

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO 3 158
635 FOR THE TRADE MARK "US SNAP MAC LIMITED" IN
THE NAME OF US SNAP MAC LIMITED

AND

THE OPPOSITION THERETO BY STANLEY BLACK AND
DECKER INC

Background and pleadings

1. US SNAP MAC LIMITED (the applicant) applied to register the trade mark under No 3 158 635, US SNAP MAC LIMITED in the UK on 8th April 2016. It was accepted and published in the Trade Marks Journal on 29th April 2016 in respect of the following goods:

Class 07:

Welding equipment, compressors, socket sets, spanner sets, drill bits, punches & chisels.

2. Stanley Black & Decker Inc (the opponent) opposes the trade mark on the basis of, amongst other grounds, Section 5(3) of the Trade Marks Act 1994 (the Act). This is on the basis of its earlier UK trade marks (displayed below), which it claims all enjoy a reputation. In particular the opponent argues that (the applicant) will benefit from (the opponent's) investment in advertising, leading to advantage. Further that the applicant will ride on its coat tails and will benefit from the power of attraction, reputation and prestige of the earlier marks. Thus it will take unfair advantage of the earlier trade marks.

3. The following trade marks are relied upon:

- a) UK Trade Mark No 1 183 569 MAC, registered in respect of "electric pneumatic and hydraulic power tools; engine cleaning machines; pulleys included in Class 7; parts and fittings included in Class 7 for all the aforesaid goods; but not including valves, chain-saws, earth augers, brushwood and grass cutters, hedge cutters, all being machines, lawnmowers, agricultural machines, or any goods of the same description as any of these excluded goods" in Class 07.

- b) UK Trade Mark No 1 183 570 MAC registered in respect of “Hand tools and hand instruments included in Class 8; parts and fittings included in Class 8 for all the aforesaid goods” in Class 08.



- c) UK Trade Mark No 1 411 651: registered in respect of “Electric power tools, pneumatic power tools, hydraulic power tools; engine cleaning machines, pulleys, oilers and grease guns; polishers, grinders, sanders, die grinders, drills and drill bits; ratchets, wrenches, hammers, all being pneumatically powered; pneumatic tools and apparatus for use therewith; jacks, jack stands, body straighteners; automotive shop apparatus; welding apparatus; parts and fittings for all the aforesaid goods; all included in Class 7.



- d) UK Trade Mark No 1 411 652: registered in respect of “hand tools and instruments; wire brushes, knives, files; parts and fittings for all the aforesaid goods; all included in Class 8”.

4. The applicant filed a counterstatement denying the claims made.

Legislation

5. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

Opponent's evidence

6. This is a witness statement, dated 23rd November 2016, from Mr Mark Smiley, the General Manager for the opponent in the UK, a position held since December 2012. The following pertinent points are contained therein:

- MAC TOOLS was first established in the USA in 1938. Its vision was to manufacture the finest tools in the world;
- In the UK, the business operates under a franchising arrangement with a mobile franchisee network supplying power tools, hand tools, storage solutions and related products and services direct to the Industrial and Automotive Repair (IAR) sector.
- The IAR sector includes automotive garages (including main dealers and individual workshops) and automotive race teams, military bases in the UK and some industrial sites.
- The first UK franchisee was established in 1990 and in 2015, MAC TOOLS celebrated its 25th anniversary in the UK.
- The MAC trade marks are used in respect of 18,000 professional tools including screwdrivers, ratchets, spanners, assorted air tools and toolboxes as well as welding equipment and compressors. Exhibit MRS2 is an extract from a 2014 MAC TOOLS product catalogue. Exhibit MRS3 is an extract from the 2016 catalogue. It is noted that the opponent markets its products as innovative and being of superior quality.
- In respect of the franchise network, Mr Smiley explains that each franchisee receives a MAC TOOLS branded van, stocked with tools and other products;

- Franchisees have responsibility for a specific territory in the UK in which there is a minimum of 450 customers.
- The network has grown considerably since 1990 and now covers a substantial portion of the UK. There are currently 158 franchisees operating in separate regions in the UK. Exhibit MSR4 is a list of the current UK franchisees. It is noted that it has a significant geographical spread.
- Sales information is provided at Exhibit MSR6. This is subject to a confidentiality order, but it is noted that these are impressive and increasing year on year (2013 onwards are included). These figures are further supported by invoices exhibited at MRS7;
- In respect of market share, Mr Smiley explains that according to the opponent's internal records, it enjoys a 15% share of the relevant market in the IAR sector.
- Numerous examples of promotional materials and activities are included in the evidence (MRS8 to MRS11). These include flyers, magazines, workshop promotional materials and awards weekends. These are, according to Mr Smiley, sent to all franchisees. The selection in evidence are dated from 2014-2016.
- The opponent sponsors a number of high profile sporting events. Details are provided in Exhibit MRS12 and include the Tech3 MotoGP racing team for the 2015 and 2016 seasons, official partner of Adam Morgan, driver for the WIX Racing Mercedes team in the British Touring Championship for the last three years, sponsorship of the PMB British Superbikes team for the last three years, sponsor of the Renault Sport UK Clio Cup for the last twelve months, official partner of Mission Motorsport for the last twelve months. There are a number of other examples which will not be summarised here but have been taken into account. Further, the information regarding the positioning of the opponent's earlier trade marks as part of these sponsorship activities has been noted, as well as the details provided in regards of the wide TV coverage of the aforementioned events.
- Mr Smiley ends his witness statement by stating that the overall marketing spend of the opponent in 2015 was around £800,000.

