

*In the Matter of*

**CERTAIN AIR  
-IMPACT WRENCHES**

**Investigation No. 337—TA-311  
(Commission Decision of  
June 1-8 1991)**

**USITC PUBLICATION 2419**

**AUGUST 1991**

**United States International Trade Commission  
Washington, DC -20436**



**UNITED STATES INTERNATIONAL TRADE COMMISSION**

**COMMISSIONERS**

**Anne E. Brunsdale, Acting Chairman**

**Seeley G. Lodwick**

**David B. Rohr**

**Don E. Newquist**

**Address all communications to  
Kenneth R. Mason, Secretary to the Commission  
United States International Trade Commission  
Washington, DC 20436**

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C. 20436

In the Matter of  
CERTAIN AIR IMPACT WRENCHES )

Inv. No. 337-TA-311

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NOTICE OF COMMISSION DECISION NOT TO REVIEW  
AN INITIAL DETERMINATION OF NO VIOLATION OF SECTION 337 OF  
THE TARIFF ACT OF 1930; TERMINATION OF INVESTIGATION

AGENCY: U.S. International Trade Commission

ACTION: Notice

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined not to review an initial determination (ID) issued by the presiding administrative law judge (ALJ) finding no violation of section 337 in the above-captioned investigation, thereby terminating the investigation.

FOR FURTHER INFORMATION CONTACT: Scott Andersen, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington D.C. 20436, telephone 202-252-1099. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-252-1810.

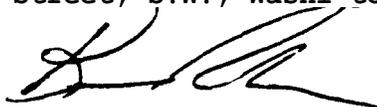
SUPPLEMENTARY INFORMATION: The authority for the Commission's action is contained in 19 U.S.C. § 1337 and 19 C.F.R. §210.53.

On May 7, 1991, the presiding ALJ issued an ID finding that there is no violation of section 337 in the investigation. On May 16, 1991, a petition for review of the ID was filed by complainant Ingersoll-Rand Company. On May 23, 1991, respondents Astro Pneumatic Tool Co. and Kuan-I Gear Co. and the Commission investigative attorney filed oppositions to the petition for review. No government agency comments were received.

On June 18, 1991, the Commission determined not to review the ID. By virtue of the Commission's decision not to review the ID, the ID has become the final Commission determination in this investigation. 19 C.F.R. § 210.53(h).

Copies of the ID and all other nonconfidential documents filed in connection with this investigation are available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington D.C. 20436, telephone 202-252-1000.

By order of the Commission.



Kenneth R. Mason  
Secretary

Issued: June 18, 1991



**CERTIFICATE OF SERVICE**

I, Kenneth R. Mason, hereby certify that the attached CORRECTED NOTICE OF COMMISSION DECISION NOT TO REVIEW AN INITIAL DETERMINATION OF NO VIOLATION OF SECTION 337 OF THE TARIFF ACT OF 1930; TERMINATION OF INVESTIGATION was served upon George Summerfield, Esq. and the following parties via first class mail, and air mail where necessary on June 8, 1991.



Ken th R. Mason, Secretary  
U. S. International Trade Commission  
500 E Street, S.W.  
Washington, D.C. 20436

For Complainant: **INGERSOLL-RAND COMPANY**

William L. Dickey, Esq.  
John M. Peterson, Esq.  
Martin J. Neville, Esq.  
DICKEY, NEVILLE, PETERSON & WILLIAMS  
2300 N. Street, N.W.  
Suite 600  
Washington, D.C. 20037

For Respondents: **Astro Pneumatic Tool Co. and Kuan-1 Gear Corporation**

Louis S. Mastirani, Esq.  
Tom S. Schaumberg, Esq.  
Larry L. Shatzer, II, Esq.  
Charles F. Schill, Esq.  
ADDUCI, MASTRIANI, MEEKS  
& SCHILL  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036

GOVERNMENT AGENCIES:

Mr. Charles S. Stark  
Antitrust Div./U.S. Dept of Justice  
Room 3264, Main Justice  
Pennsylvania Avenue & Tenth Street, N.W.  
Washington, D.C. 20530

Don Woodstock, Esq.  
Assistant Director for  
International Antitrust  
Federal Trade Commission  
Room 355  
Pennsylvania Ave., at 6th Street, N.W.  
Washington, D.C. 20580

Sandra H. Shapiro  
Associate General Counsel  
Department of Health & Human Svcs.  
Room 5362, Cohen Building  
330 Independence Avenue, S.W.  
Washington, D.C. 20201

Michael T. Schmitz  
Chief Counsel  
U.S. Customs Service  
1301 Constitution Avenue, N.W.  
Washington, D.C. 20229

---

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

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In the Matter Of

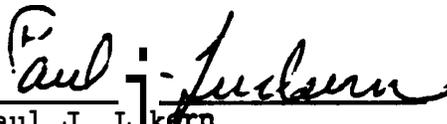
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CERTAIN AIR IMPACT WRENCHES )

Ina ion NO.' 337-TA-311

Notice To The Parties

With respect to the public version of the initial determination dated May 29, 1991, the attached page titled "APPEARANCES" and pages (i), (ii) and (iii) should be substituted for the page titled "APPEARANCES" and pages (i) and (ii) of said public version dated May 29.

  
Paul J. Likern  
Administrative Law Judge

Issued: May 30, 1991

U  
S  
I  
T  
C  
P  
E  
C

APPEARANCES

FOR COMPLAINANT INGERSOLL-RAND COMPANY

William L. Dickey, Esq.  
Martin J. Neville, Esq.  
John M. Peterson, Esq.  
DICKEY, NEVILLE, PETERSON & WILLIAMS  
1555 Connecticut Ave., N.W.  
Anchorage Building, Suite #308  
Washington, D.C. 20036

FOR RESPONDENTS ASTRO PNEUMATIC TOOL CO. & KUAN-1 GEAR CORPORATION:

Louis S. Mastriani  
Tom M. Schaumberg  
Larry L. Shatzer, II  
Charles F. Schill, Esq.  
ADDUCI, MASTRIANI, MEEKS & SCHILL  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036

THE STAFF

James M. Gould, Esq.

---

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## ABBREVIATIONS

Ad	Proposed Findings Admitted by Remaining Parties
"CPF	Complainant's Proposed Finding
CPost	Posthearing Brief of Complainant
CPostR	Posthearing Reply Brief of Complainant
CPostRe	Rebuttal Findings of Fact of Complainant
CPreH	Complainant's Prehearing Statement
CPX	Complainant's Physical Exhibit
CRF	Complainant's Proposed Rebuttal Finding
CX	Complainant's Documentary Exhibit
FF	Findings of Fact
ID	Initial Determination
RD	Recommended Determination
RPF	Respondents' Proposed Finding
RPost	Posthearing Reply Brief of Respondents
RPX	Respondents' Physical Exhibit
SPF	Staff's Proposed Finding
SPost	Posthearing Brief of Staff
SPostO	Staff Objections to Complainant's Proposed Findings
SPostR	Posthearing Reply Brief of Staff
SX	Staff Documentary Exhibit
Tr	Transcript of a proceeding in this investigation



CERTIFICATE OF SERVICE

I, Kenneth R. Mason, hereby certify that the attached Notice was served upon James M. Gould, Esq. and upon the following parties via first class mail, and air mail where necessary, on May 30, 1991.



—  
Kenneth R. Mason, Secretary  
- U.S. International Trade Commission  
500 E Street, S.W.  
Washington, D.C. 20436

FOR COMPLAINANT INGEROLL-RAND COMPANY

William L. Dickey, Esq.  
Martin J. Neville, Esq.  
John M. Peterson, Esq.  
DICKEY, NEVILLE, PETERSON & WILLIAMS  
2300 N. Street, N.W., Suite #600  
Washington, D.C. 20037

FOR RESPONDENTS ASTRO PNEUMATIC TOOL CO. & KUAN -1 GEAR CORPORATION:

Louis S. Mastriani  
Tom M. Schaumberg  
Larry L. Shatzer, II  
ADDUCI, MASTRIANI, MEEKS & SCHILL  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036

PUBLIC MAILING LIST

Jeff Jaksa  
Mead Data Central (LEXIS)  
214 Massachusetts Ave., NE  
Suite 430  
Washington, D.C. 20002

Robert S. Lundquist  
Inventory Control, Floor 6E  
West Publishing Company  
50 West Kellogg Boulevard  
P. O. Box 64526  
St. Paul, Minnesota 55164-0526

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GOVERNMENT AGENCIES:

Mr. Charles S. Stark  
Antitrust Div./U.S. Dept of Justice  
Room 3264, Main Justice  
Pennsylvania Avenue & Tenth Street, N.W.  
Washington, D.C. 20530

Don Woodstock, Esq.  
Assistant Director for  
International Antitrust  
Federal Trade Commission  
Room 355  
Pennsylvania Ave., at 6th Street, N.W.  
Washington, D.C. 20580

Liandra H. Shapiro  
Associate General Counsel  
Department of Health & Human Svcs.  
Room 5362, Cohen Building  
330 Independence Avenue, S.W.  
Washington, D.C. 20201

Michael T. Schmitz  
Chief Counsel  
U.S. Customs Service  
301 Constitution Avenue, N.W.  
Washington, D.C. 20229



PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

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In the Matter Of

CERTAIN AIR IMPACT WRENCHES )

Investigation No. 337-TA-311

Initial Determination

Paul J. Luckern, Administrative Law Judge

Pursuant to the Notice of Investigation in this matter (55 Fed. Reg. No. 86 at 18682-83 (May 3, 1990)), this is the administrative law judge's initial determination, under Commission Rule 210.53 (19 C.F.R. § 210.53). The administrative law judge hereby determines, after a review of the record developed, that there is no violation of section 337 (a) (1) (A) of the Tariff Act of 1930, as amended (19 U.S.C. §1337) (section 337), in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain air impact wrenches.

U.S. DEPARTMENT OF COMMERCE  
INTERNATIONAL TRADE COMMISSION  
RECEIVED  
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APPEARANCES

For Complainant Cascade Designs, Inc.:

John D. Nies, Esq.  
David A. Tamburro, Esq.  
NIES, WEBNER, KURZ & BERGERT  
Suite 706  
2121 Crystal Drive  
Arlington, Virginia 22202

For Respondents Goodway Corporation and Gymwell Corporation:

Don B. Finkelstein, Esq.  
LADAS & PARRY  
3600 Wilshire Boulevard - -  
Los Angeles, California 90010-2634

V. James Adduci, II, Esq.  
Cathy S. Neuren, Esq.  
Charles F. Schill, Esq.  
Anri Suzuki, Esq.  
Larry L. Shatzer, II, Esq.  
Elizabeth R. P. Bowen, Esq.  
ADDUCI, MASTRIANI, MEEKS & SHILL  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036

For Staff:

Deborah Kline, Esq.

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## ABBREVIATIONS

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RPF	Respondents' Proposed Finding
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RX	Respondents' Documentary Exhibit
SPF	Staff's Proposed Finding
SPost	Posthearing Brief Of Staff
SPostR	Posthearing Reply Brief Of Staff
SX	Staff Documentary Exhibit

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## PROCEDURAL HISTORY

Pursuant to a complaint, under section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), filed by Ingersoll Rand Company (Ingersoll Rand) of New Jersey on March 26, 1990, as amended on April 12 and 20, the Commission, on April 23, 1990, instituted a section 337 investigation concerning the importation of certain air impact wrenches. A Notice of Investigation was published in the Federal Register on May 3, 1990 (55 Fed. Reg. No. 86 at 18682-83). The notice named as respondents Astro Pneumatic Tool Company of Los Angeles, Calif. (Astro) and Kuan-1 Gear Corporation of Taiwan (Kuan) (respondents).

On October 1, 1990, respondents moved to have the investigation designated more complicated. On October 3, an initial determination of the administrative law judge granted the motion to the extent that the date for submission of the record to the Commission was extended from February 4 to May 6, 1991. The Commission determined not to review that initial determination and extended the date for the Commission decision to August 5.

On December 26, 1990, Ingersoll Rand moved to amend the complaint. An initial determination granting that motion issued on January 15, 1991. The Commission on February 6 determined not to review that initial determination.

On January 7, 1991, respondents filed a motion to withdraw certain affirmative defenses asserted in their responses to the complaint. The motion was not opposed. On January 16, the administrative law judge granted that motion.

On January 25, 1991, the administrative law judge issued an initial determination (Order No. 17) granting with prejudice a joint motion of complainant and respondents to terminate with respect to the allegations of

false marking contained in the complaint. On March 12, the Commission issued a notice "Not To Review An Initial Determination Terminating Investigation As To Allegations Of False Marking".

The prehearing conference in this investigation was held on February 1, 1991, and the hearing was held from February 4 through February 8 with all parties participating. Post hearing submissions have been submitted by complainant, respondents and the staff which were all of the parties in the investigation. Closing arguments were held on March 15.

Respondents, in their post hearing submissions, have renewed a motion to strike complainant's survey evidence and also have moved that the opinions of complainant's survey expert Helfgott be stricken. Because of the critical nature of Helfgott's opinions and the surveys with respect to issues in this investigation and in order to provide a complete record for the Commission, respondents' motions to strike are denied.

On March 11, 1991, respondents filed a motion to strike complainant's rebuttal findings of fact. Complainant opposed the motion. The staff, while it was in general agreement with respondents' objections, argued that it was unnecessary to strike complainant's rebuttal findings. Order No. 24, which is being issued with this initial determination, grants that motion in part.

On March 27, 1991, complainant and respondents jointly moved to modify the protective order. The staff, in a response dated March 29, had no objection to amending the protective order as proposed by the parties, stating that it had not voiced any objection to the inclusion of language similar to what was being proposed and adopted in recent protective orders. On April 2 the staff filed a supplemental response noting that during the late afternoon of March 29, subsequent to the filing of its response, the staff became aware

of comments by the Commission contained in a Commission notice issued on March 27 in Certain Microporous Nylon Membrane and Products Containing Same, Inv.

337-TA-322, which related directly to the proposed modification. The purpose of the supplemental response was to bring those comments of the Commission to the attention of the administrative law judge. The staff, in its supplemental response, did not retract its earlier non-objection to the motion. Order No. 25, which is being issued with this initial determination, denies the joint motion.

The matter is now ready for decision.

This ID is based on the entire record including the evidentiary record compiled at the hearing, the exhibits admitted into evidence and certain exhibits of the administrative law judge. The administrative law judge has also taken into account his observation of the witnesses who appeared before him during the hearing. Proposed findings submitted by the parties participating in the hearing, not herein adopted, either in the form submitted or in substance, are rejected either as not supported by the evidence or as involving immaterial matters. 211 also Order No. 24. The findings of fact of this initial determination include reference to supporting evidentiary items in the record. Such references are intended to serve as guides to the testimony and exhibits supporting the findings of fact. They do not necessarily represent complete summaries of the evidence supporting each finding.

#### JURISDICTION

The Commission has *in* Lem and subject matter jurisdiction. It also has *in personam* jurisdiction over all the respondents who participated in the investigation.

## OPINION ON VIOLATION

Ingersoll Rand's products at issue are models 231 and 231-2 one-half inch air impact wrenches (FF 4). Respondents' accused product is the Astro model 555 (FF 4). A preliminary issue, first generated by the posthearing submissions, concerns what alleged unfair acts are in issue.

### I. Alleged Unfair Acts in Issue

Complainant, in its initial posthearing submission, argued that the investigation is not limited to claims of a common law trademark; that the Commission has instituted the investigation to determine whether there is a violation of sub-section (1)(a) of section 337, which concerns the "broad rubric" of unfair methods of competition and unfair acts in the importation of articles or in their sale, by reason of (1) alleged infringement of Ingersoll Rand's common law trademark or (2) alleged false designation of origin; and that both the common law trademark and the false designation of origin concepts overlap and replicate each other in the sense that both cover the overall appearance of the 231 IMPACTOOL (CPost at 1, 2). Complainant, in its reply submission, argued that both the staff and respondents "wrongly perceive this case as being limited to common law trademark issues, and ignore the most important part of the claim, 'false designation of origin', and their briefing and arguments must be discounted accordingly" (CPostR at 1) (Emphasis added).

Later, at closing argument, complainant argued that in its prehearing statement it talked about protectability of its alleged trademark under section 43(a) of the Lanham Act; that false designation of origin/trade dress and its protectability under 43(a) is inclusive of the "shape or portion configuration" and has been one of the key elements in the proceeding as complainant perceived it and "as we first labeled it in the complaint as a

43(a) Lanham Act proceeding" (Tr. at 1529, 1530). Complainant argued that its common law trademark is the "general appearance of the 231 impact tool" and entitled to protection (Tr. at 1650, 1651) and "[i]n addition" that it is entitled to trade dress protection which is somewhat more flexible (Tr. at 1652); and argued that based on the record, the administrative law judge can find an unfair act because there has been infringement of complainant's alleged common law design trademark /2L an unfair act because there has been an alleged false designation of origin through trade dress infringement (Tr. at 1654, 1655).

Respondents, in their post hearing reply, argued that complainant attempts to transform this investigation from a "trademark case to a trade dress case" and "[f]or the first time ... " seeks to "bootstrap the portion of the Notice of Investigation regarding false designation of origin into a trade dress argument", and hence complainant's position should be categorically rejected (RPostR at 2). It is argued, referring to Certain Caulking Guns, Inv. No. 337-TA-139, USITC Pub. 1507, unreviewed ID (March 1984) at 44 (Caulking Guns) (citing Certain Log Splitting Pivoted Lever Axes, Inv. No. 337-TA-113, Commission Memorandum Opinion on Motion 113-5 to Amend Complaint and Notice of Investigation (July 2, 1982) at 7, n. 13 (Lever Axes)),<sup>1</sup> that the Commission has explicitly held that "false designation of origin," as used

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<sup>1</sup> The pertinent portion of the unreviewed initial determination at 44 in Caulking Guns read:

To give guidance in delineating and analyzing alleged unfair acts, the Commission has stated that "false designation of origin," one of the unfair acts detailed in the instant Notice of Investigation, refers to false designation of geographical origin as provided in 19 U.S.C. §1304 [Lever Axes] (footnote omitted)

in a Notice of Investigation, refers to false designation of geographical origin as provided in 19 U.S.C. § 1304,<sup>2</sup> and accordingly that the portion of the scope in the Notice of Investigation reciting the "(2) alleged false designation of origin" refers only to complainant's false marking allegations, including complainant's claim that respondents violated 19 U.S.C. § 1304. Respondents argued that that conclusion finds support in Order No. 17 and complainant's prehearing statement; and that complainant's attempt to raise the issue of trade dress infringement for the first time in its post hearing submission runs afoul of the principle of unfair surprise because "this entire investigation", including all of the discovery and the evidentiary hearing, was conducted on the *basis* of the Notice of Investigation which limited the issues to the allegations of infringement of complainant's alleged common law trademark and failure to adequately mark the country of origin (RPostR at 3 to 6). It is argued that, even if trade dress was properly an issue, complainant's argument regarding the scope of trade dress infringement is incorrect as a matter of law because while complainant claims that "[t]he concept of false designation of origin [in §43(a)] incorporates the common law concept of unprivileged imitation" (CPost at 2), such a broad reading of

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<sup>2</sup> Footnote 13 in Lever Axes reads:

The term "false designation of origin" is also used in the trade area, to refer to the false designation of or failure to designate the country or origin of goods imported into the United States as provided in 19 U.S.C. 1304. For this reason, we prefer that, in the future, all parties and the Commission use the term "false designation of origin" to refer to false designation of geographical origin as provided in 19 U.S.C. 1304, and use "false, representation" to refer to false designation of a manufacturer. (Emphasis in the original).

§43(a) of the Lanham Act, 15 U.S.C. §1125(a) has been rejected by the Commission in Caulking Guns, and court decisions, citing Chevron Chemical Co. v. Voluntary Purchasing Groups, 659 F.2d 695 (5th Cir. 1981), cert. denied, 457 U.S. 1126 (1982) (Chevron) where respondents stated that the court held that the conclusion of some courts that confusingly similar trade dress constitutes a false designation of origin:

conflicts with the geographic meaning of the term 'origin' as used in the Act. That the word is thus used is shown by the express language of § 43(a), which states that the user of a 'false designation of origin' shall be liable to a civil action by 'any person doing business in the locality falsely designated as that of origin. . . . 15 U.S.C. § 1125(a).

Id. at 700 (Emphasis in original)) Respondents also argued that while complainant bases its arguments on the "false premise" that for purposes of this investigation trade dress and trademark can be treated as synonymous, the

---

<sup>3</sup> Respondents failed to point out that an amendment to §43(a) on Nov. 16, 1988, some seven years after Chevron, made substantial modification to that section which, inter alia, eliminated the statutory language "in the locality falsely designated as that of origin." Amended §43(a) reads:

(a) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which --

(1) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(2) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Ninth Circuit stated in Vision Sports, Inc. v. Melville Corp., 888 F.2d 609

(9th Cir. 1989):

Trade dress protection is broader in scope than trademark protection, both because it protects aspects of packaging and product design that cannot be registered for trademark protection and because evaluation of trade dress infringement claims requires the court to focus on the plaintiff's entire selling image, rather than the narrower single facet of trademark.

Id. at 613, citing J. McCarthy, Trademarks and Unfair Competition (2d ed. 1984), § 8:1 at 282-83 (McCarthy); and that the Commission has similarly held that "'Trade Dress' is the product 'dressed up' with a label, package, and perhaps a display card", citing Certain Coin-Operated Audio-Visual Games and Components Thereof, Inv. No. 337-TA-87, RD (January 9, 1981), USITC Pub. 1160 (June 1981) at 14 (Coin-Operated), Certain Compound Action Metal Cutting Snips and Components Thereof, Inv. No. 337-TA-197, USITC Pub. 1831, unreviewed ID (March 1986) at 88, and Certain Hand Operated. Gas Operated Welding. Cutting and Heating Equipment and Component Parts, Inv. No. 337-TA-132, ID on TEO hearing, (February 7, 1983) at 22.

Referring to complainant's argument that some courts have held that "the design of the product itself may function as its packaging" for trade dress purposes as in LeSportsac, Inc. v. K Mart Corp., 754 F.2d 71, 75 (2d Cir. 1985) (LeSportsac), respondents argued that the Commission has not necessarily adopted that view in that, for example, in Certain Cube Puzzles, Inv. No. 337-TA-112, USITC Pub. 1334, 219 U.S.P.Q. 322 (December 1982) (Cube •uzzles), the majority held that "(t]he trade dress does not include the cube itself". It is further argued that the cases which do hold that trade dress can exist in the product itself are generally ones in which the product at issue is "distinctive" in some way, citing e.g., LeSportsac, 754 F.2d at 74 and Brunswick Corp. v. Spinit Reel Co., 832 F.2d 513, 517 (10th Cir. 1987) (RPostR

at 6 to 8).

The staff argued that based on the Notice of Investigation and the -termination of this investigation "as to the unfair act of false designation of origin," the scope of the investigation was limited solely to common law trademark infringement (SPostR at 1, 2).

At closing argument complainant's counsel, responding to respondents' citation of Lever Axes, argued (Tr. at 1638-39):

[I]f the Commission is going to take a definition of false designation of origin and have that defined contrary to the overwhelming body of public law, and to the headnote on false designation of origin in 43A of the Act, and create its own secret definition in Footnote 4 [sic] of an ancient case, then there should be a warning on this...

It, in itself, would be a highly misleading and misguiding announcement to the public as to what was meant by the Commission. The Commission, as a public institution, should be expected to hold up a high standard in this regard and not have secret, coded special definitions attributed to words that are used universally in the legal community with certain meaning, and then give it its own coded meaning.

I think that would be a highly dangerous activity.

\* \* \*

It has always been my intention, it has always been my understanding false designation of origin had the common, ordinary meaning attributed to it by the Congress and by all the circuits in the district courts in the land and that included the broad kind of protection for which we seek, and if this is the kind of trap that is set up and allowed to be set up here, I think it would be a subject that would be of great interest to the appellate courts.

Complainant's counsel also argued (Tr. at 1638) that Order No. 1-7 was issued "a while back pursuant to a very carefully crafted stipulation" between counsel for the private parties when respondents' counsel "said let's get rid of this country of origin marking thing" and "so we arrived at a stipulation that addressed exclusively country of origin marking" and that it was never complainant's intention to exclude from this investigation anything even

suggesting trade dress.

Respondents' counsel responded (Tr. at 1639-40):

. . . Mr. Dickey keeps saying over and over again that he made these [trade dress infringement] allegations.

Your Honor, he did not. They are not in the complaint. They are not anywhere in this investigation, and we are basing this argument as if he made them and this language is somehow operative.

If he had made the allegations, the Commission would have put them in the notice. He didn't make the allegations. That's why they are not in the notice, and it is disingenuous for him to claim that he did. He did not.

It is undisputed that there is in issue infringement of complainant's alleged common law trademark. However it is critical, at the outset, to determine whether there are alleged unfair acts in issue based not only on infringement of complainant's alleged common law trademark, but also based on an alleged false designation of origin through trade dress infringement, especially in light complainant's argument that the administrative law judge can deny complainant's common law trademark allegation but yet find for complainant on a false designation of origin/trade dress infringement allegation.

Complainant referred to the "obvious Congressional interest in having the International Trade Commission incorporate within Section 337 conventional productions of Lanham Act 43(a) remedies". It argued that "[w]ithout 'yet' finding express legislative history to support the argument," it is self-evident that it was the intent of Congress in adopting section 337 to extend "border" protection and Customs enforcement against imports offending conventional U.S. legal concepts of unfair competition and that it was emphatically not the thought of Congress that the Commission adopt internal or "cloistered doctrines of unfair trade peculiar to the Commission," and even

more so that Commission decisions provide a more permissive standard of what is unfair applying to import competition than would apply internally domestically (CPost at 14).

Section 337 does not define the terms "unfair methods of competition" and "unfair acts" although those words are almost identical to the language of section 5(a)(1) of the Federal Trade Commission Act, 15 U.S.C. §45, which reads as follows:

Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are declared unlawful.

The Commission has relied both on the Senate Finance Committee Report on the bill<sup>4</sup> that became the Tariff Act of 1922, and on the decision in In re Von Clemm, 108 U.S.P.Q. 371 (C.C.P.A. 1955) (Von Clemm) as authority for the Commission's wide discretion in determining what activities constitute unfair acts. See also In re Certain Novelty Glasses, Inv. No. 337-TA-55, USITC Pub. 991 (July 1979), at 6.

The Senate Finance Committee Report at 3 stated:

The provision relating to unfair methods of competition in the importation of goods . . . is broad enough to prevent every type and form of unfair practice and is therefore a more adequate protection to American industry than any antidumping statute the country has ever had. (Emphasis added).

The Court in Von Clemm stated:

The statute here under consideration provides broadly for action by the Tariff Commission in cases involving "unfair methods of competition and unfair acts in the importation of articles," but does not define those terms nor set up a definite standard. As was noted in our decision in In re Northern Pigment Co. et. al., 22 C.C.P.A. (Customs) 166, T.D. 47124, 21 U.S.P.Q. 573, the quoted language is broad and inclusive and should not be held to be limited to acts coming within the technical definition of unfair methods of

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<sup>4</sup> U.S. Senate, Committee on Finance, Report to Accompany H.R. 7456, S. Rept. 595, 67th Cong., 2nd Session.

competition as applied in some decisions. The importation of articles may involve questions which differ materially from any arising in purely domestic competition, and it is evident from the language used the Congress intended to allow wide discretion in determining what practices are to be regarded as unfair."

108 U.S.P.Q. at 372 (Emphasis added). In Certain Apparatus for Continuous Production of Copper Rod, Inv. No. 337-TA-52, USITC Pub. 1017, 206 U.S.P.Q. 138 (November 1979) the Commission found that it had the authority under section 337 to take action against unfair acts in their incipency. Indeed, in a second copper rod investigation, Certain Apparatus for Continuous Production of Copper Rod, Inv. No. 337-TA-89, Commission opinion regarding the issuance of a temporary exclusion order (November 16, 1989) the Commission, referring to the Federal Trade Commission Act and comments of the Supreme Court thereon, as support for its power to prevent unfair acts in their incipency, stated:

...Section 337 is analogous to Section 5 of the Federal Trade Commission Act (15 U.S.C. 45). The Supreme Court, in interpreting the scope of Section 5, has stated:

it was the object of the Federal Trade Commission Act to reach not merely in their fruition but also in their incipency combinations which could lead to these and other trade restraints and practices deemed undesirable. fashion Originators Guild v. Federal Trade Commission, 312 U.S. 457, 466 (1941). See also Federal Trade Commission v. Motion Picture Advertising Service Co., 344 U.S. 392, 394-5, 400-01 (1953) and Federal Trade Commission v. Brown Shoe Co., 384 U.S. 316, 322 (1966).

Id. at 6 (Emphasis added).

The Commission however is also directed by Congress to conclude any section 337 investigation under certain stringent statutory time restraints, i.e., not later than one year after they are commenced<sup>5</sup> (18 months in more

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<sup>5</sup> 19 U.S.C. §1337(b) (1).

complicated cases)<sup>6</sup> after the date of publication of notice of such investigation in the Federal Register. Moreover any Commission determination of a section 337 investigation "shall be made on the record after notice and opportunity for a hearing in conformity with the provisions of subchapter II of . . . Title 5" (Administrative Procedure Act) (APA)<sup>7</sup> and the Commission has scrupulously observed the time limits imposed by section 337.<sup>8</sup>

As a means for effectuating the statutory time restraints and the requirement of the APA, interim rule 210.12 provides that the notice of investigation published soon after the institution of the investigation "will define the scope of the investigation".<sup>9</sup> See Certain Electric Power Tools, Battery Cartridges and Battery Chargers, Inv. No. 337-TA-284, unreviewed ID, (June 2, 1989) (see Notice of July 31, 1989), aff'd sub nom. Iakita U.S.A.

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<sup>6</sup> The term "more complicated" refers to an investigation "of an involved nature owing to the subject matter, difficulty in obtaining information or large number of parties involved" 19 U.S.C. 1337(b) (1). See interim rule 210.15.

<sup>7</sup> 19 U.S.C. §1337(c).

<sup>8</sup> See Administrative Conference of the United States, Recommendation 78-3: Time Limits on Agency Actions (adopted June 7-8, 1978), indicating a substantial degree of non-compliance with statutory time limits by the agencies studied.

<sup>9</sup> Related to interim rule 210.12 is interim rule 210.22(c) which reads:

When issues not raised by the pleadings or notice of investigation, but reasonably within the scope of the pleadings and notice, are considered during the taking of evidence by express or implied consent of the parties, they shall be treated in all respects as if they had been raised in the pleadings and notice as may be necessary to make them conform to the evidence and to raise such issues shall be allowed at any time, and shall be effective with respect to all parties who have expressly or impliedly consented. (Emphasis added).

Neither the respondents nor the staff have expressly, or impliedly, consented to the taking of evidence as to any false designation of origin/trade dress infringement allegation.

Inc. v. USITC, 904 F.2d 44 (Fed. Cir. 1990) (Table)) (Comm'n Opinion Concerning Complainant's Motion for Reconsideration on the Issues of Remedy, Public Interest and Bonding), March 2, 1990 at 7-8 citing 19 C.F.R. § 210.12) (Power Tools).

The Notice of Investigation in this investigation under the heading "Scope of Investigation", as published on May 3, 1990 defined the alleged unfair acts in issue as:

[t]he importation into the United States, the sale for importation, or the sale within the United States after importation of certain air impact wrenches, by reason of (1) alleged infringement of Ingersoll-Rand's common law design trademark, or (2) alleged false designation of origin . . . .

At the institution hearing on April 23, 1990, there were the following statements made concerning a "false designation of origin" allegation in a section 337 investigation (Tr. at 5 to 7):

COMMISSIONER ROHR: Could you tell me something about the country of origin allegations that were made? Does the Complainant talk about a Customs violation and a Lanham Act violation, both, or what? Is there an FTC Act claim?

MR. SUMMERFIELD:<sup>10</sup> There is a Section 5. FTC Act claim. There is also 19 USC Section 1304 claim. There is also a Section 43(a) of the Lanham Act claim. all of which do include cause of action for false designation of origin.

However. in the past. the Commission has instituted. under the title of false designation of origin. a specific violation of Section 337. actions of this kind where. although it's not a misrepresentation of origin, the product at issue is not properly labeled such as the labels are removable. et cetera.

That was the case in Kakoui [sic] Nuts that formed the cause of

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<sup>10</sup> Mr. Summerfield was from the Commission's Office of Unfair Import Investigations.

action for false designation of origin in that case.[<sup>11</sup>]

COMMISSIONER ROHR: Well, hasn't the Commission in the past always treated Customs marking claims separate from false designation of origin claims or not?

MR. SUMMERFIELD: Commissioner, in the past three to four years. what the Commission has gotten away from is instituting on specific violations of other statutes. What the Commission has tried to do is to institute on cause of action for false designation of origin as opposed to false designation of origin under Section 43(a) or false designation of origin under the Customs statutes and regulations.

COMMISSIONER ROHR: Mr. Yaworski, in terms of previous Commission practice, do you agree with this?

MR. YAWORSKI:[<sup>12</sup>] Yes, I do. I think. as of about three or four years ago. there was a conscious change in the Commission practice which occurred. The change was to get away from using specific statute names or code citations other than. of course. Section 337. in the scope section of the notice.

Hence, we got away from including in the scope section, references to, for example, 43(a) of the Lanham Act, Section 5, FTC Act; Section 19, USC 1304, which is the Customs country of origin

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In Certain Nut Jewelry and Parts Thereof Inv. No. 337-TA-229, USITC Pub. No. 1829, Commission opinion (November 1986) (Kukui Nut) the alleged unfair acts were (1) false advertising, (2) failure to mark country of origin, (3) false designation of origin, and (4) false representation. The Commission at 13 stated that then "Section 43(a) of the Lanham Act imposes civil liability upon 'any person who shall . . . use in connection with any goods . . . a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same;" and that "[i]t gives a cause of action to 'any person doing business in the locality falsely indicated as that of origin . . . or by any person who believes that he is or is likely to be damaged by the use of any such false designation or representation'" and accordingly, it believed that complainant did have a legitimate private right to preclude respondents from engaging in unfair trade practices irrespective of any statutory intellectual property rights, citing Black Hills Jewelry Mfg. Co. v. Gold Rush, Inc., 633 F.2d 746 (8th Cir. 1980) for the proposition that "manufacturers of jewelry marketed under the name Black Hills Gold Jewelry were entitled to protection against unfair competition by others using the same words to describe jewelry of similar style which was not manufactured in the Black Hills of South Dakota and fact that local manufacturers had not obtained a trademark.was not controlling in an action brought under section 43(a)."

<sup>12</sup> Mr. Yaworski is from the Commission's Office of the General Counsel.

statute. I think that the Commission, for the last several years, at least, has been fairly consistent in try [sic] to get away from that, and going more towards sort of a generic, descriptive approach to setting the scope of the investigation. (Emphasis added).

Thus, based on comments at the institution hearing, point (2) of the scope in this investigation appears to be directed to a generic, descriptive approach as to the "alleged false designation of origin" recitation irrespective of any statutory basis set forth in the complaint. What is specifically intended by a "generic, descriptive approach", for example whether point (2) of the scope is limited to the definition in Lever Axes, is unclear from either the notice or the institution hearing.

Both respondents and the staff rely on the initial determination of Order No. 17 for the proposition that the scope of the investigation is limited solely to common law trademark infringement. Order No. 17, referred to in the procedural history, was based on a joint motion of complainant and respondents to terminate the investigation with respect to the "False Marking Issues" only. In the joint motion the parties noted that respondents had modified the country of origin marking on the Astro 555 and complainant had agreed that the modification "alleviates the concerns which lead to the allegations contained in the complaint". It was argued that because "this issue is no longer a source of dispute" the investigation should be terminated "as to the false marking issue" (FF 18). However neither the complainant, respondents nor the staff, who supported the joint motion, have ever moved that the Notice of Investigation be amended to eliminate the "(2) alleged false designation of origin" language.<sup>13</sup> Moreover the Commission in its notice of March 12, 1991,

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<sup>13</sup> One author has stated that because of the fundamental importance of the notice of investigation as the legal authority commencing and controlling the investigation, any subsequent changes in the substantive provisions of the

(continued...)

not to review Order No. 17, which was titled "Notice of Commission Not To Review An Initial Determination Terminating Investigation As To Allegation of False Marking," made reference to terminating the investigation as to "certain allegations of false marking set forth in the complaint" (Summary portion) and referred to the initial determination of January 24, 1991 granting with prejudice the joint motion of private parties to terminate the investigation "as to certain allegations of false marking set forth at paragraphs 3.3, 4.3 and 4.4 of the complaint" (Supplementary Information portion). The Commission has not stricken the "(2) alleged false designation of origin" language from the Notice of Investigation. Accordingly the administrative law judge finds that Order No. 17 is not decisive in limiting the alleged unfair act in this investigation to alleged common law trademark infringement.

Respondents refer to, and presumably relied on, the 1982 Commission opinion in Lever Axes for the proposition that in a section 337 investigation "all parties and the Commission use the term 'false designation of origin' to refer to false designation of geographical origin as provided in 19 U.S.C. 1304." Complainant has referred to Lever Axes as an "ancient" case and apparently was unaware of it.

The fact that complainant has characterized "Lever Axes" as "ancient" does not eliminate Lever Axes as Commission precedent. However, while Lever

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<sup>13</sup> (...continued)  
notice must also provide for appropriate amendments of the notice of investigation and referred to the 1988 amendments of section 337 requiring amendments of notices of investigations still under adjudication at the Commission after the August 23, 1988, effective date of the amendments contained in the Omnibus Trade and Competition Act. Duvall, Federal Unfair Actions: Practice and Procedure Under Section 337 of the Tariff Act of 1930 (Clark Boardman Co. Ltd. 1990) at 129, 130.



existed. This Commission concluded:

False description and misrepresentation within the meaning of those terms in the Lanham Act exists where (1) the articles concerned and their packaging or containers imitate or so nearly resemble those of the plaintiff as to falsely represent them to be goods of the plaintiff, (2) the defendants deliberately have adopted and used imitative trade dress with intent to deceive the trade and the public into confusing their products with those of the plaintiff, and (3) they falsely have represented that their products were products of the plaintiff.

Thus, having found that the respondents, have simulated the complainant's trade dress, infringed the domestic industry's trademarks, passed off their merchandise as that of Littelfuse, and also falsely designated the geographical origin of the imported fuses, we find that the respondents have made false representations concerning the origin (manufacturer) of their merchandise within the meaning of the Lanham Act.

221 U.S.P.Q. at 806 (footnotes omitted). It does not appear that the Commission in Fuses, some six months after the Lever Axes opinion, limited "false designation of origin" to only "false designation of geographical origin". Rather it appeared that the Commission equated "false designation of origin" and "false representation" to a manufacturer source.

At issue in Braiding Machines were, inter alia, alleged common law trademark infringement and false designation of origin. Complainant contended that a protectable interest lies in the overall appearance of a particular braiding machine which configuration was described by identifying twenty-two features thereof. The Commission determined that the complainant may not claim a common law trademark in the overall appearance of the braiding machine in issue. Thereafter on the ground that those elements which establish a common law trademark infringement also constitute a prima facie case of false designation of origin, citing Coin-Operated at 12, the Commission concluded that it has not been established that there is a prima face case of false designations of origin. In braiding Machines, it did not appear that the

Commission limited the term "false designation of origin" to false designation of geographical origin as provided in 19 U.S.C. §1304.

It also does not appear that the Federal Circuit, which is the court of review for Commission determinations under section 337,<sup>16</sup> has limited the term "false designation of origin" in section 43(a) of the Lanham Act to false designation of geographical origin as provided in 19 U.S.C. 1304.<sup>17</sup> In Cable Electric Products, Inc. v. Genmark, Inc., 779 F.2d 1015, 226 U.S.P.Q. 881, 890 (Fed. Cir. 1985), the Federal Circuit characterized a claim arising in the Ninth Circuit under §43(a) of the Lanham Act as a charge that the commercial configuration of a Cable night light had come to designate origin, and thus that Genmark's use of an allegedly similar configuration in a commercial product constituted a prohibited "false designation of origin". The district court had found, on a summary judgement motion, that Cable was not entitled to protection as a matter of law because the functionality of the Cable night light design was beyond dispute. The Federal Circuit concluded that the grant of summary judgement as to Cable's Lanham Act false designation of origin count was improper because for purposes of evaluating the impact on product

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<sup>16</sup> The Commission in Power Tools at 6, noted that the controlling precedent for Commission purposes is the U.S. Court of Appeals for the Federal Circuit which is the court of review for Commission determinations under section 337, citing 19 C.F.R. §210.54(a)(1). In that opinion, the Commission found PAF S.L. v. Lisa Lighting Co., Ltd., 712 F.Supp. 394 (S.D.N.Y. 1989) (PAF), a case relied on by complainant (CPost at 7, 12), not controlling precedent for the Commission's purpose since it was not decided by the Federal Circuit. Moreover it further pointed out that unlike the federal court decisions that have prompted the Commission to reconsider or modify its determinations in previous investigations, EAE did not involve the same parties, merchandise and alleged intellectual property rights that were before the Commission.

<sup>17</sup> In view of complainant's reliance on section 43(a) of the Lanham Act, the administrative law judge has looked at Federal Circuit precedent concerned with that section for the Court's interpretation of "false designation of origin."

copying, the relevance of patent figures depends on the extent to which their appearance is replicated in the actual marketplace product of the patentee. 226 U.S.P.Q. at 891.

In Cicena Ltd. v. Columbia Telecommunications Group, 900 F.2d 1546, 14 U.S.P.Q. 2d 1401, 1403, 1404 (Fed. Cir. 1990) the Federal Circuit looked to the law of the Second Circuit where, in a trade dress infringement suit under §43(a) of the Lanham Act, the Second Circuit required a plaintiff to establish that his trade dress had acquired secondary meaning.<sup>18</sup> This requirement was said by the Federal Circuit to follow naturally from the language of §43(a), which offered redress for "false designation of origin."

Moreover in Inwood Laboratories Inc. v. Ives Laboratories Inc., 456 U.S. 844, 214 U.S.P.Q. 1, 8 (1982), Ives alleged under section 43(a) that the petitioners falsely designated the origin of their drug products by copying the capsule colors used by Ives and by promoting the generic products as equivalent to CYCLOSPAMOL. The Supreme Court reversed a court of appeals judgment related to section 32 of the Lanham Act but, because section 43(a) of the Lanham Act prohibited a broad range of practices remanded to the court of appeals for further proceedings the district court's decision dismissing Ives' claim based on section 43(a). In the district court, reported at 488 F. Supp. 394, 206 U.S.P.Q. 238 (E.D.N.Y. 1980), aff'g without op., 697 F.2d 291 (2d Cir. 1982), on Ives' contention that it was "false" for defendants to promote their product as "comparable" or "equivalent" to CYCLOSPAMOL, the court found that the claim was not proven. Regarding Ives' contention that defendants'

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<sup>18</sup> The Federal Circuit, when dealing with issues of unfair competition law, including section 43(a) of the Lanham Act, over which it does not have exclusive jurisdiction, looks to the law of the regional circuit where the lower tribunal sat. Id.

use of the blue and red colors is "a false designation of origin" or a "false description or representation" of defendants' product and that Ives should therefore have the exclusive use of those colors in selling cyclandelate, the district court considered whether or not the colors were "functional" and, if they were not, whether they had acquired a "secondary meaning" so as to justify Ives having a monopoly over them. The district court concluded that even if the colors were not functional, Ives failed to show that the colors indicated sponsorship or origin and had therefore acquired a secondary meaning. 206 U.S.P.Q. at 242. •

Accordingly in view of Supreme Court, Federal Circuit and Commission precedent on what a false designation of origin allegation may cover, the administrative law judge has not limited the "(2) false designation of origin" language in the Notice of Investigation to false designation of geographical origin as provided in 19 U.S.C. §1304.

Complainant argued that both the common law trademark and the false designation of origin trade dress concepts overlap and duplicate each other in the sense that both cover the overall appearance of the 231 IMPACTOOL. While the overall configuration, for example of a chemical in solid form<sup>19</sup> or a glass wine bottle<sup>20</sup> can be a trademark, trademark and false designation of origin/trade dress concepts are not necessarily duplicative. Rather, section 43(a) of the Lanham Act has been interpreted to be very broad in its protection of rights because the phrase "false designation of origin"

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<sup>19</sup> Application of Minnesota Mining & Mfg. Co., 335 F.2d 836, 142 U.S.P.Q. 366 (C.C.P.A. 1964).

<sup>20</sup> In re Mogan David Wine Corp., 328 F.2d 925, 140 U.S.P.Q. 575 (C.C.P.A. 1964).

appearing in the section goes far beyond traditional notions regarding trademark infringement.

In McKenney and Long, Federal Unfair Competition: Lanham Act §43 (1989) at §5.01 (McKenney), relied upon by complainant (CPost at 3), it is noted that during the past dozen years section 43(a) has developed rapidly and dramatically to become the standard basis for seeking relief where plaintiff's product, the appearance of which is not protected under the patent or copyright laws, has been copied or simulated; that the copying or simulating of the product, as distinguished from its packaging or container, is actionable under the theory that the product is an integral part of the "trade dress" of the product; that trade dress has been broadly defined under section 43(a) to include the "look" or "image" that the product, including its packaging and other point-of-sale materials, conveys and has even been equated with a "sales technique"; and that while an entire product may be capable of attaining the status of a three-dimensional trademark protectable under section 43(a) less than the entire product, normally referred to as a "feature" or as "features", can also function as a trademark.

McCarthy, also relied upon by complainant (CPost at 4), stated that few sellers put their products on the market in a "naked" state but instead the product is "dressed up" with a label, package and perhaps a display card which, according to McCarthy, is referred to in unfair competition law as "trade dress"; that even if it cannot be said that a defendant has infringed a "trademark" which focuses on merely one facet of plaintiff's stated selling image, this does not control the separate issue of liability under the broader rules of unfair competition; and that the issue in an alleged infringement of a trade dress is not necessarily whether defendant's trade dress is identical

to plaintiff's trade dress in each and every particular but rather whether there is a similarity of the total, overall impression. McCarthy disclosed that the elements of a party's trade dress are open-ended in that anything which the ordinary purchaser sees should be considered which includes the size, shape, color, design, texture, word and symbol marks of both the product and its dress. McCarthy, §8:1 at 282.

In Cube Puzzles, relied on by respondents, the Commission noted that "Ideal's trade dress consists of a cylindrical black plastic base and a cylindrical clear plastic cover-through which the cube may be seen" with the base and the cover sealed together by a strip of black and gold tape with the words "Rubik's Cube" and that the trade dress did not include the cube itself. Cube Puzzles, 219 U.S.P.Q. at 333.

As seen from the authorities, cited by complainant, and case law the term "trade dress" can have several meanings. Thus it may include a product's packaging and other point-of-sale materials (McKenney), a label, package and even a display card (McCarthy), and it may pot include the product itself (Cube Puzzles). Moreover while complainant's counsel argued in closing argument on March 15, 1991, after the record was closed on February 8, that the elements for proving an alleged common law design trademark infringement and for proving alleged trade dress infringement under "false designation origin" are absolutely the same, viz. secondary meaning, functionality, genericness and confusion (Tr. 1656), he admitted that "trade dress" is not identical to a "common law design trademark" and that common law trademark is "somewhat more exacting" than trade dress and involves "somewhat different theories" (Tr. at 1657, 1674 to 1676). In addition complainant admitted that

while certain elements of the 231 IMPACTOOL<sup>21</sup> are not included in the alleged common law trademark, complainant's trade dress would include those elements .(Tr. at 1679, 1680).

