAB 2016) (citing *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974)). In this case, however, rather than concentrating on Opposer's registered marks, we have decided instead to focus on Opposer's pleaded common law Banner Trademark. In our view, this common law mark and the goods with which it is allegedly associated, as identified in the notice of opposition, is more likely to support a likelihood of confusion claim. In other words, if Opposer could prevail on its Section 2(d) claim on prior common law use of this mark, then consideration of Opposer's pleaded registered marks would be unnecessary. *See In re Max Capital Grp. Ltd.*, 93 USPQ2d 1243, 1245 (TTAB 2010).

A. Priority

We turn now to whether Opposer has proved prior common law use of its Banner Trademark by a preponderance of the evidence before any date upon which Applicant may rely. *See Embarcadero Techs., Inc. v. RStudio, Inc.*, 105 USPQ2d 1825, 1834 (TTAB 2013) (citing *Hydro-Dynamics Inc. v. George Putnam & Co. Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987)). Applicant failed to present any evidence at trial to establish its alleged February 2, 2007 date of first use of its applied-for mark. *See* Trademark Rule 2.122(b)(2); 37 C.F.R. § 2.122(b)(2) ("The allegation in an application for registration, or in a registration, of a date of use is not evidence on behalf of the applicant or registrant; a date of use of a mark must be established by competent evidence."). However, it may rely on its August 26, 2014 filing date as its constructive use date. *See Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 36

USPQ2d 1328, 1332 (TTAB 1994) (an application filing date for a use-based application can establish constructive use of a mark). Therefore, Opposer must demonstrate ownership and use of its pleaded common law Banner Trademark prior to this date. *See Giersch v. Scripps*, 90 USPQ2d at 1023. *See also Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981).

Opposer has alleged prior common law use of its Banner Trademark on its online website in connection with the following goods: “air compressors power tools, hand tools, paint booths and other products, including but not limited to hammers, drills, drill bits, sanding tools, sanding accessories, painting booths, painting accessories and the like.” According to the declaration testimony of Michael Kestler, Opposer’s President, Opposer “is the owner of common law rights embodied in the TOOLS USA mark and design as demonstrated by the banner located at www.toolsusa.com (the ‘Banner Trademark’); Opposer “has been using the Banner Trademark since at least the end of 1999”; Opposer “has continuously and without interruption used the Banner Trademark for over seventeen (17) years dating back to 1999”; and “its continual and uninterrupted use of the Banner Trademark has been exclusive.” Kestler Dec. ¶¶ 10, 16-18; 26 TTABVUE 4-5. In connection therewith, Mr. Kestler submitted an authenticated printout from Opposer’s website depicting the Banner Trademark. *Id.* at Ex. 1. In addition, he submitted with his declaration authenticated printouts from Opposer’s website offering for sale under the Banner Trademark automotive dent pulling systems (Kestler Dec. ¶ 33, Ex. 5); auto body hammers (Kestler Dec. ¶ 36, Ex. 7); sanding equipment (Kestler Dec. ¶ 39, Ex. 9); and latex and

vinyl gloves (Kestler Dec. ¶ 42, Ex. 11). 26 TTABVUE 8-9, 22-23, 27, 31, and 35. We find that Opposer, through its testimony and documentary evidence, has established prior proprietary rights in the Banner Trademark in connection with the above mentioned goods sold via its www.toolsusa.com website well before Applicant's constructive date of first use. With the exception of the "latex and vinyl gloves," we deem the remaining products to be within the scope of the goods as to which Opposer pleaded earlier use of its mark. As such, Opposer is entitled to rely on automotive dent pulling systems, auto body hammers, and sanding equipment as within the scope of properly pleaded goods for purposes of priority.

B. Likelihood of Confusion

Having established priority, we are left with the issue of likelihood of confusion. We base our determination under Section 2(d) on an analysis of all of the probative evidence of record bearing on a likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973) ("*du Pont*"). *See also, In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). "Not all of the *DuPont* factors are relevant to every case, and only factors of significance to the particular mark need be considered." *In re Mighty Leaf Tea*, 601 F.3d 1342, 94 USPQ2d 1257, 1259 (Fed. Cir. 2010). For example, the Board can "focus ... on dispositive factors, such as similarity of the marks and relatedness of the goods." *Herbko Int'l, Inc. v. Kappa Books, Inc.*, 64 USPQ2d at 1380 (quoting *Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 57 USPQ2d 1557, 1559 (Fed. Cir. 2001). These factors, and the other relevant *du Pont* factors are discussed below.