7. In considering the provisions of Section 5(3) of the Act, I take into account the relevant case law. This can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.


(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

8. The opponent has provided a host of important information to this Tribunal. It has clearly been operating under the earlier trade marks for a significant length of time, its franchisee network is highly successful with a UK wide geographical spread. It spends notable amounts on marketing and enjoys a 15% market share. It is clear from the evidence filed that the opponent enjoys a convincing reputation, at least in respect of hand held tools (Class 08) and automotive tools and accessories (Class 07).

The link

9. The relevant trade marks are shown below:

<p>MAC</p>  <p>The logo for MAC TOOLS features the word 'MAC' in a large, bold, black, stylized font with a jagged, blocky appearance. Below it, the word 'TOOLS' is written in a smaller, bold, black, sans-serif font.</p>	<p>US SNAP MAC LIMITED</p>
<p>Earlier trade marks</p>	<p>Contested trade mark</p>

10. In assessing whether or not a link will be established, I bear in mind the following guidance:

In Case C-408/01, *Addidas-Salomon*, the CJEU held that:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

11. In *Calvin Klein Trademark Trust v OHIM*, Case C-254/09P, the CJEU rejected an appeal against a judgment of the General Court rejecting an opposition against an application for what was then a Community trade mark (now a European Union trade mark) under what is now article 8(5) of the European Union Trade Mark Regulation, which is analogous to s.5(3) of the Act. The court held that:

“68. It should be noted that, in order for Article 8(5) of Regulation No 40/94 to be applicable, the marks at issue must be identical or similar. Consequently, that provision is manifestly inapplicable where, as in the present case, the General Court ruled out any similarity between the marks at issue.”

12. I also take into account the following:

In *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the Court of Justice of the European Union stated (at paragraph 72 of its judgment) that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited).”

13. Upon observation of the respective trade marks, it is considered that the element “MAC” is highly unusual. It is clearly visible in all of the marks (indeed, it is the only element in respect of two of the earlier trade marks). The later trade does not flow particularly well, it is awkward and appears to be a number of different elements thrown together in no particular order. Its haphazard nature means that the unusual element MAC is (even more) clearly noticeable. The respective marks therefore do share a degree of similarity.

14. As regards the respective goods, it is noted that the attacked trade mark covers goods in class 07. According to the evidence, the opponent clearly has a notable reputation in respect of tools, many of which will be identical and/or

similar to those of the later trade mark. Examples include (but are not limited to, spanner sets and welding equipment).

15. Bearing in mind therefore, the extent of the opponent's reputation in its earlier trade marks, the similarity between the marks and that between the goods, it is considered likely that the relevant public will establish a link between them.

Damage

16. The opponent's argument is two-fold. Firstly, that the addition of MAC in the later trade mark will take unfair advantage. Secondly, that the colour schemes used by the later trade mark reinforces the advantage taken. This is based upon evidence filed by the applicant as part of its counterstatement and will be described further below.

17. The nature of the advantage is explained by the CJEU in Case C-487/07, *L'Oreal v Bellure*:

“The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks to use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of the mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image.”

18. The evidence filed by the applicant shows how it is using its applied for trade mark. It is noted that particular colours are used: black and yellow (as a combination) and red and white (as another combination). The opponent argues that black and yellow are the corporate colours of its company, as shown, for example, in exhibit MRS3. Further, that red and white are the brand colours of MAC (also exhibit MRS3).

19. It has already been noted that MAC is unusual and further that it is included in full as an element in the later trade mark. A mark which is itself oddly structured and awkward. The parties operate in the same sector of the marketplace for which the opponent enjoys a significant reputation; for the applicant to be unaware of the opponent seems to be entirely unrealistic. This notion is reinforced by the inclusion of MAC in the later trade mark, which cannot reasonably be a coincidence. Finally, the choice of colours utilised by the later trade mark when used bear a striking resemblance to those commonly associated with the earlier trade marks and/or the opponent. Bearing in mind all of the aforesaid, it is considered reasonable to infer that the aim is to capitalise on the opponent's reputation for innovation and high quality in order to promote its own goods as being endowed with the same attributes. This is clearly using the extensive efforts of the opponent's in marketing and development of MAC to its own advantage. It is concluded that the ground of opposition based upon Section 5(3) succeeds because the applicant's use of US SNAP MAC LIMITED would take unfair advantage of the earlier MAC trade marks.

20. The opposition therefore succeeds in its entirety.

Final Remarks

21. It is noted that the opposition was based upon additional grounds, namely Section 5(2)(b) and Section 5(4)(a). The basis of these grounds have been scrutinized. However, they do not materially improve the opponent's position and in the light of its success under Section 5(3), will not be considered further.

COSTS

22. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £1900 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Notice of opposition and accompanying statement (and official fee) - £500

Considering statement of case in reply - £200

Preparing and filing evidence - £700

Preparation for and attendance at Hearing - £500

TOTAL - £1900

23. I therefore order US Snap Mac Limited to pay Stanley Black & Decker Inc the sum of £1900. The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 2nd day of August 2017

Louise White

**For the Registrar,
The Comptroller-General**