Complainant has argued that the respondents and the staff "wrongly perceive" this investigation and "ignore the most important part of the claim, 'false designation of origin'" and hence that their initial post hearing submission must be discounted (CPostR at 1). To the extent that the "(2) alleged false designation of origin" recited in the Notice of Investigation is last identical to a false designation of geographical origin allegation and/or is not subsumed in the "(1) alleged infringement of Ingersoll Rand's common law design trademark infringement" recited in the notice, the administrative - law judge determines that any distinction should have been stated, and made clear, by complainant to the respondents and the staff in the pleadings at least before the record was closed on February 8, 1991.<sup>22</sup> Otherwise such distinctions wou- run afoul of the principle of avoiding undue surprise, as argued by respondents and the staff, and deny respondents due process mandated

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<sup>21</sup> In this initial determination terms such as "231 IMPACTOOL," "231" and "IR-231" refer to the two products in issue, viz. Ingersoll Rand's 231 and 231-2 (FF 4).

<sup>22</sup> Interim rule 210.22 reads in pertinent part:

[T]he complaint may be amended for good cause shown upon such conditions as are necessary to avoid prejudicing... the rights of the parties ... by a change in the scope of the investigation that results from such amendment.

Ground rule 1, in effect since April 30, 1990 (Order No. 1) states: "[b]ecause of the need for full discovery, any proposed amendments to significantly expand the scope of the complaint.... shall be considered at an early stage of the investigation. Any party proposing such amendment within sixty days of the date set for discovery cut-off has a heavy burden in establishing why such amendment was not sought at an earlier date...."

by 19 U.S.C. 51337(c), and at least prejudice the staff.

While complainant, in its post hearing submissions, relies on the complaint's reference to section 43(a) of the Lanham Act to support its argument that there has been no surprise to respondents and the staff in any false designation of origin/trade dress infringement allegation, the complaint referenced section 43(a) of the Lanham Act only for an alleged infringement of complainant's common law design trademark. Thus, the complaint filed March 26, 1990 read in pertinent part under the heading "4. UNFAIR METHODS OF COMPETITION AND UNFAIR ACTS":

4.1. Statutory Basis for Complaint: The following unfair methods of competition and unfair acts cognizable under Section 337 arise from the importation and/or sale in the United States of the infringing ASTRO 555 air impact wrenches by Respondents:

4.1.1. Violation of Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a) by virtue of infringement of complainant's common law design trademark;

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4.2. Fundamental Design Infringement: The infringing ASTRO 555, because of its mirror image copying, infringes upon the Exhibit B protected design features of the 231 IMPACTOOL. [See 2.10]

Section 2.10 of the complaint referred to in the complaint's section 4.2 read:

2.10 Protected Design Features: Ingersoll Rand sets forth in Exhibit B [to the complaint] a series of cross sectional dimensional drawings that set forth the specific design features for which Ingersoll Rand claims common law trademark protection ("Exhibit B protected design features").

(FF 11, 13). By letter of complainant's counsel dated April 12, 1990, section 2.10 of the complaint was amended with respect to the alleged common law trademark. In addition, a new section 4.5, which related to "establishing a common-law design trademark", was added. (FF 14). On December 26, 1990, complainant further amended section 2.10 of the complaint as to the alleged

trademark (FF 16).

A subsection of the complaint titled "1. INTRODUCTION" read in pertinent part:

1.5 The 231 IMPACTOOL has a distinctive appearance which has, over the past 19 years, acquired a common law design trademark.

1.7 In January of 1990 nearly identical -- mirror image -- imitations of the 231 IMPACTOOL appeared in the United States market.

1.8 Those mirror image imports infringe upon the Ingersoll-Rand's common law design trademark of its 231 IMPACTOOL. (Emphasis added)

(FF 10) In contrast to the emphasis on the alleged common law trademark infringement, nothing was said in the complaint about an alleged trade dress infringement much less defining what any trade dress was.

The complaint, under the heading "3. INFRINGING PRODUCT/SOURCE", stated:

3.3 Improper Country of Origin Marking: The 231 IMPACTOOL features a prominent and permanent metal name-plate appearing as follows: "ASTRO POWER 1/2" AIM IMPACT WRENCH, W/2 ANVIL, MODEL AP555-2 serial 110495, ANGELES, CALIF. 90023." On the handle, opposite and unreadable from the nameplate, the article bears a sticker stating: "MADE IN TAIWAN." The "MADE IN TAIWAN" sticker is easily removable, and, even if not removed, with use in an oily environment, will likely eventually separate from the tool or become unreadable leaving only the "LOS ANGELES, CALIF 90023" marking on the infringing ASTRO 55 which disguises the true original of the tool.

(FF 12). Under a subheading "4.1 Statutory Basis for Complaint", it was stated:

4.1.3. Violation of Section 304 of the Tariff Act of 1930, as amended, (19 U.S.C. §1304<sup>(23)</sup>] for improper country of origin

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<sup>23</sup> 19 U.S.C. §1304 reads in pertinent part:

(a) Except as hereinafter provided, every article of foreign origin (or its container, as provided in subsection (b) hereof) imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of

(continued...)

marking.

(FF 13). In addition the complaint stated:

4.3. Customs Country-of-Origin Marking Regulations: USCS Regulation § 134.46 provides:

In any case in which \* \* \* the name of any city or locality in the U.S. \* \* \* appear on an imported article or its container, there shall appear, legibly and permanently, in close proximity to such words, letters, or name, and in at least a comparable size, the name of the country of origin preceded by "Made in," "Product of," or other words of similar meaning.

The sticker "MADE IN TAIWAN" is neither permanent nor in close proximity to the permanent "LOS ANGELES, CALIF 90023" markings appearing on the imported article, and thus the marking violates the above-recited country-of-origin marking requirements.

4.4 FTC 4 5(a) Country-of-Origin Requirements: False Country-of-origin [sic] marking similarly violates the Section 5(a) requirements.

(FF 13). Paragraphs 3.3, 4.1.3, 4.3 and 4.4, duplicated supra, are the only portions of the complaint that made reference to any origin marking and all were in reference to country-of-origin marking<sup>24</sup>

Order No. 1, which issued April 30, 1990, ordered each of the parties no later than June 4, 1990 to submit a discovery statement which should state, inter Alia the "proposed issues to be litigated within the framework of the general issues determined by the scope of the investigation".

Complainant's discovery statement served on May 29, 1990 (ALJ Ex. 1(a)) stated in pertinent part:

1. Proposed Litigation Issues: Complainant (IR) proposes to

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<sup>23</sup> (...continued)  
origin of the article....

<sup>24</sup> The "Supplementary Information" portion of the Commission's notice which was in response to Order No. 17 stated that paragraphs 3.3, 4.3 and 4.4 of the complaint were terminated from the investigation.

establish that:

1.1. Complainant, IR, developed, owns, and marketed for a period of years the overall design of the 231 IMPACTOOL 1/2" air impact wrench (231 IMPACTOOL).

1.2. IR has, through accrual of secondary meaning, acquired a common law trademark in its design of the 231 IMPACTOOL.

\* \* \*

1.4 Respondent Kuan I Gear Co., Ltd., has produced and is producing a product, the Astro 555, that infringes upon the common law trade mark acquired by IR as referenced in 1.1. supra.

1.5. Respondent Astro Pneumatic Tool Company has and is continuing to import into the market throughout the United States, a product, the Astro 555, that infringes upon the common law trade mark acquired by IR as referenced in 1.1 supra.

1.6 Infringing imports by Respondent constitute unfair acts by respondents that threaten substantial injury to complainant.

2. Information and Evidence To Be Presented: Complainant intends to submit the following information and evidence:

\* \* \*

2.2. Long-term marketing and relevant advertising efforts by IR of the 231 IMPACTOOL as pertinent to secondary meaning;

2.3. Original design and creation by IR of the 231 IMPACTOOL as relevant to IR's right to use the common law trademark at issue;

2.4. Accrual of secondary meaning via competent surveys, length and manner of use and marketing, historic sales levels, nature and extent advertising and promotion;

2.5. Foreign production, importation and sales in the United States market of an infringing article, the ASTRO 555, which is a "mirror image" copy of the 231 IMPACTOOL, by respondents, so as to infringe upon the common law trademark of complainant.

\* \* \*

2.6. Actual, potential, and likelihood of customer confusion demonstrated through competent surveys;

2.8. Availability of commercially feasible, alternative design features that perform the same function; [Emphasis added]

Nothing was said by complainant in its discovery statement about any false designation of origin/trade dress infringement issue. Complainant did not even put in issue the country-of-origin allegation raised in the complaint.

The staff's discovery statement served on May 25, 1990 (ALJ Ex. 1(c)) stated in pertinent part:

I. The Proposed Issues to be Litigated

\* \* \*

B. Existence of Common Law Trademark

1. Whether the Complainant, Ingersoll-Rand Company, is the owner of all rights to the alleged common law trademark in the design of its 231 Impactool 1/2" air impact wrench.

2. Whether the alleged common law trademark has acquired secondary meaning.

3. Whether the alleged common law trademark is inherently distinctive.

4. Whether the alleged common law trademark, is non-functional.

5. Whether the alleged common law trademark is generic.

B. Importation

Whether the Respondents have imported into the United States, sold for importation or sold within the United States after importation air impact wrenches which infringe the alleged common law trademark ("accused products").

C. Infringement

Whether the design of the accused products infringes the alleged common law trademark.

D. false Designation of Origin

Whether the Respondents' method of labeling the accused products constitutes a false designation of origin.

E. Domestic Industry

Whether an industry is in the process of being established in the United States, or whether there exists an industry in the United States, with respect to the alleged common law design trademark. [Emphasis added]

In respondents' discovery statement dated May 25, 1990 (ALJ Ex. 1(b)), it was stated in pertinent part:

I. PROPOSED ISSUES TO BE LITIGATED

A. Whether the Complainant possesses any common-law trademark rights in the 231 IMPACTOOL.

B. Whether the design features of the 231 IMPACTOOL are inherently distinctive, fanciful, arbitrary and non-functional.

C. Whether the design of the 231 IMPACTOOL has acquired any secondary meaning in that it has become so associated in the mind of the public with the Complainant that the mark distinguishes Complainant's goods from the goods sold by others.

D. Whether the design features claimed by Complainant to constitute a common-law trademark are copies from or based upon the designs of the products of other manufacturers.

E. Whether there are any instances of actual confusion among the public between respondents' and Complainant's products, or if there is any likelihood of confusion among customers with respect to these products.

F. Whether Respondents import and sell products which infringe the alleged common-law trademark of Complainant.

G. Whether Respondents' products are properly marked as to country of origin in compliance with Customs country-of-origin regulations and Section 5(a)(1) of the FTC Act (15 U.S.C. 45(a)(1)).

H. Whether there is any confusion or likelihood of confusion as alleged in the Complaint among the general consuming public as to the source Respondents' products.

I. Whether Complainant's alleged common-law trademark is unenforceable by reason of unclean hands of complainant's and/or their agents, affiliates, officers and directors, including, but not limited to, Complainant's labeling of the 231 IMPACTOOL with the

numbers of expired patents in violation of 35 U.S.C. § 292.

\* \* \*

P. Whether the Complainant has unfairly competed with Respondents by misusing its alleged common-law trademark and by unlawfully restraining, monopolizing and/or attempting to monopolize the United States market for air impact wrenches on both the wholesale and retail distribution level. [Emphasis added]

Under the subheading "Information and Evidence That Respondents Intend To Submit To Prove Their Case", respondents' discovery statement stated in pertinent part:

- D. Respondents intend to introduce evidence to establish that the alleged common-law trademarks of Complainant are not inherently distinctive, and that they are not fanciful, arbitrary, or distinctive and non-functional.
- E. Respondents intend to introduce evidence to establish that the design features for which the Complainant claims common-law trademark rights existed and were in the marketplace long before Complainant began manufacturing the 231 IMPACTOOL.
- F. Respondents intend to introduce evidence to show that the alleged common-law trademark of Complainant is not entitled to any priority of appropriation in trade, nor does it merit any uniqueness or distinctiveness.
- G. Respondents intend to introduce evidence that the alleged common-law trademark of Complainant has not acquired any secondary meaning through exclusive use, and that the alleged mark has not become so associated in the mind of the public with Complainant and/or its products or that the purported mark identifying the 231 IMPACTOOL distinguishes it from the air impact wrenches sold by others.
- H. Respondents intend to introduce evidence that the vague and unspecified design features cited by Complainant for the 231 IMPACTOOL are copies of or based upon the designs of the products of other manufacturers. Furthermore, Respondents intend to introduce evidence that the design features claimed by Complainant are purely of a functional nature and are, therefore, in the public domain and not entitled to any protection.
- I. Respondents intend to introduce evidence that the source and origin of Respondents' Astro 555 is clearly and

conspicuously indicated on the products and their packaging, and that there is no actual confusion among the public between Respondents and Complainant's air impact wrenches, nor is there any likelihood of confusion among consumers with respect to these products.

\* \* \*

- K. Respondents intend to introduce evidence that the general consuming public has not adequately identified the features, marks or other characteristics of the 231 IMPACTOOL with the Complainant.
- L. Respondents intend to introduce evidence that the alleged common-law trademark is unenforceable by reason of unclean hands of the Complainant and/or its agents, affiliates, officers and directors, including, but not limited to, Complainant's labeling of the 231 IMPACTOOL with the numbers of expired patents in violation of 35 U.S.C. § 292.

\* \* \*

- P. Respondents intend to introduce evidence that Complainant has unfairly competed with Respondents by misusing its alleged trademarks. (Emphasis added).

Under the subheading "Description Of Information And Evidence That Respondents Wish To Obtain From Others" respondents in their discovery statement stated in pertinent part that some of the categories of information and evidence which will be sought in discovery from others will include:

- A. Documents and things which refer or relate to the genesis, formulation and development of the design features of the 231 IMPACTOOL;
- B. Documents and things regarding the prior development and use of the design features at issue by others which supersede Complainant's alleged rights.
- C. Documents and things relating to Complainant's alleged common-law trademark rights, especially:
  - 1. Ownership, assignment and licensing of the alleged common-law trademark;
  - 2. Specific nature and features of each of the alleged common-law trademark;

D. The sale and commercial exploitation of the 231 IMPACTOOL including:

1. Identification of all domestic and foreign utility and/or design patents, either in force or expired issued to Complainant which relate to air impact wrenches;

2. Consumer surveys, both completed and in progress, which were undertaken with respect to the public's perception and recognition of Complainant's products;

E. Documents and things relating to the alleged infringement of Complainant's common-law trademark rights and Respondents' alleged deceptive actions, especially:

1. Confusion among consumers between Complainant and Respondents or others' products;

2. Specific instances of any improper labeling or designation of source on Respondents or others products and packaging;

F. Documents and things relating to communications between Complainant or any affiliate or agents with its attorneys and any third parties relating to the present investigation, as well as any other litigation involving the allegedly trademark products.

\* \* \*

H. Documents and things relating to:

\* \* \*

7. Documents and things relating to the nature and extent of any injury or threat of any injury allegedly experienced by Complainant as the result of Respondents' exportation, importation and other purported acts, especially with respect to:

\* \* \*

d. The nature and extent of the domestic market for pneumatic tools and accessories, relating to:

\* \* \*

(7) Communications from purchasers of air impact wrenches relating to:

- (a) The purchase of Complainant's allegedly trademark products, the reasons underlying such purchase and selection, and the operating experience with such products;

\* \* \*

- (d) The purchase of Complainant's air impact wrenches other than those within the asserted scope of the alleged common-law trademark, and the operating experience with each such product.

\* \* \*

M. Documents and things which relate to the circumstances under which Complainant has lost customers or failed to obtain new customers for the products at issue in this investigation, or where customers reduced their orders as a result of their purchase of Respondents' products of the type accused to be covered by the trademark at issue. These documents should include copies of any salesman's reports, resumes of sales conferences, as well as communications between customers and Complainant.  
[Emphasis added]

Neither of the discovery statements of the staff nor respondents reflect an awareness of a false designation of origin/trade dress infringement allegation.

Order No. 12, which issued October 3, 1990, ordered that each party submit its objections to proffered exhibits by January 28, 1991, in view of the prehearing conference scheduled for February 1 and the commencement of the hearing set for February 4. On January 28, 1991 respondents, as to complainant's CX-4 which was characterized as "Secondary Meaning and Confusion Surveys and supporting documents," objected to the admission of a portion of complainant's CX-4 entitled "The Results of Two Surveys concerning Ingersoll-Rand and Astro Power Air Impact Wrenches" as irrelevant to "the issues of this investigation . . . . because, by Dr. Helfgott's own admission, the survey was not designed to measure the secondary meaning of the alleged common law trademark at issue" (Emphasis added) (ALJ Ex. 1(e)). CX-4 is the only

documentary survey evidence in the record.<sup>25</sup>

Order No. 1, which issued April 30, 1990, put the parties on notice that each party that desired to participate in the final hearing must file on or before the date to be ordered in the procedural schedule, which was set by Order No. 12, a prehearing statement containing, inter alia the following information:

- (d) A statement of the issues to be considered at the hearing that sets forth with particularity a party's contentions on each of the proposed issues, including citations to legal authorities in support thereof. Any contentions not set forth in detail as required herein shall be deemed abandoned, or withdrawn, except for contentions of which a party is not aware and could not be aware in the exercise of reasonable statements. Pursuant to this requirement, the staff and any other party shall take a position on the issues it is asserting no later than the filing of its rehearing statement. (Emphasis in original).

Complainant's prehearing statement dated January 18, 1991 (ALJ Ex. 1(d)), under the subheading "Stipulations", stated:

- G. The Complainant has a domestic industry under section 337(a) (a) (A) of the Tariff Act regarding the asserted common law trademark.
- H. The asserted common law trademark is not inherently distinctive.
- I. The asserted common law trademark is not generic.
- J. The Respondents' alleged unfair acts do not have the effect of destroying or substantially injuring Ingersoll-Rand's domestic industry regarding the asserted common law trademark in the appearance of Ingersoll-Rand's 1/2" air impact wrench. [Emphasis added]

Under the subheading "(d) Statement of Issues To Be Considered At the Hearing" complainant stated:

1. Definition of the mark: set forth in the Complaint as amended.

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<sup>25</sup> Complainant has admitted that the asserted mark is not inherently distinctive (FF 53).

1.1 Ingersoll-Rand is entitled to protection of the shape, proportion, configuration, color and texture of the 231 IMPACTOOL, to the extent these feature combine to create an overall appearance of the product ...

2. SECONDARY MEANING: The defined mark has acquired secondary meaning [Emphasis added]

Complainant, as in its May 1990 discovery statement, made no reference in its January 1991 prehearing statement to any false designation of origin/trade dress infringement issue.

Respondents' prehearing statement served on January 22, 1991 (ALJ Ex. 1

(g)) stated in pertinent part:

IV. STATEMENT OF ISSUES

Respondents believe the following included the pertinent issues in this investigation:

(A) Does Complainant have a common law trademark?

(B) Have Respondents infringe the alleged mark? (Emphasis added).

The staff's prehearing statement on January 24, 1991, stated in pertinent part:

D. Issues

1. What specifically comprises Ingersoll-Rand's asserted common law trademark.

2. Whether Ingersoll-Rand has a common law trademark, as defined by Ingersoll-Rand, in the appearance of its 1/2" air impact wrench.

3. Whether the accused air impact wrenches are likely to be confused with the Ingersoll-Rand air impact wrench by the relevant consumer class.

\* \* \*

5. Whether there is a domestic industry with respect to Ingersoll-Rand's alleged common law trademark.

6. Whether the respondents' activities have the threat of substantially injuring the domestic industry related to Ingersoll-Rand's alleged common law

trademark. (Emphasis added).<sup>26</sup>

Neither of the prehearing statements of the respondents or the staff showed any awareness of a false designation of origin/trade dress infringement issue.

Complainant, in a paper titled "Complainant's Opposition To Respondent's Motion To Disallow Admission of Helfgott Study" and dated January 31, 1991 (ALJ Ex. 1(h)), which was before the commencement of the hearing on February 4, represented at 1, 2 under a subheading "Complainant's Definition of It's Mark" that both the staff and respondents in their prehearing statements had urged that Ingersoll Rand had not adequately defined its mark and that resolution of this "definition" question sits as a threshold question; that while the staff and respondents contended that Ingersoll Rand lacked a "precise" or "adequate" mark definition, the staff, citing Certain Luggage Products, Inv. No. 337-TA-243, USITC Pub. 1969 (June 1987) aff'd smh nom. Lenox. Inc. v. USITC, 837 F.2d 1098 (Fed. Cir. 1987) (Table) (Luggage I), Certain Hard Sided Molded-Luggage Cases, Inv. No. 337-TA-262, unreviewed ID (Aga Comm. notice of Dec. 22, 1987), aff'd in part and vacated in part sub

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<sup>26</sup> A footnote 2 by the staff to its listed issues stated:

In addition to Complainant's allegation of common law trademark infringement, the original Complaint also contained allegations that Respondents have violated "country-of-origin" marking requirements found in 19 C.F.R. §134.46 and Section 5(a) of the FTC Act. At pages 53-54 of the deposition transcript of James Stryker, Complainant advised that its "country-of-origin" allegations made in paragraphs 4.3 and 4.4 of the Complaint were no longer in issue. Furthermore, Complainant has not discussed these issues in its prehearing statement. Nonetheless, the Staff requests that this matter be confirmed at the Prehearing Conference. If Complainant is no longer relying on this cause of action, a motion to amend the Notice of Investigation (or a stipulation to the effect) would be appropriate.

nom. Samsonite Corp. v. USITC, 862 F.2d 321 (Fed. Cir. 1988) (Table) (where the court vacated as moot the unfair competition portion of the Commission decision) (Luggage II) and AmBrit. Inc. v. Kraft. Inc., 805 F.2d 974 (11th Cir. 1986) (AmBrit) as setting forth the standard of definition applicable in the instant investigation and respondents complaining of lack of intent to create a mark, the "common law design trademark claimed in this investigation for the IR 231 IMPACTOOL has been defined with far greater precision than [sic] the marks submitted in either of the luggage cases or in AmBrit" and "[s]pecifically. IR has defined its mark with fastidious precision in its initial Complaint and in the amendments to the Complaint." Nothing was said by complainant, even in this paper dated as late as January 31 that the "most important part of the claim" in this investigation (CPostR at 1) is a false designation of origin/trade dress infringement, distinct from the "(1) alleged infringement of Ingersoll Rand's common law design trademark" of the Notice of Investigation.

During the hearing, in connection with qualifying complainant's expert Helfgott, complainant's counsel represented that "[i]n this proceeding... it relates to the trademark and to common law trademark of a product with a three-dimensional shape" (Emphasis added) (FF 54). Thereafter, after the parties had terminated their examination of Helfgott (Tr. at 510), there was argument on respondents' motion to strike the survey evidence CX-4 in its entirety. Respondents' counsel argued:

I think the testimony [of Helfgott] has demonstrated that this survey was taken for purposes of determining the trade dress of the IR-231 and not the common-law trademark. Therefore, we don't believe it's probative of the issues in this investigation and should therefore be stricken from the record. [Tr. at 511].  
[Emphasis added]

Complainant's counsel responded (Tr. at 512-513):

MR. DICKEY: We submit that the -- that any -- the lack of correlation if any between what Dr. Helfgott measured for in his surveys varied only in a minor way if at all from what it is that Ingersoll Rand has claimed as its common-law trademark which is in essence a composite mark of the overall appearance of the 231 impact tool. Dr. Helfgott measured the overall appearance of the 231 impact tool, Ingersoll Rand is claiming for its common-law trademark, the overall appearance of the 231 impact tool.

What we get into here is a gray area, admittedly concerning the characteristics of the two functional -- clearly functional elements here that pose some legal problems and pose somewhat of a dilemma for the -- for Ingersoll Rand in exactly how to plead its case. And because we feel that it's a legal gray area that the determination as to what to the Court may ultimately decided [sic] to be the product of the proof, that is what we have proved by way of a common-law trademark as [sic] at all at variance with what our claim is.

\* \* \*

Therefore. because of the nature of the inconsistency as Dr. Helfgott has readily admitted between the nature of the proof that has come in. he has showed the entire tool. the entire overall appearance. the composite design. that is how he defined trade dress. That is what he measured for. that is clearly what he proved.

Row, if taking some language out of context and saving that you have to have a pure absolute 100 percent correlation between what the trade dress was that was reflected in the survey and what your claim was for overall appearance. notwithstanding the limiting factors of the universality of two of these highly functional and minor aspects of the tool. you get yourself in a box where you can't. nobody could be entitled to any protection or the law becomes irrelevant, there's no remedy left for the parties. And therefore, I think we have embarked upon is an excursion into an area, a vague area of the law, that requires considerable briefing and insight and analysis and I think would be highly premature one. I think it would be clearly wrong to exclude the survey. I think that would be -- well, I think that would be wrong as a matter of law.

I think the survey should come in, I think these issues, these very refined issues that we have as to how to deal with these universal features in the terms of a common-law trade dress should go to the weight of the evidence not to the admissibility of evidence and I think they are

a proper topic to thoroughly be explored in the legal briefing that is to follow in this matter. [Emphasis added]

- Respondents' counsel responded (Tr. at 515, 516):

MR. MASTRIANI: ... we are talking here about a survey that was absolutely directed to only one thing, trade dress and not to a common-law trademark. And the law as we understand it as exemplified in the Certain Luggage Products decision, investigation 337-TA-243 [at 36 of initial determination] but this is also a statement that's endemic throughout the law and it's a black letter law, and it's thus. "A necessary step in any trademark survey is establishing whether an interval associates the trademarking issue emphasized with a single source for the product rather than with the product itself."

\* \* \*

MR. MASTRIANI: And, Your Honor, what that says is that it has to be a survey that associates the trademark and its constituent components with a single source for the product and not for the product itself. And what Dr. Helfgott did is he tested association with the product itself, the trade dress. Because of that this survey is just not of any probative value in this investigation and we believe there is not need to go through an inordinate amounts of briefing and so on and wasting the times and resources when it should be excluded on an evidentiary basis at this time.

It was the staff's position that the staff and respondents "have had the understanding that a survey was being done based on some common-law trademark being asserted in this investigation" (Tr. at 517). The staff continued:

Now, all of a sudden, at trial, I am hearing for the first time what I think is an argument to the effect that Dr. Helfgott was not measuring something -- is not measuring common-law trademark, but was measuring something which the Complainant is calling trade dress of the 231. I have not heard that argument before. I'll take some time and sort it out and figure out if it means anything, but the staff is most concerned that what had been represented throughout this investigation as the issue in this investigation is the purpose the survey -- may not be served here.

The expert has testified that the survey was not designed or conducted or even analyzed based on the common-law trademark. Based on that and any other factors, the staff finds the survey, very misleading, especially in view of these new arguments that I'm hearing for the first time from Complainant's counsel [Tr. at 517,

Nowhere during the hearing was there any awareness shown by respondents and the staff, and even the complainant, that the "most important" allegation in this investigation (CPostR at 1) is a false designation of origin/trade dress infringement allegation distinct from the "(1) alleged infringement of Ingersoll Rand's common law design trademark" of the Notice of Investigation.

Based on the foregoing, the administrative law judge finds that the insertion of a false designation of origin/trade dress infringement allegation, which can be distinct from the common law trade mark allegation, was first raised by complainant in its post hearing submissions. Because a false designation of origin/trade dress infringement allegation, which can be distinct from the common law trademark infringement allegation, was not raised by complainant until its initial post hearing submission, which was after the record was closed on February 8, 1991, such allegation is found to run afoul of the principle of avoiding unfair surprise to respondents and the staff. Accordingly putting such an allegation in issue at this late stage of the investigation would deny due process to the respondents and at least prejudice the staff. Hence that allegation, to the extent that it differs from the common law trademark allegation, will not be considered.

There remains the "alleged false designation of origin" issue in the Notice of Investigation. In Coin-Operated, in issue were the alleged unfair acts, inter ali,, of common law trademark infringement and false designation of origin. In the recommended determination at 13, the administrative law judge noted that under section 43(a) of the Lanham Act, false designation of

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<sup>27</sup> Respondents' motion to strike made at the hearing was denied without prejudice (Tr. at 1480).

origin had been expanded to cover the use of the trademark of another to misrepresent the manufacturers or the origin of a product. Thereafter at 12, the administrative law judge, stating that the same elements which establish common law trademark infringement also establish a Prima facie case of false designation of origin, i.e., of the manufacturer, and having found that certain respondents infringed complainant's common law trademark, determined that those respondents violated section 337 by reason of false designation of origin. Accordingly, in this investigation any finding on the common law trademark allegation will determine the "alleged false designation of origin."

## II. Alleged Common Law Trademark

Complainant argued that it is entitled to protection of the shape, proportion, configuration, color and texture of the 231 IMPACTOOL, to the extent those features combine to create an "overall appearance" of the product (CPreH at 3).

Respondents argued that complainant has failed to identify, with any consistency and cogency, the parameters of its claimed trademark; that complainant in its pleadings and at the hearing had given a number of ambiguous, inconsistent and conflicting definitions of its alleged trademark; that sworn testimony of some of complainant's personnel define the mark by vague and ambiguous reference to a trademark for the "overall appearance" of the IR-231; that people at Ingersoll Rand have no idea what the alleged trademark is; that complainant's personnel even disagree among themselves as to which features are covered and are not covered by the asserted trademark; and that complainant has amended the complaint with an unsworn joint statement, authored by counsel and signed by Ingersoll Rand personnel, in order not only to attempt to cure the major inconsistencies in the definition

of the asserted mark but to add new features to the asserted trademark. It is argued that complainant's failure to identify and define the alleged mark must inevitably lead to the conclusion that complainant's asserted "mark" is incapable of indicating source or origin (RPost at 2 to 4).

The staff argued that Ingersoll Rand has failed to define adequately its alleged mark and Ingersoll Rand's purported definitions remain impermissibly vague; that vague references to such factors as "overall appearance," "shape" and "feature location" are unacceptable without more specificity; that for instance with regard to the vague references of "shape" and "feature location," Ingersoll Rand's purported "definitions" fail to specify what "shapes" and "features" are being referenced and with regard to "color," there is no indication in Ingersoll Rand's "definitions" of which colors (such as the red color of the nameplate or the black color of the trigger) were to be included or excluded from the "definition"; that notwithstanding complainant's vague references to such things as "shape," "feature location" and "color," Ingersoll Rand has at various times identified at least the following specific elements as part of its alleged mark: (1) the black color of the hammer housing, (2) the forward/reverse mechanism as defined by the round knobs on each of its sides, (3) the numerals "0" through "5" above each round knob of the forward/reverse mechanism, (4) the shape of the trigger as defined by its frontal curve; the indentations on its sides, and by its size, (5) the black color of the trigger, (6) the five concentric circles as viewed from the front of the IR 231, (7) the shiny silver color of the motor housing and handle, (8) the shape of the handle as defined by its curved (as opposed to hard) edges and the lip which draws outward toward the front from the bottom of the handle, (9) the triangular arrangement of the Allen bolts (cap screws) at the

intersection of the hammer housing and the motor housing with two bolts on top and one underneath, (10) the hexagonal indentation on the surface of each Allen bolt, (11) the linear cut into the surface of the round knob on the left side of the forward/reverse mechanism, (12) the horseshoe shape of the plate on the back side of the motor housing, (13) the fact that there is wording on the plate on the back side of the motor housing, and (14) the exhaust portings above the trigger, citing g<sub>i</sub>g, complainant's answers to the staff's Third Set of Interrogatories (SX 114) and the testimony of complainant's Messrs. Poore (SPX 12 at 52-75) and Stryker (Tr. at 835-843, 872). It is argued that because Ingersoll Rand has failed to carry its burden to define adequately its alleged mark, complainant's contention that it has a mark should be rejected • for this reason alone (SPost at 5, 6).<sup>28</sup>

The verbal description of the asserted mark by complainant and its employees has varied. In the complaint as filed on March 26, 1990 a series of cross sectional dimensional drawings set forth the "specific design features" for which Ingersoll Rand claimed common law trademark protection (FF 10). In an amendment to the complaint on April 12, 1990, figures designated "A" through "J" on a drawing presented "design features, shapes, and curves associated with the 231 IMPACTOOL Ingersoll Rand product, and when such design features, shapes and curves are used in unison they generate customer

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<sup>28</sup> The staff cited no authority for the argument that the asserted mark should be rejected "for this reason alone," viz. because complainant has failed to carry its burden to define the alleged mark (SPost at 6). In Luggage I and Luggage II, while this administrative law judge found testimony somewhat inconsistent and contradictory as to what features made up the asserted marks, the asserted marks were not rejected for this reason alone although the allegations of the complainants that the asserted marks were inherently distinctive were rejected. In this investigation complainant has admitted that the asserted mark is not inherently distinctive (FF 53).

recognition of the product as that of Ingersoll Rand" although it was stated that Ingersoll Rand did not seek production for the "chuck" or for the "air connector" on the IR-231 and that the Ingersoll's trademark registration on the drawing was considered irrelevant for purposes of this investigation (FF 14). In addition Richard W. Poore, complainant's vice president and general manager (FF 22) who is most knowledgeable about the asserted mark (FF 34) and whose deposition was a "Rule 30 (b) (6) deposition" on issues relating to the definition of the asserted trademark (FF 23), on December 11, 1990, when asked whether the shape of the red name plate on the IR-231 makes up part of the asserted mark, did not think said shape was necessarily part of the asserted mark (FF 25). He also did not think then that the facts that the trigger is black nor the tool is shinny were elements of the asserted mark (FF 26) and when asked whether an element of the asserted mark was that any part of the IR 231 has a sheen, which is a polish or brightness, Poore was not sure (FF 26, 27). On December 11, 1990 Poore wasn't sure whether words on the nameplate of the IR 231 were part of the asserted mark (FF 27) and while hexagonal bolts on the top and bottom of the hammer housing were considered by Poore to be part of the asserted mark, he did not know whether the bolts would still be part of the asserted mark if the bolts were changed to an eight-sided configuration (FF 27). When asked on December 11, 1990 if the IR-231 was made a little more shiny or a little less shiny, Poore did not think the asserted mark would change (FF 27), although Poore wasn't sure whether the fact that the black circle on a reverse valve is substantially flat and has one rather sharp indentation is part of the asserted mark (FF 27). However, according to Poore the asserted mark is the shape and configuration of the tool and the way it looks and when asked what features go into the overall look, he answered

"everything" (FF 43) although he did not include the sound the IR-231 makes, the tool's weight, the way the tool feels when it is held in a hand nor did he include the chuck and the air intake valve on the IR-231 (FF 44).

Complainant's vice president of national accounts James D. Boggs (FF 28, 29), one of the six individuals who designed the individual design features enumerated in amended section 2.10 of the complaint which dealt with "the specific design features for which Ingersoll Rand claims common law trademark protection" (FF 10, 30), on September 21, 1990 when asked what the asserted "design trademark" is, could not tell exactly what it was other than that there is a regulator built into the housing plus the power control of that regulator and a steel housing on the clutch (FF 31). He also testified that one of the nonfunctional design features is the black and shiny appearance, i.e., the black steel clutch and the highly polished aluminum housing of the IR 231 (FF 31); that the trigger is functional (FF 31); and that the total exterior silhouette of the IR-231 is recognized as Ingersoll Rand (FF 31). At the hearing on February 6, 1991, Boggs testified that the trigger of the IR-231 including its indentation of the trigger, was not part of the asserted mark nor were certain numbers on the forward and reverse mechanism of the IR-231 (FF 46). At the hearing James Stryker, who has been with Ingersoll Rand since 1967 (FF 34) and is its marketing manager in industry and business development (FF 19) and most knowledgeable about the asserted mark, disagreed with Boggs at least to the extent that the trigger of the IR 231 is an element of the asserted mark (FF 47).

Steven Gornall, who has been with Ingersoll Rand since 1977, and is its marketing manager for the automotive aftermarket business (FF 32), testified on September 11, 1990, that the silhouette of the IR-231 has a "distinctive

Ingersoll Rand look or design" (FF 33). Stryker, on September 26, 1990, viewed the common law trademark as the total look of the IR-231, both from the back, the profile and the top which includes the black and shiny aspects, its form and its flow of lines (FF 36). Ralph Leonard, a regional manager of complainant (FF 38), testified on September 21, 1990 that he had never heard anyone at Ingersoll Rand discuss a design trademark for the 231 air impact tool (FF 39). Robert Davies, who is a manager of Industrial Engineering at Ingersoll Rand (FF 40) and has worked at Ingersoll Rand since 1972 (FF 41), considered that the asserted mark has been the shape of the IR-231 (FF 42).

Any portion of this initial determination which relates to the common law trademark should begin with a definition of the mark. In Luggage I, the Commission affirmed the administrative law judge's opinion of no violation of section 337 by reason of alleged common law trademark infringement of certain luggage products. Responding to complainant's contention that the administrative law judge erroneously required complainant to set out a list of specific features for the products to define and "limit the common law trademarks to these features," rather than the overall appearances of the products, the Commission stated at 6 to 8 that AmBrit, .805 F.2d at 978, -relied on by complainant in Luggage I, made clear that the features of the trade dress were explicitly identified and relied upon by the district court in reaching the conclusion that there had been infringement, and that AmBrit was based on a precise identification of trade dress features. It concluded that the analysis of the administrative law judge of whether complainant had established common law trademarks in the overall appearance of its luggage products properly began with a definition of the alleged marks:

As defined in an amendment to the complaint (Motion No. 311-8), filed

December 16, 1990, the alleged common law trademark covers the overall configuration and appearance of the 231 IMPACTOOL, including such appearance-related factors as color, size, shape, texture, the visual appearance of the manner of parts assembly, feature location and sheen, although it does not cover non-appearance related characteristics such as weight, balance, feel, smell, and temperature of the article, nor does it cover the chuck, the air inlet or the IR logo on the IR-231<sup>29</sup>,<sup>30</sup> (FF 14, 16).

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<sup>29</sup> An unsworn "Joint Statement of Ingersoll Rand Executives On The Definition of the Common Law Trademark Of The 231 Impactool" executed by Richard W. Poore, James D. Stryker, Robert T. Davies, James J. Boggs, Steven R. Gornall and Ralph Leonard prepared by counsel and which formed a portion of Motion No. 311-8, read in part:

The undersigned, after due consideration of the matter, and after experiencing some perceptual inconsistencies regarding some peripheral issues concerning the extent of the claimed mark, assert the following consensus as to the definition of the mark claimed for the 231 IMPACTOOL in the referenced proceeding, to wit:

COVERED: The mark covers the overall configuration and appearance of the 231 IMPACTOOL to include such appearance-related factors as color, size, shape, texture, the visual appearance of the manner of parts assembly, feature location, and sheen;

but does

NOT COVER non-appearance related characteristics such as weight, balance, feel, smell, and temperature of the article;

NOR does IR claim, in this context, protection for point-of-sale merchandising material (FE 17].

<sup>30</sup> Complainant in a proposed finding stated that the exclusion of the chuck and air inlet orifice in the alleged common law trademark were urged upon it by the staff during the pre-investigation phase, because "both of these features are common to all such tools in the industry and that they would not properly be subject to trademark." (CPF 37). Complainant has argued that Ingersoll Rand, by way of explanation, amended its complaint to eliminate the square chuck drive (anvil) and air inlet connector from the trademark claim at the strong suggestion and urging of the staff during the staffs review between the initial filing of the complaint and the institution phase of the proceeding; that it basically agreed with the staff's argument that those features were universal and should be open to public use; and that it agreed  
(continued...)

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<sup>30</sup> (...continued)

that Ingersoll Rand did not seek to preclude the use by others of those two design elements which simply conform to ANSI standards (CPost at 16, 17). The staff argued that proposed finding CPF 37 was irrelevant to the disposition of any issue in this investigation and that there was no evidence in the record to support that finding insofar as it purports to set forth a motive for complainant's decision to disclaim the chuck and air connector as part of complainant's overall configuration trademark (SPostO at 5, 6). When CPF 37 was raised by the administrative law judge at closing argument, complainant's attorney, argued (Tr. at 1625-1626):

MR. DICKEY: Well, during, under the procedures here you come in with a complaint and review it with the Office of OUII and they make helpful comments, one thing or another, before they take it -- we don't take it -- before they accept the complaint and decide we have made a prima facie case and take up before the Commission.

And they made a number of very helpful comments at that time, and then it is presented to the Commission and the investigation is instituted. It was during that sort of early, exploratory phase on whether we had an adequate complaint or didn't have an adequate complaint that these comments were made.

Then after ---

JUDGE LUCKERN: You didn't have to take their comments.

MR. DICKEY: We didn't have -- no, we didn't have to take it, we didn't have to take it, but at the same time ---

THE COURT: If they were made -- and I'm not challenging you.

MR. DICKEY: No, but at the same time, you have to put -- counsel is coming in before the Commission and the OUII is in a screening position and has a quasi-judicial capacity as a preliminary screening and when they make suggestions, they have to be taken very seriously because they make the recommendation to the Commission as to whether or not they should institute.

We didn't have to make it. It was made clear to use that we didn't have to accept the recommendations. Unequivocally clear on the record in my mind is that we didn't have to take the recommendations.

But at the same time, this was sort of mutually agreed

(continued...)

A trademark is defined at common law, as it is under the Lanham Act, as "any word, name, symbol, or device, or any combination thereof, adopted and used by a manufacturer or merchant to identify his goods and to distinguish them from those manufactured or sold by others." 15 U.S.C. §1127; McCarthy, §3:1 at 103; Certain Woodworking Machines, Inv. No. 337-TA-174, USITC Pub. 1979 at 6 (1985) (Woodworking Machines). While the verbal description of the asserted mark, as shown by the testimony of complainant's employees, who presumably had knowledge of it, is not necessarily identical to the asserted mark as set forth by complainant on December 16, 1990, the December 16

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<sup>30</sup> (...continued)

upon that it probably was on the subject of protection and it couldn't be protected, it wouldn't be proper, and then later, to indicate that this exclusion would create this much difficulty down the road, I felt, was a little inconsistent and kind of invited a problem for us.

In my mind, in any event, it is a de minimum problem, ought not to be a major problem as far as the common law trademark is concerned. We are still urging a mark in the overall appearance. We are arguing trade dress, both, and we have made clear from the beginning that our, our -- what we are seeking is protection for the overall appearance of this tool.

The staff responded (Tr. at 1628):

MR WHIELDON: Your Honor, let me just clarify for the record that it is first of all, here the position that the staff is taking is a staff position. There was no unique position here with respect to what Mr. Summerfield [the staff] did or didn't suggest.

We have set forth in our reply our position, but let me just state that it is the staff's policy, as I think Mr. Dickey will acknowledge, was conveyed to him that, and he was so advised in this case, that counsel and the client bear the responsibility for **allegations that are made therein, in the complaint, and that they were certainly so apprised in this case and that basically the staff's position is that in any event, as noted in our brief and we won't repeat that, that the allegations that are being made are not relevant to the disposition of the issues here, as far as from the staff's standpoint.**

definition is not found to be outside the definition of a common law trademark. However it is necessary for complainant to establish that the asserted December 16, 1990 mark has attained common law significance. To do so, complainant must show that: (1) it has a right to use the asserted mark; (2) the asserted mark is primarily non-functional; (3) the asserted mark is either inherently distinctive or has acquired secondary meaning; and (4) the asserted mark is not generic. Certain Sickle Guards, Inv. No. 337-TA-247, at 7, 2 U.S.P.Q.2d 1889, 1892 (1987) (Sickle Guards); Certain Vertical Milling Machines, Inv. No. 337-TA-108 at 5, 223 U.S.P.Q. 332, 336 (Milling Machines), aff'd on other grounds sub nom. Textron, Inc. v. USITC, 753 F.2d 1019 (Fed. Cir. 1985) (Textron).

A. Complainant's Right to Use the Asserted Mark

A party claiming a trademark must establish that it has a right to identify its product by the mark. Prior use by another without abandonment may bar this right. Cube Puzzles, 219 U.S.P.Q. at 326, 327. However, for the prior use to constitute a bar, such prior use must confer trademark rights on the senior user. Id. See also Power Tools at 200.

Respondents argued that complainant has no right to the "exclusive" use of the design, including color, texture and sheen, of the IR-231 (RPost at 4 to 7).

The staff argued that while Mac Tool Company is claiming a common law trademark in the appearance of its AW 234 one half inch air impact wrench, which is "similar in appearance" to complainant's IR 231, the evidence shows that Mac Tool did not start marketing its AW 234 until ; that Ingersoll Rand since 1972 has been manufacturing and selling its 231 wrench containing the "claimed design features"; that to the extent Mac Tool may claim the same

common law trademark as Ingersoll Rand, there is no evidence to show that Ingersoll Rand is not the senior user; and that there is no evidence that anyone else would be a senior user (SPost at 9).

The administrative law judge finds that there is no evidence in the record to establish that complainant does not have a right, although not necessarily the exclusive right, to use what complainant has asserted is its common law trademark. Even accepting the fact, for argumentative purposes, that Mac Tool has a common law trademark on its AW 234, similar in appearance to the asserted trademark, Mac Tool did not start marketing the AW 234 until some after Ingersoll Rand starting using the asserted mark (FF 60-63). Accordingly complainant has a right to use the asserted mark.

#### B. Distinctiveness

The parties have stipulated that the asserted common law trademark is not inherently distinctive (FF 53). Because the asserted mark is not inherently distinctive the mark should have that quantum of strength, at least, called "secondary meaning". McCarthy §11.25.<sup>31</sup> The burden of proof of secondary meaning is on complainant. Id. at §15.11.

#### C. Secondary Meaning

Secondary meaning is established if it can be shown that a substantial number of the relevant consumer group for the product at issue associates a mark with a single, though perhaps anonymous, source. Certain Heavy-Duty

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<sup>31</sup> While complainant argued that "it would appear Ingersoll Rand has a strong mark" (CPostR at 23), McCarthy has stated that it is absurd to separate marks into two neat categories of "strong" marks and "weak" marks because strength is relative, although there is a correlation between "strength" and "secondary meaning" in that a non-inherently distinctive term must have at least that quantum of strength called "secondary meaning". egg McCarthy, §§ 11.24, 11.25.

Staple Gun Tackers, Inv. No. 337-TA-137, unreviewed ID (1983) (Staple Gun); Cube Puzzles, 219 U.S.P.Q. at 328; Milling Machines, 219 U.S.P.Q. at 8; McCarthy, §15.11. The party seeking protection for its purported mark must show that there is substantial evidence of secondary meaning, not merely a remote possibility. McCarthy, §15.11, citing Restatement of Torts §727, Comment C (1938). Proof of secondary meaning may be shown by direct and/or circumstantial evidence.<sup>32</sup>

1. Direct Evidence

Direct evidence refers to actual testimony of buyers as to their state of mind and may include professionally conducted consumer surveys. Staple Gun; McCarthy, §15.10.

(a) Survey

Complainant has relied on a survey for secondary meaning (survey I - yellow questionnaire) as well as a survey for establishing likelihood of confusion (survey II - blue questionnaire) (FF 141, 146).

Complainant's survey expert Helfgott designed the questionnaires used in the surveys. They were conducted in four cities selected by Depth Research Laboratory, a field organization (Depth Research). The selection of the cities was under Helfgott's direction with the requirement that the cities be "randomly selected" so that "we could rightfully claim this to be a probability sample" (FF 142, 143, 164, 168, 187a).

As to who actually went into the field to conduct the interviews for the surveys, when Depth Research had all of the requirements, the questionnaires,

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<sup>32</sup> Complainant, citing PAF, argued that proof of intentional copying is persuasive of secondary meaning, if not conclusive evidence of secondary meaning and argued that Power Tools "is seriously inconsistent" with PAF. The Commission however in Power Tools found PAF not controlling. See fn. 16.

exhibits, etc., it selected a research company in each of the four cities to do the local field work. That company then selected two trained interviewers and proceeded to fulfill the field requirement of actual interviewing in that city (FF 144). Interviewers completed two interviews, one for each survey, in each establishment visited, provided that the two qualified interviewees were available (FF 186). The field organization, including the interviewers, in each of the four cities, had no idea who the ultimate client was, and no idea that the surveys were related in any way to this litigation (FF 144, 145). The surveys took about three and a half weeks (FF 171, 173).