The Goods; Channels of Trade

We commence with a comparison of the goods and similarity or dissimilarity of established, likely to continue trade channels. Although Opposer's common law rights in its Banner Trademark are limited to the actual goods and channels of trade for which it uses its mark, we must consider Applicant's goods to encompass all the goods as they are recited in the application. *Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1162 (Fed. Cir. 2014) (citing *Octocom Sys., Inc., v. Hous. Computss Servs., Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990)).

In the context of likelihood of confusion, it is sufficient if likelihood of confusion is found with respect to use of the mark on any item that comes within the description of goods in the application. *Hunter Indus., Inc. v. Toro Co.*, 110 USPQ2d 1651, 1661 (TTAB 2014) (citing *Tuxedo Monopoly, Inc. v. Gen. Mills Fun Grp.*, 648 F.2d 1335, 209 USPQ 986, 988 (CCPA 1981) and *Apple Comput. v. TVNET.Net, Inc.*, 90 USPQ2d 1393, 1398 (TTAB 2007)). As noted above, Applicant seeks to register its mark for "manually operated hand tools, namely, hammers, . . . sanding wire wool, [and] drill accessories, namely, bits for hand drills" in International Class 8. Because Applicant's "manually operated hand tools, namely, hammers" are unrestricted as to type, we must assume that they encompass all types of manually operated hammers, including Opposer's "auto body hammers." See *In re Hughes Furniture Indus., Inc.*, 114 USPQ2d 1134, 1137 (TTAB 2015) ("Applicant's broadly worded identification of 'furniture' necessarily encompasses Registrant's narrowly identified 'residential and

commercial furniture.”). Accordingly, we find that the goods are identical in part. *See In re Fat Boys Water Sports*, 118 USPQ2d 1511, 1518 (TTAB 2016). This *du Pont* factor weighs in favor of finding a likelihood of confusion.

With regard to the similarity or dissimilarity of established, likely to continue trade channels, we note that there are no limitations as to channels of trade or classes of purchasers in the identification of goods in Applicant’s application. It therefore is presumed that all of Applicant’s goods, including Applicant’s manually operated hammers move in all channels of trade normal for those goods, and that they are available to all classes of purchasers for those goods, namely the general public. *See Canadian Imperial Bank of Commerce v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813, 1815 (Fed. Cir. 1987); *Toys “R” Us, Inc. v. Lamps R Us*, 219 USPQ 340, 343 (TTAB 1983). This is consistent with the record which shows that Applicant sells its products online through its own direct-to-consumer website www.toolusa.com and various other online retailers offering the goods of third parties such as Amazon, eBay and Sears. Opposer’s Notice of Reliance, Ex. E (Applicant’s Response to Interrogatory No. 11); 25 TTABVUE 90. Opposer offers its “auto body hammers” via its own direct-to-consumer website and catalogs which, in addition to offering for sale Opposer’s own branded products, also offer for sale products manufactured by unrelated entities. Opposer also testified that it does not exclusively target its advertising to the automotive, body shop and painting industries but rather towards “all consumers.” Kestler Dec. ¶ 48; 26 TTABVUE 9. As such, this *du Pont* factor also favors a finding of likelihood of confusion.

The Marks; Strength of Opposer's Mark

Keeping in mind that where the goods are in part identical, the degree of similarity between the marks necessary to support a determination that confusion is likely declines, *see Bridgestone Ams. Tire Operations, LLC v. Fed. Corp.*, 673 F.3d 1330, 102 USPQ2d 1061, 1064 (Fed. Cir. 2012), we now consider the first *du Pont* likelihood of confusion factor, which involves an analysis of “the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.” *Palm Bay Imps. Inc. v. Veuve Cliquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1691 (Fed. Cir. 2005) (quoting *du Pont*, 177 USPQ at 567). “The proper test is not a side-by-side comparison of the marks, but instead ‘whether the marks are sufficiently similar in terms of their commercial impression’ such that persons who encounter the marks would be likely to assume a connection between the parties.” *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1721 (Fed. Cir. 2012) (internal citation omitted). The focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. *In re Binion*, 93 USPQ2d 1531, 1534 (TTAB 2009); *Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106, 108 (TTAB 1975). Our analysis cannot be predicated on dissection of the involved marks. *Stone Lion*, 110 USPQ2d at 1161. Rather, we are obliged to consider the marks in their entireties. *Id. See also Franklin Mint Corp. v. Master Mfg. Co.*, 667 F.2d 1005, 212 USPQ 233, 234 (CCPA 1981) (“It is axiomatic that a mark should not be dissected

and considered piecemeal; rather, it must be considered as a whole in determining likelihood of confusion.”).