When an interviewer went out to conduct an interview, he would arrive at the location of the interviewee with an Ingersoll Rand air impact wrench 231 (CPX-1), a Chicago Pneumatic wrench (CPX-4) and an Astro 555 wrench (CPX-2) (FF 147). The interviewer, in conducting an interview, started with some screening questions, the first of which was whether the interviewee was an auto mechanic and the second was whether the interviewee used an air impact wrench "in your work". The prospect had to answer yes to both of those questions to qualify for the survey. The interviewer then proceeded, with the secondary meaning and confusion interviews being done sequentially. The instructions for the Helfgott study stated that if two or more mechanics were available at the same listing, the two may be interviewed on the yellow and blue questionnaires; that the mechanics were to be interviewed according to their first names in alphabetical order (e.g. interview Bob, then Joe); that each interview was to be conducted privately, out of the sight and hearing of other prospective or former respondents; that the interviews were to be alternated by color; and that the goal was to get one blue and one yellow interview per request, either at one or two listings (FF 148, 148a).

The interviewers in the survey had to manage interview instructions, the interview form itself, and be able to write and select for the interviews certain wrenches. The wrenches were handed to the interviewee at his work station and the interviewer recorded the solicited information. No table or chairs were used in the interviews (FF 149, 150, 160, 164).

In conducting an interview involving secondary meaning, an interviewer came in and said hello, and then said:

I'm doing a survey on tools you use in your work. I'd like to ask you a few questions. It will take just a few minutes of your time. Your answers are confidential. For your cooperation, I will give you \$5 when we are finished. If you don't know the answer to any of the questions, please say so. (FF 152)

The interviewer then presented the interviewee with what has been described as a masked Ingersoll Rand air impact wrench 231. The interviewer said, "Do you know the brand name of this tool or the name of the company that makes it?" (Question 1). If the answer to that question was yes, the interviewer went on to ask Question 1a "What is the name?" The interviewer then said "Here is another tool," and showed what had been described as a masked Chicago Pneumatic air impact wrench and asked, "Do you know the brand name of this tool or the name of the company that makes it?" (Question 2). If the answer was yes, the person was asked what is the company's name (Question 2a). The interviewer then said, "Thank you very much", and everyone was asked their name and their job title, and the garage name and address. The interviewer and date were put down with the interviewer giving the interviewee a five dollar incentive for interview participation. The interviewee signed for receipt of the money and the interview was terminated (FF 152). In some of the secondary meaning interviews, "why" Questions 1b and 1c were asked in an attempt to ascertain why a particular company or brand name was given in

response to the question "What is the name?" (FF 158, 165, 166).

Helfgott considered that the why Question 1b was an aid in understanding, but that it did not carry the precision or the refinement of the answer that Question 1a did (FF 158). Helfgott included the why question in the secondary meaning survey at the "strong recommendation" of the staff, and when asked whether he would "have put the 'why' question in but for that request", Helfgott answered "No" because "I don't give much significance to the answers people give in terms of that . . . However, I also did not see any reason to exclude it so long as it was requested." Helfgott testified that he did not normally put a "why" question in a survey (FF 165).

In conducting the confusion survey an interviewer introduced himself by saying:

Hello, I am doing a survey on tools that you use in your work. I would like to ask you a few questions. It will take just a few minutes of your time. Your answers are confidential. For your cooperation, I will give you \$5 when we are finished. If you do not know the answer to any of the questions, please say so. (FF 155)

The interviewer was then instructed to present the Astro Power 555 tool with all brand identifications intact, exposed and unmasked, to the interviewee.

The interviewer then said "Please look at this tool, and take as long as you like." When the interviewee respondent looked up, he was asked, "Do you know the brand name of this tool or the name of the company that makes it?"

(Question 1). If the answer was yes, the interviewer said, "What is the name?" (Question 1a). The interviewer then went by the written instruction: "If it is Astro, Astro Pneumatic, Astro Power, AP, or any other Astro reference is mentioned, ask Question 2. If any other name is mentioned, go to Question 3." Question 2 was: "What company, if any, do you think makes this tool for --" (If the interviewee had said "Astro", the interviewer said

"Astro". If the interviewee said Astro Power, or another Astro reference, such as said by the interviewer). In addition to the interviewee naming a company, the blue questionnaire gave two other alternative possibilities that the interviewee could give, viz. none and do not know. The interviewer then asked: "What features of this tool makes you say that? Please be as specific and complete as you can" (Question 3). When the interviewee concluded, the interviewer asked one probe which was: "Anything else?" (Question 3a). The interviewer then said: "Thank you very much," and recorded the name of the interviewee, his job title, the garage name and address, the interview date, the interviewer's own identification and delivered a five dollar incentive for which the interviewee signed (FF 155).

Concerning the results of the two surveys, in the secondary meaning survey, where the stimulus was the Ingersoll Rand product, Helfgott concluded that it was identified as an Ingersoll Rand product by 52% of the respondents. In the confusion survey, Helfgott concluded that the level of confusing similarity of the Astro Power product with that of the Ingersoll Rand measured at 29% (FF 163).

All parties in this investigation recognize that in evaluating the credibility and reliability of any consumer survey it is necessary to consider the following factors as formulated in the Judicial Conference of the United States Handbook of Recommended Procedures for the Trial of Protracted Cases (West Ed. 1970):

1. Examination of the proper universe;
2. A representative sample drawn from that universe;
3. A correct mode of questioning interviewees;
4. Recognized experts conducting the survey;

5. Accurate reporting of data gathered;
6. Sample design, questionnaire, and interviewing in accordance with generally accepted standards of objective procedure and statistics in the field of such surveys;
7. Sample design and interviews conducted independently of the attorneys; and
8. The interviewers, trained in this field, have no knowledge of the litigation or the purpose for which the survey is to be used.

**Id** at 73-74. Those standards have been uniformly relied upon by the Commission. See, e.g., Power Tools, ID at 217-218; Luggage I (ID at 28-29).

(i) Guidelines 1 and 2 - Examination of A Proper Universe, and Representative Sample Therefrom

#### Universe

The universe for both survey I (secondary meaning yellow questionnaire) and survey II (confusion blue questionnaire) is the same, viz. comprised of automotive mechanics who use an air impact wrench in their work (FF 187).<sup>33</sup> Respondents offered the following two arguments as to why the universe was flawed: the universe was improperly limited (1) to mechanic owners or end-users and should have included potential purchasers and (2) to automotive mechanics and should have included other types of mechanics and technicians (RPost 16-18, 31) Respondents argued that inclusion of potential purchasers is a "fundamental concept" in defining a proper universe, citing Woodworking Machines where the Commission found a survey universe comprised exclusively of owners or frequent users of band saws and/or table saws to be impermissibly

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<sup>33</sup> **al**, Centaur Communications v. A/S/M Communications, 830 P.2d 1217, 1224-25 (2d Cir. 1987) (holding that principles governing survey flaws in consumer confusion survey are applicable to secondary meaning survey).

narrow because potential purchasers<sup>34</sup> were under-represented and the results were accordingly skewed by the exclusive presence of the class (owners and frequent users) most acquainted with the appearance of the tools at issue.

Woodworking Machines, Commission Opinion at 17-21.<sup>35</sup>

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<sup>34</sup> Valid secondary meaning and confusion surveys must include responses by potential consumers of the products in question. See Power Tools, at 219, Luggage II, ID at 58; Centaur Communications v. A/S/M Communications, 830 F.2d at 1222-24; Universal City Studios v. Nintendo Co. Ltd., 746 F.2d 112, 118 (2d Cir. 1984); Brooks Shoe Mfg. Co. Inc. v. Suave Shoe Corp., 716 F.2d 854, 861 (11th Cir. 1983), citing Brooks Shoe Mfg Co. Inc., 533 F.Supp. 75, 80-81 (S.D. Fla. 1981) (Brooks Shoe); Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252, 264 (5th Cir. 1980) (Amstar); Dreyfus Fund Inc. v. Royal Bank of Canada, 252 F.Supp. 1108, 1115 S.D.N.Y. 1981); Z.I. Dupont de Nemours and Co. v. Yoshida International, Inc., 393 F.Supp. 502, 516 (E.D.N.Y. 1975); and Woodworking Machines, Commission opinion at 18. Helfgott has not stated that it is unnecessary to represent potential consumers in the survey universe, but rather that potential consumers are represented in the class of present owners of the tools (FF 168, 182).

<sup>35</sup> The Commission indicated, however, that a survey universe exclusively comprised of owners could be acceptable where there is a high "coincidence of owners and potential purchasers," and that such coincidence could be inferred from the relative expense of the item at issue and the relative length of its expected useful life. *Id.*, at 20-21. The Commission used shoe owners (relative low expense and relative short life) as an example of a universe where coincidence of owners and potential purchasers is high. *Id.*, at 20. By contrast, the retail prices of the saws in Woodworking Machines were between \$600 and \$800. *Id.*, at 19, fn. 88. In Power Tools, the survey universe was comprised of "persons between 18 and 60 years of age who had either (1) bought and used any small hand-held or small stationary electric power tools for wood or metal within the last twelve months, or (2) had shopped for either type of power tool within the last three months." *Id.*, at 214. In the analysis of the universe's owner/potential purchaser distinction, it was stated that "in terms of the likelihood that the sample owners and users include persons that are potential purchasers, the survey in this investigation is more likely to include potential purchasers than was found in Woodworking Machines and less likely to include such purchasers as the survey of owners in the Tupperware investigations." In Certain Plastic Food Storage Containers, Inv. No. 337-TA-152, USITC Pub. 1563, unreviewed ID (1984) (Tupperware) the universe was "women 21 years of age and over who are users of plastic food storage containers." *Id.*, at 26. There the products at issue sold for \$9-20. *Id.* at 83. The useful life of plastic food storage products can be relatively short. Accordingly, the coincidence of owners who are also potential purchasers can be very high. In Power Tools the universe was held improper, but not because the class "owners" excludes potential purchasers, but rather because the shopping requirement of the survey had the effect of excluding some persons

(continued...)

The staff argued that owners and frequent users of the tools at issue were, in effect, potential purchasers and hence had no objection to the Universe (SPost at 31).

In this investigation the wholesale prices of the impact tools range from \$68-70 for the Astro 555 (FF 73) to \$98-103 for the IR 231 (FF 75) which is relatively low in relation to the product prices in Woodworking Machines (See fn 35). Moreover, the maximum life of an impact wrench tends to be about three years and the average life to be about a year and a half (FF 183). In addition, automotive mechanics typically own more than one impact wrench at a time (FF 184) and the evidence indicates that automotive mechanics comprise the greatest part of the market for impact wrenches (FF 124, 168, 181). The administrative law judge finds that those factors, taken together, establish that there is a high coincidence of owners and potential buyers in the survey universe and that automotive mechanics can be regarded as being perpetually in the market for a new impact wrench, which is the type of situation that favors a universe comprised of product owners.

Respondents' second argument against the validity of the universe of the two surveys was that the universe should have included other kinds of mechanics and technicians in addition to automotive mechanics (RPost at 16-17), citing Brooks Shoe, Amstar and Power Tools. In Brooks Shoe the court held that a secondary meaning survey, the universe for which was spectators and participants at certain running events, was improper because the results would be skewed by the fact that spectators and participants at running events

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<sup>35</sup> (...continued)

who would tend to be less acquainted with the tools. It was also found that the survey contained a disproportionate number of professional end-users which improperly skewed the survey in the complainant's favor. *Id.*, at 221-22.

(serious runners) are the persons most likely to be well acquainted with the appearance of the Brooks shoe. Brooks Shoe, 533 F.Supp. at 80. Another secondary meaning survey offered by the defendant, the universe for which was households with one or more persons who purchased one or more pair of athletic shoes during the previous year, was held accurately to represent the relevant consuming public. *Id.* at 80-81.

In Amstar the court rejected plaintiff's confusion survey on the Domino Sugar word mark and the Domino Pizza word mark, the universe for which was female heads of households who were primarily responsible for food purchases (Amstar, 615 F.2d at 263) and held that the survey completely neglected the defendant's likely consumers, *i.e.*, college-age males, and thus failed to represent the relevant public. *Id.* at 264. Both Brooks Shoe and Amstar stand for the proposition that a survey must "represent the opinions which are relevant to the litigation." *Id.*

In Power Tools the administrative law judge distinguished between professional users of the subject tools and non-professional users and found a larger percentage of professional users included in the survey than was found in the relevant tool market. Power Tools, at 222-23. Also, the survey was made up of only 10% women, while more than 35% of the relevant consumer group were women. *Id.* at 224. With respect to both flaws there was expert testimony to prove how the survey inaccuracies affected the outcome of the survey by skewing the results in the complainant's favor. *Id.* at 222-25.

In the instant investigation there is testimony, including expert testimony, of awareness of other classes of users of impact wrenches but that such other classes constitute a very small portion of the market for the tools and were not worth involving in the survey (FF 123, 124, 168). There is no

testimony or other proof that the distinction between automotive mechanics and non-automotive mechanics has any significance to the outcome of the survey in contrast to respondent's efforts in Power Tools where the skewing effect of the universe's inaccuracies was proven by expert testimony and alternative survey results. Finally, the administrative law judge determines that the alleged distinction between automotive and non-automotive mechanics offered by respondents is in no way analogous to the rejected survey in Brooks Shoe (only spectators and participants at certain running events for Brooks shoe) and Amstar (limited to certain female heads of households for Domino Sugar word mark and the Domino Pizza word mark).

Based on the foregoing, the administrative law judge determines that the universe is proper.

#### Size of Sample

The sample for both surveys in this investigation consisted of 100 automotive mechanics (FF 187). Both the staff and respondents argued that the size of the sample was too small to give any credibility to the results of the secondary meaning survey and of the confusion survey (SPost at 31, 38, 39; RPost at 17).<sup>36</sup>

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<sup>36</sup> The staff first argued the issue of appropriate sample size with respect to complainant's secondary meaning survey (SPost at 17) and then later simply extended its argument to apply to complainant's confusion survey as well (Id. at 38-19). Likewise, respondents first raised the sample size issue with respect to the secondary meaning survey. However, when addressing the confusion survey respondents failed to explicitly extend their sample size objection to the confusion survey. Respondents did state that "Uhl addition to the universe being improperly narrow and non-representative as in the secondary meaning survey, Dr. Helfgott's confusion survey was seriously deficient in its methodology" (RPost at 31). Respondents' subsequent discussion of the "methodology" did not touch on any shortcomings of the survey size. In closing argument, however, respondents' counsel made reference to the size of the sample in connection with any finding against his client "based on the word of 14 people or 29 people that there is confusion."  
(continued...)

Neither the respondents nor the staff offered any persuasive argument to challenge this conclusion. Moreover, on cross examination Helfgott confirmed his position that a "randomly selected probability sample based on four markets, one from each of the four major quadrants in America [on which the surveys in issue are based] would be appropriate," and that he did not need 400 because it would not make a great deal of difference whether the results had a plus or minus 8 percent range of random error or a plus or minus four percent range of random error (FF 187a).<sup>37</sup>

The staff, in support of its position that a larger sample number should have been used, cited two Commission cases, both of which involved common law trademarks, in which Helfgott conducted surveys on behalf of the complainant, viz. Staple Gun and Cube Puzzles. The staff relied on the fact that in Staple Gun Helfgott used samples of 665 persons for both the secondary meaning and confusion surveys. (SPost at 31). Id. also, Staple Gun, at 30. The staff argued that in Cube Puzzles Helfgott testified that in a probability survey "a minimum of 200 people had to be included in each survey sample to assure that the sample was large enough to give stability, i.e., so that the numbers would not 'bounce around'" (SPost at 31, citing Cube Puzzles, RD at 31). The language said by the staff to be found in the RD at 25 cannot be

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<sup>36</sup> (...continued)  
(Tr. at 1610).

<sup>37</sup> When the staff and counsel for respondents were asked by the administrative law judge at closing argument to clarify their objections to the sample size, neither were able to explain satisfactorily why 100 persons in each sample were too small a sample, nor were either able to offer a number that would represent a fair sample size for such a survey. (Tr. at 1607-1610).

found. Thus, the RD at 24, 25 reads as follows:

An ordinary standard error table could not be used with Dr. Helfgott's surveys because it was not based on a probability sample of any kind. In random sampling, there is no control over the specific choice of the units that appear in the sample. If judgement is exercised in the selection, by choosing "typical" members, the survey results are not amendable to probability theory. Confidence intervals, which give information about the accuracy of the estimates made from the sample, cannot be construed. See G.W. Snedecor and W.G. Cochran, Statistical Methods, (1967), at 11.

Since a quota survey is not based on a probability sample, it is not subject to the standard error **tables based** on probability theory which show levels of confidence one could expect to have in probability sample surveys of a particular size.

Dr. Helfgott used statistical error tables only to show that a minimum number of people (200) had to be included in each survey sample to assure that the sample was large enough to give stability, i.e., so that the numbers would not "bounce" around. Dr. Helfgott improved the reliability of those surveys in which he used 200 participants to give some stability to his estimates. Cube Puzzles, RD at 24-25 (Transcript citations omitted) (Emphasis added).

In both Staple Gun (ID at 30) and Cube Puzzles (RD at 25) Helfgott used quota surveys while the surveys in this investigation were probability surveys where, according to Helfgott, the 100 number was appropriate.

Respondents cite Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 795 (5th Cir. 1983) (Zatarains) as support for their contention that the samples were too small, stating that in Zatarains a "survey sample four times as large (as the sample at issue) was severely criticized" (RPost at 17) and quoting the court's statement that "survey samples such as these - 100 women in each of four randomly selected cities - may not be adequate in size to prove anything." **Id**, at 794, fn. 4. In Zatarains there were two different **marks at issue, the word mark "Fish-Fri" for Zatarains' fried fish batter, and the word mark "Chick-Fri" for its fried chicken batter.** at 788. With respect to proof of secondary meaning for its fried fish batter the court stated that:

Zatarains introduced at trial tx2 surveys conducted by its expert witness, Allen Rosenweig. In one survey, telephone interviewers questioned 10 women in the New Orleans area who fry fish or other seafood three or more times per month. Of the women surveyed, twenty-three percent specified Zatarain's "Fish-fri as a product they "would buy at the grocery store to use as a coating" or a "product on the market that is especially made for frying fish." In a similar survey conducted in person at a New Orleans areas mall, twenty-eight of the 100 respondents answered "Zatarain's 'Fish-Fry'" to the same questions. Id. at 795 (Footnotes omitted) (Emphasis added).

The surveys offered with respect to secondary meaning of "Chick-Fry" also had samples of 100 respondents from the "New Orleans area". Id, at 797.

Accordingly, while each survey involved a total of 200 respondents, only 100 respondents were questioned in person and the surveys were limited to the New Orleans area. In contrast, in this investigation the 100 interviewees were located in four randomly selected cities in widely different geographic regions of the country (FF 142, 143). The interviewees were questioned about a product with a very narrow market range (FF 168, 181). Moreover respondents' assertion that the court in Zatarains criticized a sample size "four times as large" as the samples in the instant case is inapposite and unfounded on the facts in the Zatarains opinion where the court actually upheld the district court's acceptance of the "Fish-Fri" secondary meaning survey as well as the district court's finding that the survey, in conjunction with other circumstantial evidence, established secondary meaning in "Fish-Fri". Id. at 975-96.

Based on the testimony of complainant's expert Helfgott and the lack of any authority showing that the size of the sample of the surveys is inadequate, the administrative law judge finds that the surveys are not fatally flawed by reason of the size of the sample.

(ii) Guideline 3 - A Correct Mode of Questioning Interviewees

Respondents argued that the method of questioning the interviewees used in the Helfgott survey was clearly improper in that the questioning was aimed in a particular direction in order to lead to a predetermined result; and that by failing to focus interviewees on the appearance, or design configuration, of the product in issue, which is all that complainant is claiming has acquired secondary meaning, the survey "missed the boat". It is also argued that the questions posed in the secondary meaning survey were unreliable because they did not replicate in any manner an actual purchase situation, and encouraged responses which favored companies, such as Ingersoll Rand, which conduct extensive and intensive advertising of the company name (RPost at 18, 19).

The staff argued that the survey is seriously flawed due to the leading nature of the question posed to interviewees (SPost at 27).

Complainant argued that there is no competent testimony from either the staff or respondents through witnesses or other experts indicating a flaw in the secondary meaning survey questionnaire and that Helfgott being the only expert witness, his testimony goes "fundamentally uncontradicted and unchallenged" and therefore his testimony should be accepted when he stated that the questioning was done "in accordance with the proper procedure" (CPostRe at 22). Complainant however did not challenge the Commission's analysis of the secondary meaning survey in Luggage I (Comm'n Op. at 21) but rather argued that Question 1 of complainant's secondary meaning survey could not be held to be leading under the Commission's analysis in Luggage I because complainant's secondary meaning survey "has no Question 4 (of Luggage I] or anything approaching Question 4" (CPost R at 21).

In Luggage I, the Commission stated in pertinent part (Commission

opinion at 21):

We agree with the ALJ that the survey should be accorded no weight in establishing secondary meaning. One fundamental problem with the survey is that it consists of Questions that tend to slant replies toward a suggested response.

\* \* \*

We also note that a properly conducted survey could have utilized the approach taken in Question 4 provided that the question was not preceded by Question 2. In our opinion, Question 2 implies that there is a single manufacturer and is, therefore, leading when it precedes Question 4.<sup>38</sup> (Emphasis added)

Thus in Luggage 1 the Commission found that there were "questions" which tended to slant replies toward a suggested response, one of which (Question 4) would have been proper provided it had not been preceded by Question 2 which implied a single manufacturer. Question 2 was prior to Question 4 and hence independent of Question 4.<sup>39</sup>

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<sup>38</sup> In Luggage I the secondary meaning survey at issue was divided into several "stages" of questioning. In Stage 1 the interviewee was shown a masked Hartmann bag and asked "Can you tell me the manufacturer or brand name of this piece of luggage?" (Question 2). Luggage I, Comm'n Op. at 18. If the interviewee answered "No" to Question 2, the interviewer proceeded to Stage 3 and asked: "Do you believe that . . . [hanger bags or carry-on or attache cases] which look like this are manufactured by one company or more than one company? (Question 4). Id.

<sup>39</sup> See Sunbeam Corp. v. Equity Industries Corp., 635 F.Supp. 625, 630 (E.D. Va. 1986), Aff'd, 811 F.2d 1505 (4th Cir. 1987) (Sunbeam). In Amilim a secondary meaning survey offered by plaintiffs asked the following questions:

Q4: What company do you think puts out this food processor.?

Q5: What is the name of this food processor?

Q6: Do you associate the appearance of this food processor with one company or more than one company.

Id. at 630. The court stated that "questions four and five, by suggesting that only one company puts out this food processor, were leading questions" and "no doubt predisposed some respondents towards answering 'one company' in (continued...)

The fact, in this investigation, that Question 1 in complainant's secondary meaning survey, i.e., "Do you know the brand name of this tool or the name of the company that makes it?" is not followed by a second question of the type of Question 4 in Luggage I is not found to change the leading character of complainant's Question 1. By complainant's Question 1, which has the language "name of the company that makes it [this tool]" (Emphasis added), the question implies a single source, as Question 2 in Luggage I implied a single source, and thus tends to slant replies toward a single manufacturer which is desired by complainant.<sup>40</sup> Even complainant's expert Helfgott testified that the hypothetical question "What company makes this tool?" suggests a singular response because the question "refers to the particular tool in question." He admitted that the only difference between that hypothetical question and Question 1, i.e., "Do you know the brand name of this tool or the name of the company that makes it?" is that the hypothetical question omitted the possibility of a brand name and that Question 1 asked for "the brand name" as opposed to the brand name or brand names (FF 187b).<sup>41</sup>

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<sup>39</sup> (...continued)

their response to the critical question, question six." IA.

<sup>40</sup> In Power Tools screened interviewees were shown one of complainant's masked tools and asked the following questions: "What company or companies do you believe make this product?" ID at 215. This question, which allowed for either a singular or plural response, was not found by the administrative law judge to be leading although the survey was held to be invalid on the basis of an improper universe and an improper sample (see fn. 33).

<sup>41</sup> Respondents argued that there is evidence of guessing in the survey and that the survey favors companies such as Ingersoll Rand, whose advertising has resulted in high brand name recognition (RPost at 19, 20). In view of the extensive advertising of the Ingersoll Rand brand name (FF 188, 205), the likelihood that at least certain of the interviewee in answer to the leading Question 1 would favor or "guess" Ingersoll Rand is found to have been increased.

Based on the foregoing the administrative law judge finds the secondary meaning survey flawed under Guideline 3 because its Question 1 is leading .42,43

(iii) Guideline 5 - Accurate Reporting Of Data Gathered

Respondents argued that the analysis and report by Helfgott of the survey results contains a number of fundamental errors in the manner in which the survey data was interpreted; that in the reporting of the data a significant portion of the survey did not contain any probe or why questions for the

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<sup>42</sup> The administrative law judge rejects respondents' argument that the secondary meaning survey failed to replicate an actual purchasing situation (RPost at 19). The same argument was raised by respondents and the staff concerning a deficiency in complainant's confusion survey. Contrary to that argument the record reveals that the tools at issue are often sold by mobile jobbers who actually call on the mechanics at their workplace (FF 187c, 187e, 187f, 208) and all of the survey interviews were conducted at the workplace as well (FF 160). A mobile jobber approaches mechanics to display tools that he had for sale and to take orders from them (FF 187f). If the interviews were conducted near a mobile jobber's truck there would exist the bias the mechanics' familiarity with the jobber's inventory would introduce into the survey (FF 187d). Another alternative, conducting the interviews outside stores where impact wrenches are sold, was not realistic because the stores' sales volumes are so low (FF 187e).

<sup>43</sup> Respondents have argued that the secondary meaning survey is defective because it made no attempt to determine whether there were any single, although anonymous sources in the minds of the interviewees (RPost at 18-19). While the Commission has recognized that secondary meaning can be established by a showing of an identification of a particular product with a single, although anonymous, source (See Luggage I, Commission opinion at 21; Certain Alkaline Batteries, Inv. No. 337-TA-165 Commission opinion at 13, 30 (1984) and Certain Trolley Wheel Assemblies, Inv. No. 337-TA-161, unreviewed ID at 41 (1984)) the Commission has not held that a party seeking to prove that its mark has attained secondary meaning by means of survey evidence is required to test for anonymous sources. In Power Tools complainant's secondary meaning survey asked interviewees a series of questions including "What tompany\or companies do you believe make this product?" and "What is the brand name or brand names of this particular item?" Power Tools, ID at 215. There were no questions in the Power Tools secondary meaning survey which attempted to account for individuals who may have linked the tool's appearance with a single but anonymous source. While the survey in Power Tools was found invalid because of improper universe and improper sample (see fn. 35), criticisms with respect to the survey's alleged irregular and incomplete interviewing techniques were dismissed by the administrative law judge as "hypercritical". Power Tools, ID at 218 n. 20.

elicitation of what items prompted the identification and that as for the respondents to these questionnaires, Helfgott testified that "we have no way of determining the reason for their identification"; that the survey responses by interviewees often times indicated guessing by the interviewee, rather than a positive identification; that the survey also counted a number of responses such as "I own one" or "It looks like one" as indicating secondary meaning which types of general responses clearly have little relevancy in establishing secondary meaning; that there is no credible mechanism in Helfgott's analysis to identify and analyze responses based on identification with claimed trademark features of the IR-231; that some responses counted as demonstrating secondary meaning were based on features, such as the air inlet and the drive chuck, which are not part of the asserted mark; and that it is also evident that the survey did not differentiate between respondents who relied upon tactile aspects such as weight as opposed to visual aspect of the exhibit, as a basis for their identification and therefore, any claims by complainant, and especially by Helfgott, that the responses which identified Ingersoll Rand are "trademark-related" are highly misleading (RPost at 20, 21).

The staff argued that, with respect to those interviewees who responded "Ingersoll Rand" in answer to Question 1a and who were asked Question 1b, there was no mechanism in the survey to determine whether the responses to Question 1b demonstrated an association of Ingersoll Rand with specific and appropriate features of the asserted mark. Respondents and staff argued that many of the responses to Question 1b were either highly general and insufficiently related to the claimed mark or referenced features of the wrench which were either functional or which have been disclaimed by complainant as elements of the claimed mark (SPost at 27-29).

In the secondary meaning survey two distinctly different questionnaires were used by Helfgott. In one type, which accounted for 34 of the 100 secondary meaning questionnaires, the following pertinent questions were asked:

1. Do you know the name brand of this tool or the name of the company that makes it?

1a. What is the name?

(FF 158). In the second type, which accounted for the remaining 66 secondary meaning questionnaires, the following questions were added to the questionnaire:

1b. What features of this tool makes you say that? Please be as specific and complete as you can.

1c. Anything else?

(FF 158, 187g). Helfgott testified that he does not ordinarily use a why question in his surveys because he believes that such questions result in "top-of-the-mind answers, which are not exhaustive," because responses to why questions "may not be indicative of the complete truth of the matter," and because he believes that "nobody knows the answer to a 'why' question about anything" (FF 159, 165). Nonetheless, on the recommendation of the staff, Helfgott inserted a why question in the instant secondary meaning survey (FF 165).

While Helfgott testified that the why question was "not my question" and "It]herefore I won't defend it" (FF 187i), Helfgott had the sole responsibility for preparing the surveys for complainant and was qualified as an expert for conducting the surveys (FF 54). Thus, the fact that he adopted the recommendation of the staff showed Helfgott's approval of the why question. Moreover, while Helfgott testified that he does not normally put a

why question in a survey, he "did not see any reason to exclude it" (FF 165).

In deposition when Helfgott was asked whether his survey discriminated between 'tactile and visual aspects of the IR-231, his answer was that "the 'why' question allowed for the respondent to offer that difference. But other than that no" (FF 145f), thereby at least admitting to the usefulness of the why question.

It is clear that there is Commission precedent for the use of a why question to demonstrate that features of an asserted mark provide the basis of the interviewees' recognition. -In Luggage I the complainant's secondary meaning survey asked interviewees to provide the name of the company that the interviewee believed made the luggage at issue (Question 3), and were then asked: "Why do you say that?" (Question 3a). (Question 3a was referred as a "probe" question.) Luggage I, Commission opinion at 18. Interviewees who were unable to respond with a company name were asked: "Do you believe that [hanger bags or carry-on bags or attache cases] which look like this are manufactured by one company or more than one company?" (Question 4). Id. Those who answered "More than one company," were then asked: "Do you believe that [hanger bags or carry-on bags or attache cases] which look like this originally were manufactured by one company and then were copied by other companies or that [bags] which look like this were never identified with one company?" (Question 4a). Id. No probing questions were asked of interviewees who responded to Questions 4 or 4a. Id. The administrative law judge in that case found that "the absence of probing questions after questions 4 and 4a seriously affect[ed] the reliability" of the survey. Luggage I, ID at 52. The Commission, noting the administrative law judge's criticism of the survey,

referred to a Palladino article" which stated that a question such as Question 4 in the LuggAgg I survey is properly followed by a probing question such as: "If more than one company, why do you say that?", and held that a question of this type "is needed to 'isolate' the mark, 'a necessary step in establishing whether or not (interviewees] associate the mark with a product sponsored by one company'" Luggage I, Commission opinion at 22. In Luggage II, ID at 53, all interviewees who were able to identify a single company as the manufacturer of the bags displayed for them were asked "aided question 3a" in which certain features of the claimed mark were pointed out to the interviewees and they were asked whether they associated those features only with the company they named, rather than with some other manufacturer as well.. Thereafter the interviewees were asked: "Is there any other feature or features which make you associate this piece of luggage with (NAME MENTIONED BY RESPONDENT) rather than with some other manufacturer?" (Question 3b). ID at 54. In Luggage II the survey was found to be flawed and its results discounted because, inter alia, interviewees were not "given an opportunity to provide an unaided response as to why a particular company was named." Id., at 62. Similarly, in Braiding Machines the Commission observed that "[t]he main question of the survey, 'Who do you think is the manufacturer of this machine?' was not followed by a 'probe' question seeking the reason for the previous answer." Braiding Machines, unreviewed ID at 76 (citation to transcript omitted). The administrative law judge held that as a result of this failure to ask any probe questions "one has no way of knowing whether or to what extent any considerations at issue in this investigation affected

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<sup>44</sup> Palladino, Techniques for Ascertaining If There Is Secondary Meaning, 73 T.M.R. 391, 399.

respondents' answers." Id.<sup>45</sup>

In Milling Machines, interviewees were shown a photograph of a respondent's machine, and photographs of machines made by other manufacturers which were used as controls. The labels of the machines were not visible in the photographs. Interviewees were asked if they could identify the machine. If they answered in the affirmative, they were asked who made the machine, and why they gave their answer. See Textron, 753 F.2d at 1023 (Federal Circuit opinion); Milling Machines, 223 U.S.P.Q. at 338-39 (Commission opinion). The Commission relied in part on the "why" question, as it stated:

An analysis of the interviewees' reasons for identification of the photographs indicates a substantially lower degree of proof of secondary meaning than Textron asserts and reinforces the ALJ's finding that there is no common law trademark in the exterior appearance of the Bridgeport vertical milling machine.

223 U.S.P.Q. at 339 (Footnote omitted). The Commission's opinion further contained examples of specific responses and their percentage of the responses given. Id.

On appeal, the Federal Circuit also relied in part on the results of the "why" question, as it stated, for example:

Textron has not shown that a substantial number of survey respondents identified the look-alike machine as a Bridgeport because of the design of the column or ram. To the contrary, even though the 281 survey respondents were asked why they thought particular machines in the survey were made by the makers they designated, the record shows that, at most, three of them (approximately 1 percent) stated that the curved design of the column and/or ram, or even of the design in general, marked any machine as a Bridgeport. This fact deserves particular significance

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<sup>45</sup> The Federal Circuit in Braiding Machines upheld the Commission's finding that there was no protectable common law trademark on the basis of functionality. As a result, the Federal Circuit did not address the issues raised by complainant's survey.

when it is noted that many respondents identified the Taiwanese look-alike as a Bridgeport because of the design or position of various other components of the machine, such as the head (8.3 percent), the motor, the saddle, and the knee.

753 F.2d at 1027 (Footnote omitted).

In this investigation, the result of complainant's failure to include a why question in all of the secondary meaning survey questionnaires was that of the 52 interviewees counted by complainant as having answered "Ingersoll Rand" to Question 1a, 17 (33%) were ~~not~~ asked Question 1b as to why they indicated Ingersoll Rand as the company who made the tool shown to them (FF 87h). Accordingly, the record gives no indication as to what factors or features of the tools were taken into consideration by those 17 interviewees or whether their association of the tool with Ingersoll Rand was at least based on features of the asserted mark which are at issue in this investigation.

In Luggage I the Commission stated that the purpose of a trademark survey is "to associate the trademark with the source of the product." Luggage I, Commission opinion at 19, n. 57. As discussed above, the Commission also held there that a probe question was necessary to "'isolate' the mark" in order to determine whether interviewees truly associated the mark with the identified source. Id. at 22. In Lu22age I the Commission upheld the administrative law judge's finding that responses such as, "I recognize it", "I have one", and "quality material" did not establish that the interviewees identified the asserted mark with complainant. Luggage I, ID at 40-42. The administrative law judge held that the record did not "establish how mere recognition, without knowing if the recognition is because of the alleged trademark, is indicative of secondary meaning for the trademark." Id., at 42.

In this investigation certain responses of the 35 interviewees, who

identified Ingersoll Rand in answer to Question 1 and who were asked Question

lb were:

- lb. The weight and the style (Bates 25)
- lb. Its kind of front heavy and it just feels like it. (Bates 51),
- lb. Construction of it (constr) two piece construction; heavy duty (Bates 101),
- lb. The way it is built (way) the grip for one (grip) grip and top portion built as one (else) casing is shorter (casing) motor is in the one part. (Bates 103)
- lb. The switching and the adjustment on the torque and air adjustment, (Else) also I have one
- lc. (Else) would you like to see to come and see the one I have just like it? (Bates 105)
  
- lb. The back of it (back) the way the case is made (way) the shape & the bolts the way they are put in (else) the forward and reverse switches (else) the heavy weight (else) Range of power (range) you can dial amt. of power. That's all. (Bates 114)
- lb. The way it is made (way) the quality of the air gun (quality) it just looks like good quality (good quality) really can't come with anything. (Bates 117)
- lb. I have one just like it. The whole gun looks like it. [Illegible] of it; ((Illegible]) heavier; good tool (good) lot of tork (tork) power
- lc. No, nothing else. (Bates 119)
  
- lb. Nozzel (P) Nothing else
- lc. No (Bates 154)
  
- lb. I have one just like; and you can tell there specific adjustments of an ingasal [sic] (Bates 162)
  
- lb. Nose (P) nozzle
- lc. (No) just the way the nozzle is on it (Bates 175)

As in Lu2gaire I, certain responses to the "why" question in the secondary meaning survey in this investigation fail to establish that there is an association in the minds of the interviewees of the asserted mark to a single source. Thus as seen from the above two interviewees specifically referred to the tool's weight (Bates 25 and 119), which was specifically disclaimed by complainant and hence cannot form the basis of an interviewee's recognition of the asserted mark (FF 11, 14, 16). One of the interviewees said "front heavy and it just feels like it" (Bates 51). At least two responses to the survey, counted as demonstrating secondary meaning, identified features such as the air inlet and the drive chuck which have been specifically disclaimed from the asserted mark. Another interviewee said "two piece construction; heavy duty" (Bates 101) which is not included in the asserted mark.

In summary, complainant's secondary meaning survey is flawed under Guideline 5 because of its lack of a why question as to certain interviewees and because certain other interviewees who responded to Question 1a by indicating that Ingersoll Rand was the manufacturer of the tool displayed to them did not associate the wrench with the asserted mark.

(iv) Guideline 6 - Sample Design, Questionnaire And Interviewing

Respondents argued that complainant's survey" employed highly irregular and questionable interviewing techniques which did not comport with generally accepted and objective standards; that Helfgott did not conduct the survey with the asserted mark in mind but to the contrary Helfgott's understanding was that the property right in question was the trade dress, i.e., the complete and total appearance, of the IR-231 and the survey was designed based

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<sup>46</sup> Respondents, with respect to guideline (6), did not specifically distinguish between the secondary meaning survey and the confusion survey.

upon the "guiding principle of trade dress"; that Helfgott admitted that had he known at the time he undertook the survey that complainant had specifically disclaimed certain exterior features from the purview of the asserted mark, he would have taken this into account in designing the survey (RPost at 21, 22).

Respondents also argued that the survey was conducted in an overly hasty manner which all but guaranteed that the underlying interviewing would be undertaken on a rushed and incomplete basis which haste was "certain" to create errors and magnify distortions; that Helfgott admitted that he was given far less time within which to complete the survey than requested and that the survey's deadline was among the shortest ever imposed upon him; and that Helfgott testified that in conducting the survey in a short amount of time "there is a burden that you risk errors. You risk doing things too quickly that should be reviewed". It was argued that Helfgott further testified that the interviewers conducted the survey of automotive mechanics at their work stations in their places of employment and hence it was not only probable under those circumstances that IR-231 wrenches were in plain view, either at the work stations of the respondents-interviewees or at nearby work stations, but "quite possible" that promotional literature and IR-231 packaging, which depicted the IR-231 product, were in plain view; that Helfgott admitted that since the respondents were encouraged to handle the masked IR-231 some may have identified the wrench based upon weight and feel because the mechanic had recently been using the IR-231; that another improper procedure was that one IR-231 was so poorly masked that the interviewee could see and feel the IR logo, perhaps prompting a positive identification and Helfgott admitted that this could have distorted the survey results; that although Helfgott testified that he gave some general instructions to Depth

Research regarding the surveys, there is absolutely no evidence in the record that those instructions were communicated by Depth Research to the interviewers and their supervisors, as well as to the people who validated the responses; that the competence of the interviewers is questionable in light of the numerous misspellings found in the survey responses; and that complainant failed to offer any testimony from the survey supervisor, the interviewer or the interviewees (RPost at 21 to 22).

The staff argued that the Helfgott secondary meaning survey began with serious flaws in its design because Helfgott designed, conducted and analyzed the survey without a basic understanding of the asserted mark and Helfgott admitted not only that he had no idea of what the trademark covered or did not cover, but that he did not care (SPost at 23, 28-30). It argued also that during the secondary meaning survey the interviewees held the wrenches with ample opportunity to feel, compare and evaluate the weight, balance, texture and grip of the wrenches, factors which had been specifically disclaimed as elements of the asserted mark (SPost at 24, 25). The staff also argued that the "sloppy and hard-to-read recordations" on the questionnaires raised questions as to the competence of the interviewers and suggested that the recordations "evidence a lack of care and effort" on the part of the interviewers, citing in particular "curious" parenthetical notations on some questionnaires, such as Bates Nos. 54, 57, 64, 101 and 112 (SPost at 30).

Complainant argued that Helfgott, the "only expert" competent to testify in this investigation, testified that in his judgment the fact that interviewees held the wrench did not contribute anything material to its identification and that it provided no systematic bias to the survey and in fact contributed to the ability of the individuals to identify the IR-231. It

was also argued that "it strains credulity" to believe that the visual appearance had been subordinated to tactile characteristics for identification purposes when an interviewee handled a IR-231, although complainant admitted that while tactile features are not claimed as part of the asserted mark<sup>47</sup> such features, as a matter of law, may be part of a trademark (CPostR at 22, 23). As to the "damaged masking," complainant argued that Helfgott explained any damage "had to have occurred" during the extensive shipment and storage time subsequent to the conduct of the survey, because after the survey had been completed, Helfgott inspected the tools used and found them to be in good condition. Complainant also argued that the speculation of both staff and respondents that the individuals given the wrench would engage in a "braille" practice and try to identify the wrench by feeling through the masking is not "credible" "especially in the presence of a professional interviewer, who certainly would not permit that kind of behavior, particularly where the purpose of the survey was to establish the appearance of the tool without revealing the trade name or logo to the individual" (CPostR at 23, 24). Complainant's counsel, in closing argument, argued that "what we have claimed for a common law trademark is so closely parallel to what the trade dress is that they are without material differences. Any distinctions are de minimis and inconsequential" (Tr. at 1676) and referred to "a fine line distinction, without much substantive application" (Tr. at 1680).

With respect to the time utilized for carrying out the surveys, the actual surveys were conducted in about three and a half weeks (FF 171). While

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<sup>47</sup> Complainant has specifically disclaimed as part of its asserted mark "non-appearance related characteristics such as weight, balance, feel, smell, and temperature" of the IR-231 (FF 16).

that time period was among the shortest times Helfgott has had for conducting the actual surveys, it was not impossible to do the surveys in the allotted time without affecting their quality (FF 173, 173b). Moreover, while errors were detected in the manner in which the surveys were to be conducted, there was an opportunity to correct them (FF 173a). In addition before the actual surveys were conducted, a preliminary field study was conducted (FF 173c). Hence the administrative law judge rejects the argument that the surveys were fatally flawed because there was insufficient time devoted to their development and execution.

It has been argued by respondents that because the interviewers conducted the secondary meaning survey of automotive mechanics at their work stations in their places of employment that the survey was somewhat tainted by clues other than what the interviewee held. Moreover the competence of the interviewers has been questioned. While the secondary meaning survey was conducted by Helfgott in an "atypical" fashion in that the respondents were interviewed at their place of work, i.e., automotive mechanics were interviewed in garages, it was "atypical" only in contrast to a survey conducted among general consumers in a mall (FF 161).<sup>48</sup> Also, in the survey professional interviewers, i.e., trained questioners, were used (FF 145, 145a) and uncontradicted is the testimony about the normal interviewing procedure that was followed, viz. an interviewer would conduct the interview so that the interviewee would not be looking at a tool chest or at equipment beyond the interviewer, i.e., the interviewer would pose himself or herself in such a way that the interviewee would not have "other cues" available (FF 160a). The

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<sup>48</sup> It has already been determined that a proper universe consisted of automotive mechanics who use an air impact wrench in their work.

administrative law judge does not find the survey tainted by extraneous clues.

The administrative law judge does find that while professional interviewers were used, the interviewers, under Helfgott's ultimate direction, did not conduct the interview in the most advantageous manner. Thus, the interviewers had to ask questions and write down the answers on the questionnaires while selecting tools from a bag for presentation to the interviewees. The interviewers did all of this without the benefit of a table or chairs, which Helfgott testified was "very difficult to manage" (FF 149). While Helfgott testified that the interviewers did not use a table or chairs because "we felt we would not get the garage permission to do this", there was no indication that any garage was asked for such permission. Moreover, the use of a second interviewer at the interview, i.e., one to hold the wrench and one to ask questions (see FF 145b) would have alleviated the difficulty. In addition, parenthetical notations appear on some of the questionnaires and the administrative law judge agrees with the staff's contention (SPost at 30) that there is no way to know whether those are probes by the interviewer or part of the interviewee's answer. The meaning of certain parenthetical notations escaped even Helfgott, who testified that he could not tell what the parenthetical notation on Bates 101 "(constr)" meant, other than that he thought "it was another reference to construction."<sup>49</sup> Similarly, Helfgott could not tell whether the parenthetical notation "(grip)" in Bates 103 referred to the feel of the tool in one's hand or to a feature of the tool

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<sup>49</sup> The administrative law judge does agree with complainant's argument that the interviewers, having only a tool with masked logo and masked name identification, would have no correct basis to know the identity of the Ingersoll Rand tool and phonetic misspelling of Ingersoll-Rand could be contemplated (CPostR at 24).

itself (FF 187k).<sup>50</sup>,

Respondents have questioned the poor masking of one of the wrenches used in the secondary meaning survey based on the appearance of the wrench at the hearing which was some five months after the survey. Helfgott, however, who received the wrenches used in the survey after its completion testified that when so received the masking was proper (FF 153a). Hence the argument that the survey was flawed due to improper masking is rejected.

Both respondents and the staff argued that fatal flaws in the sample design, particularly with reference to the secondary meaning survey, are that Helfgott did not conduct the survey with the asserted mark in mind and that the interviewees were permitted to handle the wrenches.

While complainant's counsel appeared to have argued that, as between what complainant claimed for a common law trademark (FF 10-16) and the trade dress complainant's expert Helfgott used in the secondary meaning survey, i.e., the overall visual appearance of the entity exclusive of identifying names and

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<sup>50</sup> Complainant argued that "[i]f sloppy and hard to read notations were evident of a lack and [sic] care and effort it would threaten many in the medical and legal professions" (CPostRe at 25). Notations that are difficult to read are not necessarily unintelligible. Here certain writing on the questionnaires, critical for an understanding of the results of the survey, were unintelligible even to the designer of the surveys in question.

<sup>51</sup> Both staff and respondents objected to the tabulation of the secondary meaning survey results on the grounds that "complainant relies upon net mentions to Ingersoll Rand, rather than to responses which relate to single source mentions." (RPost at 20; SPost at 30). The only instance in which there is a "net mention" problem occurred however on Bates 6 where an interviewee answered "Ingersoll Rand or SVK" in response to Question 1B (FF 154). Hence the effect is found negligible. In addition, the staff argued that another problem with the tabulation of the secondary meaning survey results is that "although interviewees were asked screening questions, the answers were not recorded." (SPost at 30). That argument is found inapposite because 100 percent of the approached mechanics successfully passed the screening questions (FF 187m).

logo types (FF 55), there are no material differences and any distinctions that would affect the survey are d& minimis, the record is to the contrary. Thus Helfgott, who had the sole responsibility for the secondary meaning survey, in the initial phase of his hearing testimony merely testified that a common law trademark is very similar to the "concept" of trade dress (FF 55). Contrary to the argument of complainant that Helfgott in deposition stated that he would not find it necessary to alter the way the survey was designed even though there may have been some disclaimer of the anvil and the air inlet (CPostRe at 29), Helfgott at the hearing when asked whether he would have taken into account when he conducted the study for Ingersoll Rand the fact that Ingersoll Rand had disclaimed, from the asserted mark, the chuck and air inlet items of the IR-231 (FF 14, 16), testified that he would not have automatically disregard that information and that "we would have to find some way of accounting for them" with one way being to obscure them (FF 58). When further asked whether many of the responses to the survey could have "indicated secondary meaning" but may not have had trademark significance" he testified that "that's absolutely accurate" (FF 59). He earlier testified in deposition on October 17, 1990, after the survey was done, "I have no idea what features the [asserted] trademark covers or doesn't cover, nor do I care really" (FF 58a).<sup>52</sup> It is undisputed that Helfgott, for the secondary meaning survey, did not take into account that Ingersoll Rand had disclaimed from the asserted mark the chuck and air inlet items.

On the question of the interviewees handling the wrenches, Helfgott

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<sup>32</sup> While Helfgott testified that this is the first case he was working with common law trademark as the nomenclature (FF 57), Helfgott had responsibility for a survey in Staple Gun, where the only issues were infringement of two common law trademarks and passing off (RD at 1, 29).

testified that he was assured by Ingersoll Rand that the two main products in question, i.e., the IR-231 and Astro 555, were virtually identical in weight and that if one took either product and put each in a paper bag an interviewee from "weight alone" would not be able to differentiate the two wrenches (FF 160). Helfgott testified however that a non-visual stimulus is "certainly important" (FF 145f). Weight is not the only tactile feature of the IR-231 excluded from the asserted marks. Complainant's Poore, who with Stryker is most knowledgeable about the asserted mark (FF 34), did not include the way the tool feels when held in a hand (FF 44) as a portion of the asserted mark. ,egg also the joint statement of complainant's executives who considered balance and feel distinct characteristics not covered by the asserted mark (FF 17).

Complainant's Boggs testified that IR went to a lot of trouble to make sure that the IR-231 was "balanced perfectly" and that its housing was exact to fit the hand of an auto mechanic. He also testified that IR salesman were taught to stress "the feel, the balance of the tool" (FF 31, 254). When an interviewee held a wrench, its balance could be felt (FF 145c and 145d). In the interview, when the auto mechanic was handed the wrench, there was no limitation on the time in which the auto mechanic could handle the wrench. Using the words of complainant's Stryker an auto mechanic, in evaluating a one half inch wrench, picks up the wrench:

to feel the way it fits and the way it operates. Similar to a child's words, 'let me see daddy' and then the child reaches out to grab the questioned object. The grown-up customer also wants to evaluate it by looking at it and touching it. There is a normal process of seeing that is enhanced by holding the product. While the evaluation of holding adds nothing to the real visual impact, there seems to be a direct nexus between the holding and the visualization of the product (FF 124) (Emphasis added).

The interviewee would have been able to feel the way the wrench fits. With

respect to the balance of the Astro 555, the record establishes,

(FF 101). In addition,

(FF 101, 102).

There is nothing in the record to show that the IR-231 and Astro 555 were virtually identical in such tactile stimuli as balance and feel, neither of which are features of the asserted mark, but which features the record shows are evaluated by "sophisticated" automotive mechanics, who continuously use a one half inch air impact wrench in their work (FF 124, 254).

Complainant argued that respondents' urging that the holding of the wrench, i.e., the IR-231, by the interviewees would introduce a bias was effectively refuted by Helfgott who testified at Tr. 98-100 that it would not (CPostR at 30). Helfgott at Tr. 98-100 did not testify that the balance of the IR-231, which is purported to be "balanced perfectly" (FF 31), would not introduce a bias. He did testify there that "the correct way of doing it was ... let the interviewee hold it, turn it, and inspect it to his satisfaction before answering the question," (Tr. at 99, 100) which would have provided the opportunity for the interviewee to feel the way the wrench fits and observe its balance. Moreover, the fact that Helfgott investigated with, and was assured by, Ingersoll Rand that the weights of the IR-231 and Astro 555 were virtually identical (FF 160) showed a recognition by Helfgott that perception of the tactile features of the IR-231 by allowing the interviewees to hold the IR-231 could distort the stimulus in issue.

While Helfgott testified at Tr. 99 that putting the wrench on a table

where the name plate, which carries source identification, is not visible runs the risk that the whole stimulus is not really apparent to the interviewee and is a "far, far greater risk," this comment was directed "especially" to the "confusion survey" (Tr. at 99). He further admitted that instructions could have been given to the professional interviewer to position the wrench at all angles so all surfaces could be seen and to make certain that the interviewee observed the wrench in any way the interviewee wanted (Tr. at 100).<sup>53</sup>

Helfgott testified that "full powers of observation" of the interviewee was guaranteed by letting the interviewee handle the wrench. This level of concentration, however, should have been provided, regardless of whether the interviewee held the wrench, through the use of professional interviewers and the monetary incentive which complainant argued assured cooperation (CPostRe at 30).

Accordingly, because certain exterior features disclaimed from the asserted mark were not taken into account when the survey was designed, and because an interviewee in handling the wrench was subjected to stimuli not associated with the asserted mark, and in view of the manner in which the interview was conducted and certain information recorded, the administrative law judge finds complainant's secondary meaning survey flawed under Guideline 6.

(v) Conclusibn

The administrative law judge finds that complainant's secondary meaning survey was fatally flawed in view of its flaws under Guidelines 3, 5, and 6

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<sup>53</sup> Any bias in the secondary meaning interview caused by laying the wrench on a table also could have been eliminated by using one interviewer to hold the wrench and another interviewer to ask the questions. (211 FF 145b).

and hence complainant has not established a secondary meaning of the asserted mark through the survey.

## 2. Circumstantial Evidence

Complainant relies on the alleged length of time in use of the asserted mark, complainant's "extensive" expenditures on the asserted mark, alleged high density of presence of the asserted mark in a well-defined market and alleged intentional copying as circumstantial evidence of secondary meaning (CPFF 116 to 136). It argued that the "231 design has been the object of 20-year-long advertisements inclusive of design and shape" (CPostR at 2) with "well over a year for advertising in the automotive division, and of that ... directed to the 231" (CPostRe at 9).

In challenging the alleged circumstantial evidence, respondents argued that the evidence is uncontrovertible that the IR-231 never appeared in advertising or anywhere else without the registered mark "Ingersoll-Rand" and the "IR" logo prominently appearing thereon; that with respect to any sales volume of the IR-231 and the advertising of that product, the IR-231 which is before the Commission is "substantially" different from the IR-231 which was sold during the period 1972 through 1979; that complainant has not shown the acquisition of secondary meaning by the alleged mark separate and independent from secondary meaning attributable to any language or functional attributes that appear in IR's promotional efforts; and that as for any intentional copying, there is a lack of a "strong" mark and of other substantial evidence of secondary meaning (RPost at 27 to 29).

The staff argued that the alleged circumstantial evidence is insufficient to support a finding that the asserted mark has acquired secondary meaning.

In support, in addition to arguments raised by respondents, it argued that the general overall appearance of the IR-231 is quite similar to several other air impact wrenches on the market (SPost 31 to 35).

Critical to a determination of whether alleged circumstantial evidence has established secondary meaning is whether complainant has established through such evidence that consumers rely on the asserted mark, rather than, for example, on a prominently displayed logo and/or brand name or other factors, not associated with the asserted mark, to identify the source of the product in issue. Thus, it is not the mere extent of any promotional effects but the effectiveness of the efforts in determining their impact upon the acquisition of secondary meaning by the alleged mark as indicative of the origin of the product. See In re Mogan David Wine Corp., 152 U.S.P.Q. 539, 595 (C.C.P.A. 1967) where the Court stated that "there is nothing to indicate that the container has been promoted separate and apart from the word mark 'MOGAN DAVID'; Petersen Mfg. Co. Inc. v. Central Purchasing. Inc., 740 F.2d 1541, 222 U.S.P.Q. 562, 569 (Fed. Cir. 1984) where the Court stated that there was no evidence from consumers "that they rely on shape alone, rather than on the prominently displayed word mark VISE-GRIP, to identify the source of the product" and Milling Machines at 19. While complainant has advertised the IR-231, its advertisements, including catalogues, have prominently featured its logo and brand name (FF 188, 189, 194, 195, 196, 197, 199). Moreover in IR's advertisements, prominence is given to certain functional aspects of the product in issue (FF 192 to 196). Thus, it is unknown what expenditures were used by Ingersoll Rand to promote the asserted mark as distinguished from features of the product not associated with the asserted mark. Moreover, the oldest Ingersoll Rand document referring to the existence of the alleged mark

on the IR-231 is the complaint filed in this investigation (FF 45). In addition, there is evidence of third party use of products having specific elements claimed in the asserted mark (FF 190).<sup>54</sup>

While complainant argued that there was an intentional copying, and there is evidence of such copying (FF 117 to 121),<sup>55</sup> it has been consistently held by the Commission that any intentional copying is only treated as evidence of secondary meaning when there is substantial evidence of secondary meaning. Certain Single Handle Faucets, 337-TA-167 (1984), unreviewed ID at 40-47; Trolley Wheel Assemblies 337-TA-161 (1984); Certain Sneakers With Fabric Uppers and Bubble Soles, 337-TA-118 (1983); Power Tools, ID at 211. Moreover, only a deliberate and close imitation of the senior user's distinctive trademark raises a presumption of secondary meaning. See Certain Vacuum Bottles and Components Thereof, Inv. No. 337-TA-108, 219 U.S.P.Q. at 637, 645-646 (1982), aff'4, 826 F.2d 1071 (Fed. Cir. 1987). In Fuses the Commission stated that an unlawful copying occurs where, inter alia, one party copies the

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<sup>54</sup> Complainant's Stryker admitted that "a lot of other products", in addition to the IR 231, fit the description that they are "short, squat, blunt, colorful looking with a black nose with a polished aluminum back and a stubby overall appearance" (FF 52). Moreover, while complainant's Stryker testified that the IR-231 was put on the market in 1972 and has been continuously on the market without material change in exterior design, since 1972 there have been changes made in the exterior design of the IR-231 (FF 199, 200).

<sup>55</sup> Complainant argued that if one were to examine CPX1 (IR 231) and CPX2 (Astro 555) and turned the reverse valve dial, one would find that if the dial on the left hand side for example, will be on the three, that the dial on the right had side will not be on the three but will be off the scale or have some additional reading in that the left and right hand valve readings do not correlate which design flaw in the IR-231 appears identically in the Astro 555 and is further evidence of intentional copying in that even a design flaw was copied (CPostR at 27).

non-functional features of a product of another. 221 U.S.P.Q. at 802. Also the record in fuses contained evidence that there were instances where respondents used the letter trademarks of complainant and where respondents passed off their imported fuses as complainant's fuses. **Id.**, at 804. In this investigation complainant admitted that the alleged mark is not inherently distinctive. Moreover survey evidence has not established a secondary meaning. In addition, the administrative law judge has found the asserted mark to be **di jure** functional. See infra.

Based on the foregoing, the administrative law judge finds that complainant has not established through circumstantial evidence that the asserted mark has a secondary meaning.

#### D. Functionality

The parties in this investigation agree that the factors cited in In re Morton-Norwich Products, Inc., 671 F.2d 1332, 1336-37 (C.C.P.A. 1982) (Morton-Norwich), apply to this investigation. (See, e.g., SPost at 9-11, RPost at 7-8 and CPostR at 12-13).<sup>56</sup> Furthermore, in New England Butt, 756 F.2d 874, 225 U.S.P.Q. at 262 the Federal Circuit applied the Morton-Norwich factors in a

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<sup>56</sup> In addition, complainant relied heavily on PAF, Chemlawn Services Corp. v. GNC Pumps, Inc., 652 F. Supp. 1382 (S.D. Tex. 1987) (Chemlawn), and Wagner Spray Tech Corp. v. Menard, Inc., 221 U.S.P.Q. 226 (D. Minn. 1983) (Wagner). Those cases have little weight. Thus PAF is a district court case. Similarly, Chemlawn and Wagner are district court cases involving parties, merchandise and alleged rights other than those at issue in this investigation., egg fn. 16, supra. Furthermore, Chemlawn was in-fact reversed and remanded by the Federal Circuit in Chemlawn Services Corp. v. GNC Pumps, Inc., 823 F.2d 515, 3 U.S.P.Q.2d 1313 (Fed. Cir. 1987). On remand, the district court entered new findings of fact, conclusions of law and opinion in Chemlawn Services Corp. v. GNC Pumps, Inc., 690 F. Supp. 1560, 6 U.S.P.Q.2d 1348 (S.D. Tex. -1988) (Chemlawn II). Although Chemlawn II was affirmed by the Federal Circuit in Chemlawn Services Corp. v. GNC Pumps, Inc., 856 F.2d 202 (Fed. Cir 1988) (Table), the district court in Chemlawn II applied Fifth Circuit law on the issue of functionality. See Chemlawn II, 690 F. Supp. at 1571.

section 337 investigation involving alleged common law trademark infringement, holding that the factors cited in Morton-Norwich "apply equally to an asserted common law trademark." New England Butt, 756 F.2d at 878 & n.2, 225 U.S.P.Q. at 262 & n.2. Morton Norwich factors have been applied to other section 337 investigations. See, e.g., rower Tools, ID at 202-03; Cube Puzzles, 219 U.S.P.Q. at 330; Vacuum Bottles, 219 U.S.P.Q. at 647-49.

In Norton-Norwich, the Court recognized that there exists a fundamental right to compete through imitation of a competitor's product, especially in the absence of patent protection, but held that:

An exception to the right to copy exists, however, where the product or package design under consideration is "nonfunctional" and serves to identify its manufacturer or seller, and the exception exists though the design is not temporarily protectible through acquisition of patent or copyright. Thus, when a design is "non-functional," the right gives way, presumably upon balance of that right with the originator's right to prevent others from infringing upon an established symbol of trade identification.

Id. at 1337 (Emphasis in original). The Federal Circuit and its predecessor Court have made clear that only de jure functional designs, as contrasted with dg facto functional designs, can be exempted from trademark protection. See, e.g., Textron. Inc. v. USITC, 753 F.2d at 1024 (Fed. Cir. 1985) (Textron); Norton-Norwich, 671 F.2d at 1337. The Federal Circuit explained the difference between dg facto and de jure functionality as follows:

In essence, de facto functional means that the design of a product has a function, i.e., a bottle of any design holds fluid. De jure functionality, on the other hand, means that the product is in its particular shape because it works better in this shape. This distinction is useful because the configuration of a product is not necessarily lacking in trademark significance because of "the mere existence of

utility"; rather, it should depend on "the degree of design utility."

In re R.M. Smith, Inc., 734 F.2d 1482, 1484, 222 U.S.P.Q. 1, 3 (Fed. Cir 1984) (R.M. Smith) (Emphasis in original) (quoting Morton-Norwich, 671 F.2d at 1338); see Textron, 753 F.2d at 1025 (quoting in part R.N. Smith, 734 F.2d at 1484, 222 U.S.P.Q. at 3).

The Morton-Norwich court, in holding that "functionality" presents a question of fact, and further that "functionality" is determined in light of "utility," which is determined in light of "superiority of design," and rests upon the foundation "essential to effective competition," cited a number of factors both positive and negative, which aid in the determination of whether or not a design is "superior," and thereby dm jam& functional. 671 F.2d at 1340. Those factors are: (1) the existence of an expired utility patent which disclosed the utilitarian advantage of the design sought to be registered (utility patent factor) (2) whether the originator of the design touts the utilitarian advantages of the design through advertising (advertising factor) (3) whether there are other alternatives available (alternative factor); and (4) whether a particular design results from a comparatively simple or cheap method of manufacturing (simple or cheap factor). Norton-Norwich, 671 F.2d at 1340-41; see New England Butt, 756 F.2d at 878, 225 U.S.P.Q. at 262. It is not necessary that each of factors (1) to (4) weigh against the asserted mark in order to find that it is Am iure functional.

At closing argument, complainant argued that the burden should be placed on respondents, or that even if the burden was initially on complainant, complainant had put forth enough evidence so that the burden shifted onto respondents. Respondents and staff took the position at closing argument that

the burden rests with complainant. <sup>57</sup>

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<sup>57</sup> At closing argument in this investigation, in response to a question posed by the administrative law judge concerning the question of burden vis-a-vis functionality, complainant stated:

MR. DICKEY: Your Honor, I would submit that this comes up more in the nature of a defense than an affirmative burden, although we have gone forward and tried to show that the tool is non-functional.

I would think it would be clearly the burden of the Respondent as a defense to show that this design is not entitled to protection because it is functional.

JUDGE LUCKERN: So I ---

MR. DICKEY: I think I see that implicit, if not express, in some of the cases on functionality. It comes up more in the context of showing that -- or as a defensive comment, and I would think the burden really ought to rest with the Respondents, although we have put evidence in that it is non-functional.

I mean, we put a lot of case law that it is non-functional, but I would think they would have to show that it is purely functional.

(Tr. 1590-91) Respondents, in response to the same question, stated:

MR. SHATZER: Your Honor, the Commission precedent on this is very clear. In the power tools investigation at 200 the Administrative Law Judge in that case found, and I don't know if this is a quote or a paraphrase, but he says that the Complainant must prove -- Complainant has the burden of proof, number one, that it has the right to use the alleged mark; number two that the mark is primarily non-functional; number three, that the mark is either inherently distinctive or has acquired secondary meaning; and number four, that the mark has [not] become generic.

That's the power tools investigation at 200, citing the cycle [sic] guards investigation at page 7, the milling machines investigation and the vacuum bottles investigation. It is explicit and very clear that in these four areas, the areas necessary to establish a trademark, that the burden is on the Complainant, and that is consistent throughout

(continued...)

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<sup>57</sup> (...continued)

Commission precedent, Your Honor.

(Tr. 1591) The staff agreed with respondents, stating:

MR. GOULD: The staff is in accord with Respondents that the burden of showing that the mark is not primarily functional is on Complainant, and the staff cites again cycle [sic] guards at 7 -- that's 2 USPQ ---

JUDGE LUCKERN: That was my case. I may have been wrong. What did the Commission do?

MR. GOULD: The staff has another one though.

JUDGE LUCKERN: Well, I think -- what did the Commission do in that case? Do you recall? They decided not to review it, but in any event, go on.

MR. GOULD: But also the vacuum bottles case was noted. The staff will just point out that that is at page 5 in the Commission opinion.

So yes, the Complainant does have the burden of showing the mark as not primarily functional.

(Tr. 1591-92). The parties then confirmed their positions:

JUDGE LUCKERN: That's the initial burden you are talking about. Well, actually if it is raised. In other words, if it is raised. If nobody says anything, you could just probably say everybody can see that it is not functional, but if it is raised, then Complainant has the burden to show that it is not functional. That's your position, correct?

MR. GOULD: Yes, Your Honor.

JUDGE LUCKERN: That's your position, Mr. Shatzer.

MR. SHATZER: That's correct, Your Honor.

JUDGE LUCKERN: You don't agree with that position, do you, Mr. Dickey?

MR. DICKEY: Well, Your Honor, whether I agree with it or not agree with it, I think we have shown it is non-functional. We have put in a lot of evidence that it is not, a lot of testimony that it is not, showed a lot of case precedent that it is not.

(continued...)

In Textron, the Federal Circuit, citing In re Teledyne, Inc., 696 F.2d 968, 217 U.S.P.Q. 9 (Fed. Cir. 1982) (Teledyne) ruled on the question of 'burden of proof, specifically with regard to section 337 investigations in which common law trademark is alleged. In Textron, an appeal of a USITC determination in a section 337 investigation that a complainant did not have a common law trademark, the Federal Circuit held that "an applicant for trademark protection has the burden to prove that a design nonfunctional, once a prima facie case of functionality is made by an opponent." 753 F.2d at 1025 (citing Teledyne, 696 F.2d at 971, R.M. Smith, 734 F.2d at 1484 and Morton-Norwich, 671 F.2d at 1343).<sup>58</sup>

In complainant's proposed findings (CPF45-68) complainant takes the position that the asserted mark is not dg \_tag functional.

Respondents argued that complainant is not entitled to common law trademark protection because the design, color, texture and sheen of the IR-231 serves primarily a utilitarian purpose (RPost at 7-11, RPostR at 10, 13, 14).

The staff argued that the asserted trademark is dg iure functional (SPost at 9-19).

#### 1. Utility Patent Factor

It is without controversy in this investigation that complainant has

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<sup>57</sup> (...continued)  
(Tr. 1592-93).

<sup>55</sup> In investigations subsequent to Textron, the burden has been placed on complainant with respect to the issue of functionality. 2g2, e.g., Power Tools, ID at 200; Luggage II ID at 16. The Court in Morton-Norwich put the burden on the party seeking trademark protection, as it held that "[o]ne who seeks to register (or protect) a product or container configuration as a trademark must demonstrate that its design is 'nonfunctional'. . . ." 671 F.2d at 1343.

utility patents on the internal mechanism of its one half inch air impact wrench which have expired. Those patents are U.S. Patent Nos. 3,605,914 (entitled "Rotary Impact Wrench Mechanism") and 3,661,217 (entitled "Rotary Impact Tool and Clutch Therefor") (the patents). However, the patents do not cover the alleged trademark in this investigation (FF 131, 132).

The staff has conceded that the first Morton-Norwich utility patent factor is not applicable because while much of the IR-231's exterior design was dictated by the patented internal mechanism, the patents did not cover the external design of the IR-231 (SPost at 16). Respondents argued that the record demonstrated that "the interior components [of the utility patents] dictate the exterior configuration of the hammer casing of the tool" (RPost at 8). Complainant did not directly address the utility patent factor in its posthearing submissions.

In Morton-Norwich, the Court emphasized that in prior cases "an expired utility patent that disclosed the utilitarian advantage of the design" had constituted "evidence" that a design was functional. Morton-Norwich, 671 F.2d at 1341 (Emphasis in original). The administrative law judge determines that the record does not support a finding that the patents disclose the utilitarian advantage of the asserted mark. Although much of the 231's exterior was dictated by the patented internal mechanism (FF 255) and hence is indirectly disclosed in the patents the asserted mark, as defined (FF 10, 14-17), is not illustrated, claimed or taught in its entirety in the patents. 12A Luggage II, ID at 28.

Accordingly, the administrative law judge finds that the existence of the patents that read on certain internal mechanism of the IR-231 do not in and of themselves constitute evidence, under the first Morton-Norwich utility patent

factor, that the asserted mark is functional.

## 2. Advertising Factor

The question raised by the Court of Customs and Patent Appeals, when citing the second Morton-Norwich advertising factor, is whether the originator of the design touts the utilitarian advantages of the design. Morton-Norwich, 671 F.2d at 1341. In In re The Deister Concentrator Co., Inc., 289 F.2d 496, 129 U.S.P.Q. 314 (C.C.P.A. 1961), which was cited by the Court in Morton-Norwich, the Court relied heavily on advertising and published statements touting the utilitarian advantages of an outline shape to find that:

(the asserted trademark] is clearly primarily and essentially dictated by functional or utilitarian considerations. We would be satisfied to so hold on the basis of the disclosures in the record, which contains no indication whatever that the shape was either arbitrary or intended, when adopted, to indicate origin.

229 F.2d at 504, 129 U.S.P.Q. at 322. The Federal Circuit and the Commission have also found it significant when complainant promotes the utilitarian features of its product to its customers, but does not emphasize nonfunctional features or claim that nonfunctional features identify complainant as the source of its product. 221 Luggage II, ID at 39 (citing New England Butt, 225 U.S.P.Q. at 263)<sup>9</sup> Power Tools, ID at 204.

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<sup>59</sup> In New England Butt, 225 U.S.P.Q. at 263, the Federal Circuit held:

As for the second Morton-Norwich evidentiary factor, the Commission found in New England Butt's advertising brochures and catalogs that New England Butt promotes the utilitarian features of the braider to its customer, but does not emphasize nonfunctional features or claim that nonfunctional features identify New England Butt as the source of the braider. Although New England Butt challenges this finding, our review of the record shows indeed a promotion of utilitarian features and we therefore conclude the finding is supported by substantial evidence.

Moreover even where there is a claim to a trademark in the combined use of a plurality of specific design features, as complainant claims (FF 10, 14, 16) in this investigation, consideration should be given to each of the features that form the asserted mark. In R.M. Smith, 222 U.S.P.Q. at 2 the Federal Circuit approved the practice of the PTO Trademark Trial and Appeal Board where the board initially reviewed the six features claimed to comprise the mark and found upon consideration of the entire design that not only were those features themselves highly functional but that the drawing as a whole included two other highly functional elements "and according to the Federal Circuit concluded that "[biased on the functionality of the individual features comprising the design ... the design as a whole was de jure functional."<sup>60</sup> (Emphasis added).

Although complainant's advertising of the IR-231 includes visual depictions of the IR-231, the advertising emphasizes the power, performance and reliability of the tool to the exclusion of any of the alleged aesthetic, non-functional design features of the asserted mark (FF 190) <sup>.61</sup> Many design

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<sup>60</sup> New England Butt is an example of Commission practice with respect to alleged trademarks in "overall appearance." The Federal Circuit approved the Commission's analysis in the underlying investigation, Braiding Machines, when it held:

The ALJ did indeed examine the utilitarian nature of each of the twenty-one components claimed by New England Butt to constitute its trademark. However, the purpose of this examination was to determine the functionality of each feature as reflected in the machines's overall appearance.

225 U.S.P.Q. at 263.

<sup>61</sup> Complainant argued that Stryker described at Tr. 1027 how "an Ingersoll Rand air-impact wrench can be displayed on 'a POP board behind-the counter'" and the those POP boards are part of complainant's merchandising program (CPostRe at 11). Complainant also referred to its catalog (SPX-1 at 46). While the catalog offers POP boards and states that the board "was designed to (continued...)

features that are readily apparent from the exterior of the IR-231 and make up part of the asserted trademark of the IR-231 are touted for their utilitarian advantage.<sup>62</sup> Those include the trigger, appearance of the manner of parts assembly and rotational and power control. For example, the IR-231's two-piece construction has been stressed as providing easy serviceability (FF 191). A recent Ingersoll-Rand catalog advertises advantages of the IR-231, including the following external design features:

Steel hammer case provides maximum protection.

Two piece construction provides for easy servicing.

Variable speed trigger provides complete control of power output.

(FF 192). Similarly, some of Ingersoll-Rand's direct advertising materials have touted the following features of the IR-231:

hardened steel hammer case for extra protection of impact mechanism.

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<sup>61</sup> (...continued)

display any I-R 1/2" Air Wrench...", in the catalogue an IR-231 air impact wrench is not displayed on the POP board. Moreover the extent of use of any POP board, assuming it displays an IR-231, is inconclusive. Thus Stryker at Tr. 1027 testified:

A When an end user -- I mean, there is so many ways that he can -- let's take an end user into a jobber. You go into a jobber and an air impact wrench can be on a pop board behind the counter displayed. It can be in a glass locked cabinet. It can be on a counter, counter display of some sort, what Florida Pneumatic has, for example. It could be also in boxes and also it could not be displayed. So the range, you run the gamut between half-inch products that are on display and half-inch products that are not on display.

<sup>62</sup> Complainant concedes that the disclaimed square chuck drive (anvil) and air inlet, which form a portion of the overall appearance "were universal.... and conform to ANSI standards" (CPost at 16, 17). The air inlet, as its name shows, is highly functional. The square chuck drive, in receiving power sockets, is likewise highly functional.

"2-pack" construction for easy servicing.

\* \* \*

lightweight compact design makes the tools exceptionally maneuverable and ideal for use in close quarters .

strong, comfortable handles contoured to fit the operator's hand for faster, fatigue-free work. ' .

specially selected steel accurately machined and heat treated insures long life of critical parts.

simplified design guarantees ease of maintenance. Parts are easily accessible and economical to replace.

(FF 194 (Emphasis in original)).

In addition, the record contains examples of direct advertising in connection with the IR-231, in which Ingersoll-Rand has stressed that:

You get precision control of speed and power with the built in trigger stop regulator. And I R's convenient forward reverse feature saves time and effort.

(FF 195). Ingersoll-Rand further touted, in its direct advertising, that the IR-231 has:

heavy duty motor housing and job-proven air motor for long, tough service.

smooth, vibration-free performance - a tool that's easy to handle without tiring.

(FF 196).

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<sup>63</sup> This feature of the exterior design of the IR-231 is

(FF 197 (Emphasis in original)).

Boggs, complainant's vice president of national accounts, on the subject of how complainant's sales force approaches the market testified:

Q. They are taught to stress certain things about the product they're selling?

A. We teach them features and benefit selling and role playing on how to sell to different types of customer and that type of thing, along with the engineering and how the tools are manufactured. how they're designed and how you repair them.

Q. With regard to the half-inch air impact wrench, what features would they be taught to stress?

A. Well, specifically on the 231 impact wrench, at the time that our patent was still valid they were of course taught to stress the twin hammer mechanism and the features of that particular hammer.

Q. Anything else?

A. Ingersoll-Rand's design, our performance characteristics.

Q. Ingersoll-Rand's design meaning what?

A. The housing. the basic motor buildup.

Q. What about the housing are they taught to stress?

A. Just the feel, the balance of the tool. It's a recognized image in the marketplace that that tool is the Cadillac of the industry in the half-inch drive impact wrenches and it's not only here, it's throughout the world.

The 231 is recognized immediately by a mechanic. It's a higher-priced tool which some of them need a bit of a sales job to get them to go for that. It is the Cadillac of the industry and they know it's the longest lasting tool. heavy duty. got the best performance.

It's recognized in the marketplace as the tool to buy. (Emphasis added).

(FF 254). Thus, the record shows that complainant's sales force is taught to tout the utilitarian advantages of the IR-231 because the tool is recognized in the market for features such as its durability, engineering and performance. By contrast, it has not been established that complainant's

sales force is taught in any manner to encourage recognition of the IR-231 by stressing the alleged mark. In fact, complainant's manager of industrial engineering and a regional manager of complainant had never heard anyone at Ingersoll Rand say or discuss that there was a trademark in any portion of the design of the 231 (FF 38, 253). A regional manager of complainant, involved in sales, did not know what the asserted mark was (FF 39) .<sup>64</sup>

The administrative law judge finds that the record demonstrates that complainant's functional touting of the IR-231 directed to its entire design as well as to prominent feature's of the asserted mark strongly supports a finding that complainant's alleged trademark is Aft jure functional.

### 3. Alternatives Factor

The Court explained in Morton-Norwich that "[s]ince the effect upon competition 'is really the crux of the matter,' it is, of course, significant that there are other alternatives available," and further asked with respect to the design at issue in that case, "is it the best or one of a few superior designs available?" 671 F.2d at 1341. In Teledyne, 696 F.2d at 971, 217

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<sup>64</sup> In complainant's reply brief, complainant argued that the "explicit purpose of the 1970 design was to make the 231 Impactool distinctive in order to compete with Chicago Pneumatic." Complainant also faulted respondents for allegedly arguing that "Ingersoll Rand has never made a formal decision to promote the common law trademark, but fail to recite or detail the requirement. Just how is this required to be done? Board resolution? Posting a notice on the company bulletin board? Taking out an ad in the Wall Street Journal or New York Times?" (CPostR at 12). Complainant went on to argue that its actions "reflect explicit intentions to establish and maintain a distinctive appearance of the 231 Impactool with the overt puipose of establishing sponsorship identify" (Id). While internal decisions made at Ingersoll Rand could have translated into efforts to promote secondary meaning for any non-functional features of its 1R-231, any such internal decisions by themselves did not have an effect on the establishment of a common law trademark. To the contrary advertising touting nonfunctional exterior features of the IR-231 or asserting that nonfunctional features identify complainant as the source of the IR-231 may have countered respondents' and the staff's arguments with regard to the second advertising Morton-Norwich. factor.

U.S.P.Q. at 11, the Federal Circuit affirmed the Patent and Trademark Office's (PTO) refusal to register on the principal register appellant's asserted trademark for showerheads. The Federal Circuit held:

The record here is devoid of evidence showing the likelihood that other manufacturers could successfully compete in the showerhead trade, i.e., that there exist commercially feasible alternative showerhead configuration which others could utilize to successfully compete with appellant on the basis of utility. Accordingly, in the absence of such evidence, which argument of counsel cannot replace, we hold that appellant has failed to rebut the PTO's prima facie case.

**Id.** (Footnote omitted) (Emphasis added). Accord, Morton-Norwich, 671 F.2d at 1341; Power Tools, ID at 293 ("whether there are other commercial alternatives available"). Failure on the part of the proponent of the alleged trademark to demonstrate the availability of alternatives has been important in deciding whether a design is **de jure** functional. See, e.g., Textron, 753 F.2d at 1025-26 (where the Court held, as to its ultimate holding on functionality, that there was no substantial evidence put on by complainant Textron that an alternative overall design could be produced that could perform the same functions with no significant increase in cost). Hence the question is whether there has been established a prima facie case which complainant has not rebutted to the effect that there are no commercially feasible one half inch air impact wrenches that do not employ the asserted mark or that the IR-231 has the best or one of a few superior designs available for a one-half inch air impact wrench because of the asserted mark. If that has been established there is strong evidence that the asserted mark is **de jure** functional. To determine that question the record has to be examined with respect to the features of the asserted mark.

Features asserted for the alleged trademark such as the size of the IR-

231 and its smooth corners and edges extend to various components of the tool's exterior design. The record shows that those features make for a better design from the standpoint of use, safety and durability. Thus the compact design of the IR-231 makes an air impact wrench maneuverable and useful in small areas (FF 237). The IR-231's smooth surfaces without sharp corners make the tool safer to use (FF 239). The record does not demonstrate that alternate designs that varied widely in shape or that were not characterized by rounded edges and corners would be as good or as competitive as an exterior design such as that of the IR-231. For example, with respect to the shape of the edges on air impact wrenches, complainant's Boggs, its vice president of national accounts, who has an extensive sales and marketing background, as well as at least some technical background and experience with the development of the IR-231 (FF 28, 29), testified as follows:

Q. And what sorts of design features would change the cost to manufacture?

A. The size, the density of the housing.

Q. The shape?

A. The shape, of course.

Q. What sorts of shape?

A. Depending upon the type of tool, where you wanted to balance the handle on the motor housing so that it wasn't either nose-heavy or top-heavy.

Q. How about things like square edges, for example?

A. You would just really never try to have a square edge.

Q. Why not?

A. It wears, for one thing, and it's easier to get into a small area -- Where you've got different things around in front of a nut or a bolt where you're trying to get an impact wrench on there, it's a lot easier to get something that's round in there than it is something that's square.

Q. How about in terms of cost to manufacture? What would a square edge do to casting costs?

A. A square edge would be more expensive, from my understanding anyway at this point, than a round one.

(FF 236). Additionally, the record shows that making the hammer casing longer would increase the cost of manufacture (FF 222, 231).

While the asserted trademark results in the IR-231 having a two-piece construction of its motor housing and front end, with a ridge at the top where the two pieces meet and hence is not as comfortable to work with as a tool without a ridge because when an operator of an air impact wrench is performing a "heavy duty job, he tends to use it as a two handed tool putting his left hand, if he is a right handed, on top of the tool" (FF 238), the two-piece construction of the IR-231 makes it easier to service the impact mechanism because the tool can be split apart. Thus in the IR-231, one need only remove three cap screws on the IR-231 for almost total disassembly in order to service the internal components (FF 238).<sup>65</sup> The record does not demonstrate that similar ease of repair could be achieved through an alternate design that did not have the two-piece construction of the IR-231.

The patented impact mechanism in the IR-231 is called the twin-hammer mechanism, and it is enclosed in the hammer casing, the exterior shape and color of which are both features of the asserted mark (FF 218, 219). The design of the hammer casing of the IR-231 however must accommodate the

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<sup>65</sup> As observed, supra, this two-piece construction with the resulting ease of repair is an important selling-point for the IR-231 that is touted in advertising.

mechanism in such a way that it can function properly (FF 221).<sup>66</sup>

All of the hammer casings complainant uses to house the twin-hammer mechanism in its entire line of air impact tools, including the IR-231, are symmetrical in their exterior configuration (FF 222, 223). The exterior circumference of the hammer casing of the IR-231 is controlled to specific dimensions (FF 234). While a lot of variation may be possible with the exterior shape of the hammer casing, differences in size, density and shape that could affect the cost of manufacture would have to be considered in making a variation in the design. For example, a bigger hammer casing for the IR-231 than that already used would be less cost-effective (FF 225, 226). Similarly, even though the twin-hammer mechanism of the IR-231 might be contained in a pyramid or triangle shape as long as the interior accommodated the internal mechanism's movement, such a configuration, as complainant's manager of industrial engineering testified, "would probably be more expensive" than the configuration currently used (FF 222). Thus, the record indicates that although it might be theoretically possible to design a hammer casing with a very different size and exterior shape from that of the IR-231 and still accommodate the twin-hammer mechanism, a different hammer casing design might be less cost-effective. The administrative law judge finds that the record does not establish that alternate designs for the hammer casing of an air impact tool with the twin-hammer mechanism, vis-a-vis qualities such as size

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<sup>66</sup> Complainant's manager of industrial engineering testified that he thought that the IR-231's twin-hammer mechanism is comparable or superior to other mechanisms that are available, and that from a performance standpoint, the mechanism gives a competitive edge to the IR-231 over other air impact wrenches (FF 220). Indeed, the IR-231 with its twin-hammer mechanism has developed a reputation over the years as being the most powerful and the most durable product, lasting the longest in a market where tools have the tendency to fall apart (FF 234).

and shape, would be competitive.

Some exterior portions of the hammer casing of the IR-231 which are features of the asserted mark were designed with safety and durability of the hammer casing in mind. These safety and durability concerns determine features of the exterior of the hammer casing, such as its material and color.<sup>67</sup>

Concerning the color of the IR-231, in the manufacture of the IR-231

(FF 229). If a hammer casing had undergone the ferro black or ferro oxide treatment to inhibit rust, but were then made a color other than the black that is inherent in the treatment, changing the color would add to the cost of the hammer casing. Painting the hammer casing after the ferro process would make the tool more costly to manufacture, and it would be impractical because it would amount to putting two finishes on the same part within the manufacturing process (FF 230).

While some portions of the record contain some hypothetical discussion about the possibility of lowering the cost of making the hammer housing by making it out of different materials such as aluminum or some kind of composite material (FF 231, 232), the record establishes that complainant did

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<sup>67</sup> The asserted mark includes such appearance-related factors as "color ... texture ... and sheen" (FF 16).

not put forth an alternative. For example, with respect to possibility of using a composite, complainant's manager of industrial engineering testified:

Q. As you sit here today, Mr Davies, can you name a specific composite material that would be suitable to replace the hammer housing on the IR-231?

A. Specifically as far as compound is concerned?

Q. Yes.

A. No.

(FF 233, see also FF 232). Furthermore, the record contains evidence that some of these suggested alternatives would be inferior to the design of the IR-231. For example, a witness who runs an authorized service center for Ingersoll-Rand and for Mac Tools testified as follows:

Q. Are you familiar with the Mac 234 product, sir?

A. Yes, I am.

Q. And you already testified that you are familiar with the IR-231 product. Is that correct?

A. Yes.

Q. Did you hear the testimony of Mr. Robert Davies that the hammer casing, the aluminum casing of the Mac 234 affords the same degree of protection as the steel hammer casing of the IR-231?

A. Yes, I did hear that.

Q. Do you agree or disagree with that statement.

A. Totally disagree.

Q. For what reason?

A. The most maintained item on that tool as far as the service center goes and Mac Tool goes is the nose piece or the hammer cover here. Because of the material, it shatters.

Q. The material being aluminum?

A. I don't know what the material is made of. I know it

does not hold up the same as the Ingersoll-Rand 231.

(FF 235).

Some of the color in the IR-231's asserted trademark results from the shiny motor housing and handle that contrast with the black of the hammer casing. The ten physical exhibits in this investigation cited by the staff (i.e., SPX 14-17; CPX 5, 7-9, 12, 13 and 15)<sup>65</sup> support the staff's argument that not only the IR-231 but most of the air impact wrenches designed for automotive applications have a shiny aluminum handle and motor housing (SPost at 15). Complainant did not specifically brief the issue of the "sheen" or the shiny portion of the IR-231 and moreover did not establish that there are competitive alternatives to the kind of material used for the shiny motor housing and handle of the IR-231.<sup>69</sup>

Aside from the metal used for the motor housing and handle, the asserted mark, as it extends to the rear of the tool, includes features that the record shows were selected because the tool worked better with them, rather than as a way of indicating the origin of the tool. For example, complainant's manager of industrial engineering testified that from a purely ergonomic standpoint, the handle of the IR-231 would be longer, but conceded that when Ingersoll Rand designed longer handles, customers rejected the handles and asked for the design to be changed because with longer handles the tools were difficult to fit into tight spots (FF 243).

The pistol grip design of the IR-231 was used prior to the time that the

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<sup>63</sup> See also FF.235a.

<sup>69</sup> Complainant mentioned color in some of its proposed findings, including CRF 246 which mentions "sheen". CRF 246 however referred only to physical exhibits of air impact wrenches, and amounted to little more than argument.

IR-231 came on the market (FF 240). Complainant's manager of industrial engineering testified that the size and location of the pistol grip of the IR-231 affects the tool's balance:

Q. With respect to the location of the pistol grip on the product, do you know whether or not the location and the size of the grip in any way affects the balance of the tool?

A. Yes, it does.

Q. If the grip was shorter, -would it affect the balance of the tool.

A. Not as I know what balance means.

Q. Why don't you tell us what balance means? I think that might help clear up the record.

A. It suggests that when you hold the tool in your hand balances whether or not the tool wants to fall forward or fall backward. Okay? And the position of the handle itself on the tool would be more susceptible to changing the balance than the length of the handle.

(FF 241). Indeed, additional evidence confirms that moving the pistol grip on the IR-231 either forward or backward would affect the balance of the tool.

Making the pistol grip shorter or longer would affect the balance of the tool

(FF 242). Therefore, alternate designs to the IR-231 with respect to the pistol grip would not only affect the look of the design but also the function of the grip, and in the IR-231, the design of the grip is the result of customer preference for a tool that is well-balanced and usable in small work spaces.

The trigger is one of the features specified by complainant as part of its alleged mark. However, the design of the IR-231 places the trigger in a "superior" location and will not pinch anyone's finger (FF 245) 246). The trigger is located in the area of the juncture of the housing and the handle. The location, pivot point and feel of the trigger of the IR-231 is

ergonomically advantageous, and allows the operator "to inch" the tool, i.e., to use the trigger to change the tool from slow speed to high speed (FF 247).

Complainant specified that it sought protection in its asserted mark for the design of the "rotational and power control" (FF 14). A reverse valve is located in the interior at the rear of the IR-231, and is controlled by two black knobs, i.e., the "rotational and power control" located to each side of the handle. The purpose of the reverse valve is to change the direction of the air flow thereby changing the direction of the rotation of the tool. There are numbers on the housing at both sides of the tool near the rotational and power control. The numbers provide a reference point as to the power output of the tool because of the power control function. Zero indicates no air flow, 1 indicates the minimum air flow for the tool, and 5 indicates the maximum air flow. One knob of the rotational and power control has a slot in it, and the other has a notch. The slot and notch act as a pointer directed toward the numbers. Both knobs of the rotational and power control have serrated edges. It would be more difficult to rotate the reverse valve if the rotational and power control did not have those serrations, which are part of the asserted mark (FF 248).

Complainant's marketing manager for industry and business development testified that the basic customer preference was for a reverse valve with a forward to rear approach, rather than the side-to-side approach of the IR-231. However, the substance and quantity of any conversations that the witness had with customers about the reverse valve were not set forth (FF 249). Moreover, the record contains strong evidence that complainant was concerned with superior utility when it selected the location and other features of the "rotational and power control." For example, complainant's

vice president of national accounts testified in part as follows:

Q. Okay. I'd like to talk for a moment about the design trademark that Ingersoll-Rand is alleging here.

Can you tell me what the design trademark is?

A. No. I can't tell you exactly what that design trademark is outside of the fact that we have the regulator in the housing, built into the housing, which is a very handy type or reverse mechanism and that's one of the features that we would sell with that tool, plus the power control of that regulator, power regulator, and the fact that we do have a steel housing on the clutch which makes the tool last longer.

I don't know if that answers your question or not.

Q. If that's your understanding --

A. That's my understanding.

\* \* \*

Q. Do you know how --

A. I mean we went to a lot of trouble to make sure that cosmetically the tool was balanced, that that housing was exactly to fit my hand or to fit some smaller hand and that the tool wasn't nose-heavy and that it was balanced perfectly and that that reverse mechanism was handy to the operator because he could use -- really use one ham to change it. He could stick his thumb around and push that reverse mechanism either way, to reverse it or to make it go forward.

My recollection is there was a lot of emphasis placed on that.

(FF 31) (Emphasis added). In addition, the testimony of complainant's manager of industrial engineering indicates that while he did not think that the location of the regulator was necessarily superior to any other feasible location, he knew of no design that was superior to complainant's, as he testified as follows:

Q. Taking the tool itself, do you believe there is a particular advantage in placing the regulator at the location that it is placed on the 231?

A. Versus anywhere else on the tool?

Q. It's probably as easy there as anywhere else you could impede or improve the air flow. That is what you are basically doing is adjusting air flow.

Q. Do you believe that there is any other superior designs as to the regulator on any other impact wrenches in the market?

A. Not that I am aware of.

(FF 250). Furthermore, the testimony of a witness who was not an employee of complainant but who also had a lot of experience with air impact wrenches, including the IR-231 testified as to the convenient location of the regulator/reverse mechanism as follows:

Q. What is your understanding of why that particular feature is located where it is?

A. Well, the purpose of it is to raise and lower the power of the tool. Why it is at that particular spot I don't know other than it makes sense to me.

Q. Why does it make sense to you?

A. The mechanic when he is using it can flip it back and forth.

Q. And from your experience in the use of these tools, does the mechanic in order to carry out that operation use -- does he carry that operation out with the hand that is holding the handle or with his other free hand?

A. He is changing directions and speeds with the free hand.

Q. Would it be more convenient or inconvenient if the reverse mechanism was above the trigger underneath the hammer case housing?

A. I think it would be more of a problem because the man would actually, if he is sitting on a bolt like this, as it is, it can go back and forth like this.

JUDGE LUCKERN: "Sitting on a bolt like this, " I will be reading the transcript --

THE WITNESS: Positioned on a bolt to work on whatever the mechanic is working on, he can use the forward and reverse valve as it sets. He has got to take the tool off his

work to see it up front here and use it properly.

(FF 252). The record indicates that the rotational and power control not only serves the de facto purpose of allowing an operator to change direction and power, but also that the control's location, and features (such as serration, slot, notch and numerical markings) result from careful design efforts on the part of complainant. Although the record contains evidence that other designs for similar controls exist (au, e.g., FF 31 where Boggs testified that "it was different than any other one that was in the marketplace", the record does not establish that any design is superior to that of the IR-231.

Based on the foregoing the record establishes that important design features of the asserted trademark give the asserted mark utilitarian advantages and superiority of design. Moreover complainant has failed to demonstrate that alternate designs are available that would work as well and be as competitive as the design that is the asserted mark.