Turning now to our comparison of Opposer’s common law mark and Applicant’s applied-for mark, shown below, respectively,



we observe that the literal portions TOOLS USA versus TOOL USA.COM are highly similar, inasmuch as Applicant’s mark represents the domain name version of Opposer’s mark in singular form. *Cf. In re Pix of Am., Inc.*, 225 USPQ 691, 692 (TTAB 1985) (in comparing NEWPORTS versus NEWPORT, “the pluralization of applicant’s mark . . . is almost totally insignificant in terms of the likelihood of confusion of purchasers”). Consumers are likely to overlook the slight difference in sound and appearance between TOOLS USA and TOOL USA.COM. The red, white and blue stars and waving stripes motifs depicted in both marks are similar in appearance and meaning, inasmuch as both are reminiscent of the U.S. flag, and both reinforce the geographic significance of the term USA and add a patriotic impression. Although the stars and stripes are displayed in different patterns, the overall connotation and commercial impression are the same – the promotion of tools manufactured and sold in the United States.

Applicant questions the conceptual or inherent strength of the literal portion TOOLS USA in Opposer's mark. *See Am. Lebanese Syrian Assoc. Charities Inc. v. Child Health Research Inst.*, 101 USPQ2d 1022, 1028 (TTAB 2011) (citing *Tea Board of India v. Republic of Tea Inc.*, 80 USPQ2d 1881, 1899 (TTAB 2006) ("In determining the strength of a mark, we consider both its inherent strength based on the nature of the mark itself and its commercial strength, based on the marketplace recognition value of the mark."); *Top Tobacco, L.P. v. N. Atlantic Operating Co., Inc.*, 101 USPQ2d 1163, 1171-72 (TTAB 2011). We assess the inherent strength of a mark in terms of where it falls on the "spectrum of distinctiveness," *UMG Recordings Inc. v. Mattel Inc.*, 100 USPQ2d 1868, 1882-83 (TTAB 2011), and the commercial strength of a mark in terms of its exposure to the public.

The TOOLS USA portion of Opposer's Banner Trademark is geographically descriptive, making the term conceptually and inherently weak. However, this weakness is mitigated by the fact that it is surrounded by an inherently distinctive stars and stripes design element. In addition, the word order of TOOLS USA is not entirely natural, such that the term is less clearly descriptive than would be the term "USA tools." Furthermore, the record shows some degree of secondary meaning and commercial strength in this geographically descriptive component as evidenced by Opposer's continuous and substantially exclusive use of its Banner Trademark for almost twenty years; over \$100,000,000 in combined sales revenue since 2002 from the TOOLS USA branded mail-order catalogs and the TOOLS USA website (Kestler Dec. ¶ 26; 26 TTABVue 6); and \$2,400,000 in advertising expenditures related solely

to the TOOLS USA website since 2003 in the areas of search engine optimization (SEO) and keyword services, lead generation services, and targeted email marketing campaigns. *Id.* at ¶¶ 20, 23, 24 and Ex. 3; 26 TTABVUE 5-6, 19. As a result, Opposer’s website displaying its Banner Trademark has a priority position when searched on the Google® search engine. *Id.* at ¶ 24, Ex. 3; 26 TTABVUE 5-6, 19. Consumer recognition of the “TOOLS USA” portion of Opposer’s Banner Trademark as carrying secondary meaning is also reflected in the evidence of actual consumer confusion discussed in more detail below. *See Tools USA and Equip. Co. v. Champ Frame Straightening Equip. Inc.*, 87 F.3d 654, 39 USPQ2d 1355, 1360 (4th Cir. 1996) (“Evidence offered as to actual customer confusion, although also probative of likelihood of confusion, certainly tends to show [secondary meaning].”). *See also* J. Thomas McCarthy, 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 15:11 (5th ed.) (“If there is reliable evidence of actual customer confusion, then it follows logically that there must also be some secondary meaning in the senior user’s designation. If people were not aware of the trademark significance of the senior mark, how could they be confused as to source or affiliation? Thus, evidence of actual confusion is also evidence of secondary meaning and trademark significance.”), and § 15:37 (“Evidence of actual confusion is strong evidence of secondary meaning.”). Given the evidence of consumer recognition of the geographically descriptive component “TOOLS USA” in Opposer’s Banner Trademark, we accord the geographically descriptive portion of that mark more weight than we otherwise typically would.