#### 4. Simple or Cheap Factor

While the staff argued that "[g]iven Ingersoll-Rand's need to meet its high standards of performance, safety, ergonomics, serviceability, and durability, the design of the 231 is cost-effective," it argued that "in terms of overall industry costs for the production of air impact wrenches, it is not relatively simple or cheap to manufacture" and hence that the fourth simple or cheap factor of Norton-Norwich did not weigh against Ingersoll Rand (SPost at 17 n.12).

Respondents argued that complainant offered no credible evidence on this issue; that complainant is constantly attempting to manufacture its tools more efficiently; and that many specific features alleged to be covered by the trademark are produced in the most cost efficient manner (RPost at 11).

Complainant addressed this fourth Morton-Norwich factor in its reply brief, without citation to rebuttal findings or the record. Moreover complainant failed to establish that its design does not result from a comparatively simple or cheap method of manufacturing. Consequently, complainant's arguments on this fourth simple or cheap factor do not counter the strong showings made in favor of de jure functionality vis-a-vis the second advertising and third alternatives Morton-Norwich factors.

#### 5. Conclusion

Having considered all the evidence of record relevant to the issue of functionality, the administrative law judge finds that respondents and the staff have made what constitutes at least a prima facie case in that the record establishes that (1) many of features that make up the asserted mark, from a utilitarian standpoint, cause the IR-231 to work better; (2) significant problems, such as cost, durability and safety, would result from changes in many of the features of the asserted mark; (3) complainant has failed to demonstrate that **alternative design are available that would work as well and be as competitive as the design that the asserted mark;**<sup>70</sup> and (4) the asserted mark was adopted as a result of complainant's desire to market an air

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<sup>70</sup> Complainant argued that the market contains tools of many different designs, and that there are alternative designs to the asserted mark (Tr. 1533-1535). While the IR-231 faces competition from tools other than those of respondents (FF 175, 176, 198), complainant did not explain how and to what extent its competitors' designs differ from the asserted mark, nor did complainant establish that any competitors, without the asserted mark, are successfully competitive and that their success is in some measure due to any different designs. Moreover, the record contains evidence that the exterior design of the IR-232 does not differ much from that of other one half inch air impact wrenches on the market (FF 197, 198, 213). Even with respect to the IR 2705 A1 one half inch air impact wrench while the anvil on it, disclaimed from the asserted mark, and its label are different from those of the IR-231, other than those differences there are none (FF 49).

impact wrench that had superior qualities such as performance and durability and complainant has promoted sales of the IR-231 on the basis of such qualities, attributing them to individual features and to the tool as a whole. Complainant has failed to rebut the prima facie case of respondents and the staff that the asserted mark is de jure functional.

E. Genericness

The staff argued that an alleged trademark is generic when its primary significance in the minds of purchasers is not the producer, but the product, citing Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938); that none of the parties has alleged that the purported mark has generic meaning although complainant has not offered any evidence of non-genericness at trial; that the issue of generic verses non-generic generally applies to word marks, although at the Commission, the issue has been discussed in connection with design marks, citing, e.g., Cube Puzzles, where it was held that proof of a common law trademark must include a showing that the mark has not acquired generic meaning. It is argued by the staff that Ingersoll Rand's design (once it is defined) is **not incapable of becoming a common law trademark, assuming there is evidence that establishes secondary meaning** (SPost at 35-36).

**Respondents, in closing argument, stated that they do not have a position on genericness; that genericness applies to a word mark; and that respondents were unable to find any clear authority on the concept of genericness when a product configuration mark is in issue (Tr. at 1599, 1600).**

In Milling Machines, 223 U.S.P.Q. at 342, the Commission noted that the administrative law judge had found that any trademark that Textron might have in the overall exterior appearance of the Bridgeport vertical milling machine was generic on the grounds that the general exterior appearance of the machine

had remained fairly constant since the mid-1950's and the machine had become widely known as the Bridgeport-type vertical milling machine. Additionally, it noted that the administrative law judge found that "[e]ven Bridgeport referred to the name 'Bridgeport' as a generic description of its Series I" and thus concluded that the general exterior appearance of the Bridgeport machine indicated only a certain type of vertical milling machine. The Commission, however, disagreed with the administrative law judge's finding of genericness stating that the record did not show that the majority of consumers equate the overall exterior appearance of the Bridgeport machine with all small vertical milling machines; that although the particular control pictures used in the survey weighed against using identification of those machines as non-Bridgeports to establish that the shape of the Bridgeports machine is not generic, the failure of some interviewees to recognize the machine indicated that the Bridgeport-type shape did not indicate a small vertical milling machine to all prospective purchasers. Moreover, the Commission concluded that there have been small vertical milling machines with configurations different from the Bridgeport design in the U.S. market for many years, and consumers did not identify those machines as Bridgeport or Bridgeport type machines.

In this investigation there is lacking any evidence that a majority of consumers equate the overall exterior appearance of the IR-231 with all impact wrenches of that size. To the contrary the secondary meaning survey shows- that not every half inch air impact wrench is considered to be Ingersoll Rand's (FF 149, 152). Chicago Pneumatic's market share in the automotive tool market was \_\_\_\_\_ as of February 1990 (FF 176). The administrative finds that the record does not establish that the asserted mark is generic.

F. Unclean Hands Defense

Respondents argued that the record demonstrates that the complainant is guilty of unclean hands as a result of its attempt, both through this investigation and by other means, to assert and enforce certain patent rights in the IR-231 after the patents had expired; that the record reveals that complainant's two patents covering the IR-231 expired in September 1988 and May 1989, respectively, and that complainant anticipated the expiration of those patents with trepidation; that in January 1990, complainant's fears were realized as Astro began importing the Astro-555 containing the twin-hammer mechanism, which was the subject of the now expired patents; and that upon learning of this fact, complainant began an investigation of the Astro-555 in anticipation of legal action which consisted of inquiries to a trading company in Taiwan limited to the interior of the Astro-555 and, specifically, the product's mechanism. It is argued that those facts, particularly when combined with complainant's admission that the first time any asserted common law trademark in the IR-231 was ever mentioned on paper was the complaint in this investigation, lead to the inexorable conclusion that both the creation of the alleged common law trademark and the concurrent decision to initiate this investigation were nothing more than a contrivance designed to conceal complainant's actual motive, viz. to prevent or inhibit Astro from selling an air impact wrench containing the twin-hammer mechanism (RPost at 42, 43).

The staff argued that while it is true that Ingersoll Rand marketed its 231 wrench in association with a reference to expired patents, there is no evidence in the record that such marketing by Ingersoll Rand was done with an intent to deceive the public and accordingly that respondents have not made a sufficient showing of unclean hands (SPost at 47).

Complainant argued that there is no evidence of intent to deceive the public; that complainant's labels were proper when they were originally used, since any listed patents were in force and covered the product; that any error, which may have occurred as a result of continuing to use the labels in question, was caused by the intervening expiration of the patents; and that continuing to mark with the numbers of the expired patents was also inadvertent or the result of an oversight because the persons in charge of applying the labels to the product had not considered that the patents had expired (CPostR at 30, 31).

35 U.S.C. § 292, in pertinent part, states:

Whoever marks upon, or affixes to, or uses in advertising in connection with any unpatented article, the word "patent" or any word or number importing the same is patented, for the purpose of deceiving the public ... shall be fined not more than \$500 for every such offense.

As a general proposition, there can be no violation of § 292 absent an evidentiary showing that the false marking or mismarking was "for the purpose of deceiving the public." See Arcadia Machine & Tool, Inc. v. Sturm, Ruger & Co., Inc., 768 F.2d 1124, 1125 (Fed. Cir. 1986). Moreover the statute, being penal in nature, must be construed strictly, and intent will not be inferred from facts which show that the incorrect patent marking was the result of mistake and inadvertence. Johnston v. Textron, 579 F.Supp. 783 (D. R.I. 1984), aff'd, 758 F.2d 666 (Fed. Cir. 1986); Roman Research, Inc. v. Canon Co. Inc., 210 U.S.P.Q. 633 (D. Mass. 1980). While the evidence showed that complainant in 1985 was concerned about the 1989 expiration of a U.S. patent in its twin hammer mechanism used in its 231 air impact wrench (FF 135), the record does not establish that Ingersoll Rand acted with the requisite intent to constitute a violation of section 292. To the contrary, complainant issued

a change notice deleting reference to the expired patents on certain of its products. Moreover the reference to a "patented" twin hammer mechanism was deleted from its catalogue (FF 133, 134).

Based on the foregoing respondents have not established that complainant is guilty of unclean hands.

G. Estoppel Defense

Respondents argued that complainant is estopped from obtaining relief due to its acquiescence in Astro's activity; that complainant believed that the IR-231 gained common law trademark significance around 1977; that in 1985, Astro began to market the Model No. 148TR air impact wrench which is "very similar" in appearance and configuration to the IR-231 in several significant aspects; that also in 1985, Boggs asked Astro to provide complainant with an Astro 148TR for review and after review by officials of Ingersoll Rand, Astro was informed that the 148TR was "okay," and that later complainant requested, and was given, an Astro Model 148TRX -- the appearance of which was identical to the 148TR to review and complainant stated that it did not have a problem with that product either; that in late 1989, Astro found it necessary to obtain a new supplier for its air impact wrenches; that Astro determined at the same time to begin manufacturing a wrench with a twin-hammer mechanism since the patents on the mechanism had expired; that based upon complainant's explicit acquiescence to the sale of the 148TR for a number of years, Astro had no reason to believe the design of the Astro-555, which is "quite close" to that of the 148TR and 148TRX, would infringe any of complainant's proprietary rights, either real or imagined; and that in reliance on this acquiescence, Astro in good faith spent a significant amount of time, effort and money to obtain a new supplier and start up production of the Astro-555.

Hence it is argued that Astro would be severely prejudiced should Complainant be permitted at this late juncture to retract its consent (RPost at 48 to 50).

The staff argued that respondents have not carried their burden stating, for example, that respondents have not articulated the basis of detrimental reliance, nor have they put forward a shred of evidence to prove this essential element (SPost at 47).

Complainant argued that the visible differences between the Astro 148 and Ingersoll Rand's 231 Impactool invalidates respondents' claim (CPostR at 31).<sup>71</sup>

Application of the defense of equitable estoppel requires four elements; unreasonable delay in bringing suit, prejudice to respondents from the delay, detrimental reliance by respondents and affirmative conduct by complainant inducing a belief that it had abandoned its claim. Moreover the existence of acquiescence and whether it is sufficient to bar relief depends upon a consideration of the particular circumstances and a balancing of the interests and equities of the parties. Carl Zeiss Stiftung v. VEB Carl Zeiss, Jena, 160 U.S.P.Q. 97, 137, 138 (S.D.N.Y.), aff'd, 433 F.2d 686, 167 U.S.P.Q. 641 (2nd Cir. 1970), cert. denied 403 U.S. 904, 170 U.S.P.Q. 1 (1971).

Complainant argued that there are "visible differences" between the Astro 148 and to IR-231 (CPostR at 31). A comparison of the exterior of the Astro 148 (RPX-2) marketed in 1985 which had no twin hammer mechanism, and Ingersoll Rand's 231 (CPX-1) supports complainant's argument.<sup>72</sup> Also according to

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<sup>71</sup> Ingersoll Rand's 231 is CPX-1. Astro's 555 is CPX-2 and Astro Model AP-148 TR is RPX-2.

<sup>72</sup> While complainant's Boggs wrote in 1985 that the Astro 148 is "an exact copy of our cosmetic envelope on the 231" (FF 135, 136) his conclusion was not based on a physical examination of Astro 148. On physical examination of the  
(continued...)

respondents' Fischer, while "they're similar looking if you look at them" there are differences between the Astro 148 and Astro 555 one half inch air impact wrenches. Thus while "the 555 has a slot in it. Not quite a slot, but -- the 148 did not have a slot." The 148 has a different trigger than the 555. There is a slight roundness to the 555 while the 148 is more of a square-back. On the housing rear, the 148 has "R and F" while it is not on the 555 (FF 140a). In addition, the administrative law judge can find no prejudice to respondents from any delay, or any detrimental reliance by respondents as a result of any delay, of complainant in filing the complaint in this investigation assuming arguendo a delay. Due to a high inventory of the Astro 148 there was no immediate replacement of the Astro 148 with the Astro 555 (FF 139, 140). Hence Astro reduced its inventory of the Astro 148 before proceeding with the Astro 555. Moreover, Astro's marketing of the Astro 555, which has a twin hammer mechanism, obviously had different marketing considerations than Astro's past marketing of the Astro 148 which had no unpatented twin hammer mechanism. In fact Astro's president believed that the Astro 555 was more competitive than the Astro 148 (FF 139). Based on the foregoing, the administrative law judge determines that respondents have not established that complainant is estopped from obtaining any relief due to any acquiescence by complainant in Astro's activity.

### III. Infringement of the Asserted Mark

Although it has been found that there is no common law trademark in the Ingersoll Rand 231 air impact wrench, it is necessary to determine, assuming

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<sup>72</sup> (...continued)

Astro 148, Boggs realized it was not an exact copy of the cosmetic envelope on the 231 (FF 136a).

arguendo that such common law trademark exists, whether respondents have infringed the asserted mark. In determining whether a common law trademark is 'infringed, the Commission has assessed whether there is a likelihood of confusion of an appreciable number of reasonable buyers faced with the allegedly similar mark and has applied the analysis set forth in In re E. I. Du Pont De Nemour & Co., 476 F.2d 1357, 177 U.S.P.Q. 563 (CCPA 1973) (Du Pont). See Milling Machines, 223 U.S.P.Q. at 343.

Complainant argued that there is a likelihood of confusion between the 231 IMPACTOOL and the Astro 555, and that the placement of an identifying logo on identical goods does not preclude a finding of likelihood of confusion (CPreH at 10 to 15).

Respondents argued that in order to prove infringement of its asserted mark complainant must demonstrate that a significant portion of the consuming public is likely to confuse the source or sponsorship of the accused product with that of the trademarked product, and that while complainant's case of infringement rests entirely on the results of the consumer confusion survey performed by Helfgott, that survey is fatally flawed (RPost at 30 to 35).

The staff argued that complainant's survey does not support a showing of confusion and that there is no evidence of actual confusion. It referred to the following circumstantial criteria from the Restatement of Torts § 729 for determining likelihood confusion, adopted by the Commission in Coin Operated, and said to be consistently applied by the Commission in Braiding Machines, Staple Gun, Sneakers, and Fuses:

1. The degree of similarity between the designation and the alleged trademark;
2. The intent of the actor in adopting the accused design;
3. The relation in use and manner between the goods and services

marketed by the actor and those marked by others; and

4. The degree of care likely to be exercised by purchasers.

The staff argued that while the Astro 555 is strikingly similar in "overall" design to the IR-231, and there is no apparent difference between the Astro 555 and the IR 231 with regard to field or manner of use, Astro's tradename, logo and country of origin are prominently or clearly displayed on the Astro 555 with the Astro tradename clearly identified in the literature accompanying the Astro 555, and also the Ingersoll Rand logo is similarly placed on the Ingersoll Rand product, packaging and literature. It is further argued that a very high degree of care is likely to be exercised by end users in purchasing either the Astro 555 or IR 231. Accordingly the staff argued that complainant has not shown a likelihood that consumers will be confused into believing that the Astro 555 emanates from, or is sponsored by, Ingersoll Rand (SPost at 40 to 42).

Du Pont, relied on by the Commission, in testing for likelihood of confusion under section 2(d) of the Lanham Act, which the Court termed an ultimate question of fact, stated that the following must be considered:

- (1) The similarity or dissimilarity of the marks in their entireties 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:
  - (a) a mere "consent" to register or use;
  - (b) agreement provisions designed to preclude confusion, i.e. limitations on continued use of the marks by each party;
  - (c) assignment of mark, application, registration and good will of the related business; and
  - (d) laches and estoppel attributable to owner of prior mark and indicative of lack of confusion;
- (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.

The above evidentiary criteria in Du Pont were not listed in order of merit and each could play a dominant role, with any one controlling. Moreover each is considered only when it is of record. Du Pont, 177 U.S.P.Q. at 567.<sup>73</sup>

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<sup>73</sup> Du Pont did not involve an alleged infringement of a common law trademark. Thus, the appeal in Du Pont was from a decision of the Trademark Trial and Appeal Board, 166 U.S.P.Q. 351 (1970), affirming a refusal to register Du Pont's mark RALLY for a combination polishing, glazing and cleaning agent for use on automobiles on the basis of likelihood of confusion  
(continued...)

Applying the criteria cited in DuPont, where applicable, it is a fact that Astro 555 and the IR-231 have similar exterior features. However, a likelihood of confusion cannot be founded on a mere similarity of exterior features between products. See Litton System, Inc. v. Whirlpool Corp. 728 F.2d 1423, 1447, 221 U.S.P.Q. 97, 111 (Fed. Cir. 1984) (Jitton) where the Federal Circuit found no likelihood of confusion between Litton and Whirlpool microwave ovens as to source and prospective purchaser. In reversing the district court, the Federal Circuit concluded that the district court failed to note in particular that the similarity of design between the Whirlpool and Litton ovens was, except as to a very few items, a similarity shared by many microwave ovens then on the market and further failed to recognize that the most common and effective means of apprising intending purchasers of the

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<sup>73</sup> (...continued)

under section 2(d) of the Lanham Act with Horizon's registered mark RALLY for an all-purpose detergent. The application before the Court in Du Pont was originally filed by Horizon. Du Pont had earlier filed for registration of RALLY for a combination wax and cleaning agent for automobiles. That application was refused in view of Horizon's registration. DuPont appealed and the board affirmed. While Du Pont's appeal was pending, DuPont purchased Horizon's mark for the automobile product, the present application and the good will of that business. On the same day of that purchase because Horizon retained RALLY for all-purpose detergent, an agreement involving concurrent use of RALLY by Horizon and Du Pont on their respective goods designed to avoid conflict was entered into. Thus boundaries of use of the marks were established, permitting the sale of products "incidentally usable" in the other party's market but prohibiting any promotion as "especially suited for use in such market." DuPont's realm was the "automotive aftermarket." Horizon's realm encompassed the "commercial building or household market." The examiner, aware of the assignment and agreement, nonetheless refused Du Pont's registration, citing Horizon's registration and describing the issue as "ruled upon" in the board's earlier affirmance. The Court in DuPont, applying the above criteria, was convinced that confusion was not likely, stating that the agreement and assignment constituted far more than mere "consent" and played a dominant role.

This investigation involves an asserted common law trademark. There also are no prior registration nor an agreement on concurrent use. Hence many of the evidentiary criteria in DuPont are inapplicable.

source of goods is a prominent disclosure on the container, package, wrapper or label of the manufacturer's or trader's name.

The theory of the district court in Litton had been that "somehow" Whirlpool unfairly competed with Litton despite placing the name Whirlpool on the front of its ovens in three places, while the name Litton nowhere appeared on the Whirlpool ovens. Litton, 221 U.S.P.Q. at 111. In this investigation on the accused Astro 555 there is a permanently fixed back black plate with the name "Astro Power" and a stylized Astro logo prominently displayed, and permanently fixed, in each of its sides (CPX-2). No IR logo appears on the Astro 555, and complainant has not argued any similarity between the Astro 555 logo and the IR logo. In contrast the IR-231 (CPX-2) has a back red plate with the IR logo and the identification "231 IMPACTOOL" with the IR logo prominently displayed and permanently fixed in each of its sides. Also the box, which acts as a packaging for the IR-231, prominently displays the Ingersoll Rand name and the IR logo (FF 202). Moreover, Ingersoll Rand in its packaging for the IR-231 has the IR logo with a black background to show off much better Ingersoll Rand's registered trademark (FF 203). In addition complainant's Boggs has testified that in his experience the end users of an IR-231 typically ask for an IR-231 by name, i.e., "they ask for a 231" (FF 201). There is no evidence of any actual instances of confusion (FF 128) <sup>74</sup> and complainant knows of no instance when Astro has misled anybody into believing that the Astro 555 is an IR-231, or that the Astro 555 was made for

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<sup>74</sup> Complainant argued that both Kuhn and Fisher "have testified that the Astro 555 is not yet on the market. (Kuhn Tr. at 1167, Fisher•Tr. at 1037)" (CPostR at 28). Kuhn's testimony was referring only to "in my marketplace". Moreover Fisher on February 7, 1991, at Tr. 1306, testified that he sold "probably about 1500 Astro 555's".

Astro by Ingersoll Rand (FF 129).

When literature advertising Astro's products is sent out, the literature has the Astro name on it and there are logos for Astro power tools inside the literature (FF 116). When an auto mechanic buys a one half inch air impact wrench, it is in its package with the literature (FF 127). Astro in its advertisements does highlight the feature of a twin hammer mechanism (FF 130). However complainant's patents on that mechanism have expired (FF 131, 132). The Astro 555 used for the confusion survey did not include the product literature nor the warranty card nor the packaging (FF 114a, 180), although prior to taking the survey Helfgott had been provided with the box in which the Astro 555 was sold and all the documents that came with the box (FF 114b). While Helfgott testified that in the case of the visiting salesman the purchase decision for a one half-inch air impact wrench "seems to not to be made from the package, but from the gun itself," Helfgott's testimony was based on having gone out with only "one such fellow" selected by Ingersoll Rand (FF 114a). In contrast when Kuhn, who was called by respondent, was a jobber, he brought the whole package containing a tool when he went inside a place of business to demonstrate the tool in connection with a sale because packaging typically denoted a marketing approach by the manufacturer and helped to sell the tool (FF 208). Moreover, Helfgott testified that "[a]t times" the products that are in issue are sold in the packaging and later, in answer to the question "[a]t the time that he [auto mechanic] buys the product, it is in its package with the literature?", Helfgott answered "yes. I am just saying that that [the package for the Astro 555] is a discardable package" (FF 114a). When asked whether the Astro 555 packing, including the product literature and the warranty card, are further indicia of the source of

the Astro 555, Helfgott's testimony was:

A. Yes, but I do not think that it contains any information of source that is not on the product already.

Q. But it is redundant confirming information is it not?

A. It is there, certainly.

(FF 114a).

It is uncontroverted that auto mechanics, the purchasers of a one half-inch air impact wrenchs are "sophisticated, knowledgeable purchasers"; that a one-half inch air impact wrench is an important tool to them and is a key to fast work; that the one half-inch air impact wrench is purchased and owned by the individual auto mechanic in contrast to a 3/4 inch or one inch impact tool which is larger and a more expensive products and are used in large tire shops and would be owned by the shop (FF 124). In addition complainant has argued that respondents have the ability to undersell the IR-231 by and that the actual "price list spread" between the IR-231 and Astro 555 is (CPost at 15, 16) and the record supports complainant's argument about respondents' ability to undersell complainant's IR-231 (FF 72, 74). Complainant's Stryker has admitted that an auto mechanic may evaluate the price level of a one half inch air impact wrench before any purchase (FF 124). Also Kuhn testified that before auto mechanics purchase a one half inch air impact wrench they compare price as well as performance (FF 213). Moreover an auto mechanic carefully examines a one half inch wrench in any purchase. Thus an auto mechanic in purchasing an air impact wrench will not only pick up the one half inch wrench to feel the way it fits but also feel the way it operates (FF 124).

(FF 94 to 115).

Complainant argued that labeling does not necessarily eliminate the

"confusion problem," citing three Commission cases, Staple Guns, Sneakers and Faucets. These cases are distinguishable on their facts and do not control in the instant case. In Staple Guns the administrative law judge found a likelihood of confusion despite evidence of labeling on respondents' guns. The administrative law judge found that while the Arrow mark was embossed in the base of the complainant's gun, respondent's gun was either not marked or was "inconspicuously embossed on the lower side of the gun." Staple Gun, ID at 53. The administrative law judge also found that the fair use of complainant's name on respondents' packaging ("uses all Arrow T-50 staple sizes") "promotes further confusion" among the public, that the staple guns sold-at a low retail price and that they were likely to be purchased by consumers exercising a low degree of care. *Id.*, at 56. In this investigation, the Ingersoll Rand and Astro logos both appear prominently on the sides of the their tools, there is no evidence suggesting that respondents have ever used complainant's name in any fashion in connection with the Astro 555 and there is substantial evidence in the record that impact tool buyers tend to be highly sophisticated and informed purchasers with respect to their tools (FF 124). Similarly, in Sneakers the Commission found that the relevant purchasing public, children, were not likely to take time and closely inspect the product. Moreover, the Commission found the defense of labeling to be especially problematic where the "potentially dominant force in the market is copying a smaller company's design." Sneakers, views of the Commission at 19-20 and fn. 71. Here, in contract a smaller company is accused of infringement by a larger company. In Faucets the administrative law judge's finding of likelihood of confusion was buttressed by strong survey results indicating such confusion (86% confusion rate shown by two separate surveys) and by the

fact that some of respondents' faucets were packaged in boxes bearing slogans ("Americas Most Dependable Faucet" or 'America's most dependable washerless faucet") which the administrative law judge took to be intended as references to complainant Delta's products. Faucets, unreviewed ID at 49-50. In the instant investigation there is neither such dramatic survey evidence, see infra, nor any evidence that respondents have referred in their packaging to complainant's product in any manner.

Because the one half inch air impact wrench is purchased and owned by the auto mechanic and is essential for the work of an auto mechanic, the administrative law judge finds that an auto mechanic in purchasing a one half inch air impact wrench would rely not merely on the similarity of certain exterior design features but would consider the literature, packaging, logos and letter tradenames accompanying the Astro 55 and IR-231, as well as the quality, operation and price differential of the two wrenches.

Complainant relied on a confusion survey (survey II, blue questionnaire) as evidence of a likelihood of confusion. While survey evidence is one of the "evidentiary routes to prove the likelihood of confusion", McCarthy, §23.20, a survey is not necessarily determinative of that issue. 2g2 Warner Bros. v. American Broadcasting Co., 770 F.2d 231, 245 (2d Cir. 1983) ("cautioning against 'the dangerous precedent of allowing trial by the court to be replaced by public opinion poll'") Moreover a survey must be relevant "as to whether an ordinary shopper might be confused into buying [one product] when intending to buy [the other]" and it must do more than show that the accused product and the product in issue share several design features. Litton, 728 F.2d at 1447, 221 U.S.P.Q. at 110-112.

In the confusion survey the interviewees were shown an unmasked Astro

555, urged to take as long as they wanted to examine it, and asked: "Do you know the brand name of this tool or the name of the company that makes it?" (Question 1). If the interviewee said "Yes" the interviewer asked "What is the name? (Question 1a). If the interviewee gave an Astro related answer, the interviewer proceeded to Question 2, which was: "What company if any do you think makes this tool for (INSERT NAME MENTIONED ABOVE [i.e. Astro related answer])?" Thereafter every interviewee who answered Question 1a was asked:

3. What features of this tool makes you say that? Please be as specific and complete as you can.

3a. Anything else?

(FF 155, FF 180). In this survey Helfgott testified that 49% of the interviewees identified the tool shown to them as an Astro or some variation therefore in answer to Question 1a (FF 179), 14% identified the tool as an Ingersoll Rand and 12% identified the tool as a Chicago Pneumatic (FF 177); that 15% identified Ingersoll Rand in response to Question 2 (FF 178); and that the confusion rate is 29% with a confidence limit of 7.46% (FF 178).

Complainant argued that the Helfgott survey evidenced a 29 percent potential rate of confusion between the 231 IMPACTOOL and the 555 ASTRO (CPF 143).<sup>75</sup> It offered no argument as to why the arrangement of the question in the survey was not leading.

The respondents and the staff argued that contrary to Judicial Conference Guideline 3, Supr4, the Helfgott confusion survey did not employ a correct mode of questioning interviewees in that Question 2 clearly and improperly suggested to the interviewee that a company, different from Astro, may

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<sup>75</sup> The 29 percent results from the 14% who identified the tool as an Ingersoll Rand in answer to Question 1a and the 15% who identified Ingersoll Rand in answer to Question 2.

actually manufacture the Astro 555 for Astro and forced the interviewee to guess, viz. "think", who made the tool for Astro and prompted the interviewees into re-answering the question with another try -- such as "Ingersoll Rand," which would be a popular guess due to the market ubiquity of the "Ingersoll Rand," name (RPost at 32, SPost at 37). Respondents argued that if one discounted the Ingersoll Rand identifications in the "improper" Question 2, the confusion percentage was only 14 percent and that although the percentage necessary to establish likelihood of confusion varies from case to case, the percentage of purported likelihood of confusion in Helfgott's confusion survey was inconsequential and not credible (RPost at 32, 33).

In the confusion survey in issue the interviewee who was asked Question 2 would necessarily have already told the interviewer in answer to Question 1a that he or she believed that Astro (or some Astro reference) made the tool. Immediately thereafter the interviewee is asked who makes the tool for Astro (Question 2) which assumes that the tool is not made by Astro, or its Taiwanese affiliate respondent Kuan and which assumption is contrary to what the record established (FF 64, 65, 71, 76). Given IR's extensive advertising of the IR brand name (FF 188, 205) and IR's market share (FF 175), the administrative law judge finds that Question 2, to which 15% responded Ingersoll Ran, skewed the results of the confusion survey in favor of complainant.

In support of its argument that Question 2 of the confusion survey was proper, complainant cited Helfgott testimony that during the discovery phase of his research "'several mechanics said it is an Ingersoll Rand with an Astro plate on it.'" (CPostR at 22). Complainant argued that Helfgott's Question 2 "simply provided an opportunity to reflect that response." *Id.* The

administrative law judge has examined the results of Helfgott's field studies (SX-100) and did not find a recordation of the responses to which Helfgott referred. However, even if there were such responses in the field studies, this fact would not address the basic flaw in Question 2 in that in assuming a fact contrary to the evidence, it slants the survey in complainant's favor.

In addition to the flaw resulting from Question 2, complainant has failed sufficiently to correlate the Ingersoll Rand responses with features of the asserted mark in responses to Questions 3 and 3a. Thus of the fourteen interviewees who answered "Ingersoll.Rand" in response to Question 1a, some made reference to the "construction" of the tool (Bates Nos. 32, 38, 40, 46, 48, 136 and 137) and one to the "unique housing" (Bates 199). Interviewees who did specify a particular feature of the tool that they associated with Ingersoll Rand specified functional aspects of the tools design. Thus two interviewees referred to the location of the "grease fitting" (Bates Nos. 26 and 38) and five interviewees referred to the forward/reverse and power adjustor in the rear of the tool (Bates Nos. 27, 30, 40, 46 and 137).

Accordingly, complainant's confusion survey has been given little weight in view of the ambiguous nature of Question 2 and because the certain responses of the interviewees who identified Ingersoll Rand in Question 1a to the "why" questions (Question 3 and Question 3a)<sup>76</sup> did not establish that the interviewees associated the asserted mark with Ingersoll Rand.

Based on the foregoing the administrative law judge finds that

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<sup>76</sup> See Jenkins Bros. v. Newman Hender & Company Ltd., 289 F.2d 675 (C.C.P.A. 1961) where the Court held that a confusion survey was entitled to little weight because the responses did not demonstrate the extent to which the answers were motivated by the asserted trademark in issue rather than by the appearance of a valve bearing the trademark which appearance was distinct from the trademark. Id. at 678.

complainant has not met its burden of establishing infringement.

#### IV. Importation and Sale

A total of 2498 Astro 555 products have been imported into the United States by Astro as agreed to by the parties on February 8, 1991 (FF 18). Astro has sold about 1500 Astro 555 products within the United States of February 8, 1991 (FF 65) and as of February 6, 1991 Astro had 498 Astro 555's in inventory (FF 65).

The administrative law judge finds that the accused product has been imported into and sold in the United States.

#### V. Domestic Industry

The parties have stipulated that complainant has a domestic industry under section 337 regarding the asserted common law trademark (FF 5). In addition, the administrative law judge finds that the evidence, independent of the stipulation, supports the existence of such a domestic industry. (FF 6 to 9).

#### VI. Injury

While the most recent amendments to section 337 contained in the Omnibus Trade and Competitiveness Act of 1988, P. Law 100-418, 102 Stat. 1107 (1988 Act) eliminated the injury requirement in cases involving patents, registered copyrights, registered trademarks or registered mask works, it did not remove the injury requirement when an alleged common law trademark is in issue. Hence to prevail under section 337, when a domestic industry already exists, complainant has the burden of proving that the unfair act has the effect or tendency to destroy or substantially injure the domestic industry. 19 U.S.C.

§1337(a) . <sup>7</sup> Akzo N.V. v. USITC, 808 F.2d 1471, 1486, 1 U.S.P.Q.2d 1241, 1250 (Fed. Cir. 1986) (Akzo) and Certain Centrifugal Trash Pumps, 205 U.S.P.Q. 114, 117 (U.S.I.T.C. 1979).

(a) Effect of Injury

The parties have stipulated that any alleged unfair acts of respondents do not have the effect of destroying or substantially injuring the domestic industry regarding the asserted common law trademark in the appearance of complainant's one half inch air impact wrench (SX 115, Stipulation No. 9).

(b) Threat of Injury

Assuming complainant has shown that it has a common law trademark in the IR-231 and that there is at least a likelihood of confusion, that unfair acts, without more, are legally insufficient to support a finding of a Section 337 violation. A section 337 violation, however, may be found based on a threat of injury to a domestic industry where the record establishes "the existence of relevant conditions or circumstances from which probable future substantial injury can reasonably be inferred." Corning Glass Works v. USITC, 799 F.2d 1559, 1568, 230 U.S.P.Q. 822, 828 (Fed. Cir. 1986) (Corning Glass);, Ian Clemm. The "determination of injury necessarily must be based upon the particular facts of each case." Corning Glass, 799 F.2d at 1568, 230 U.S.P.Q. at 828.

The Commission has developed a number of factors which must be considered in determining whether there is a threat of injury. In In re Certain Methods for Extruding Plastic Tubing, Inv. No. 337-TA-110, 218 U.S.P.Q. 348, Commission opinion (1982) (Plastic Tubing), the Commission set forth the

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<sup>77</sup> The injury analysis which follows assumes that complainant has prevailed with respect to any of the alleged unfair acts in issue.

following factors for such an evaluation:<sup>78</sup> 1) foreign cost advantage and production capacity; 2) the ability of the imported product to undersell complainant's product and 3) the potential and intention to penetrate the U.S. market. *Id.*, at 354. See also, Certain Unitary Electromagnetic Flowmeters, Inv. No. 337-TA-230, Commission memorandum opinion (1986) at 22. In addition, the Commission has held that in determining whether there is threat of injury, the injury must be of a substantive and clearly foreseen threat to the future of the industry. Braiding Machines. Finally, the Commission requires that complainant show that there is a causal nexus between the unfair acts of the respondent and the alleged future injury. Luggage I, Commission order at 5; Certain Centrifugal Trash P •s, Inv. No. 337-TA-43, USITC Pub. 943, Concurring opinion of Vice-Chairman Alberger (1979) at 20-21.

Complainant argued that the record supports a finding of threat of injury because of respondents' ability to undersell the IR-231 by that the actual "price list spread" between the two units is that due to the fact that respondents have minimal sales overhead, there is "considerable room" in the spread between the Astro 555's warehouse cost and its warehouse distributor list price to discount; that in reality complainant's spread, burdened with sales and advertising costs, is hardly greater than respondents'; and that the catalog spread is representative of the selling price advantage to the warehouse distributors (CPost at 15-16).

The staff argued that the record supports a finding that all of the

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<sup>78</sup> While the 1988 Act refers to "the threat or effect of which" as to injury rather than "the effect or tendency of which" as was in the statute before the 1988 Act, the change has not affected the factors evaluated in Plastic Tubing.

nastic Tubing factors listed above are present<sup>79</sup> citing respondent Kuan's production capacity of \_\_\_\_\_ units of the Astro 555 and the difference between the Astro 555 wholesale price \_\_\_\_\_ and the IR-231 wholesale price \_\_\_\_\_ as evidence of respondents' substantial production capacity and ability to undersell the domestic industry (SPost at 44, 45). Further, the staff argued that respondents imported 2,498 units of the Astro 555 into the United States over the period February 1990 through February 1991, including a shipment of 1,000 in February 1991; and that of the February 1991 shipment of 1000 only 498 units remained in respondent Astro's inventory on February 7, 1991; that respondents have already sold the Astro 555 to \_\_\_\_\_ warehouses and employ aggressive sales tactics in marketing new products which reveal an intent and ability to penetrate the U.S. market (SPost at 45, SPostR at 16-17).

Respondents argued that Kuan's production capacity of \_\_\_\_\_ units of the Astro 555 is minimal in comparison to complainant's 1990 estimated production capacity of \_\_\_\_\_ units, and estimated sales of \_\_\_\_\_ units, of. the IR-231; that the number of actual imports, 2,494 units or \_\_\_\_\_ of complainant's 1990 sales, is "even more **dg winimis**" and that in the past the Commission has found no injury at such levels; that there is insufficient evidence in the record to support a finding that Kuan could flood the market with copies of the IR-231 and, even if there was adequate evidence in the record of such foreign capacity, there could be no finding of a threat of injury because of insufficient evidence to show an intent to penetrate the U.S. market (RPost at

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<sup>79</sup> The staff's position was premised on the assumption that complainant prevailed with respect to the existence of the common law trademark and likelihood of confusion (SPost at 44).

37). Respondents further argued that the Astro 555 is priced lower than the IR-231 because of a decision by complainant to maintain its premium price as though the IR patent for the twin-hammer mechanism were still in effect, rather than an attempt by respondents to undersell the IR-231; that the Astro 555 is a competitive product because it legitimately uses the superior twin-hammer mechanism and is priced lower than complainant's artificially inflated price; that there is no evidence of any lost sales for complainant due to confusion or through passing off by a distributor; and that the record establishes that a decision by a distributor to carry the Astro 555 does not necessarily preclude that distributor from carrying the IR-231 as well. Hence it is argued that complainant has failed to establish a causal nexus between any unfair acts by respondents and any potential future injury to complainant's domestic industry (RPost at 38-39, RPostR at 16-17). Finally, respondents argued that complainant's allegations that the Astro 555 is of inferior quality should be rejected; that the results of complainant's endurance test are questionable because the test was conducted by inexperienced personnel, the report submitted was unsigned in contravention of complainant's policy that all such tests be signed upon their completion, and there is a lack of documentation to support testimony that the tested Astro 555s were properly greased during the tests; that the alleged flaws in the tested Astro 555s could have been caused by failure to grease the tools; and that complainant's allegation that the Astro 555 has a shorter life span than the IR 231 is unsupported by any documentation that the IR 231 has a life span of 50,000 cycles as purported by complainant (RPost at 40-41).

The administrative law finds that the record contains clear evidence of respondents' substantial production capacity. The record establishes that

respondents' production capacity for the Astro 555 is                    units (FF 71) and that complainant's estimated 1990 production capacity for the IR 231 is                    units (FF 69). While respondents have thus far imported only 2,498 units into the United States (FF 78), respondents' argument that this number,                    of complainant's 1990 production, is too small to support a finding of significant production capacity is inapposite. The Commission's task in evaluating tendency to injure is to look for "circumstances from which probable future substantial injury can reasonably be inferred." Corning Glass, 799 F.2d at 1568, 230 U.S.P.Q. at 828 (Emphasis added). Production capacity is a more relevant number for determining whether there is a threat of future injury than is part imports. Plastic Tubing, 218 U.S.P.Q. at 354-55.<sup>80</sup> Respondents'                    unit production capacity is fully                    of complainant's production capacity. Coupled with the strong evidence in the record of respondents' intent to penetrate the U.S. market, discussed infra, respondents'                    unit production capacity supports a tendency to substantially injure complainant's domestic industry.<sup>81</sup>

The record also contains clear evidence of respondents' foreign cost advantage and ability to undersell complainant's product. Complainant's

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<sup>80</sup> Dut see In the Matter of Reclosable Plastic Bags, Inv. No. 337-TA-32, Commission memorandum and opinion (1977) at 74 where, although a threat of injury was found, imported articles never constituted more than 1.5 percent of total production.

<sup>81</sup> See Certain Aramid Fibers, 337-TA-194, unreviewed ID (1985) at 94-97. The Federal Circuit upheld the Commission's finding of respondent's tendency to substantially injure complainant by capturing a "significant share of the domestic market, if not in relative percentage figures than (sic) certainly in absolute dollar figures." Akzo, 108 F.2d at 1487, 1 U.S.P.Q.2d at 1251; Certain Surveying Devices, Inv. No. 337-TA-68, Commission determination and order (1980) at 35 (market penetration of 4.8% not considered insignificant and demonstrates a tendency to substantially injure).

production cost for the IR-231 is approximately                      per unit (FF 74) while respondents' production costs for the Astro 555 models range from                      to                      (FF 72). These cost figures represent a foreign cost advantage for respondents of approximately                      which is found to be substantial evidence of respondents' foreign cost advantage. See Certain Single Handled Faucets, Inv. No. 337-TA-167, unreviewed I.D. (1984) (Faucets) where the Commission found a significant foreign cost advantage where the foreign cost difference was between 17 and 24%. *Id.*, at 65. Moreover, the wholesale price of the Astro 555 is \$68-70 (FF 73), compared to the wholesale price of the IR-231 at                      (FF 75), a difference of approximately                      <sup>82</sup>.

There is also very strong evidence of respondents' intent and ability to penetrate the U.S. impact tool market. Between February 1990, when respondents began importation of the Astro 555 into the U.S., and February 1991, respondents imported 2498 units (FF 78). Of this number, 1000 units were shipped at one time in early February 1991, while previous shipments had been made in amounts of approximately                      units (FF 65 and 77). Moreover, of the February 1991 shipment of 1,000 units of the Astro 555, only 498 units remained in respondents' inventory when Mr. Fisher testified only a few days later, on February 7, 1991 (FF 65). In addition, respondents have sold the Astro 555 to approximately                      warehouses (FF 79) and the record indicates that respondents employ, and will continue to employ, highly successful and aggressive promotion tactics for their products (FF 81 and 82). Finally, Astro's president Fisher has indicated that his company is willing to fill as

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<sup>82</sup> Igg faucets where the Commission found a tendency to injure where complainant Delta's products were undersold by approximately 30% and where, as noted above, Delta was at a foreign cost disadvantage of 17-24%. *Id.*, at 65.

many orders of the Astro 555 as the market can provide (FF 80). These facts, particularly the importation of 1,000 units of the Astro 555 in February 1991, and the rapid distribution of a large portion of this shipment, indicate an intention by respondent to increase the rate of importation and also indicate a vigorous ability to distribute the imports to the market.

Evidence of inferior quality of imported products has also been considered by the Commission to be a factor for consideration in determining whether there is a tendency to injure a domestic industry Staple Gun, ID at 82. The administrative law judge finds

Thus at the hearing complainant's Leo Dennis Martine, supervisor of the Engineering Lab for Ingersoll Rand in Athens, Pennsylvania and an employee by Ingersoll Rand for twenty five years where he started as a technician and over the years worked to lab supervisor (FF 96), referenced SX-52 which is a request for a competitive evaluation of the Astro 555 compared to the IR 231. Martine was familiar with the test that **was run on the Astro 555 based on that request. There is a standard procedure which is followed for that test (FF 97). In evaluating the Astro 555 which is represented by CPX-2, the first thing done was to photograph the tool and then a standard performance test is run against a lab standard 231. The tool is lubricated with oil. After the performance test the tool is disassembled, parts are looked at, the tool reassembled, lubricated and put on an endurance test and during approximately every 5,000 cycles the tool is given another performance test. In the endurance test itself, the tool is lubricated every three hours and the tool is checked every hour while it is on the endurance test by the technician running the test. IR's goal for a good 231 impact tool is 50,000 cycles, and at the end of the 50,000 cycles, if the tool makes it,**

it is given another endurance test (FF 98). This procedure was followed with respect to two Astro 555 tools. According to Martine,

(FF 99). In the endurance test of the Astro tools, one of the tools, vim. the Astro 555

(FF 100). In IR's test the Astro 555 had comparable power to the IR-231,

(FF 101). When testing a half-inch air impact wrench IR oils the tool at every performance test and greases the tool every three hours. If a tool is not greased a stall can occur and the tool stops functioning. No stall condition was indicated in the Astro 555 test report (FF 102 to 105). Although respondents argued that there is no documentation in the record that the tools tested were greased at proper intervals, the administrative law judge finds the testimony of complainant's Hite, that the Astro tools were greased at regular three hour intervals throughout the tests, to be credible and un rebutted (FF 106 to 111). Similarly, complainant's Martine testified that the IR-231 has demonstrated a life of 50,000 cycles under similar testing (FF 112).

Finally respondents argued that any future injury to complainant will not be caused by any infringement on complainant's alleged common law trademark, but by complainant's failure to competitively price the IR-231, and that the Astro 555 may pose a future competitive threat to the IR-231 because it uses the same twin-hammer mechanism and is priced lower (RPost at 38). The administrative law judge however finds no clear indication that the market for the IR-231 will shrink in the future. Assuming that complainant has prevailed

on the asserted unfair acts, then the combination of confusion among customers, respondents' foreign cost advantage and ability to undersell complainant, respondents' production capacity and intention to penetrate the U.S. market are found sufficient to establish the nexus between any injury to complainant and respondents' infringing actions. See Luggage I, Commission action and order at 5.

Accordingly, based on the foregoing, complainant has met its burden of showing a threat of injury by respondents to complainant's domestic industry.

VI. FINDINGS OF FACT

A. The Private Parties

1. Complainant Ingersoll Rand is a corporation organized under the laws of New Jersey, having its principal place of business at 200 Chestnut Ridge Road, Woodcliff Lake, New Jersey 07675 (SX 115a).

2. Respondent Kuan is a Taiwanese corporation having its principal place of business at #891-26, Chung Cheng Road, Sin Chuang, Taipei, Taiwan (SX 115, Stipulation No. 2).

3. Respondent Astro is a California corporation, with a principal place of business at 4455 East Sheila Street, Los Angeles, California 90023 (SX-115; Stipulation No. 3).

B. The Products

4. Ingersoll Rand's products at issue are models 231 and 231-2 1/2" air impact wrenches (Stipulation No. 4; SX 115). Respondents' accused product is the Astro model 555 (Stipulation No. 5; SX 115). Stipulation No. 4 appears to be in conflict with complainant's argument in its posthearing submissions that there "were two versions, the 231-1 and the 231-2" (CPostRe at 18) unless, in the stipulation, the parties intended the model 231 to be "231-1".

C. Domestic Industry

5. The parties have stipulated that complainant has a domestic industry under section 337 of the Tariff Act regarding the asserted common law trademark (Stipulation No. 7, SX 115).

6. There is sufficient evidence in the record to support the parties' stipulation that complainant has a domestic industry under section 337 of the Tariff Act regarding the common law trademark asserted in the investigation.

7. Complainant manufactures the IR-231 in Athens, Pennsylvania.

(Complaint at 3; Davies, CX 2 at 3-11; SX 17 at 6; SX 19 at 1). Complainant employs approximately workers in its half inch manufacturing cell, approximately of whose production is dedicated to the IR-231. The total value of land, building and equipment dedicated exclusively to the domestic production of the IR-231 at Athens, Pennsylvania is million. In support hereof, Davies testified:

Q: Mr. Davies, can you tell me approximately [how many] people are employed by Ingersoll-Rand that work on the production of the 231 impact tool?

A: Approximately people work on that production.

Q: How do you know that?

A: In 1989 we spent an excess of on direct labor on production of the half inch impact tool. We ascertained that information from our accounting records and computer generated printouts. At that time our direct labor of rate per hour was . Simply by dividing the of total expenditures by the per hour, we come up with hours spent in the half inch cell to produce the half inch impact tools. Each man on a straight time basis works approximately hours per year in the cell that comes out to that are dedicated to the production of the half inch impact tool in Athens, Pennsylvania.

Now what percentage of the production of the half inch cell is dedicated to the 231?

A: Approximately

Mr. Davies, how do you come up with this allocation? What documentation do you have to prove or support your opinion that of the production is 231?

A: We determined units of 231 and overall 1/2" production from standard manufacturing test reporting system. The total units of 231 and 231-2 production for 1989 plus production through July 90 YTD came to units as a percentage of total units produced by the 1/2" cell during that most recent period.

Q: Mr. Davies, what do you estimate to be total value of land in building dedicated to or allocated to production of the 231 impact tool at your Athens facility?

A: That would be approximately

Q: How did you arrive at that number?

A: By taking the total value of the land and building of the entire facility and allocating it on a square foot basis as half inch production of the total plant square footage which is and the total value of the land and building being , we will come up with million as building and land allocated to half inch impact tool production.

Q: Mr. Davies, the number you just gave us relates to the total half inch production of the cell, is that not correct?

A: That is correct.

Q: Now we should adjust that should we not to the ratio for the 231 production which I think you just testified to as

A: Correct.

Q: And what does that come to as a claim for land and building dedicated production of the 231 exclusively?

A:

Q: Could you explain to us how did you arrive at that number?

A: **Based on the of the volume of half inch impact tools, our 231's, we use the allocation basis of direct labor for 1989 as vs the total plant expenditures and multiplying that allocation by the quantity break down of 231 of the total impact tool, come up with square foot of facility dedicated to the production of the 231 exclusively.**

Q: **I show you document SX 017 and ask you what that represents?**

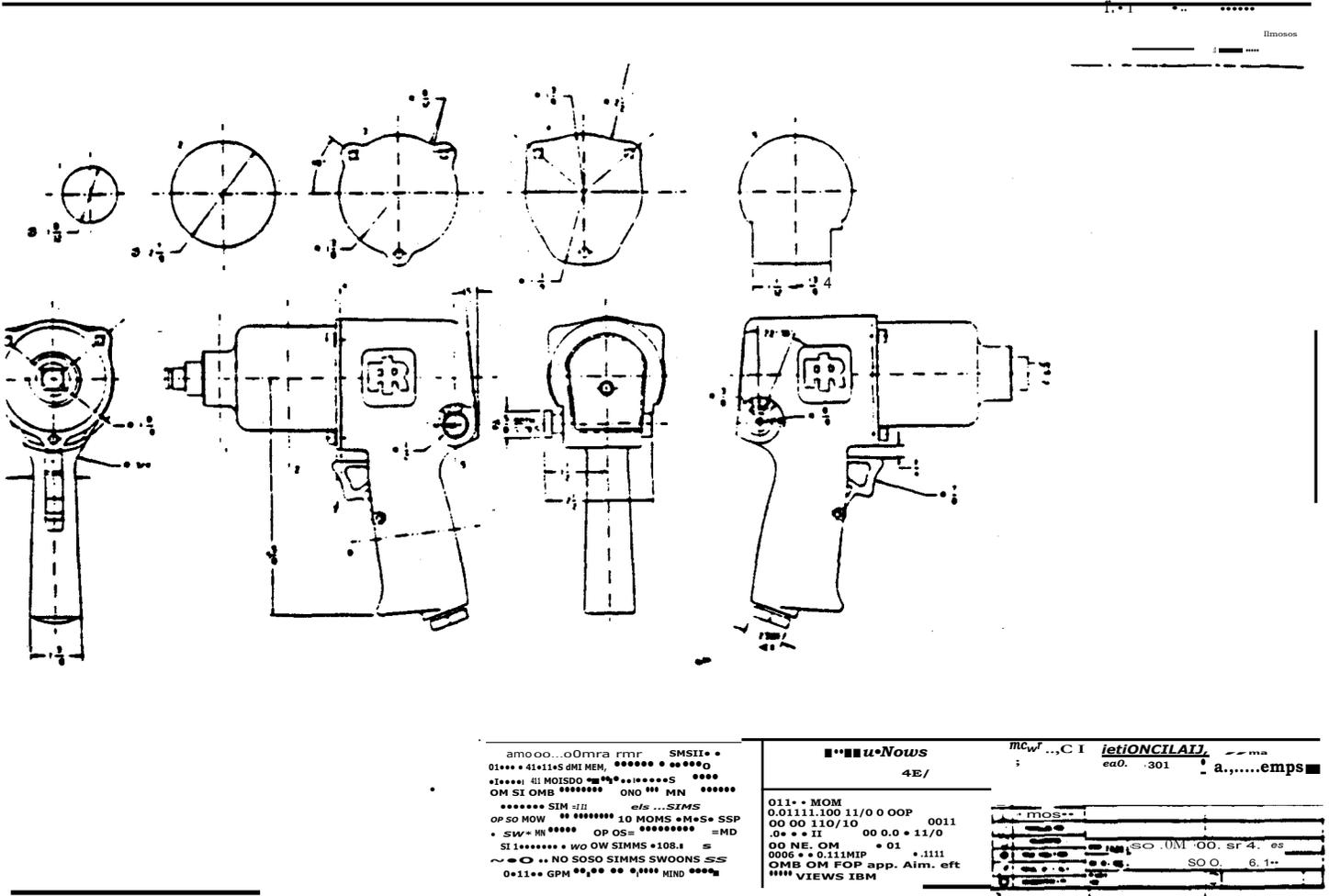
A: **It is the half inch investment in land, building, and equipment as allocated to the half inch and 231 production. It shows the insurable replacement value total, both in land and equipment, and the equipment comes from the equipment list CX 005.**

Q: **In summarizing what has been said, what is the final conclusion of your testimony in terms of the total amount for land and building?**

A: **The total amount for land and building is allocated to 231**



Exhibit 3 is as follows:



(SX 110).

12. Under the heading "3. INFRINGING PRODUCT/SOURCE", the complaint as filed stated:

3.3. Improper Country of Origin Marking: The 231 IMPACTOOL features a prominent and permanent metal name-plate appearing as follows: "ASTRO POWER 1/2" AIM IMPACT WRENCH, W/2 ANVIL, MODEL AP555-2 SERIAL 110495, LOS ANGELES, CALF. 90023." On the handle, opposite and unreadable from the nameplate, the article sears a sticker stating: "MADE :N TA:WAN." • The "MADE :N TAIWAN-" sticker easily removable, and, even if not removed, with use in an oily environment, will likely eventually separate from the tool or r.ectme unreadable leaving only the "LOS ANGELES, CALIF 90023" marking on the infringing ASTRO 55 which disguises the true original of the

tool.

(SX-110).

13. A section of the complaint as filed under the heading "4. UNFAIR METHODS OF COMPETITION AND UNFAIR ACTS" stated:

4.1. Statutory Basis for Complaint: The following unfair methods of competition and unfair acts cognizable under Section 337 arise from the importation and/or sale in the United States of the infringing ASTRO 555 air impact wrenches by Respondents:

4.1.1. Violation of Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a) by virtue of infringement of complainant's common law design trademark;

4.1.2. Violation of Section 5(a)(1) of the Federal Trade Commission Act (15 U.S.C. § 45(a)(1)):

Unfair methods of competition in or affecting commerce, and unfair and deceptive acts or practices in or affecting commerce, are hereby declared illegal; and

4.1.3. Violation of Section 304 of the Tariff Act of 1930, as amended, (19 U.S.C. § 1304) for improper country of origin marking.

4.2. Fundamental Design Infringement: The infringing ASTRO 555, because of its mirror image copying, infringes upon the Exhibit B protected design features of the 231 IMPACTOOL. [See 2.10]

4.3 Customs Country-of-Origin Marking Regulations: USCS Regulation § 134.46 provides:

In any case in which \* \* \* the name of any city or locality in the U.S. \* \* \* appear on an imported article or its container, there shall appear, legibly and permanently, in close proximity to such words, letters, or name, and in at least a comparable size, the name of the country of origin preceded by "Made in," "Product of," or other words of similar meaning.

The sticker "MADE IN TAIWAN" is neither permanent nor in close proximity to the permanent "LOS ANGELES, CALIF 90023" markings appearing on the imported article, and thus the marking violates the above-recited country-of-origin marking requirements.

4.4 FTC § 5(a) Country-of-Origin Requirements: False Country-of-origin marking similarly violates the Section 5(a) requirements.

(SX 110).

14. By letter dated April 12, 1990 to the Office of the Secretary from complainant's counsel the complaint was amended. Amendment Nos. 1 and 2 to the complaint read:

AMENDMENT NO. 1

Enlarge Section 2.10 so as to add the following:

Ingersoll-Rand Exhibit B-1 [April 3, 1990], attached hereto, depicts 10 cross sectional drawings of the 231 IMPACTOOL. Ingersoll-Rand submits and claims that the composite of the following design features have acquired secondary meaning in the market and are recognized in the trade as Ingersoll-Rand's product. Specifically, the figures designated "A" through "J" [Such designating letters appear inside the triangular pointers] present design features, shapes, and curves associated with the 231 IMPACTOOL Ingersoll-Rand product, and when such design features, shapes and curves are used in unison they generate customer recognition of the product as that of Ingersoll-Rand. Imitation of the indicated design features will confuse customers into association of an imitator's product with that of Ingersoll-Rand.

Ingersoll-Rand seeks protection also for the design of the trigger, indicated by the "a" and the rotational and power control, indicated by the "b." Other competing products have differing designs for such features, and these designs offer an essential element of the features that tie the product to Ingersoll-Rand. Specific bolt and fastener placement also constitutes a relevant identifiable Ingersoll-Rand design feature.

Ingersoll-Rand does not seek protection for the "chuck" indicated by "d" nor is protection sought for the air connector indicated by the "c". The Ingersoll-Rand registered trademark is covered by Ingersoll-Rand's trademark registration, and, although depicted on the drawing, the trademark is irrelevant for purposes of the instant proceeding.

The essence of the relevant design features that generate customer recognition are the shapes, curves and contours depicted by figures A through J. Imitation of such shapes will confuse Ingersoll-Rand customers and cost Ingersoll-Rand sales.

AMENDMENT NO. 2

Add a new section 4.5 to read as follows:

4.5. Establishing a Common-law Design Trademark: To establish such a common-law design trademark, Ingersoll-Rand will prove:

Inherent Distinctiveness: That the design of the 231 IMPACTOOL is inherently distinctive, because -- aside from the immediate imports of the ASTRO 555 -- there has been no other product on the market exhibiting the various design features depicted by Exhibit B-1. Exhibit C shows sixteen models of comparable function, all of which exhibit features distinctively different from those of the 231 IMPACTOOL. The 231 IMPACTOOL stands alone in this respect, and thus, it can be said, that the 231 IMPACTOOL is distinctively different.

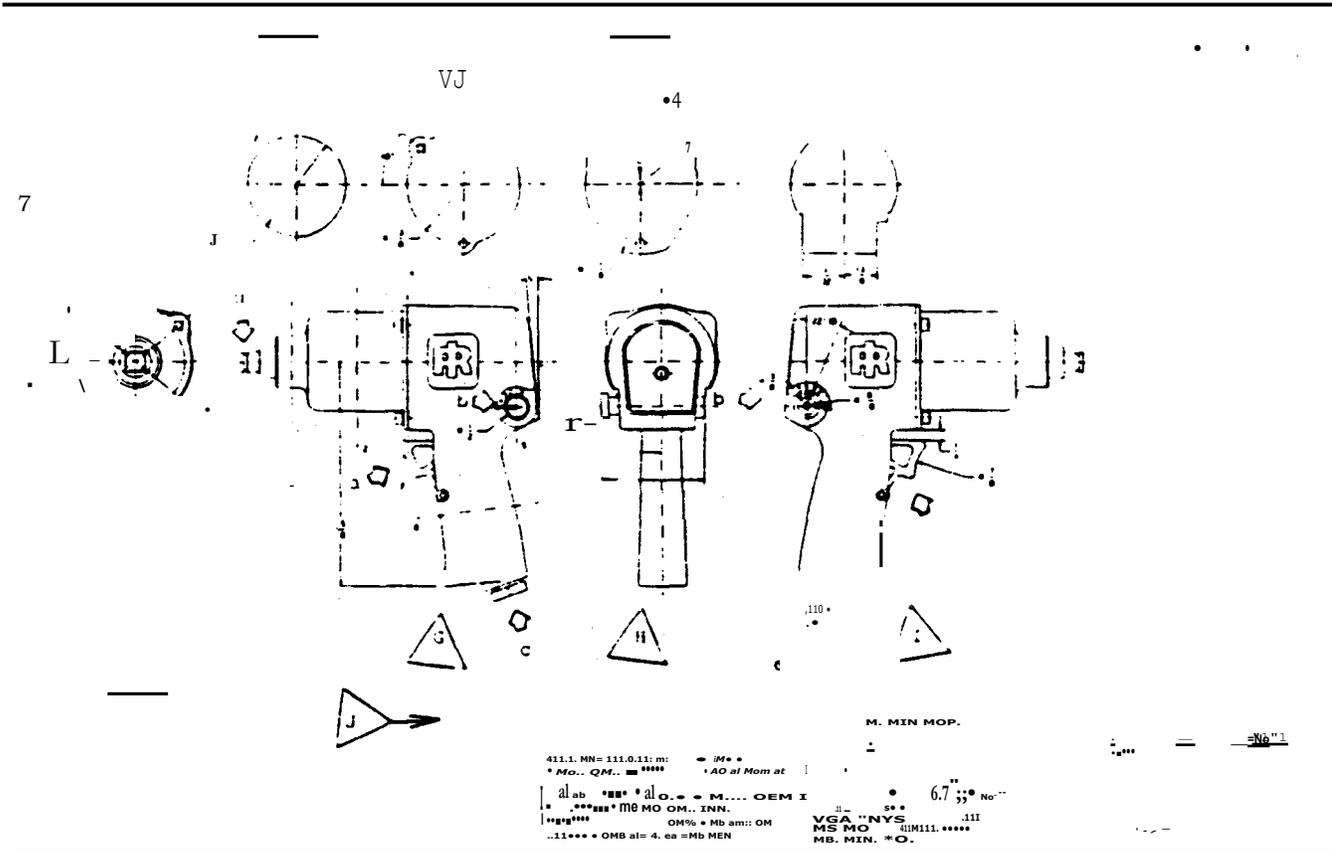
Pon-functional: That the design of the 231 IMPACTOOL is non-functional, because, as shown by Exhibit C, at least sixteen other tools of distinctively different design perform virtually the same function, and it can thus be seen that the specific design [shapes and contours] of the 231 IMPACTOOL are not essential to [have little if anything to do with] and are merely incidental to air impact wrench performance and function.

Secondary Meaning: That the design of the 231 IMPACTOOL has acquired a secondary meaning among the universe of existing and potential air impact wrench purchasers, because the particular design, shapes and contours depicted by the sixteen other comparable products depicted in Exhibit B-1 are readily distinguishable from the 231 IMPACTOOL. Unguided imagination would produce a nearly unlimited variety of designs to perform identical tasks. Ingersoll-Rand, over a period of 17 years has spent millions of dollars in direct sales and advertising effort in this time frame to develop brand recognition for the 231 IMPACTOOL's. Ingersoll-Rand estimates that at least 30% of comparable products on the market today in its quality and power class are the 231 IMPACTOOL's. Further, the combined population of 231 IMPACTOOL's and its head-on competitor, the Chicago Pneumatic 734, on the market exceeds by multiples the population of any other single competing product. Thus, the universe of purchasers of air impact wrenches readily recognizes the shape and design of the Ingersoll-Rand product, as among the most familiar of air impact wrenches on the market today. Long-term market prominence, preponderance of product population, and extensive national advertising over the years, have cemented the essential 231 IMPACTOOL design features in the mind of the relevant universe of consumers of such products. A mirror-image imitation of the 231 IMPACTOOL, would, immediately, create a confusion in the public mind as to the source of this product.

public Confusion: That the competitor's product is likely to confuse Ingersoll-Rand's product with that of the imitator's product in the mind of the universe of existing and potential purchasers of air impact wrenches as to the product source or sponsorship, because viewing such an imitative product on display will cause the relevant universe of purchasers to believe the product to be an 231 IMPACTOOL equivalent, and probably a product licensed by and/or manufactured by Ingersoll-Rand under a special "brand-name" arrangement.

(5X-111)

15. Exhibit 3-1 referred to "AMENDMENT NO. 1" was:



(SX 111).

16. An amendment to the complaint raised in Motion No. 311-8, filed December 26, 1990 which Order No. 14 of January 15, 1991 granted, reads:

AMENDMENT NO. 5

Enlarge Section 2.10 so as to add the following:

Except for the above-described excepted elements of the 231 IMPACTOOL, (chuck, air inlet, IR logo] the mark covers the overall configuration and appearance of the 231 :MPACTOOL to include such appearance-related factors as color, size, shape, texture, the visual appearance of the manner of parts assembly, feature location and shoen;

but the claimed mark does not cover non-appearance related

characteristics such as weight, balance, feel, smell, and temperature of the article.

The excepted elements were described in Amendment No. 1.

(SX 112).

17. A "Joint Statement of Ingersoll-Rand Executives On The Definition of the Common Law Trademark Of The 231 Impactool" executed by Richard W. Poore, James D. Stryker, Robert T. Davies, James J. Boggs, Steven R. Cornell and Ralph Leonard and dated December 18, 1990, which formed a portion of Motion No. 311-8 read:

The undersigned, after due consideration of the matter, and after experiencing some perceptual inconsistencies regarding some peripheral issues concerning the extent of the claimed mark, assert the following consensus as to the definition of the mark claimed for the 231 IMPACTOOL in the referenced proceeding, to wit:

COVERED: The mark covers the overall configuration and appearance of the 231 IMPACTOOL to include such appearance-related factors as color, size, shape, texture, the visual appearance of the manner of parts assembly, feature location, and sheen;

but does

NOT COVER non-appearance related characteristics such as weight, balance, feel, smell, and temperature of the article;

NOR does IR claim, in this context, protection for point-of-sale merchandising material.

It is noted that there has been complete consistency in responses during the course of the depositions taken in this matter that the mark includes the overall appearance or impression and configuration of the 231 IMPACTOOL, but some inconsistencies appeared during the depositions concerning such factors as whether the mark extended to the color, texture, sheen and balance of the unit.

This statement supercedes any prior inconsistent statement that might appear among the various relevant depositions.

The joint statement was prepared by counsel and was not sworn (SX 112; Stryker Tr. at 65).

18. A "Joint Motion of Complainant and Respondents To Terminate

Investigation With respect To False Marking Issues" filed January 24, 1991 and which was granted in Order No. 17 of January 25, 1991 stated in pertinent part:

In support of this motion the parties state that the Respondents, although having denied in their response to the complaint that the Astro-555 was falsely marked, nevertheless, have modified the country of origin marking on the Astro-555. Complainant has reviewed this modified marking and agrees that it alleviates the concerns which lead to the allegations contained in the complaint.

Because this issue is no longer a source of dispute between the parties, complainant and respondents jointly request that the investigation as to the false marking issue be terminated.

19. James D. Stryker is the Marketing Manager, Industry and Business Development, of Ingersoll Rand. He is responsible for new business development, strategic planning, key industry marketing, all new product development and marketing research. Some aspects of the marketing and planning of the 231 IMPACTOOL fall under Stryker's responsibilities. He is quite familiar with the 231 IMPACTOOL, its market place and customer's knowledge of the product (Stryker CX 1 at 2, 3).

20. With respect to CPX-1, an IR-231 air impact wrench, Stryker testified:

Q Are you familiar with something called a forward/reverse mechanism on that tool? And if you have a better word for it, let me know to describe it?

A Yes.

Q Can you describe in as much detail as possible for the record where that is on the tool?

A It's on the back end of the housing. It has round knobs on either side. And it protrudes out past the edge of the housing depending upon which way the forward/reverse is positioned.

Q And you call that a forward/reverse mechanism?

Yes.

Mr. Stryker, is the forward/reverse mechanism on the 231 impact tool part of the common law trademark that Ingersoll-Rand is asserting in this investigation?

A The visual appearance of it is.

Is there a part of the air impact tool known as the hammer housing?

A Yes.

Q And can you describe that, please?

A It's on the front of the tool. It is black. It is round. It actually [is] a cylinder. It is actually two cylinders attached to each other or formed into each other. It attaches to the housing with three bolts.

Q And is the hammer housing an element in Ingersoll-Rand's common law trademark?

A Yes.

\* \* \*

What about the fact that that hammer housing is black? that fact an element in Ingersoll-Rand's trademark?

A It's part of the visual appearance, yes.

\* \* \*

Q Looking now at the handle on the IR-231 in front of you, do you see that handle has a lip that extends outwardly from the bottom towards the front of the tool?

A Yes.

Q Could we call that a lip or do you have a better way to describe that?

A That's fine.

Q Is that lip an element of Ingersoll-Rand's trademark?

A The visual appearance of it is.

Q The lip performs some form of function. The visual appearance of it is as I see it.

Q How would you describe the color of the handle?

A A silver color.

Q Is the fact that the handle is a silver color an element of the trademark Ingersoll-Rand is asserting here?

A Yes.

Q Do you see the trigger on the impact tool and can you describe where that is?

A The trigger is on the top portion of the handle. I'm having difficulty describing exactly.

Q I understand. These aren't really easy. But the better we describe it the better the record we have, just so it's clear. Let me ask you some questions that may help you in describing where it is.

It is right underneath the intersection of the hammer housing and the motor housing?

A Yes, it is.

Q Is that trigger an element of Ingersoll-Rand **trade secret?**  
**Excuse me. I take that back.**

**Is that trigger an element of Ingersoll-Rand's trademark?**

**A Its visual appearance is.**

Q Describe that trigger a little bit if you could.

A It is black. What I can see of it, it has indentations on either side. It looks like it is about a quarter of an inch or three-eighths of an inch thick. And it may be three-quarters of an inch long.

Q Is the fact the trigger is black, is that fact an element of Ingersoll-Rand's trademark?

A Yes.

Q Is that also true for the indentations on the trigger?

A The visual appearance of those indentations are.

Q The visual indentations are an element of Ingersoll-Rand's trademark?

**A Yes.**

Q Is there a part of that tool, the Ingersoll-Rand 231, that you refer to as the exhaust porting?

A Yes.

Q Can you describe that, please, as best as you can?

A It is right above the trigger. It is part of the motor housing and basically it forms two holes on either side of the bottom cap screw holding the hammer case to the housing.

Q So, actually, it would be better to refer to those as two exhaust portings. Would that be okay?

A Yes.

Q Are those two exhaust portings elements in Ingersoll-Rand's trademark?

A Yes.

Q Please turn to the back of the IR-231 and look at the back of it. Is there a nameplate on the back?

A Yes.

Q And more specifically, isn't that on the back of the motor housing?

A That is on the back of the motor housing.

Q Is that nameplate an element of Ingersoll-Rand's trademark?

A The horseshoe shape, the color is. The exact wording on it is not.

Q What about the fact that there is wording on it, even though the exact wording may not be an element?

A I would say it is, yes.

Q On top of the motor housing of the IR-231, are there two bolt shafts?

A Yes.

Q And is that a good phrase to describe them? "Bolt shafts?"

A That's okay. I know what you're talking about.

Q Can you describe more particularly where they are on the tool in relation to the motor housing? For instance, are they at the top?

A Looking at the tool from the top, they are protrusions where bolts attach the hammer case to the motor housing and they are on the left and right-hand side of the top of the tool on the front portion of the motor housing.

Q Are those two bolt shafts elements in Ingersoll-Rand's trademark that it is asserting here?

A The flow of the lines, the visual appearance of those attachment points are.

Q Now looking at the bolts themselves, do they have a hexagonal shape?

A Yes, they do.

Q And you are looking at it from what angle?

A I am looking at it from the front of the tool so I can see all three.

Q Well, to start with the two on top. You can see a hexagonal shape to the bolt. Is that correct?

A Yes.

Q Is the fact that those bolts have a hexagonal shape an element in Ingersoll-Rand's trademark?

A Yes.

Q And you refer to a bolt at the bottom. Can you describe where that is and what you are going to call it?

A It is the bolt separating the two portions of the exhaust porting. We referenced that before. Is that all right?

Q Okay. And do we have a short name for it?

A The bolt?

Can we call it the bolt underneath the -- the bolt in between the exhaust portings? Would that be accurate?

A How about the bottom bolt of the hammer case.

Q Okay. Is the bottom bolt of the hammer casing an element

in Ingersoll-Rand's trademark?

A The visual appearance of it is.

Now back to the forward/reverse mechanism. Let me confirm this. Is that an element of Ingersoll-Rand's trademark?

A Yes.

Q What about the numbering around the forward/reverse mechanism?

A Yes. What about it?

Q Do you see it?

A Yes, I do.

Q And the numbers are which? What is the numbering?

A I see 5-4-3-2-1 and 0.

Q And you could see that on either side of the tool?

A Yes, I can.

Q Are those numbers elements in Ingersoll-Rand's trademark?

A The appearance of those numbers, yes, they are.

Q When you look the IR-231 from the front -- let me put it another way. When you look at the front of the IR-231, can you see concentric circles?

A Yes, I can.

Q How many do you see?

A One, two, three. Three.

Q Are any of those concentric circles elements of Ingersoll-Rand's trademark here?

A Yes, they are.

Q All three?

A All three.

THE WITNESS: The three concentric circles I counted were the ones

that I saw on the hammer case. There are some some other little minor ones inside of the tool. I don't know whether that's -- there is two more that I see.

BY MR. GOULD:

Q Oh, but tell me the ones -- describe then the ones you were referring to that were elements of your trademark.

A They all are. The visual appearance of all of that flow of the lines are part of the trademark.

Q Okay, but what about the circles themselves? You said the flow of the circles. I'm just asking about the circles?

A Yes, the circles are.

(Stryker Tr. at 834 to 843).

21. As to a button and a little mark in the middle of the button, i.e., on the left hand side of the Ingersoll Rand tool in issue on the back end of the housing, the left hand side reverse knob has a cut that starts from the middle of the circle as a radius out and this cut is an element of Ingersoll Rand's trademark (Stryker Tr. at 871, 872).

22. Richard W. Poore started as a sales trainee for Ingersoll Rand in 1969, and later became a desk engineer. In around March 1970 he became a sales engineer to sell construction equipment in the Idaho, Oregon, Eastern Washington state area. In the summer of 1972 he became a product engineer. Around the end of 1974 he became Marketing Manager, South America for Ingersoll-Rand. In early 1975 he became Marketing Manager, Europe in portable air compressors for Ingersoll Rand. Around the end of 1976 Poore became manager of marketing for Europe, the Middle East and Africa for portable air compressors. In around mid 1979 he became national sales manager for rotary drills. In December 1980 he became general manager of Creusot.Loire Steel Products, leaving complainant. He became CEO of that company in 1984. He returned to Ingersoll Rand in March 1987 as vice president of sales and

marketing and had responsibility for all sales in the U.S. and worldwide marketing of all pneumatic tools made by the Power Tool Division including air impact wrenches. In February 1989 Poore became complainant's Vice President and General Manager (Poore SPX 12 at 9 to 17).

23. Poore's deposition was a "Rule 30(b)(6) deposition" on issues relating to the definition of the alleged trademark (SPX 12 at 4).

24. The exhaust portings, as visual, are part of the alleged common law trademark as are the facts that the hammer housing is black and the rest of the housing, the handle, the motor housing on top of the handle except for the IR logo, are shiny (Poore SPX 12 at 54, 55).

25. The shape of the red nameplate makes up part of the alleged common law trademark. However the fact that it is red, Poore in deposition on December 11, 1990 testified "No, I don't think that's necessarily a part of it." When shown a side view of the tool and what has been described as the "upper bolt shaft curves", Poore said that they are elements of the alleged trademark as well as the fact that the trigger has an indentation or a depression as one looks at it from the side although the latter is not a critical element. When Poore was asked what's the difference between a critical element and a regular element, he testified: "none of the things are critical elements in identifying it. I don't think we pointed to any one critical element." and when asked about a critical element he testified: "I can't give you one. I think it's a composite. They all add up to something." Poore then corrected his testimony in that he testified "That it's an element, not a critical element." He did not have any example of critical elements. He was not emphasizing one element over another one (Poore SPX 12 at 56-58).

26. Looking at the side view of the tool, the curve along the front side

of the trigger is an element of the alleged trademark but not a critical element. Poore doesn't think that the fact that the trigger is black is an element of the trademark. He also doesn't think that the fact that the handle of the tool is shiny is an element of the trademark. When asked whether an element of the alleged trademark is that any part of the tool has a sheen, Poore testified "[c]ould be, but I'm not sure" (Poore SPX 12 at 58 to 60).

27. Poore testified on December 11, 1990 as to the alleged common law trademark:

Q Going back to the back side of the 231 tool, I'm pointing again to that nameplate we discussed earlier.

Do you see that there is writing on the nameplate?

A Yes.

Q And what I'm going to do now is I'm going to hold this, I guess, about four feet away.

\* \*

Q I'm holding it about four feet away from you, just so clear for the record.

A That's a short four feet.

Q What do you think it is?

A Two feet.

Q I think it's longer than two feet. Let's say it's between two and four feet.

A Okay.

Q Can you see from that distance that there's writing on the back?

A Yes.

Q Is just the fact that there is writing part of the trademark? I'm talking about just the mere fact that you can see writing without necessarily knowing, you know ---

A What the writing is?

Q What the writing is.

A I'm not sure.

Q Okay. What about the writing, the words themselves, are they part of the trademark?

A I'm not sure.

Q Turning the 231 tool around so it's a frontal view facing you, once again, I'll refer you to the two bolts on top and then the one of the bottom of the hammer housing, Do you see that?

A Uh-hum.

Q Inside these bolts, as you look at them head on, what geometric shape do you see?

A It's a six-sided bolt.

Q Hexagonal?

A Yeah, using an Allen key.

Q And is the fact that these indentations are six-sided a part of your trademark?

A I'd say it's an element.

Q So if you change these to an eight-sided configuration, it would no longer be a part of your trademark?

A I don't know. I don't know.

Q Okay.

A Any change that were would make on the tool to change the outside appearance would have to be done very carefully.

Q Why?

A Because of the recognizability of the tool.

Q So if you made a substantial change, it might be different from your trademark. Is that right?

A Yes.

Q Okay.

A Any change made would be different from our trademark.

Q Any at all?

A Yeah.

\* \* \*

BY MR. GOULD:

Q Mr. Poore, you indicated during the break that you just wanted to make a comment. Please go ahead.

A Well, you asked me about the handle being shiny being an element of the trademark, and it really is.

Okay. And let me just follow up on that. And would you also say that the shininess can be expressed as a sheen, s-h-e-e-n? Have you ---

A The way we produce our tools, yes, it does have a sheet to it.

Q What do you understand when you say "a sheen"? Frankly, I'm somewhat confused. We might as well nail down the nomenclature on the words we're using. What do you understand a sheen to be?

A A polish, a brightness.

Q And so you're saying when a part reaches a certain degree of sheen, it can also be said to have reached a certain degree of shininess?

A Uh-hum.

Q Okay.

A Although we have no specifications.

Q That was one question I had of you.

Do you have any way of measuring this?

A No.

Q Okay. Now, in the past seventeen years, do you know if there was ever a change in the level of sheen or shininess even if it wasn't actually measured on the tool?

A I don't think so, but I'm not sure.

Q Suppose the tool was made a little more shiny or a little less shiny. Would that change the trademark?

A I think it would change the physical characteristics of the package.

Q And would it change the trademark?

A I don't think so.

Q And the same question with regard to the hammer housing.

Suppose you made the hammer housing a shinier black than it is now, and I'm holding the 231 tool. Would that change the trademark?

A No.

Q I want you to just take a look at the handle and I'm holding the tool in front of you and I'm rotating the tool so you could see different angles of the handle.

Would you agree with me that the handle has curves?

A Yes.

Q How would you describe these curves in terms of softness or sharpness, and if you don't understand the question, I'll try another way.

A Yeah, try it another way.

Q Would you say that the handle has curved edges as opposed to hard edges?

A Yes.

Q Okay. Is the fact that the tool has curved edges on the handle instead of hard edges on the handle part of the trademark?

A It's an element of it.

Mr. Poore, I'm now pointing to a black circular part of the tool in the profile and I'm pointing to a similar black round part of the tool on the other side. They're not altogether similar, I notice. Do you know what that part is called? It looks like it's connected together, and as I push one, the other come out.

A It's a reverse valve.

Q Okay. As that reverse valve looks from either side, is the look of that reverse valve part of the trademark?

A Yes.

Q What about the numbering on top of the reverse valve, is that part of the trademark?

A Yes.

Q Is it part of the trademark that the reverse valve on one side is not altogether flat, but has concentric circles?

A It's an element.

Q And on the reverse side, I notice the reverse valve, the black circle is substantially flat, but has one rather sharp indentation. Do you see that?

A Uh-hum.

Q And is the fact that it has that configuration, is that an element of the trademark?

A I'm not sure.

Q Okay. I may have asked you this earlier, but I've got to make sure we cover this.

Is there anything about the trademark that can only be detected by holding or feeling the tool?

A I don't think so.

Q And let me follow up on that.

I know -- I think I've asked you some of this, but that means the weight of the tool is not included?

A Yes.

Q How about the balance of the tool?

A No.

Q How about the way the tool feels as you hold it, is that part of the trademark?

No.

Q I think you referred to the 231 as a quality tool. Is

that right?

A Yes.

Q Are there any quality features perceptible only through feel?

A I don't think so.

Q Is there anything about the visually perceived texture as part of the trademark as opposed to felt texture?

A As opposed to felt texture?

Q Well, let me state -- well, let me ask you the question another way.

By just looking at the tool without touching it or holding it or feeling it, is there anything about the texture that's part of the trademark?

A Visually?

Q Right, only visually.

A I'm not sure.

Q As you look at the tool from the front:angle, can you see concentric circles?

A Uh-hum.

Q How many?

A I don't know. I mean you'd have to give me a definition.

Q Well, I'm going to point to three concentric circles that I see and let me know if you see them, too.

Do you see a concentric circle formed around the perimeter of the chuck? This is not a circle of the chuck, but around the chuck. Do you see that?

A Uh -hum.

Q Do you also see a circle, concentric with that first circle that forms the first curve of the hammer housing?

A Uh-hum. Yes.

Q Just looking at those two concentric circles, do those two circles in combination make up one of the elements of the

trademark, perhaps in combination with other elements?

A Yes.

Q I'm now pointing to the interface of the motor housing and the hammer housing. Do you see that?

A Yes.

Q And I'm holding the 231 tool so you can see the profile.

As I move towards the front with my pen, first I come to one small dropoff. Do you see that?

A Uh-hum.

Q And how far would you estimate that dropoff is in millimeters, perhaps, and I understand this is an estimate?

A Quarter of an inch. Maybe slightly less.

Q And do you see another dropoff going forward along the hammer housing? Do you see another dropoff?

A Uh-hum.

Q And that's about how far from the previous dropoff?

A A couple inches. Two and a half inches.

Q And do you see another dropoff -- well, actually -- well, then how far is it from the end of that dropoff to the hammer housing?

A A little over an inch.

Q Does the configuration of those three dropoffs make up an element in the trademark?

A Yes.

(Poore SPX 12 at 63 to 75).

28. James D. Boggs started with Ingersoll Rand in 1957. In around the 1963 to 1966 time frame, Boggs was promoted to a zone manager for Ingersoll Rand which then had four zone managers across the United States. He did that until 1969 when he was promoted to the corporate headquarters in New York and

made sales manager for the domestic U.S. sales, and had that position for about one year. This was about the time that the design for the 231 impact tool was being developed. He testified that he was not involved with the exterior design of the tool which appears somewhat inconsistent with complainant's response in discovery. See FF 30. In late 1972 he left Ingersoll Rand and went to Chicago Pneumatic Tool Company. He came back to Ingersoll Rand on July 23, 1983 (Boggs SPX 7 at 7-9 11, 12).

29. When Boggs came back to Ingersoll Rand in 1983 he became vice president of special products and after three or four months he was made vice president of automotive aftermarket sales and presently he is vice president of national accounts. At the time that Ingersoll Rand was developing the IR-211, Boggs was one of its employees involved in the patent negotiations with one of the inventors of the internal mechanism used in the tool (Boggs SPX 7 at 24; RX 4).

30. Boggs is one of the six individuals who designed the individual design features enumerated in section 2.10 (amended) of the complaint and depicted in its Exhibit B-1. The others are B. Davis, R. Leonard, A. Gattilier, C. Schrader and R. Leidich (SX 18 at 1).

31. Boggs testified in deposition on September 21, 1990 with respect to the 231 air impact wrench:

Q Okay. I'd like to talk for a moment about the design trademark that Ingersoll Rand is alleging here.

Can you tell to what the design trademark is?

A No. I can't tell you exactly what that design trademark is outside of the fact that we have the regulator in the housing, built into the housing, which is a very handy type of reverse mechanism and that's one of the features that we would sell with that tool, plus the power control of that regulator, power regulator, and the fact that we do have a steel housing on the clutch which makes the tool

last longer.

I don't know if that answers your question or not.

Q If that's your understanding --

A That's my understanding.

Q Okay. When did you first learn that Ingersoll Rand was asserting -- when did you first learn that Ingersoll Rand believed that it had a design trademark on the 231?

A I can't really tell you exactly.

Q Was it prior to the investigation?

A Oh, yeah, sure.

Q Do you know how --

A I mean we went to a lot of trouble to make sure that cosmetically the tool was balanced, that that housing was exactly to fit my hand or to fit some small hand and that the tool wasn't nose-heavy and that it was balanced perfectly and that that reverse mechanism was handy to the operator because he could use -- really use one hand to change it. He could stick his thumb around and push that reverse mechanism either way, to reverse it or to **make** it go forward.

My recollection is there was a lot of emphasis placed on that.

Q Those sound to **me to be somewhat functional design aspects. I guess what I'm looking for is the assertion of the nonfunctional features of the design.**

**Are you aware of any nonfunctional design features which Ingersoll Rand is asserting?**

A **Well, one of the design -- nonfunctional design features is the -- I guess you would call it the black and shiny appearance of that tool. No one else in the industry had that appearance on a half-inch impact wrench, or any other impact wrench.**

**That was recognized as Ingersoll Rand. When you saw that black steel clutch and the highly polished aluminum housing, that was an Ingersoll Rand image.**

Q **Anything else, aside from the black and silver?**

A The reverse mechanism on the back of the housing.

Q What about it specifically?

A Well, it was different than any other one that was in the marketplace.

Q Different how?

A Appearance, different function.

Q The black and silver, the regulator. What else?

A The trigger.

Q What about the trigger?

A Location of the trigger, ergonomically just perfect for anyone's finger.

Q Once again that sounds to me like a functional feature of the product. When you talk about ergonomics, if I understand it correctly --

A Yes, that would be functional.

Q Now you say the location of the trigger. It's located sort of at the juncture of the housing and the handle.

A Yeah, but the pivot point is the key, as to where the pivot point of that trigger is and as to the feel of the trigger and how you're able to inch an -- what we call inch an impact wrench or inch a tool slow speed to high speed with the trigger.

Q What nonfunctional features would you attribute to the trigger?

A Nonfunctional features. I don't know if you would call it nonfunctional. I guess it's just recognized as an ergonomically designed type of a trigger, where it's located.

Q What about the silhouette of the tool?

A The silhouette of the tool is what I just spoke about basically with the black and the shiny and the total silhouette of the tool, the exterior silhouette, is . recognized as Ingersoll Rand.

Q When did you first have an understanding that the silhouette of the tool is recognized as Ingersoll Rand?

A ... 12 years ago, maybe 15 years ago. When we first started with that housing. I can't remember exactly when that was.

Q You came to the understanding that that silhouette would cause people to recognize the product as Ingersoll Rand.

A Yes, because it was different than anyone else's.

\* \* \*

A ... We designed it as to where we felt it was going to be from an engineering point of view, life point of view, the best.

Q The best meaning?

A The best performing, engineering, long life, cosmetically appealing to the customer, balanced correctly for the customer and then we went forward with that.

Q When did you determine whether the design was going to be cosmetically appealing to customers?

A We had several models that we had prototyped different designs of the housing and tested in the field, took it around and talked to a lot of different customers, how did they like it, plus our own people that were knowledgeable about the business and that's how the decision process came about.

Q This was in '69, '70?

A Somewhere in that range.

(Boggs SPX 7 at 26 to 30).

32. Steven Gornall started work at Ingersoll Rand in June 1977. In August 1983 he became a senior sales representative. In January 1985 he became a regional sales manager and in July 1987 he moved to Liberty Corner where he was product manager for impact tools and held that position until March 1988 when he became the marketing manager for the automotive aftermarket business, the position he still holds (Gornall SPX 9 at 6).

33. Gornall testified on September 11, 1990 that he is aware of the

trademark of the design of the tool in issue, i.e., "we have a two-piece design, the hammer bolted to a motor housing, and the shape of the tool, the way it fits in the operator's hand. The silhouette I guess is what I would say. It has a distinctive Ingersoll Rand look or design." He first became aware of the existence of the asserted trademark "when the Astro tool started entering the marketplace" (Gornall SPX 9 at 16, 17).

34. Richard W. Poore and James Stryker are the persons who complainant stated are the most knowledgeable about Ingersoll Rand's asserted common law trademark (SPX 114 at 3).

35. Stryker, since he came with Ingersoll Rand in 1967, has been "continually exposed to the 231-as part of the overall business strategy, without a doubt" (Stryker SPX 13 at 6).

36. In deposition on September 26, 1990, Stryker testified:

Q I would like to ask you some questions concerning the common law trademark that is being asserted by Ingersoll Rand. First of all, can you tell me what your definition of the common law trademark in this case is?

A I thank you for having the tool. My view of the common law trademark is the total view -- the total look of the product, both from the back, the profile, the top. It is a recognizable tool, recognizable in the marketplace. We have, over the last -- I have been with the business for ten years --we have always talked about the black and shiny look as being the core premium image that Ingersoll Rand has tried to portray in the marketplace, and how this tool is key to that -- one of the keys to that recognition.

Q Is the black and shiny look part of the trademark that is being alleged in this investigation?

A The total look of the tool. So, that total look of the tool includes the black and shiny, the form, the flow of the lines.

(Stryker SPX 13 at 6-7).

37. In answers to interrogatories served on December 6, 1990 complainant

when asked whether the asserted trademark include any color answered "yes" and when asked to identify the colors stated "the chrome motor housing and the blackened hammer casing, which has been referred to as the 'black and shiny' look" (SX 114 at 1).

38. Ralph Leonard started with Ingersoll Rand in February 1961. From 1972 to 1979 he worked at Chicago Pneumatic. From 1969 to 1971 he was a regional sales manager at IR. He is familiar with the 231 half-inch air impact wrench. He testified that he did not play any role in the design or development of that product. Leonard came back to IR in 1979 and is now a regional manager and there are six salesmen and a manufacturer representative under him (Leonard SPX 11 at 5, 6, 11, 12).

39. Leonard testified in deposition on September 21, 1990:

Q Do you know what the trademark is that's being asserted by Ingersoll Rand in this investigation?

A No, I don't.

Q Are you aware of any trademark involving the design of the product, the 231?

A **I don't understand the question.**

Q In other words, have **you ever heard anyone at Ingersoll Rand discuss a design trademark for the 231 air impact tool?**

A No, I haven't.

Q **Have you ever seen a document that says--**

A No, I haven't.

Q **-- we have a trademark?**

A No, I'm not aware of that.

(Leonard SPX 11 at 13).

**40. Robert Davies is Manager of Industrial Engineering at Ingersoll**

Rand. His duties include the manufacturing end of the business as well as the shop floor support involved with new products and mature products. He also controls the time study function and manufacturing routing maintenance function for the Athens plant (Davies CX 2 at 2).

41. The "231" has always been the 231 since Davies went to work in 1972 at Ingersoll Rand. He has always been able to recognize the 231. He testified: "It's just been an entity" (Davies CX 2 at 75).

42. According to Davies, the alleged trademark has been the shape of the 231 and as far as "we're concerned will always remain the same and it has a connotation that that is Ingersoll Rand 231" (Davies CX 2 at 75).

43. In deposition on December 11, 1990 as for the asserted trademark, Poore testified that it covers the look and the configuration of the tool which meant that the tool is identifiable as an Ingersoll Rand tool by its shape, configuration and the way it looks. According to Poore, it's the overall look of the tool and when asked what features about the tool go into that overall look, Poore testified: "Everything" (Poore SPX 12 at 28).

44. Poore in his definition of the asserted trademark does not include the sound the tool makes, the tool's weight, the way the tool feels when it is held in a hand, the chuck and the air intake valve (Poore SPX 12 at 48, 49).

45. The oldest Ingersoll Rand document referring to the existence of the alleged common law trademark in the 231 IMPACTOOL is the complaint filed in this investigation (SX 114 at 3).

46. With respect to Exhibit B to the complaint which is a 231 check layout engineering drawing, there are four views of the Ingersoll Rand 231 tool. The first view is a frontal view and the second one is profile. Boggs also testified at the hearing on February 6, 1991 as to Exhibit B:

I am looking at the second one from the left side of the page, just so we know we're on the same drawing.

Okay.

Do you see the point on that drawing that shows the intersection of the hammer housing and the motor housing?

Yes.

And does that have a number identifying that or pointing to it.

4.

On the top, that 4 points to it?

Right.

Moving from that point, from that line which represents the intersection of the hammer housing and the motor housing, moving left towards the front of the gun, do you see how the hammer housing extends for a while and then drops down?

Yes.

And the it drops down -a second time?

Yes.

And then after it drops down a second time, what part of the tool are you at? Is it still hammer housing?

No.

What is that?

That's the part of the square drive angle.

Do you consider if a feature of Ingersoll Rand's common law trademark that they are asserting in this investigation that the hammer housing drops down as I have described it between the intersection of the hammer housing and the motor housing and the anvil you refer to?

A As part of the trademark?

Q Yes. Is that part of the trademark?

A Yes.

Q What about the trigger. Is that a feature that is part of the trademark?

A No.

Q What about the indentation in the trigger? Do you see that?

A Yes.

Q Is that part of the trademark?

A No.

Q- Do you see how at the bottom of the handle -- we're still on the same picture -- it shows a lip that you may be referring to that draws out towards the left side of the page?

A Yes.

Q Is that lip drawing out in that way part of Ingersoll Rand's common law trademark?

A Yes.

What about the -- well, tell me, in this same picture, is there a numeral that points to the forward and reverse mechanism on this tool?

A 5, I believe it is.

Q And is that forward and reverse mechanism part of Ingersoll-Rand's common law trademark?

A Yes. -

Q What about the numbers on it, 0 to 5?

A As part of the trademark?

Q Yes.

A No.

Q What about the feature that there are two bolts on the top of the motor housing and one underneath? Is that an element in Ingersoll Rand's trademark?

A Yes.

Q Do you still have the Ingersoll Rand 231 in front of you?

And identify the exhibit number when you hold it, please?

A CPX-001.

Q Looking at the back of that tool, looking at the back of that tool, what features on the back of that are part of Ingersoll Rand's trademark, common law trademark in this investigation?

A The way the nameplate fits onto the back of the housing, the indentation of the motor housing to accommodate that nameplate, the configuration of the nameplate, the through feed lubrication in the middle of the nameplate, and the contour of the handle.

Q What about the wording on that nameplate? Is that an element in Ingersoll Rand's common law trademark?

A I don't know.

Q What about the fact that there is wording on that nameplate, without reading it?

A Well, yes. It's an identification of what the product is. It also shows the patent number as I look at it.

Q What about the fact that the hammer housing is black. that part of Ingersoll Rand's trademark?

A Definitely.

Q What about the fact that the motor housing is shiny? Is that an element in Ingersoll Rand's trademark that they're asserting here?

A Yes.

Q What about the degree of shininess of that handle? that part of Ingersoll Rand's trademark?