Taken in their entirety, we find that Opposer's and Applicant's marks are similar in sight, sound, connotation and commercial impression. This first *du Pont* factor weighs in favor of finding a likelihood of confusion.

Actual Confusion

Finally, we direct our attention to the nature and extent of any actual confusion. If proven, evidence of actual confusion is entitled to great weight. *In re Majestic Distilling Co.*, 65 USPQ2d at 1205 ("A showing of actual confusion would of course be highly probative, if not conclusive, of a high likelihood of confusion.").

Mr. Kestler testified that since 2014, Applicant's constructive use date, it "has received multiple inquiries from customers who have demonstrated actual confusion with respect to Standard Tools' website at www.toolsusa.com and Applicant's website at www.toolusa.com as well as the Standard Tools trademarks, specifically the TOOLS USA marks."¹⁰ More specifically, Mr. Kestler recounted three instances of actual confusion:

- (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. Kestler Dec. ¶ 51 and Ex. 12; 26 TTABVUE 9, 36-39.

¹⁰ Opposer's trial evidence of actual consumer confusion is admissible. As previously explained in the Board's November 22, 2016 interlocutory order, Applicant's objections to the packing slips and a customer complaint were overruled. The packaging slips were properly authenticated and introduced into evidence at trial by the declaration of Mr. Kestler. In addition, customer communications are recognized as an exception to the hearsay rule (Fed. R. Evid. 802) under Fed. R. Evid. 803(3). *See Nat'l Rural Electric Coop. Ass'n v. Suzlon Wind Energy Corp.*, 78 USPQ2d 1881, 1887 n.4 (TTAB 2006).

- (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 on Amazon.com. The shipping label prepared by the customer erroneously listed Opposer's physical address instead of Applicant's. Kestler Dec. ¶ 53 and Ex. 14; 26 TTABVUE 10, 43-45.
- (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. Kestler Dec. ¶ 50; 26 TTABVUE 9-10.

With regard to the first instance, Ram Baheti, Manager of Applicant, stated that the actual confusion was "due to Applicant's printing mistake." Baheti Dec. ¶ 7; 27 TTABVUE 320. As to the second instance, Mr. Baheti acknowledged actual confusion, but explained this was due to "consumer mistake." *Id.*

Applicant argues that, even assuming each of these instances constitute actual confusion, there is nothing in the record to show that this is more than a negligible portion of the market. Applicant's argument is not persuasive. "The best evidence of likelihood of confusion is provided by evidence of actual confusion." *Exxon Corp. v. Texas Motor Exchange of Hous., Inc.*, 628 F.2d 500, 208 USPQ 384, 389 (5th Cir. 1980). We find that this factor weighs in favor of finding a likelihood of confusion.

Balancing the *du Pont* Factors

In conclusion, we observe that the involved goods are essentially identical in part and sold in overlapping trade channels to the same consumers. When considered in their entirety, Opposer's common law Banner Trademark and Applicant's applied-for mark are similar in appearance, sound, meaning and commercial impression, and the record shows specific instances of actual consumer confusion. "The existence of

actual confusion is normally very persuasive evidence of likelihood of confusion and undercuts any possible claim that the marks are so dissimilar that there can be no likelihood of confusion.” *Edom Labs. Inc. v. Lichter*, 102 USPQ2d 1546, 1553 (TTAB 2012) (citing *Thompson v. Haynes*, 305 F.3d 1369, 64 USPQ2d 1650 (Fed. Cir. 2002)). The remaining *du Pont* factors are deemed neutral.

Accordingly, we find that Opposer has proved its Section 2(d) claim by a preponderance of the evidence.

Decision: The opposition is sustained on Opposer’s Section 2(d) claim.