A Yes.

Q What about the visually perceived texture of the hammer housing?

A Yes.

(Boggs Tr. 815 to 820).

47. According to Stryker, the trigger on the Ingersoll Rand tool in issue is in the top portion of the handle right underneath the intersection of

the hammer housing and the motor housing and the visual appearance of the black trigger with indentations on either side is an element of Ingersoll Rand's asserted trademark (Stryker Tr. at 837).

48. Anvil has been referred to as a chuck in this investigation (Stryker Tr. at 943).

49. The labels on the air impact wrench IR 2705 A-1 and on the IR-231 are different and the anvil on the 2705 A-1 which is the front square drive is different from the anvil on the IR-231. Other than those differences there are none. Stryker testified that IR has not claimed that the asserted trademark is on the 2705 A-1. When asked whether the 2705 half inch air impact wrench is covered or the subject of the asserted mark, Stryker "would say no. We would have to do an investigation on that." According to Stryker, a part of the process is identifying a recognition in the marketplace for the product and the 231 is marketed 99.4 percent through the automotive service channel while the 2705 is marketed 100 percent through the industrial channel. A step clearly involved for the 2705 is to conduct a consumer survey of the industrial market (Stryker Tr. at 943, 944).

50. The prominent market for the 231 is the automotive service market according to Stryker (Stryker Tr. at 944).

51. According to Stryker the product, as designed and in issue, first was designed and put onto the market in 1972 and has been continuously on the market without material design change since then (Stryker CX 1 at 9). Stryker's testimony indicates that a superior utility in the design of the IR-231 lead to the tool's recognition. He stated in pertinent part:

Q Does Ingersoll-Rand own the 231 and its design?

A Yes it does. The design evolved over a 40 year period of intensive development effort by Ingersoll-Rand engineers in our

Athens manufacturing facility. And it included certain proprietary, mechanism parts which made that product the most durable, most powerful, easiest to repair and most recognizable air impact tool in the market place. The product, as designed, and as it appears on the market today, first was designed and put onto the market in 1972, and the product has been continuously on the market without material design change since then.

(Stryker CX 1 at 8-9).

52. Stryker testified as follows when asked to describe, verbally, the "overall appearance" of the IR-231 IMPACTOOL:

A Here are my general comments on what defines the style or design of the 231 as opposed to other products that perform the same function. There is something that one can call design character of a product. Specifically, the design character of the 231 is an overall impression of its form, shape and volume as a composition. And very specifically there are a lot of elements that mix together that turn out to form the basis of someone's impression of the product. You visually start from the back and work to the nose or start from the bottom and work to the top to dissect all those ingredients.

Basically what I am suggesting is that there is no one individual ingredient that creates the design character of the 231. And so when people try to dissect it with things like location of reverse valve or shinier back housing or dullness of the front housing or the significant step between the motor and the mechanism case these are but single only elements in the overall composition - one element not more determining than the other. All of the above are very specific to the 231 and are very much a part of what makes it up. Each element is like a note in a musical composition (but we have a visual composition). They all flow together to form the distinctive sound of a symphony - or look of the 231. If you took the 7th note out of Brahmas (sic] 6th symphony will you still recognize it -of course. If you took the 7, 10th 15, 18th and 23rd (sic] note out would you still recognize it. Of course - but you begin to loose part of the quality of the composition - but certainly not the composition. The 231 is a composition and cannot be defined by playing "name that tune" with its pieces. But it is the overall form of the product that has to do with the way the individual components, the individual elements, the individual castings and stampings and molded pieces come together to form the whole. And the character of the 231 is the overall design --- short, squat, blunt, colorful looking

with a black nose with a polished aluminum back and a stubby overall appearance. Now a lot of other products fit that same description. And a lot of other products that you could describe in the impact tool business have similar components. But unique and proprietary to IR, we claim, is the way the individual ingredients or elements of the 231 are assembled and how that product looks as an overall form. It is distinctive, all to itself, and does have a unique design character when you lay it out against all the competition, and I believe it has a distinctive character that is very specifically its own. It is a unique product for the way it comes together, and I don't believe that any competitor has the right to steal the character of the product, and apply it, and then get around infringement issues simply by changing the details. They are missing the key ingredient of what design character is and that is the overall form factor.

(Stryker CX 1 at 10-12).

53. The parties have stipulated that the alleged common law trademark is not inherently distinctive (Tr. at 58).

54. Dr. Myron J. Helfgott was qualified as complainant's expert and according to the following language of complainant's counsel which followed a voir dire at the hearing:

MR. DICKEY: With respect to conducting surveys of the character that was conducted in the instant proceeding. In this proceeding, of course, it relates to the trademark and to common law trademark of a product with a three-dimensional shape. He is fully qualified to conduct a research survey for customer recognition of the character that we have here. And in that context and in the general context, he is also an expert in statistics. So he is capable of discussing and providing expert testimony as to the right type of statistical correlation that is necessary.

JUDGE LUCKERN: Mr. Mastriani, do you have any position with respect to how Complainant wants Dr. Helfgott to be qualified?

MR. MASTRIANI: No, Your Honor, we would stipulate that Dr. Helfgott is qualified to testify as an expert in those matters that Mr. Dickey just enumerated.

JUDGE LUCKERN: Mr. Gould?

MR. GOULD: Staff is in agreement

(Tr. at 76) (Emphasis added).

55. With respect to complainant's survey in this investigation Helfgott testified:

Q Let me just ask you again in your own words what you think this trademark is. Tell me a little more having seen this much.

A The common law trademark?

Q Yes, and if you want, you can refer back to -- well, actually, just tell me what you think it is, if anything has helped refresh your recollection thus far.

A Yes. I believe the common -- I think -- I'm not sure I can add anything more to what I've said before, that the common law trademark covers the visual features of the product that have acquired secondary meaning or trademark significance through usage of a time rather than through registration.

**It's very similar, it seems to me, to what I -- a concept I use more usually which is trade dress.**

\* \* \*

Q **Okay. Let's go on to the next line of questioning. Just so we are clear on the record.**

**When you designed your survey in this investigation, did you at that point know what these particular features were?**

A **I designed the survey with the guiding principle of trade dress, which I have used before. And to me, trade dress means the overall visual appearance of the entity exclusive of identifying names and logo types.**

Q **Okay. But what I am saying is that you said that as you sit here today that you were unable to name the specific features.**

**Well, it is the overall visual appearance. I do not want to name specifics, because I believe that it is the overall visual appearance.**

(Helfgott Tr. at 107, 108, 113).

56. According to Helfgott, "everything on the [IR-231] product other

than the name and the logo are part of the trade dress." The chuck is part of the tradedress. Helfgott does not know whether or not the chuck is "part of an Ingersoll Rand assertion I'm not sure. I think the lawyers could best answer that" (Helfgott Tr. at 260).

57. According to Helfgott, in the secondary meaning survey if the brand name and logo were exposed, there would not be a study of trade dress. Helfgott testified: "I'm not sure of the common law trademark, my understanding of the common law trademark really comes from one of those three memos that we talked about earlier, and that was a legal document supplied by Mr. Dickey [complainant's counsel]." On his secondary meaning study he testified:

THE WITNESS: No, no, no. What I am trying is this: Every product is packaged, in a sense, I mean is shaped, is finished in some way. That is its trade dress.

The question is -- and that has two meanings. The first meaning is functional in the sense that it encloses housing, it provides a handle, it provides knobs, et cetera. The question is does it have a secondary meaning as an identifier of source. And that is what I understand the secondary meaning study to mean. Do all of the attributes of the visual appearance of this other than the name and the nameplate, the logo and the nameplate, have a secondary meaning besides what it is doing as a handle, et cetera? Does it have another meaning as a source identifier? Is this an unwritten brand name, so to speak? And that is what we are measuring. And that I think is what secondary meaning means.

JUDGE LUCKERN: Now there was some reference to the underside. You know, you described --

THE WITNESS: If this were part of the --

JUDGE LUCKERN: Trade dress.

THE WITNESS: And I said everything that is visually apparent here is part of the trade dress.

JUDGE LUCKERN: That would be part of the trade dress, what Mr. Shatzer said, please, for the record?

THE WITNESS: Yes. Yes.

JUDGE LUCKERN: That's part of the trade dress and that has whatever it has got to do --

THE WITNESS: All physical products have a trade dress. The question is does the trade dress have a secondary meaning as a brand identifier. And that is the function of the survey to find out.

Helfgott used the term "trade dress" to indicate what he was working with.

This is the first case Helfgott was working with common law trademark as the nomenclature (Helfgott Tr. at 262, 263-265).

58. On whether the chuck and air inlet of the IR-231 should be considered in any survey, Helfgott at the hearing testified:

Q Do you remember when Mr. Gould was asking you questions not more than half an hour ago, he referred you to the so-called "chuck".

A Yes.

Q And then also to the air inlet item on the bottom of the handle?

A Yes.

Q If I were to represent to you that at the time you took your survey and well prior to that and consistent now, that Ingersoll Rand had specifically disclaimed these features from the purview of its asserted common law trademark, would you have taken that into account in how you conducted the survey?

A Well, I would certainly have thought about it. I wouldn't automatically disregard that information. I think what I would either be able to say -- I would have come back and said to you, "If you want me to do a study of trade dress, they stay in. If you want me to do a study of common law trademarks, we have to find some way of accounting for them."

Q Well, then you say accounting for them, would one of those ways of accounting for them would have been to somehow mask them?

A Yes, exactly.

Q Obscure them?

A That's one way. You know, sure.

Q And you did not do that; did you?

A No.

(Helfgott Tr. at 297, 298)

58a. In deposition on October 17, 1990, after Helfgott had conducted his study for Ingersoll Rand, he testified: "I have no idea what feature the trademark covers or doesn't cover, nor do I care really" (SPX 10 at 202, 203).

59. As to what Helfgott considered when he conducted the surveys on the IR-231, Helfgott testified:

Q If I understand your testimony correctly, at the time you conducted the survey you did not really know what was important from the standpoint of what was trademark significant, did you?

A Well, I was interested in trade dress. Exactly so. You see --

And trade dress is -- excuse me. I'm sorry.

A I'm sorry.

To me before when I did the survey, trademark referred to the name and the logo type, which I assume in each of these cases it's covered by U.S. Patent Office trademarks, and therefore I was doing a study of trade dress that excludes that.

The concept of common law trademark was introduced afterwards.

Q So then on that basis many of the responses that you received in response to your survey could have, in your mind, indicated secondary meaning, but may not have been trademark significant?

A Yes, that's absolutely accurate, because trademark is a legal entity, not the cognitive entity, so to speak.

Q In fact, on page 184 of your deposition you do say, and I'm quoting, "All kinds of things have secondary meaning that don't have trademarks."

A Well, I was talking about not common law trademark. I was

talking about trade as registered trademark, name and logo trademarks. And I was saying the secondary meaning extends way beyond that.

\* \* \*

Q Dr. Helfgott, you've testified that you have an understanding of what the trademark right Ingersoll Rand is asserting in this case. When did you get that understanding?

A You mean the common-law trademark?

Q That's right.

A Okay. I'm trying to date that. I think the first time I even heard the phrase was at the deposition on October 17th from Mr. Summerfield.

Q When you heard what phrase?

A Common-law trademark.

Q And so you're saying that before that deposition, not only had you not heard the phrase in connection with Ingersoll Rand's tool, but you didn't have an understanding as to what was the common-law trademark Ingersoll Rand was asserting in this investigation, is that right?

A Yes.

Q And Dr. Helfgott, this deposition was on what date?

A I believe October 17, am I right about that?

Q That's my understanding.

A Okay.

Q And was this after you had designed the survey?

A Yes.

Q And it was after you conducted the survey?

A Yes.

Q And indeed it was after you analyzed the survey?

A Correct.

[Pause.]

BY MR. GOULD:

Q So it is fair to say Dr. Helfgott that your survey was not conducted based on the common-law trademark Ingersoll Rand is asserting in this investigation?

A I have already testified to that. I was using the criteria of trade dress as a guidance in creating the survey.

Q And your definition of trade dress is different from that of the common-law trademark that's being asserted?

A Yes.

(Helfgott Tr. at 292, 293, 506, 507).

E. Right to Use

60. CPX 3 is a AW 234 manufactured by Ingersoll Rand and is a Mac name brand one half inch impact tool (Davis CX 2 at 15).

61. The first air impact wrench containing the asserted mark was first manufactured in the period of 1971-72. It was first publicly sold sometime in or about February 1972, (SX 17 at 3).

62. The product with asserted mark has been on the market for about seventeen years (Poore SPX 12 at 50).

63.

(RX 18).

F. Importation and Sale

64. Irving Fisher is Astro's president. Astro has been selling automotive air tools throughout the United States since either 1969 or 1970 (Fisher Tr. at 1279, 1280).

65. On February 7, 1991, Fisher testified:

Q Thank you. Have you sold -- strike that. Do you know

approximately how many Astro 555's that Astro has sold to customers to date and give me -- you don't have to be very precise and if you have a problem putting it on the public record, let me know?

A Probably about 1500.

Q And about how many do you have in inventory?

A Right at the present we have -- I'm sorry, I called last night -- I believe he gave me the figure last night, I believe it was 498. We just got a shipment in of 1,000. And I believe there is 498 left.

Q Thank you.

A I believe we received It two days ago.

(Fisher Tr. at 1306).

G. Threat Of Injury

66. The large majority of warehouse distributors and jobbers carry more than one line of air impact wrenches (SX 115, Stipulation No. 11).

67. The Astro 555 and the IR-231 are sold through the same channels of commerce, i.e., the same warehouse distributors purchase both the Astro 555 and the IR-231 (SX 115, Stipulation No. 12).

68. When a warehouse distributor decides to carry a new product or a higher inventory of a 1/2 inch air impact wrench, that decision does not affect the distributor's decision to buy the same product from another manufacturer (Kuhn, Tr. at 1129).

69. Complainant's 1990 estimated production capacity for the IR-231 was units (SX 16 at 3).

70. Complainant's 1990 estimated sales of the IR-231 were units (SX 016 at 3).

71. Kuan has an annual production capacity of units of the Astro 555 (CX 22 at 2). Kuan's unit production capacity is in excess of

of Ingersoll Rand's annual production (SX 16, at 3).

72. Mr. Fisher testified Astro pays FOB Taiwan for the Astro 555 and for the Astro 555-2 (Fisher, CPX 31 at 68).

73. Astro's wholesale price to warehouses for the Astro 555 is (SX 45; Fisher, CPX 31 at 84).

74. The "ex factory cost" for Ingersoll Rand to produce the IR-231 is approximately per unit (SX 27).

75. Ingersoll Rand sells the IR-231 to wholesale warehouses for (SX 25).

76. Astro began importing the Astro 555 into the United States in February 1990 (SX 3, at 2).

77. Through June 8, 1990 (the date Astro's response to the staff's First Set of Interrogatories was served), two shipments of Astro 555s were made to the United States (SX 3, at 2).

78. Between February 1990 and February 4, 1991, 2,498 units of the Astro 555 had been shipped to the United States (SX 116, Stipulation No. 15).

79. Astro has sold the Astro 555 to approximately automotive warehouses (Fisher, CPX 31 at 47).

80. Astro will attempt to fill as many orders as the market will provide (Fisher, CPX 31 at 52).

81. When introducing a new product Astro personally visits, or contacts by telephone, warehouse distributors to advise them personally of the new tool (Fisher, CPX 31 at 54-55).

82. As part of marketing new products, Astro sends and invoices new tools to most of its warehouse distributors. If the warehouse distributors are not interested in the product, it can be returned without payment (Fisher,

CPX 31 at 47). Astro also sends a catalog to each of the warehouses from which it can order Astro tools, including the Astro 555. (Fisher, CPX 31 at • 48).

83. Although Astro's wholesalers, and not Astro, are responsible for Astro 555 consumer level advertising, Astro does "take a full page ad at the AISA Show every year" and exhibited the Astro 555 at the Pacific automotive show in Las Vegas, Nevada in April 1990 (Fisher, Tr. at 1303; Fisher, CPX 31 at 55; SX 3 at 5).

84. Ingersoll Rand did not lower its pricing of the IR-231 in anticipation of the expiration of the patents on the twin-hammer mechanism. (Boggs, Tr. at 785).

85. In the automotive market for air impact wrenches the IR-231 is on the higher end of the price scale (Boggs, Tr. at 786; Stryker, CX 1 at 44).

86. Warehouse distributors generally sell the Astro 555 for 10-20% less than the IR-231 (Kuhn, Tr. at 1190-91).

87. In 1985, Boggs wrote a memorandum detailing his concern that once the IR patents on the twin-hammer mechanism expired, competitors would be able to copy the mechanism and sell the product at a lower price than the IR-231 (RX 11).

88. In order to meet the increased competition which would arise when competitors begin to copy the twin-hammer mechanism, Boggs suggested in a 1985 memorandum that Ingersoll Rand take steps to cost reduce the IR-231 and also produce a lower cost version of the IR-231 with a different model number and minor cosmetic and/or mechanical changes (RX 11; Boggs, Tr. at 798-99).

89. In a January 1990 marketing report, complainant stated that, should the life of the Astro 555 prove reasonably acceptable, at prices of the

Astro 555 could pose a competitive challenge to the IR-231 (RX 10 at 1).

90.

(RX 10 at 3).

91. Price is the number one concern of end-users when purchasing an air impact wrench (Kuhn, Tr. at 1170).

92. Stampede Tool Warehouse's tests of the Astro 555 evaluated its performance and power to be comparable to the IR-231 (Kuhn, Tr. at 1165-66).

93. With respect to the Stampede Tool Warehouse test of the Astro 555 Kuhn, who is president and owner of Stampede Tool Warehouse, testified:

Q What was the purpose of your test and evaluation regarding the Astro 555?

I wanted to see how well it worked, if it would hold up, and if we could sell it.

Did you do anything to the products to prepare them for the test prior to testing them?

A We first took them apart and looked at them, and put them back together, and greased them up, and started banging away on them on a Skidmore machine.

Why did you grease them up?

A It has got a grease fitting on them.

Q Does the product have to be greased in order to perform?

A Yes, it does.

Q What happens if you did not grease a product and you tested it

A It is not going to perform to its ultimate standards. And sooner or later, the parts are going to start wearing and grinding against one another. Sooner more so than later.

(Kuhn, Tr. at 1091, 1140-41).

94. Complainant's tests comparing the Astro 555 and the IR-231 concluded that the power of the Astro 555 is comparable to the IR-231 (CX 13 at 1; SX 52

at 1; Martine, Tr. at 1386).

95. Complainant's tests on the Astro 555 concluded that the average life of the tools tested was (CX 13 at 1; SX 52 at 1; Martine, Tr. at 1386).

96. Leo Dennis Martine is supervisor of the Engineering Lab for Ingersoll Rand in Athens, Pennsylvania and has been employed by Ingersoll Rand for twenty five years where he started as a technician and over the years worked to lab supervisor (Martine Tr. at 1373).

97. SX 52 is a request for a competitive evaluation of the Astro 555 compared to the IR-231. Martine is familiar with the test that was run based on the request. There is a standard procedure which is followed for the test (Martine Tr. at 1378, 1380, 1381).

98.. In evaluating the Astro 555, which is represented by CPX 2, the first thing done was to photograph the tool and then a standard performance test is run against a lab standard 231. The tool is lubricated with oil. After the performance test the tool is disassembled, parts are looked at, the tool reassembled, lubricated and put on an endurance test and during approximately every 5000 cycles, roughly, the tool is given another performance test. In the endurance test itself, the tool is lubricated every three hours and the tool is checked every hour while it is on the endurance test by the technician running the test. IR's goal for a good 231 impact tool is 50,000 cycles, and at the end of the 50,000 cycles, if the tool makes it, it is given another endurance test (Martine Tr. at 1381, 1382).

99. The procedure in the preceding finding was followed with respect to two Astro 555 tools. According to Martine,

(Martine Tr at 1382, 1383).

100. In the endurance test of the Astro tools, one of the tools, viz.  
the Astro 555, cycles and it also had

(Martine Tr. at 1384; CX 13 at 8, 10; SX 52 at 8, 10).

101. parts of the Astro 555 from the endurance test were sent to  
IR's metallurgical lab and the parts evaluated. As to what was reported on SX  
52, Martine testified:

Q The handwritten notes, that's the analysis of the results  
of the test. Is that correct?

A Yes, it is.

Q And what is that analysis?

A He states that the Astro 555 has comparable power to the  
231, and by comparable power we mean the fastener. They  
both put out about the same amount of torque.

The life of the tool, average

And item three, quality of parts

Q Mr. Martine, when it says the -- when he referenced the  
porosity of the parts, what is the significance of that?  
What is the porosity, firstly? What is porosity?

A Porosity is -- it's not always visible on the outside of  
the casting, but if, you cut the casting or break the  
casting, you will see small holes in the casting. That is  
-- we refer to that as porosity. And, of course, the  
holes weaken the casting.

Q Generally, how do you eliminate porosity in castings of  
this sort?

A That's a process in the making of the material; and when  
you're getting ready to make your investment castings.

JUDGE LUCKERN: Speak up, please, Mr. Martine.

THE WITNESS: It's a process that the supplier uses to make his material in order to make his mold and put in the -- in order to come up with the hammer frame or whatever. It's the process he uses in mixing his material, I'm sorry.

BY MR. DICKEY:

Q Is this a technical process, demanding process?

A Very.

Q Would Ingersoll Rand tolerate that level of porosity in these parts?

A No, they wouldn't.

;Martine Tr. at 1384 to 1388).

102. When Martine was asked whether the Astro 555 hammer frames

Martine testified:

Q My point is not how you grease it, sir, but that it is absolutely necessary to grease it in order for the tool to function properly and correctly.

JUDGE LUCKERN: That's your question.

MR. MASTRIANI: Yes, Your Honor. And it hasn't been asked yet or answered.

THE WITNESS: The hammer frame requires a minimum of grease to run correctly, yes. Is that what you're asking?

\* \* \*

Q And isn't it correct that with both of these tools that the item that were the hammer frames?

A Yes, it is.

Q Can you point --

A Can I finish answering that question?

JUDGE LUCKERN: Yes, you may.

BY MR. MASTRIANI:

Q If you are not finished, of course. Go ahead.

A The hammer frames in no way because of lack of lubrication.

Q Is that reflected in this test? In the results?

A That is reflected in 25 years of testing impact tools. The only thing that happens if the tool runs out of lubrication during the test is the hammer frame stalls. And when the hammer frame stalls, air could come onto the tool and it just blows through the tool. The hammer frame does not do any work. And testing has proved that if a tool is stalled -- and I can't say that this has never, that this never happens, because it does -- the tool will stall. You go in and you grease it and start the test up again. And it has no effect on the performance of the tool.

Q Mr. Martine, isn't it correct that there is no reason given for the failure of the hammer frame? Just the fact that it in fact --

A I think there was a reason given for the

Q Could you point us to it?

A I think the page 17 of the metallurgist's report.

JUDGE LUCKERN: Why don't you look at that, Mr. Martine?

THE WITNESS: I'm sorry. It was page 15, second paragraph, starting with "Hammer." And if you go down to hammer frames, you will see it repeats the statement.

JUDGE LUCKERN: In other words, you are addressing the second complete paragraph and also the fourth complete paragraph of page 15 of SX-52?

THE WITNESS: Yes, I am.

JUDGE LUCKERN: Thank you.

BY MR. MASTRIANI:

Q Other than looking at page 15 of Exhibit SX-52C, other than the statement regarding the heat treating according to IR standards, isn't it correct that if the tool hadn't been greased that the corners of the jaws of the hammer could be chipped or there could be a slight flattening or dubbing of the jaws? Isn't that possible that that could happen?

A It's possible.

Q And isn't it possible that one face of the hammer could be worn exposing porosity of the metal due to a lack of grease as lubrication? Isn't it possible?

A Vaguely possible.

Q Is there anything in this document, sir, that shows -- in the report -- that shows and identifies that this product was greased and at the intervals that you indicated that they were greased, i.e., every three hours?

A No, there isn't.

Q And there are no other ancillary documents which are before us that reflect that fact, are there?

A No.

Q How long have you been working for Ingersoll Rand again?

A 25 years.

Q Let me ask you a question based upon your extensive experience. Do you think that there can be quality differences of initial production output of a tool, something that is just newly introduced, as opposed to quality differences for a mature product that has been on the market for over 18 years?

\* \* \*

THE WITNESS: When we release a tool, it has gone through so many tests that we are very, very sure of the quality of the tool. If that tool is around for 18 years, we continuously update any product we can update. We make it better. So I can't, you know, the only way I can answer that question is to tell you that we do try to make a tool better. Just because we release it to the market don't say we're going to leave the tool in the condition that it was when it was first released. There's always -- there's ongoing evaluations of all of our tools and we are always trying to make them better and more efficiently, et cetera.

(Martine Tr. at 1406 to 1411).

103. When testing a half-inch air impact wrench, Ingersoll Rand oils the tool at every performance test and greases the tool every three hours while it

is on the endurance test. The oil makes the motor more pliable and improves the motor performance. It is doubtful whether a failure to oil would affect a number of cycles one gets out of a tool (Martine Tr. at 1413, 1414).

104. When asked how a failure to grease the tool would affect the total number of cycles. Martine testified:

A Well, the way the counter is installed on the tool, if you have a failure or if you have a tool stall, which it would go into the stall condition which I explained before, the counter would still count cycles. And the tool is checked every hour on the hour and if you see a stalled tool -- you're going to check your tool each hour. If it is in a stalled condition, you know you have forgotten to grease it. But in the same sense, there is 9 other people that work in the Engineering Lab and they are all running tests. So the tool is really checked almost constantly because whenever any one of them goes in to check their tool, they check the whole table.

Q Let me ask the question this way. Assuming someone was checking it constantly, if a tool would normally get 50,000 cycles and it wasn't greased, would that number be reduced?

A No, it wouldn't. It wouldn't get -- I'm guessing now. but it wouldn't run over -- I'm saying 4 hours without grease without going into a stall condition. By a stall condition, I mean the tool hangs up.

Q Then at that point, about how many cycles would have been covered or accomplished?

A Within a five-second cycle, five seconds on and one second off, so that's 600 cycles an hour. The tool is definitely checked every hour. So, it would be 600 cycles out of 50,000.

Q How many cycles an hour is that, again?

A That's a five second on and one second off which is six cycles. It's ten cycles a minute, which is -- I'm sorry. Ten cycles. That's 600 cycles an hour.

Q So as I understand your testimony, if you start running the tool, but it hasn't been greased, a failure or a stall might occur after about four hours. Is that correct?

A If it was never greased?

Q That's right.

A Well, I can't answer that. What I'm saying is after the initial -- when it is put on test, it is greased.

Q And if it weren't --

A I really don't -- I'd be guessing.

Q Didn't you just say that if it weren't greased, it would stall after about four hours?

A Yes.

Q And then --

A By you're asking me how many cycles it would take before it stalled.

\* \* \*

Q Thanks. If I understand, if it would stall after about four hours if it hadn't been greased and if I understand your testimony that there are about 600 cycles per hour, would it reach about 2400 cycles before it stalled? You could tell me if it would be a little less than that, or if that's approximate.

A I can't say whether that's a true statement or not.

Q What would be inaccurate about it?

A I think it would stall much sooner than that if it was not greased.

Q How much sooner?

A You're talking -- you're asking me now if we took a tool and completely cleaned the mechanism, put it on test and ran it until it stalled, how many cycles it would take. Do I understand your question?

Q Let's answer that question. Go ahead.

A All right. I've never done it.

Q Didn't you testify earlier --

\* \* \*

THE WITNESS: The only thing I can is what I *said* earlier

which I think you were just getting ready to ask me is if the tool is running on endurance test and it runs out of grease, it will go -- the hammer mechanism will once it becomes dry will go into a stall condition during the endurance test. Because of the rapidity of repeating the cycles, your parts get a little bit warm and when they do, the hammer mechanism locks up. And once that happens, the tool stops functioning as an impact wrench and just sits there with the air blowing through it. The exact number of cycles, I can't give you that.

BY MR. GOULD:

Q And that would occur at about four hours, you said. that right?

A Basically, yes. It is the law of averages -- you know, from daily contact with the tools that could happen in four hours. But the condition has to be the lubrication is completely out of the tool.

So I don't understand the implication of the four hours.

(Martine Tr. at 1416 to 1420).

105. No stall condition is indicated in SX 52 (SX 52).

106. Robert Leo Hite is an associate lab technician for Ingersoll Rand and he has worked for IR for twenty nine years. He has been an associate lab technician for the last eight years. Hite works for Martine. Hite is thoroughly familiar with the testing procedures that are normally used in running performance and durability tests on impact wrenches (Hite Tr. at 1426).

107. Hite personally ran the test that is reflected by SX 52 (Hite Tr. at 1426-1427).

108. As to the test reported in SX 52, Hite testified:

Q And did you set that tool up for testing, and did you supervise the testing of that tool at the start and through the completion?

A Yes.

Q And was that tool at all times in your judgment properly

lubricated?

A Because I was training the other guy. And it is our policy to check the tools at least once an hour, and lubricate them with grease approximately every three hours.

Q And were those procedures followed with diligence with respect to the tests run on this tool?

A Yes, they were.

Q And you, yourself, either personally lubricated the tool or observed the lubrication?

A Yes, that is correct.

(Hite Tr. at 1427).

109. Ron Hunt worked on the test reported in SX 52 with Hite (Hite Tr. at 1428, 1429).

110. Hite in the test reported in SX 52 greased the Astro 555 products in the greaser back of the housing, i.e., in the center of the name plate (Hite Tr. at 1429).

111. In the test reported in SX 52, greasing the product every three hours is "more of a standard practice than anything else" (Hite Tr. at 1430, 1431).

112. Complainant's Martine testified that the complainant's "goal for a good 231 impact tool is 50,000 cycles" (Martine, Tr. at 1382, 1411-12).

113. Cotplainant's March 20, 1990 metallurgical test concluded that

(CX 13 at 15; SX 52 at 15).

114. [THERE IS NO FINDING NO. 114]

114a. On how the Astro 555 is sold, Helfgott testified:

Q Is it not correct that the exhibit that was used to elicit responses from the respondents in this [confusion survey] questionnaire was the actual Astro 555 half inch air impact wrench?

A I believe it is.

Q And that exhibit did not include the packaging, did it?

A That is correct.

Q It did not include the product literature, did it?

A That is correct.

Q And it did not include the warranty card, did it?

A That is correct.

Q Isn't the failure to- include the packaging and other literature that may come with the product in a confusion similarity survey faulty practice?

A Well, for one thing, this is not a confusion similarity survey. This is, I am sorry. Yes, this one is a confusion survey. This is, I am sorry. Yes, this one is a confusion similarity. I believe that if the evidence of source, the name and logo type, were not on the product that it would be a mistake not to include it.

But since the essential information of source is already on the product and since we have in this set-up a very difficult presentation problem, I felt that the respondent suffered no -- that no loss was suffered by the exclusion of these.

Q But this is your opinion, is it not?

A That is so, yes.

Q Is it not correct that when you doing a confusion similarity survey that you are supposed to duplicate the purchasing situation as closely as possible?

A Well, I think that you have to duplicate the exhibit that would be present. But let me mention that again we are not doing a purchasing situation study, but we are doing a trade dress study. And the trade dress really deals with the features of the product.

Q Well, Dr. Helfgott, do you know whether the products that are in issue are sold to members of the public in this packaging?

A At times, yes. I know that in the case of the visiting salesman that the purchase decision seems not to be made from the package, but from the gun itself. It may be then delivered in the package after the purchase decision.

Q But you do not know whether that person takes it out of the packaging when they show the actual product to the prospective purchaser, do you?

A It is my understanding from having gone out with one such fellow, that that is riot the way he did. That is my only information.

Q And that one such fellow was selected by Ingersoll Rand?

A That is true.

Q And he in fact selected the locations that you visited, is it not?

A That is true.

Q I would like for you to look at your deposition again at page 40.

JUDGE LUCKERN: For the record, that is SPX --

MR. MASTRIANI: That is SPX-10, Your Honor.

JUDGE LUCKERN: I have got it, okay.

BY MR. MASTRIANI:

Q And let me select some statements that you make in a long answer. And if you want to add more context to it, you can.

A All right.

Q But you are answering a question given to you by the questioner concerning confusion surveys, and you make the statement starting at line 3 of page 40, "Now I thought that there were two serious errors there, because I thought that a proper confusion survey would have sent a marked or packaged product to dentists who use this product across the board, not just their own customers."

Question: "Packaged?"

Answer: "Packaged or not, because it comes in the office in a package and it is always contained in a package. It is never without that kind of package."

And dropping down to line 14, "So these things outside of the kit, to test it outside of the kit is a very artificial way of doing it."

How do you compare that type of answer with what you did here?

A Let me tell you that. This dental tip has no product identification at all on it. There is no manufacturer's name, and there is no logo type, and there is no item number so to speak. Therefore, its whole identity and utility comes from where in this kit of 40 or 50 divisions it falls. It is like a thumbtack. It has no identification. You could not say to somebody can you tell me who makes this, as there is no way for them to know.

That is not the case with the confusion survey. For that very reason, we do not mask the source information that is on the product itself. And that is why the two are significantly different from each other.

Q But then you state further down at line 22 and continuing that, "They did not simulate the actual reality conditions in terms of how the dentist perceives and uses his product."

And my question to you is in the confusion similarity survey that you did with regard to the air impact wrench, the Astro 555, did you not fail to create the actual reality by failing to include the packaging product literature and warranty?

A No, I do not. Because, you see, here the box that it comes in is the entity of use every day. In the case of the air impact wrench, it is my understanding that the box is almost immediately discarded along with the warranty card and never again used, and I never saw or spoke to one automobile mechanic that kept the box or remembers what it looks like, and I inquired about that.

Q But is it not a fact that that occurs after the purchase when the mechanic has gone to his place of business and then puts the tool into use, is that not correct?

A I assume so.

Q At the time that he buys the product, it is in its package with the literature?

A Yes. I am just saying that that is a discardable package. In the case of the dentist, the product has no utility at all if you discard the package. The package continues on.

Q But is not the packaging including the product literature and the warranty card further indicia of the source of the Astro 555?

A Yes, but I do not think that it contains any information of source that is not on the product already.

Q But it is redundant confirming information is it not?

A It is there, certainly.

(Helfgott Tr. at 425 to 431).

114b. Prior to taking the survey, Helfgott had been provided with the box in which the Astro 555 was sold and all the documents that came with the box (Stryker SPX 13 at 106).

115. Due to mistreatment by mechanics, air impact wrenches do not last as long as they should (Kuhn, Tr. at 1169).

#### H. Likelihood of Confusion

116. When literature advertising Astro's products is sent out, the literature has the company name on it and there are logos for Astro power tools on the particular literature. All of Astro's products that are on the market carry the brand name and the logo of the company with the exception of when Astro wants to test the market. Some of Astro's smaller items have the logo in a metal plate that goes on the tool. It would be a tough job for one to remove the Astro brand name and logo from Astro's products (Fisher Tr. at 1303 to 1306; RPX 6).

117. Astro sent the IR-231 to Kuan in Taiwan with instructions to make

it, i.e., referring "[b]asically to the mechanism, I told them it's got to be -- the parts have got to be 100 percent interchangeable" with respect to the twin hammer mechanism in the interior of the IR-231. When Astro first sent the IR-231 to Taiwan, Fisher believed the patents covering the twin hammer mechanism had about two months to go before expiration (Fisher Tr. at 1297 to 1299).

118. In deposition on September 10, 1990, Astro's Fisher testified:

\_Q Just so we're clear, are you familiar with the design of the Astro 555?

A Yes.

Q And you're familiar with the product, I assume.

A Yes, sir.

Q Okay.

A I'm sorry. I misunderstood the question.

Q That's okay. That's why I'm glad you asked me to repeat it then. When was the design first developed?

A Well, basically, I guess when I got my first sample back from Taiwan.

Q When you got your first sample back?

A Well, -I sent one over and I told them I wanted the tool copied without a mechanism. I sent the Ingersoll Rand 231 over. The patent had run out on the mechanism.

Q So the design -- explain to me for a moment, then, why did you select the Ingersoll Rand 231?

A I sent over the mechanism to be copied, the tools.

Q Why did you do that?

A Because we wanted a copy. The patent had run out. They had a patent on the mechanism for 17 years and it ran out in January.

Q Why did you select that particular product?

A Very good mechanism.

Q Did you provide any information at all, any specifications at all as to what the exterior of the product was to be like?

A No. We have no engineers at our place, no engineering department. We're sort of a different outfit. We just operate, so to speak.

Q First of all, who did you send the IR-231 to?

A To Well Made Company in Taiwan.

(Fisher CPX-31 at 11, 12).

119. Fisher did not specifically consider anyone else's model half-inch air impact wrench as an alternative to the 1R-231 before he sent the TR-231 to Well Made Company in Taiwan (Fisher CPX 31 at 22).

120. Fisher told IR's Boggs that he was going to import Astro's version of the 1R-231 and when asked whether that implied that Astro was going to bring it in with an identical exterior design or just the mechanism, Fisher did not think it was discussed either way (Fisher CFX 31 at 131, 132).

121. When Fisher first gave a copy of the IR-231 to Well Made Company in Taiwan, Fisher did not distinguish between the internal working mechanism and the exterior design. Fisher left no instructions with Well Made to differentiate the Astro 555 from the IR-231 (Fisher CPX 3 at 141, 144).

122. Astro's Fisher would not admit that Astro is infringing the asserted common law trademark, "assuming there is such a thing" (Fisher CPX 31 at 103).

123. An impact tool, such as IR-231 or Astro 555, is used predominately by automotive mechanics. It is used to take off or install threaded fasteners. Because of the size of the tool, it is used primarily on half-inch and small studs although one can go up to five-eighths and even bigger.

Auto mechanics used such an impact tool to take off lug bolts on wheels. In a tire shop the tool is used all day. In a garage repair shop, the use of the tool depends upon what it is being used for (Stryker Tr. at 882, 883).

124. With respect to the end user for air impact wrench:

The ultimate end customers in the automotive service market place are approximately 850,000 automotive mechanics. These mechanics perform their functions in tire shops, body repair shops, new car dealers, garage repair stations and gas stations. The average mechanic is a high school graduate with 2 years of trade school training. In the half inch impact tool class product, the tool is purchased, owned and operated by the individual mechanic. On the other hand, for example, 3/4" or one" impact tools, which are larger and much more expensive products, are used in large tire shops and would be owned by the shop. An important point here is that the 231 INPACTOOL is purchased by and owned and maintained by the individual mechanic.

\* \* \*

Q Do you know of the relative sophistication of your customers?

A Yes I do.

Q Will you characterize that sophistication?

A That term is very difficult to apply to the normal automotive mechanic. Sophistication tends to apply to the degree of how well one enjoys the arts, or one's broad cultural knowledge, and that is not the level of sophistication we are talking about here. What we are talking about are people, men and women, who have a high school degree and probably have spent two years in trade school, whose earnings are measured on their ability to do good repair work, quality repair work and who purchase tools out of their own money. So I would say, that in their own area, they are sophisticated, knowledgeable purchasers of the product.

Q In the hierarchy of the importance of this tool to them, is this an important tool to them or not?

A This is an important tool to them. In the shops - it is THE TOOL, which allows the mechanic to do tire changes - quickly and safely. In general repair the impact and ratchet tools are the keys to fast work.

Q Will they take relative care in examining the tool?

A Yes they would.

Q Mr. Stryker, based upon your experience in power tool marketing, how does a customer evaluate a product?

A The process is similar to any other consumer class product. The customer sees a product on a shelf, determines that it meets his needs visually; proceeds to go over and look at the product, then picks up the product to feel the way it fits and the way it operates. Similar to a child's words, "let me see daddy" and then the child reaches out to grab the questioned object. The grown-up customer also wants to evaluate it by looking at it and touching it. There is a normal process of seeing that is enhanced by holding the product. While the evaluation of holding adds nothing to the real visual impact, there seems to be a direct nexus between the holding and the visualization of the product. If the sale is through a plate glass jobber, the customer then evaluates the price level before he makes the purchase. If the purchase is through a wagon jobber, the customer wants to put air to the product and actually try out the performance.

(Stryker CX-1 at 19 - 22).

125. Astro's president Fisher as to the end user of an air impact wrench testified:

"I don't believe you can confuse a mechanic. I will not believe that in a million years".

(Fisher Tr. at 1302)

126. The exhibit that was used to elicit responses from the respondents in the blue questionnaire confusion survey was the actual Astro 555 one half inch air impact wrench which did not include the packaging nor the product literature nor the Astro warranty card (Helfgott Tr. at 425 to 426).

127. At the time the mechanic buys the one half inch air impact wrench, it is in its package with the literature (Helfgott Tr. at 430).

128. Complainant is not aware of any actual instances of confusion between the IR-231 and the Astro 555 other than what may be shown in the

survey evidence (Stryker Tr. at 1058).

129. Complainant knows of no instance when Astro has misled anybody into believing that the Astro 555 is an IR-231 or that Astro 555 was made for Astro by Ingersoll Rand (Stryker Tr. at 1058).

130. Complainant's Stryker testified:

Q I would like to show you what I am going to mark as CX-10 and ask you to describe what it is and describe the importance and the significance of that document in the context of this proceeding?

A It is a letter that I sent to you [complainant's counsel] and attached to it is a copy of a newsletter published by Astro Pneumatic company under the title "Astro World". Of particular note in this document on the second page highlights a photograph of the Astro 555 half inch impact tool, heavy duty wrench. This document was published, by the way, in March 1990. The copy accompanying the photograph highlights the features of "Twin hammer mechanism provides power for many automotive applications". Quoting from the copy accompanying the 231 in the Ingersoll Rand Automotive Catalogue, CPX 18 - page 12, we say "Twin hammer mechanism provides the power for a wide range of automotive applications", note almost word-for-word. The second item in the Astro copy says, "Perfect for general body shop and automotive work:", and from the Ingersoll Rand catalogue, we say "This tool is the perfect choice for general automotive light truck, farm, body shop and front end work". Again almost the exact duplication. The specifications shown in the copy for the Astro tool are exactly the same as the specification shown in the Ingersoll Rand catalogue.

Q Is there similarity of the pictures?

A The photographs are shown at approximately the same angle and the same direction and highlight the same features as in the Ingersoll Rand catalogue, On page 4 of Astro World in the right hand column, we quote, "This year Astro is adding seven major new products to the line that already is the most complete in the industry". And underneath that it says, "The new model impact wrench, the 555, matches the performance of the industry's best established unit; the 555 delivers 400 pounds of torque."

**(Stryker CPX 1 at 46, 47).**

I. Unclean Hands and Estoppel Defenses

131. U.S. Pat. No. 3,605,914 ('914 patent) covering the twin-hammer mechanism in the IR-231 expired in September 1988 (RX 5).

132. U.S. Pat. No. 3,661,217 ('217 patent) covering the twin-hammer mechanism in the IR-231 expired in May 1989. Neither the '914 nor the '217 patents covered the exterior design of the IR-231 (RX 4; RX 5; SPF 38 Ad; SPF F34 Ad; RPF 60 Ad).

133. A change notice (RX 8) of Ingersoll Rand requests that complainant delete the patent numbers 3,605,914 and 3,661,217 from the name plate drawing and dimension locations because the patents are no longer in force. The change was initiated by Stryker on May 30, 1990. The latest date on the change notice as far as drawing change and drawing checked was July 9, 1990. If a product was being built from the time the patents expired to the time of the deletion of the patent numbers on the nameplate, the product would have been built with the patent numbers on the name plate (Davies Tr. at 598 to 601).

134. Complainant's catalog with a copyright date of 1989 advertised the IR-231 as containing the "patented" twin hammer impact mechanism. A corresponding catalog but with a copyright date of 1990 deletes the word "patented" (SPX 1, SPX 2).

135. A Boggs memo dated August 2, 1985 to Harry Leidich (RX 11) stated in part:

\* \* \*

136. The exact copy of the cosmetic envelope of the 231 impact tool referred to in the preceding finding is Astro's 148 (Boggs Tr..at 770).

136a. Bogg's reference to exact copy in FF 135 and 136 was not based on a physical examination of the Astro 148. When he physically examined the Astro

148, it was not exactly a copy (Boggs Tr. at 770).

137. Boggs never informed Fisher or anyone at Astro that Ingersoll Rand believed that the 148-TR infringed the asserted mark and Boggs never discussed with anyone at Astro prior to this investigation the existence of a common law trademark with the 231 impact tool (Boggs Tr. at 763).

138. Boggs received from Astro's Fisher, and reviewed, a 148 impact tool (Boggs Tr. at 771).

139. The manufacturer of the Astro 148 was a Japanese manufacture. Astro 148 was replaced with another model although it was not an immediate replacement because Astro was "carrying a \$14 million inventory and we had quite a few tools on hand, so it's nothing we were sweating out." According to Fisher the Astro 555 was a more competitive product than the Astro 148 because the Astro 555 had the twin hammer mechanism (Fisher Tr. at 1294, 1295, 1302).

140. The Astro 148 did not use the twin hammer mechanism (Fisher Tr. at 1292).

140a. With respect to the Astro 148, Fisher testified:

Q What are the differences in appearance between the 148 and the 555, if any?

MR. MASTRIANI: We've got both tools with us. Do you want to look at them or do you want to just do it --

MR. SUMMERFIELD: If it would help to look at physical samples, that would be fine.

THE WITNESS: You want very little detail?

BY MR. SUMMERFIELD:

Q Sure.

A Well, this one has a long anvil, but that don't mean nothing because they both come with a long anvil. All impacts.

MR. MASTRIANI: When you refer to this and that --

MR. SUMMERFIELD: Yes.

THE WITNESS: I'm sorry. The 555 has a long anvil on it at the moment, the sample. But all impacts, you have your choice of long or short anvil. So that's basically not a difference.

BY MR. SUMMERFIELD:

Q Does that create a difference in appearance between the two products?

A Does it create a difference?

Q Yes.

A Well, I mean, if you looked at this one and looked at this, this would be a longer anvil. But if you saw this one and said I'd like ten 148 TR-2s, you would get the same thing.

Q I'll just ask you a question about the 555 you're looking at. Is that a model that you are now selling?

A Yes.

Q Is that what it looks like?

A Yes, sir. Well, we've changed it since then. We put a rubber nose on it and we chromed this, the black barrel. Now, I tried to bring it with me today, they just sent me -- we did change the dye and there is a new sample that should arrive in the United States which I'm sure they'll also have in the next few days.

They tried to have it delivered to my house Friday from Taiwan, but I guess it didn't get there. I never got it.

Q But if I wanted to go out today and buy an Astro Penumatic tool --

A This is what you would --

Q -- I would buy the 555 you have in front of you now.

A Right, or a 148 or a 148 TRX or whatever they had in the warehouse. Yes.

Q I'm sorry. Go ahead. Continue with the differences

between the products.

A Well, this -- the 555 has the logo on the housing. We came out with the logo on the housing on the 148 at one time. You start with a label and then you go with a -- in the housing. They're similar looking. This has got a little tapered back on it.

Q That being the --

A The 148. The housing has a little tapered corner on the top. The regulator controls, the 555 has a slot in it. Not quite a slot, but -- the 148 does not have a slot. The 148 has a different trigger than the 555.

Q Aside from the taper on the back of the 148, is there any difference in the shape of the back plates of the two tools?

A There's a slight roundness to the 555, where the 148 is more of a square-back. They're both angled.

Q Angled meaning the way the trigger is attached to the housing or the way the handle is attached to the housing?

A No. I'm talking about the angle to the housing here, of the back --

Q The rear plate.

A The rear of the housing. The 148 has R and F here, reverse and forward, where it's not on the 555. The 148 has -- the rear exhaust has got a little muffler there. The 555 has a front exhaust here right under the rail here. Basically, they're similar looking if you look at them. I would say that's probably why IR asked us to check them, thinking we may have copied their mechanism prior to their patent running out.

(Fisher CPX 31 at 27-30).

J. surveys

141. Helfgott was involved in two surveys for complainant. The objective of the first survey was to determinate if secondary meaning existed for the IR product in issue. The objective of the second survey was to determine if any confusing similarity existed between the Astro power tool and the Ingersoll Rand tool, and, if so, to what degree (Helfgott CX 3 at 5).

142. Helfgott designed the questionnaire used in the surveys. The data he wanted to supply through the use of a questionnaire broke down into three categories. One question concerned identification or source of the product. Secondly, a "why" question as to the factors that lead to that determination of or measure of source, and third, what is called background characteristics, such things as the name of the respondent, the time and place of interview, etc. The surveys were conducted in four cities selected by Depth Research Laboratory, the field organization responsible for the execution of the study. The selection of the cities was under Helfgott's direction with the requirement that they be randomly selected so that "we could rightfully claim this to be a probability sample" (Helfgott CX 3 at 5, 6, 7).

143. Helfgott with respect to the term "randomly selected" testified:

I had received from my client a list of the top markets in America broken down by automobile registrations, which we also knew from other research, correlated to a high degree with the market for these tools, as one would expect. These were then broken down into four categories. Northeast, Southeast, Central and West. The list of cities within the four geographic categories was then given to Depth Laboratories. They then randomly selected one market in each of these areas for interviewing.

(Helfgott CX 3 at 7).

144. As to who actually went into the field to conduct the interviews for the surveys, when Depth Research had all of the requirements, the questionnaires, exhibits, etc., it selected a research company, in each of the four markets, to do the local field work. That company then selected two interviewers and proceeded to fulfill the field requirement of actual interviewing in that market. Those four field organizations had no idea of who the ultimate client was, and no idea in that this was related in any way to litigation (Helfgott CX 3 at 8).

145. The interviewers in the surveys were not familiar with this

investigation. The interviewers were trained questioners (Helfgott CX 3 at 10 to 12).

145a. There were two criteria used by Helfgott in selecting interviewers, one was that the interviewers be over 25 years of age, if possible, and another is that they have three years or more of experience. A third that Helfgott likes was that they do this as their primary way of making a living because Helfgott thinks those people are more serious. Helfgott's criteria were communicated to the field supervisors over the telephone (Helfgott SPX 10 at 155, 156). •

145b. Helfgott did not feel that it was necessary to have two interviewers present in an interview of his study for Ingersoll Rand, i.e., one to hold an exhibit (wrench) and one to ask a question because he did not think a bias was introduced in the secondary meaning survey by letting the interviewer hold the exhibit (Helfgott Tr. at 98, 99).

145c. In the Helfgott study, when the interviewee held the wrench, weight and balance of the tool could be felt (Helfgott Tr. at 100).

145d. In answering Question 1a (the "why question") some of the interviewees actually indicated in answer to Question 1a, that they had made their identification based on such factors as the weight, feel and grip of the wrench (CX-4, Bates Nos. 25, 51, 103, 114, 119).

145e. Some responses to the survey counted as demonstrating secondary meaning identified features such as the air inlet and the drive chuck which have been specifically disclaimed from the asserted mark (CX 4 at Questionnaire Nos. 154, 175).

145f. In deposition on October 17, 1990 Helfgott testified:

Q Do you know whether Ingersoll Rand's rights include tactile aspects of the product, like the weight, the

balance, the comfort?

A I don't know.

Q Would that be important?

A Maybe. It may be more important to the lawyer than to me. but it's certainly important.

Q Did your survey attempt to distinguish between respondents who were identifying based on the visual aspects as opposed to the tactile aspects?

A Well, some people gave tactile-type answers and some people gave visual answers. So --

Q And some people gave no answer at all?

A And some people gave no answer at all. So I mean, it's all there, those things certainly are there.

Q But to the extent the respondent wasn't asked the question, why are you making this identification, is your survey somehow designed in an alternative fashion to indicate whether the survey respondent based on visual as opposed to tactile aspects of the product?

A Not unless you asked about it or built it into the experiment.

Q Well, that's my question.

A No.

Absent a "why" question, is there some way of making that determination?

A Yes, there is a way.

Q In your survey?

A No.

Q Okay.

A I mean, the way -- may I answer how you do this? Because I think it's interesting to know why we didn't do this.

Q There is a way to do it?

A Sure.

Okay.

I mean, if you want tactile answers, just blindfold the respondent and then let him not look at it but just hold it, and get an identification that way.

And if you don't want tactile answers, but rather, visual?

Then just let him look at it and not hold it.

Okay.

But you can do those things. But I mean, let's say we did the former. I think it's a very artificial kind of familiarization with the product.

How about if you did the latter?

I think, since most cues are visual, it would be less distorting. But why not do them all? Let him hold it, let him feel it, let him look at it, let him do it all. Let him get as familiar as he wants with it.

But it assumes, am I correct, Dr. Helfgott, that what, Ingersoll Rand's rights are would included the tactile --

Well, what their rights are is a matter of law., And I'm not particularly concerned about that. I mean, that's Mr. Dickey's concern.

But what you were testing for did not discriminate between tactile and visual aspects of the product?

Well, the "why" question allowed for the respondent to offer that difference. But other than that, no.

(Helfgott SPX 10 at 110 to 112).

146. Ingersoll Rand told Helfgott to conduct a survey to measure the degree to which secondary meaning exists among auto mechanics for the Ingersoll Rand product in issue and to conduct a similar survey on another product dealing with confusion (Helfgott CX 3 at 13).

147. When an interviewer was going out to conduct an interview, he would arrive at the location where the interviewee was with an Ingersoll Rand Air Impact Wrench 231 (CPX-1), a Chicago Pneumatic Wrench\_ (CPX.-4) and an Astro 555

wrench (CPX 2) (Helfgott Tr. at 86, 87).

148. The interviewer in conducting an interview started first with some screening questions, the first of which is where he was an auto mechanic and the second as to where he uses an air impact wrench in his work. The prospect must answer yes to both of those questions to qualify. The interviewer then proceeded to the appropriate interview with the two interviews being done sequentially (Helfgott Tr. at 90, 91).

148a. The instructions for the interviewer read in part:

- If two or more mechanics are available at the same listing, two may be interviewed -- on different color questionnaires. Decide which one to interview first by asking prospective respondents their first names; interview them in alphabetical order of the first name initial (e.g. interview Bob, then interview Joe). CONDUCT EACH INTERVIEW PRIVATELY, OUT THE SIGHT AND HEARING OF OTHER PROSPECTIVE OR FORMER RESPONDENTS.
- Alternate interviews by color -- if you use a blue questionnaire for your first interview, use a yellow for your second, then a blue for your third, etc.

The goal is to get one blue and one yellow interview per segment, either at one or two listings. Once two interviews are completed, proceed to the next segment -- Do the next listing within the same segment.

- if you find you reach your last segment and have not completed your quota, start at the top again:
  - check the first segment
  - if there are any listings of locations at which an interview has not been attempted, contact the first one listed and attempt an interview at that listing
  - if this does not yield an interview, make an attempt at the next uncontacted listing, etc. and proceed until all listings in the segment have been contacted.

if necessary, follow this same procedure with the second segment, then the third segment, etc.

(SX 108).

149. As to how the interview was physically conducted, Helfgott testified:

A The interviewer has to manage interview instructions, the interview form itself, as well and be able to write and be able to also select from (sic] these interviews the exhibits in a bag and present them to a respondent or present them in some way.

This is more than is usually -- this is, without the help of a formalized interview facility, this is very difficult to manage, and in our opinion, the best way, and why were we able not to have a table and chairs, etc., set up for ourselves is that we felt that we would not get the garage permission to do this.

We felt, and I'm fairly sure of this, in the discovery interviews that I did, that we were able to gain entrance to the garages on the assumption of doing a short interview with the mechanic at his station, so that he wouldn't have to leave his station.

Given these limitations and realizing that the requirement of satisfying a probability sample was such that it made the garage in my opinion the right place to conduct the interviews, that the best way of handling the exhibits would be to hand them to the respondent so that the interviewer could then go back to his or her wagon pad and record the answers.

It also not only does that, it guarantees that the respondent has full powers of observation of the exhibit, and that was my primary concern, especially for the confusion survey, because if you -- and, by the way, just let me mention another point, --

Q Please go ahead.

A -- if you take any of these and you lay them down flat', -

JUDGE LUCKERN: And just to make sure the record -- you're referring to CPX-1, CPX-5 and CPX-2?

THE WITNESS: Yes, I am. Any of these air impact wrenches that we used.

There is a likelihood that the name plate on the back won't be seen, and I thought that would create an enormous error, and especially in the confusion survey, where the

name plate was not obscured.

So that the item has to be turned to be really experienced such that all visual sensory data is apparent to the respondent.

So, lying it on the table, even if you have a table, lying it on the table isn't going to satisfy that requirement. Certainly one could pick it up and turn it for somebody else, but my feeling is that if I were on the other side of the table, I would object to that because what you want to make sure is if you're asking for a response to a stimulus, that the respondent has every opportunity of witnessing that or experiencing that stimulus to his satisfaction.

In my opinion, by holding it, he is able to do that.

(Helfgott Tr. at 92 to 94).

150. Mrs. Feldman, the head of Depth Research laboratory requested that in the interview no table or chairs be used (Helfgott Tr. at 96).

151. The supplement to CX 4 is titled "Instructions for Interviewers" and its last page is a sample questionnaire for the secondary meaning study.

152. With respect to conducting a secondary meaning interview, Helfgott testified:

A It's fairly straightforward on the page, but I can read it. The interviewer comes in and says hello, I'm doing a survey on tools you use in your work. I'd like to ask you a few questions. It will take just a few minutes of your time. Your answers are confidential. For your cooperation, I will give you \$5 when we are finished. If you don't know the answer to any of the questions, please say so.

Then there's an instruction to the interviewer that says show Exhibit K [masked Ingersoll Rand Air Impact Wrench 231], and the interviewer says, "Do you know the brand name of this tool or the name of the company that makes it?" [Question 1] If the respondent answers yes, the interviewer checks the first box. If the answer is no or don't know, the interviewer checks the second box. .

If the answer to the first question is yes, the interviewer goes on to ask the question, what is the name [Question 1a], and records that information on the line

following the question.

The interviewer then asks the second question and says, "Here is another tool" and shows Exhibit L (masked Chicago Pneumatic Air Impact wrench] and says, "Do you know the brand name of this tool or the name of the company that makes it?" Again, if the respondent says yes, that box is checked. If the answer is no or don't know, that box is checked.

If the answer is yes, the person is asked what is the name. The interviewer then says, "Thank you very much", and then everyone is asked their name, their job title, and the garage name and address, interviewer and date are put down, the interviewer gives the respondent the \$5 incentive, and the respondent signs for the receipt of that, and the interview is terminated.

(Helfgott Tr. at 125, 127; CX 4 (instruction results)).

153. In the secondary meaning survey according to Helfgott the logos and the back plate of the Ingersoll Rand tool were masked with masking tape. Thus CPX 1 is not the complete exhibit because it is not masked. A masked CPX 1 was used in the interview and was identified as Exhibit K (Helfgott Tr. at 127).

153a. As to the masking that was done in the secondary meaning survey, Helfgott testified:

Q Dr. Helfgott, in the exhibit that you have in front of you, CPX-32, the logo is taped, is it not?

A That is correct.

Q And isn't it correct that the logo does protrude to some degree through the tape?

A Well, I think you have to look at it to say what protrusion means. It's not the flat surface that is still maintained on the other exhibit.

Q The other exhibit meaning CPX-33?

A Meaning CPX-33, yes.

Whether you could say -- and, of course, it is formed by the logo. But I don't believe you can see the logo

through it. I mean, I just want to make sure that while what is underneath has left some impression on the top, I don't think it's distinguishable. And that's why I say you have got to look at it to know it, the degree to which that is so.

Q Distinguishable from what?

A Distinguishable in terms of what's underneath it.

Q But the mechanic who handles that item who answered the questionnaire was permitted to run his fingers over that and --

A Yes. Certainly.

Q So it is possible that that could have communicated to that respondent the potential identification of the product.

A Only if it was in this shape five months ago, which I don't believe it was.

Q But you don't know that, do you?

A I do because I sent them out and I received them five months ago.

Q And your recollection is that those came back and the protrusions weren't showing through?

A Absolutely not. That is certainly my recollection.

Q I would like you to direct your attention to the rear of that particular Exhibit CPX-32.

A Yes.

Q I notice that you did not mask the entire expanse of the rear plate. Why is that?

There is a product feature that is not part of source identification on the plate; namely, this little round circle of steel in the middle of the plate.

Q Do you know what that is?

A No, I don't.

Q And you said that's a feature that does not have product identification?

A Source identification.

Q Source identification. It does not, you're saying?

A Well, the name Ingersoll Rand is not on that feature. I blocked out the logo type and the name so to speak. I tried not to cover anything else.

Q What if that feature is unique to Ingersoll Rand's 231 impact tool?

A Well, it would be another unique feature of the tool such as others that are exposed.

Q What if that feature is entirely functional and therefore has no trademark significance?

A That is not my concern. My concern here is to cover only the source information so that I can say unequivocally that when respondents named Ingersoll Rand as a source, they weren't reading it or interpreting the logo.

Whatever other features or whatever other cues they get from [sic] this product that leads to that identification is part of trade dress. Whether it's functional or nonfunction, it's still part of trade dress.

(Helfgott Tr.at 392 to 395).

154. With respect to the question "Do you know the name of this tool or the name of the country that makes it?" in the secondary meaning survey, the results showed that one person gave multiple responses but most people gave a single response or "don't know." Helfgott does not think the question leads the interviewers to give a single response but rather he thinks it's typical to give a single response to a question of the source of any individual exhibit (Helfgott Tr. at 128).

155. With respect to how the confusion survey is conducted, Helfgott testified:

A The interviewer comes in and introduces himself by saying, "Hello, I am doing a survey on tools that you use in your work. I would like to ask you a few questions. It will take just a few minutes of your time. Your answers are confidential. For your cooperation, I will give you \$5

when we are finished. If you do not know the answer to any of the questions, please say so."

The interviewer is then instructed to present Exhibit J [to the interviewee], and Exhibit J is the Astro Power 555 tool with all brand identifications intact, that is exposed and unmasked.

The interviewer then say, "Please look at this tool, and take as long as you like." When Respondent looks up, he is asked, "Do you know the brand name of this tool or the name of the company that makes it?" (Question 1a) If the answer is yes, that is checked. If it is no or do not know, that box is checked. If the answer was yes, the interviewer says, "What is the name?"

The interviewer then goes by the written instruction. "If it is Astro, Astro Pneumatic, Astro Power, AP, or if any other Astro reference is mentioned, ask Question 2. If any other name is mentioned, go to Question 3."

Question 2 is: "What company if any do you think makes this tool for --" And then the interviewer inserts the name mentioned above as given by the respondent. If the respondent said Astro, the interviewer says Astro. If the respondent said Astro Power, the interviewer says Astro Power. That answer is recorded on the line below. Two other alternative possibilities are given [on the questionnaire for the interviewee] none and do not know.

The interviewer then asks: "What features of this tool makes you say that? Please be as specific and complete as you can" [Question 3]. Those answers are recorded verbatim. When the respondent concludes, the interviewer asks one probe which is: "Anything else?" [Question 3a] and records those verbatim.

The interviewer then says: Thank you very much." And then asks and records the name of the respondent, his job title, the garage name and address, the interview date, puts down the interviewer's own identification, delivers the \$5 incentive, and the respondent signs for it, and that completes the interview.

(Helfgott Tr. at 140 to 142; CX 4).

156. Helfgott does not think that it is unfair that only when Astro's name is correctly mentioned in response to Question 1(a) that the interviewee is given another bite at the apple to see if he would come up with Ingersoll

Rand (Helfgott Tr. at 144).

157. According to Helfgott, secondary meaning is the degree to which the appearance characteristics of the product, other than the brand name itself, indicates the source of the product to members of that market place (Helfgott CX 3 at 13).

158. On the secondary meaning survey the exhibit was shown to the interviewee and the interviewee was asked the following questions: "Do you know the brand name of this tool or the name of the company that makes it"? If they answered "yes", they were asked the following question: "What is the name"? On the secondary meaning survey another question was asked which attempted to ascertain why a particular company or brand name was given in response to the previous question and that question was "What features of this tool makes you say that" and "(p]lease be as specific and complete as you can." (Questionlb). Thus was followed by "Anything else?" (Question 1c). With respect to the former question, Helfgott was attempting to gather information concerning the features of the tool that would lead the interviewee to think it was made by one brand of company rather than another. He considered it to be an aid in understanding but not to carry the precision or the refinement of the answer that the previous question did (Helfgott, CX 3 at 14, 15, CPX 34).

159. Helfgott testified as to a why question:

I believe you get certain top-of-the- mind answers, which are not exhaustive, and not thought through. What we are asking the respondent to tell us is why he said this product is made by this company. And you get one or two, or perhaps a few characteristics mentioned. They could be indicative characteristics or they may be just back ground characteristics that are consistent with.the answer but not indicative of the complete truth of the matter. Moreover, if you said to the respondent, "I will give you \$5 for every reason", you would get a long list of reasons that he could offer, but won't give you, if you just asked the question as I have said

it. It is awfully hard to know what the proper cutting point is. If you say I will give you a \$100 for each answer, you will get an even longer list, however absurd the categories are towards the end. Moreover, I believe, that nobody knows the answer to a "why" question about anything. A "why" question presumes that you know the causes of things, I don't think we know the cause of things, we have theories about the causes of things. Each one may have a different theory, it is rather easy to supply a possible answer but there is no guarantee that your theory is appropriate.

(Helfgott CX 3 at 15, 16).

160. With respect to how the interviewers presented the 231 Impactool to the interviewers, upon instruction they handed each of the tools that were exhibits to the interviewee-respondent and with the respondent holding the tool, they asked the questions. This was a considered decision and it came about in the following way: This study was done in an atypical fashion, in that the respondents were interviewed at their place of work, that is, automotive mechanics were interviewed in garages. This was not conducted among general consumers in a mall. Had it been conducted in the latter fashion, one would have had available to you a table top, appropriate lighting, chairs on either side, one for the interviewer and one for the respondent, and an appropriate place to put the exhibit in question. These were not available, and it was not possible to conduct the interview in that fashion in the garage. The interviewer could not go around with two chairs and a table, nor could she count on them being present in the garage. Therefore, it was impossible for the interviewer to hold the exhibit, turn it and move it so the all facets of the exhibit were visible to the respondent, and at the same time read and ask the questions, and record the answers. Thus, it was decided to let the respondent hold it. This Helfgott believed would assure that the respondent would be able to see all the surfaces of the exhibit, which would not be possible if the exhibit were just lying on a table

unmoved. The question then arose, "Were we distorting the stimulus in some way by allowing the respondent to hold it?" Helfgott investigated this with Ingersoll Rand and was assured that both the two main products in question, the Ingersoll Rand product and the Astro Power product were virtually identical in weight and "that neither weight is atypical from other products in the field", i.e., if one had taken either product and put them in a paper bag and said to a respondent, "In this bag is an air impact wrench - can you tell me what brand it is"? Other than by guessing, it was felt fairly sure that from weight alone the respondent would not be able to make an accurate designation. Therefore, it was felt that presenting in the way it was presented would make the interview possible in a way that allowed respondent every opportunity to investigate visually all aspects of the tool and at the same time not distort the findings by presenting extra information that was typical only of this brand in question (Helfgott a 3 at 17 to 19).

160a. With respect to where the interview was conducted in the Helfgott study, Helfgott testified:

Q Now you testified in your direct witness statement that the interviews took place inside the garage?

A That is correct.

Q And actually the interview took place at the mechanic's station, is that not correct?

A Most likely.

Q Now is it not correct that the mechanic was surrounded by the tools of his or her trade at the time of the interview?

A Well, the tools were all around. But the tools were never pulled out, or were not included in the interview.

\* \* \*

A Respondents were not allowed, nor was there any case of

allowing the respondents to look outside of the exhibit for other information in answering the question. That is standard interviewing practice.

**You mean that it the** mechanic is standing there at his or her station where they have a lift, and they have trays on trolley wheels with tools, and they have tools attached to compressed air hoses hanging, that they were not surrounded by these tools and they were not allowed to look at them; not handle them but I saying look at them, were they in plain view?

A They might have been.

Q And in fact, you do not know what the environment was at the time of the interview, because you were not present, were you?

A That is correct.

Q And is it not very possible given the prevalence of the IR-231 in the market and the fact that many of these mechanics own several of these items, that an IR-231 could have been in plain view at the time that the interview for secondary meaning was taking place?

A I think that it is unlikely, but I think that it is a possibility.

Q And your statement that it is unlikely is based on your speculation?

A I will tell you that **these are professional interviewers. And the interviewer should pose herself or himself in such a way that the respondent does not have these other cues available to them. And that is normal interviewing procedure.**

Q **But I thought that the interviewer did not know for whose benefit the survey was taking place, correct?**

A **Yes, of course. But that does not change the role. I do not think that the interviewer knows one gun from another even if it was right in front of him or her. Because this is no part of the normal inventory of consumer stuff that is identifiable to an interviewer.**

**But when I say that the interviews were conducted at a garage, at the work station, it was not conducted so -- it would be normal interviewing procedure for the interviewer to so locate the interview that the respondent would not be looking a tool chest or looking at the equipment around**

him. And I do not think that anybody in the field of survey research would disagree with that.

Q But there are no instructions in the record to that effect, are there, Dr. Helfgott?

A No, there are not. Because as I say, it is normal interviewing procedure.

Q Do you know whether during the interview of the mechanics at their work stations whether there were any other items in the garage that were in plain view that depicted the Ingersoll Rand name, logo, and tools including the IR-231?

A I could not know that, no.

Q So you do not know whether there were posters on the wall?

A I could not know that, no.

Q Calendars?

A I could not know that.

Q In fact, perhaps boxes that housed or contained the 231 impact tool?

A I cannot say.

Q It is correct that the interviewers went to one establishment and selected from that establishment's population two respondents, one for the secondary meaning survey and one for the confusion survey?

A Up to two respondents. If they could get two, they got two, one or two.

Q And these two respondents were kept segregated from each other during their interview?

A Oh, certainly.

Q Were non-respondents kept segregated from the interview?

A Yes. Each interview would be conducted privately.

Q At the work station of the mechanic?

A Probably at the work station of the mechanic. And I say that because in my previous exploratory work that the mechanics are reluctant to leave their work station.

Because they are their tools. They own that work station. They sort of stand around it to guard it, it seems to me.

Q And again these respondents were permitted to handle the exhibits, were they not?

A That is true.

(Helfgott Tr. at 402-405).

161. As to whether weight was a material cognitive factor **associated with the mark** in issue and whether it would have made any difference as **how one phrased the question or presented the 231 Impactool**, Helfgott testified:

It would not have a made a 'difference in the phrasing of the question. If the product in question was noticeably heavier or lighter than [sic] the other products in the field and it was the only one like that, such that the difference in weight implied the brand, then the weight might lead to a conclusion that you might not be able to separate from the visual attributes or the conclusion that you would get from weight alone. In that case, allowing the respondent to experience the weight might be leading, but that was not the case. The weight of the Ingersoll Rand product and the weight of the Astro product are not crucially identified as different from others in the field, so that a brand determination could not be made from weight alone. Another factor that I want to mention is this. That often in response to a "why" question, when you ask a respondent why they made that attribution of source, they will include a common factor rather than a decisive factor, if that is the word for it. I am thinking of a study that I once did asking people to identify a particular brand of luggage. The three exhibits differed from each other in certain characteristics, but they happen all to be in the same color. When you asks them why they picked that particular exhibit, some respondents said it is because of the color, even though the other two that they rejected were of the same color. What they are saying, I believe, is that the color is consistent with the color of the named manufacturer. In other words, there is no reason for me to say it is not that brand because it is the right color. So when you ask "why" question, you can get answers in both of these categories, • definitive clues to source, and common clues of source. In other words, they will be saying something like this, Yes it has these definitive clues of source as of Ingersoll Rand, the shape of the nozzle, etc., and also if it were much lighter or much heavier it could not be an Ingersoll Rand, but it is of the weight of Ingersoll Rand. Do you understand what I am trying to say?

Is it confirming?

It is confirmatory, it says it is in the class.

(Helfgott CX 3 at 20 to 22).

162. According to Helfgott in response to "why" questions as to "What features caused you the respondent to identify the Ingersoll Rand" and the response was only weight, as to whether that meant that it was only weight which led to that conclusion Helfgott testified:

No. And this is what makes me say that "why" questions are merely exploratory. It is saying that as far as weight is concerned, it is not a reason to reject it. As I said before if you had then said to him, "Here is \$5 for every other feature you can name that might indicate that source", I believe you would find that the man can come up with more factors than weight.

(Helfgott CX 3 at 22).

163. Helfgott testified as to the conclusions of the surveys:

A In the secondary meaning survey, where the stimulus was the Ingersoll Rand product, it was identified as an Ingersoll Rand product by 52% of the respondents.

Q Dr. Helfgott, in your experience, having conducted a number of these surveys, how do you evaluate the relative strength of this recognition.

A In terms of my experience, I consider this to be a relatively strong degree of recognition of product source.

Q What were the results of your confusion survey.

We found the level of confusing similarity of the Astro Power product with that of the Ingersoll Rand measured at 29%, which also presents a relatively strong degree of confusion in this context.

Q Dr. Helfgott, I noticed that there is a variance in the recognition factor from city to city. How do you explain that?

A This could be attributable to one or two kinds of things. Either there are real differences in the market place, or they reflect some variation in sampling procedures.

Q What kind of errors could be introduced in such a survey?

A There are two kinds of errors that could occur in any survey. One is called random error and the second is

systematic error. Realize that all sample surveys only attempt to approximate a measurement of the population, or the universe. The random error is a function of the numbers of people in the sample alone. And that error is calculable before you even begin the survey. The other kind of error is a systematic error, and that is in how you select the sample and any bias or lack of randomness that may creep into the selection process.

(Helfgott CX 3 at 24 to 26).

164. With respect to whether allowing the interviewers to handle the product in issue introduces any systematic error into the survey, Helfgott testified:

Well, number one, if that is an error it would be in the nature of a systematic error, and it would not account for the city-by-city differences which we talked about, because that procedure was standard for all four cities. So it won't account for that. It might account for a systematic error that runs through the whole survey if you assume that knowing or feeling the weight of it, would lead one to make a brand determination from that factor. But in this case, I do not consider weight to be an indicative factor.

(Helfgott CX 3 at 26).

165. Helfgott testified that he included the "why" question in the surveys at the strong recommendation of the staff and when asked whether he would "have put the 'why' question in but for that request", Helfgott answered "No." because "I don't give much significance to the answers people give in terms of that, for reasons already discussed. However, I also did not see any reason to exclude it so long as it was requested." He testified that he does not normally put a "why" question in a survey (Helfgott CX 3 at 27; Tr. at 202, 203).

166. Some responses have no "why" question because the request to include a "why" question came after some interviews were done (Helfgott Tr. at 202).

167. With respect to how important is it that one be able to delineate

each of the specific features claimed for protection, Helfgott testified:

The more I understand the better because the less problems there are. Problems may arise in the fuzzy areas. To my knowledge certainly the definition of a trade mark is primarily visual, that is the visual appearance of the product. However, there are other areas that may be decided upon. For instance, is the area of performance part of its secondary meaning? Is weight or feel part of secondary meaning? It seems to be that a case could be made for it either way, I mean that it is fringe area. But let me say that I felt aware of this in designing the study and investigated the degree to which, if it were to be decided that weight was not contributory towards trade mark in terms of the definition of the trade mark, was this weight unusual such that it would lead to a brand identification and I was told it would not, and I independently concluded this and now believe that given the known weights and the feel of these tools, I saw no reason to accept a methodology that would have avoided the respondent holding it, but causing, in my opinion, larger errors which would be much more serious. For instance, the error of not being able to thoroughly inspect the product. I felt that what we did was the best way to give the respondent a complete visual inspection of the product, and that it did not bias or lead to a determination of brand. Therefore this was my methodology of choice.

(CX 3 at 28-29).

168. On the selection of the universe reflecting the market place,

Helfgott testified:

After a discussion with the client, and after independent evaluation, I ascertain that the primary market for Astro 555 and 231 Impactool would be the professional automobile mechanics, found in the garages and auto repair shops throughout the country. We were able to isolate this through a SIC industrial code. The client, Ingersoll Rand, had available to it certain information from its marketing research indicating the general classification category of individual that would be purchasing the tool. The client, Ingersoll Rand, referred to an organization called TRI-NET who provided a print out of the roster of names from which we drew our samples for the cities. In my professional opinion, this constituted about as fair and representative a sample of customers as we could ascertain from all the facts and circumstances that were available to us. I believe that it is the most representative sample that we could have come up with.

(Helfgott CX 3 at 29, 30).

169. According to Helfgott, Ingersoll Rand is "claiming trade dress characteristics for the overall appearance of the whole product" (Helfgott CX

3 at 32).

170. Helfgott was not concerned that the confusion survey results are disproportion per city (Helfgott Tr. at 158).

171. The surveys were conducted in about three and a half weeks (Helfgott Tr. at 164).

172. Helfgott testified as to the use of a "why" question:

THE WITNESS: ... There are two phases to a properly designed research project. The first is called the discovery phase, and the second is called the proof phase.

This almost reduces, in terms of inquiry, to loosely formulated questions that are permissible in the discovery phase. They are really not permissible as a mode of proof.

I, myself, used the "why" question or some such variation of this one when I was formulating my own ideas, throwing out exploratory interviews to decide on how to found [sic] the survey. It's a method, I believe, of discovery. It provides hypotheses; it provides hunches. It is by no means definitive or exhaustive.

When typical, frequently criticism of this kind of question in the research field is that if you gave the respondent five dollars for every answer that he can give you to a "why" question, he'll get two dozen answers or two thousand answers.

But what you typically get in the normal course of events is, some respondents approach it from one way, another approaches it from another way. One starts at the beginning; one starts at the end, so to speak.

They couch these answers in very loose terminology, so they say maybe this, or perhaps, or I guess, or looks like, or ways that are very hard to determine whether this is a figure of speech or actually stands for a real uncertainty.

They will also answer in terms of ground factors, what I call ground factors, rather than causative factors....

(Helfgott Tr. at 203 to 204)

173. Helfgott had about three weeks to do the survey and worked up to the last minute. It was among the shortest time he has had for a survey. He testified: "I had asked for as a minimum five to six weeks of time to do

this. That is what I thought would be normal and correct. For whatever the reasons, I didn't have that. However it is not impossible to do a study, as we illustrated, in the shorter amount of time. It's just that there's a burden you risk errors. You risk doing things too quickly that should be reviewed" (Helfgott SPX 10 at 149, 150).

173a. Ms. Feldman received calls concerning an error in the blue confusion questionnaire and the field supervisors were told how to correct it. Also lots of calls were received about sampling (Helfgott SPX-10 at 152 to 155).

173b. Although given a short deadline, Helfgott did not think the shortness of time affected the quality of his survey in any respect (Helfgott Tr. at 169).

173c. SX 100 includes a July 2, 1990 Helfgott memo to Stryker and Dickey on field studies of Ingersoll Rand, Astro Power and Chicago Pneumatic tools and the conclusion that "we proceed with a large-scale study." In a July 12 Helfgott memo to Dickey the field studies were presented as "a preliminary indication of what exists in the marketplace". SX 100 shows that the preliminary field studies was commenced as early as May 21, 1990.

174. Confusion results in the survey are based on the interviews of 100 survey respondents (Helfgott SPX 10 at 206, 207).

175.

(RX 22).

176.

(RX 22).

177. In the confusion survey (survey II, the blue questionnaire) in answer to Question 1, 14 percent identified Ingersoll Rand and 12 percent

identified Chicago Pneumatic (CX 4 The Results of the Two Surveys at 7; Helfgott Tr. at 425).

178. In the confusion survey the Astro Power tool was identified as an Ingersoll Rand product by 29 percent of the respondents (interviewees) with a statement that the calculation of confidence limits indicated that nine times out of ten, the results would be within plus or minus 7.46 percent of the 29 percent figure i.e., between 22 or 36 percent. Of the 29 percent, 14 percent was in response to question 1 and 15 percent was in response to question 2. (Helfgott, CX 4 The Results of the Two Surveys at 7).

179. On the results of the confusion survey Helfgott testified:

Q Okay. What significance, if any, do you attach to the fact that 49 percent of the survey respondents said Astro or some variation thereof to Question 1(a)?

A On the blue questionnaire? I think it is significant.

Q As far as what?

A Well, they're not confused. Their understanding of the source is Astro at that point. They identified this as an Astro product.

Q Is it reasonable to say, then, that a significant portion of your survey sample is not confused as to the source of Astro products?

A Yes.

Q Just so I understand this, how do you reconcile that factor, then, with the 29 percent confusion rate that you have for the Ingersoll Rand product?

A They're very compatible. Is the cup half full or half empty? Both are true at the same time. This is just a matter of the way you want to describe a finding. What we found is 29 percent of the respondents give an inaccurate identification of source as Ingersoll Rand. We call that confusion. Another 49 percent give Astro as source.. We call that not confusion. Another, by subtraction perhaps, 20 percent give other brands, or don't know, and that is whatever it is.

That's the tabular or results, so to speak. Now we have to decide what significance it has in terms of the legal claims.

I've never, ever done -- and nobody else has, either -- a confusion survey that ever got 100 percent confusion. In fact, most confusion studies are in the minority, so to speak. It's really a question of the court to decide what's significant.

(Helfgott SPX 10 at 207, 208).

180. The exhibit that was used to elicit responses from the interviewees in the confusion blue survey II was the unmasked actual Astro 555 half inch air impact wrench which did not include the packaging (Helfgott Tr. at 425; CX 4).

181. On the exclusive use of automotive mechanics to form the target universe, Helfgott further testified at the hearing:

Q When you selected automobile mechanics as the target universe, were you aware at that time that there were any other purchasers or users of the IR-231?

A There probably are. And I was aware, as one always is when one tries to define a universe, the periphery of the other universe is vague, let me say it this way. I am sure there are other people who buy this that are not employed auto mechanics, such as perhaps individual auto hobbyists, hotrod people, et cetera; but one cannot -- one tries to capture the core of the universe and sample from it because it is really not possible to sample correctly all the little fringes that often hang around the major market for a product.

For instance, you do survey on cigars, let us say. Well, some women smoke cigars. It is not all men, but the proportion is very, very tiny and you don't define them in the universe because the core universe for cigars is male. Similarly, I believe the core market for this is automobile mechanics.

(Helfgott, Tr. at 365-66).

182. The relevant universe in this investigation is present and potential purchasers of the IR-231 (Helfgott, SPX 10 at 65; Tr. at 408).

183. Due to abuse of the tools by mechanics, the maximum life of an impact wrench tends to be approximately three years, and the average life of an impact wrench tends to be approximately one and a half years (Kuhn, Tr. at 1169).

184. Kuhn further testified that automotive mechanics typically own more than one impact wrench at a time (Kuhn, Tr. at 1168).

185. The universe in both surveys was automotive mechanics who use an air impact wrench in their work. A mechanic qualified as a respondent by answering in the affirmative the following questions: (1) Are you an auto mechanic? and (2) Do you use an air impact wrench in your work? (SX 108, at 1).

186. Interviewers completed two interviews, one for each survey, in each establishment visited provided that two qualified respondents were available. (CX 004, at 2).

187. The survey sample in each of the secondary meaning and confusion surveys was comprised of 100 automotive mechanics (CX 4, at 2).

187a. Helfgott testified as to the sampling used in the surveys:

Q Was the sampling of the universe conducted in accordance with acceptive standards of objective procedures and statistics in the field of such surveys?

A Yes.

\* \* \*

MR. GOULD: Well, I think we just want an explanation of why Dr. Helfgott feels 100 survey interviewees were enough when he got disproportionate answers to the extent that he did for the Ingersoll Rand response.

\* \* \*

THE WITNESS: But the way you judge the adequacy of the number in the sample is dependent upon the amount of random error you are willing to accept. The footnotes to

the percentage yielded -- and I will have to go back now to find the right page for you.

\* \* \*

THE WITNESS: If we take page 6 of the report where the 52 percent figure is give, for instance. It's the first survey result mentioned, and that's for the secondary meaning study. There is a footnote, and it said, "Calculation of confidence limits indicates that nine times out of 10 the results will be within plus or minus 8.2 percent of this figure, or between 44 and 60 percent, and that's on a sample size of 100."

I consider that to be sufficient. I don't need to narrow the error range by increasing the sample. You can narrow that error range down from 8 percent, let's say, at 4 percent. I can cut it in half by increasing the sample. But to half the error range, you have to increase the sample not twice, but for times. To reduce the error range to a third, you have to increase the sample size nine times. So, you see, it gets very costly, time consuming and often impossible to execute if you're looking for very, very, very narrow ranges.

Now, I might say that the size of the sample required for this calculation has nothing to do with the size of the universe or with the variation from market to market that you achieve in the survey. It has to do only with the size of the sample, assuming a probability sample, which this calculation assumes.

I don't know if you're following me, but I can explore any part of that if you want.

\* \* \*

Q Back to page 14. When you get an answer such as **eight from one city and zero for the other, and neither of the other two cities are more than half of eight, doesn't that suggest in your mind that maybe there was too much error, or at least that should have been explored?**

A **What do you mean by too much error?**

Q **Something about the survey was erroneous to get such a different result.**

A **I don't expect identical results in four cities. Otherwise, just use one. If there are four cities the same, or four markets in America that are the same, use one.**

Now, certainly the more you use the better in terms of numbers, in terms of cities, et cetera. However, at one point there is a point of diminishing return. As I explained to you that these little improvements get very costly in terms of time, money, exhibits needed, interviews needed, et cetera. It was my feeling, and I don't think that this data contradicts it in any way, that a randomly selected probability sample based on four markets, one from each of the four major quadrants in America, would be appropriate.

Q So if you had more time, Dr. Helfgott, you could have done more surveys. Is that right?

A Well, let me say it this way. You can do it up to the point of doing the census and talk to every garage mechanic in every market in America, and then you have a census and not a survey. But you can go to that extent. I say this -- there's a reason for doing a sample, because if you do a probability sample, you can predict the amount of -- if you do a probability sample, there should be no systemic error and the amount of random error is predictable from the size of the sample.

Q If, for instance, here the sample was 100?

A Yes.

Q And so if we increase the sample to 100, the random error would go from what to what?

A I'd have to calculate it, but it would be less than half. It would drop modestly. It wouldn't drop to half. You would have to increase the sample four times to 400 to drop it to half.

Q And how come you didn't consider doing 400 surveys?

A Or 800 or 1600.

Q Let's start with 400.

A Well, because I didn't need that degree of precision. It didn't make a great deal of difference to me, I felt, or should not to the court, whether the 52 percent that I produce as a secondary meaning figure has an 8 percent, plus or minus 8 percent range of random error or a plus minus 4 percent range of random error.

(Helfgott CX 3 at 30; Helfgott Tr. at 160 to 164).

187b. At the hearing on a question in a hypothetical survey suggesting an answer, Helfgott testified:

Q Dr. Helfgott, I'm going to outline three questions, and I'll say them first, and I'd like you to -- I'll say them slowly. I'd like you to take notes because I'm going to try and make them as simple and short as I can, and I'll tell you after I tell you these questions, I'm going to ask you what you think each question suggests to an interviewee.

\* \* \*

MR. GOULD: And I'll also say these questions are all asked upon showing the interviewee an exhibit like was done in your survey.

The first question is what company makes this tool. The second question is what company or companies make this tool. The third question, what companies make this tool, and, Dr. Helfgott, I'll ask you if you need me to repeat either of those, any of those three questions.

\* \* \*

THE WITNESS: I have them, yes.

BY MR. GOULD:

Q Let's go through starting with 1 and go through to 3 and let me know what you think each question would suggest to the respondent, to the interviewee.

A In terms of?

Q In terms of whether it suggests singular or multiple response.

I think the first question suggests a singular response because it refers to the particular tool in question. I'm going to jump to the third and then I'll come back to the second.

I think the third question suggests a multiple response because it refers to the exhibit as an example of a product field, not a particular brand. You would get, I think, the same answers to that question no matter which tennis shoe you put down, so to speak, because it's not standing for a particular brand, it's standing for tennis shoe generically.

\* \* \*

THE WITNESS: Okay. I think the middle question is indeterminate. It falls between the two.

BY MR. GOULD:

Q Doesn't the middle question give the interviewee the option of giving you a single response or multiple responses?

A Yes, but -- it could do that. However, I'm not sure it's desirable. If the single response points to the particular brand identification and the other is just a product identification, you'd be much better asking these two questions separately if you want both of those considered.

Q Well, you only asked this question one way, is that right? Dr. Helfgott?

A That's correct.

\* \* \*

Q In the effort to make a real clear record on this, let me pose the question this way, and I think this will be much more clear.

A little earlier, Dr. Helfgott, I asked you about the question what company makes this, and I believe you responded that that would suggest a singular answer, is that correct?

A Yes.

Q So, just tell me now what's the difference between that question and your Question Number 1 on your survey. Do you know the brand name of this tool or the name of the company that makes it?

A I believe that -- am I right in thinking that -- give Inc your first question again, I am sorry.

Q What company makes the tool?

JUDGE LUCKERN: What company makes the tool.

MR. GOULD: I should point out that sometimes I am saying what company makes it, or what company makes the tool.

BY MR. GOULD:

Q Let's go with what company makes the tool?

A Is that different from the question as on the questionnaire, that is what you are asking, am I right?

JUDGE LUCKERN: The question is do you know the brand name of this tool or the name of the company?

THE WITNESS: For one thing, you have omitted the possibility of a brand name, you are just focusing on the company, so to that degree there is a difference. To say what company makes it or do you know the name of the company who makes it, I do not think that there is a difference there.

BY MR. GOULD:

Q And further to clarify, in Question No. 1 in your survey, you asked for the brand name as opposed to the brand name or brand names, is that correct?

A That is correct. I do not know of any individual product that has more than one brand name.

(Helfgott Tr. at 134 to 139).

187c. Stryker testified that the end-user market is primarily served by "jobbers". There are two kinds of jobbers. One is the "plate glass jobber" who sells from a stationary store, and the other is a "mobile jobber" who sells from a truck with which the mobile jobber calls on customers. Jobbers usually purchase their inventory from warehouse distributors (Stryker, CX 1 at 23).

187d. When asked if conducting interviews near a mobile jobber's truck yield more interviewees in a buying mood, Helfgott testified that, in his opinion, if he were to have conducted his survey interviews near a mobile jobber's truck the survey would have been biased because the mechanics are familiar with the mobile jobbers and know what brands they sell (Helfgott, Tr. at 414).

187e. Helfgott testified that conducting his survey interviews outside a

store front where impact wrenches are sold was not a realistic option because the stores' sales volumes are so low that he would have been unable to finish the survey in a reasonable amount of time (Helfgott, Tr. at 415).

187f. Helfgott testified that in preparation for the surveys he interviewed a mobile jobber. Helfgott determined that the mobile jobber approaches the mechanics, shows them what he wants and takes orders (Helfgott SPX 10 at 92).

187g. Of the 100 secondary meaning questionnaires used in the actual secondary meaning survey, 66 used Question 1b (a "why" question viz. "What features of this tool makes you say that? Please be as specific and complete as you can.") and 34 did not (CPX 34).

187h. Of the 52 interviewees counted by complainant as having answered "Ingersoll Rand" in response to Question 1, 17 were not asked Question 1b (CPX 34).

187i. Helfgott testified with respect to an interviewee response (Bates 25):

A The answer to Question 1(b) is, quote: "The weight and the style", unquote.

Q Now do you have any understanding of whether weight is a part of the trademark that Ingersoll-Rand is asserting in this investigation?

A I believe Ingersoll-Rand is not asserting it should be part of the trademark.

Q What about style? Is that part of Ingersoll-Rand's trademark?

A Well, it depends on what you mean -- by what is meant by "style". I would have to refer back to their written statement to see whether the word "style" is excluded or not.

Q But you don't know, based on this Bates 25, do you?

**A No.**

JUDGE LUCKERN: Do you have any idea, Dr. Helfgott? You can't read into this interviewee's mind, but do we know from anything that the interviewee meant when the interviewee said "the style", this particularly on Bates 25?

THE WITNESS: I don't. But to properly answer this question takes a lengthy discourse on why I don't approve of the question in the first place and why it was not included in the original design of the study and was only included after the study had already begun. That's why it's missing from several of the interviews on the request of the in-house attorney.

Therefore, I won't defend it because it's not my question.

(Helfgott Tr. at 200-201)

187j. Helfgott testified as to answers to Question 1b:

**Q** And can you tell me again what your proposed experiment is to test whether there is secondary meaning in I believe it was the gray cap?

**A** I said that if you want to determine the causes of a respondent attributing a particular company as a source of a product, that it is the researcher's responsibility to frame it in terms of an experiment where every respondent is looking at the same stimulus, and is judging the same factor, not knowing that they are judging the factor. That everybody participates in it.

This is unlike asking the "why" question. If for instance you think that a given brand such as Parker pen is the response to a stimulus because of some part of it, such as let's say the color of the cap, then the correct way, I believe, of approaching it as a method of proof is to present the same product with a different color cap and see if by changing the color of the cap that that Parker associations are reduced, and if so to what degree.

And you can do this systematically for every factor and every descriptive value that you in your discovery phase of thinking about it might think is causal to the Parker pen attribution. This I think is the proper way of approaching it. To take a method of discovery and make it a method of proof is a poor procedure in my opinion.

**Q** So I take it that it is not enough to have a respondent see a stimulus, and then for him to identify just the

source like Parker without knowing more, is that correct?

A Say that again, please.

Q Maybe my question should be phrased a little better. In your pen scenario, if someone merely sees a pen and identifies it as Parker, that is not enough to know whether he is giving a trademark significant response, is that correct?

A It may be enough. It depends upon what you are required to produce as evidence. There are two things. There are measurements of secondary meaning or of confusion, and then there are attempted explanations. I have never seen that one is required to go beyond the measurement. But if one wants to go beyond the measurement into an explanation, then the explanation has to be definitive. And the product of a scientific inquiry is so that there is no bias in the answer.

To me, the "why" question has a bias in the sense that all respondents are not thinking about the same thing among other biases.

Q And by the "why" question here, you mean the question, "What features of this tool makes you say that?"

A That is a variation on the same thing. I will comment on the variation if you like. This at least was an attempt to get features rather than vague statements like "it looks like it". We were trying to pin it down to particular product features.

Q Statement like "it looks like it" are not really enough, but you want something further?

I think that we both agree that to say the shape of something or the color of something is better than just saying it looks like it.

\* \* \*

Q And Answer No. 3 [Bates 25] what is that answer there?

A "By the design of the body."

Q And that is the answer to the "why" question?

A It is.

Q And that is pretty much like a "looks like it", right?

A Certainly, it is closer to that than the cone or the rating, yes. It is in the area of fairly general answers.

(Helfgott Tr. at 223-225, 230).

187k. Helfgott testified that he could not tell why the interviewer wrote the parenthetical notation "(constr)" on Bates 101 or whether it was said by the interviewee as part of his answer. Helfgott also testified that he likewise could not identify the origin of the parenthetical notation ("grip)" on Bates 103 (Helfgott, Tr. 349-351).

187l. Helfgott testified that where an interviewee gives multiple responses, as long as one of the responses was "correct" it would be counted in the survey results. Helfgott testified that the rule would not be used preferentially and what in the confusion survey an Astro reference among multiple references would be counted as an Astro reference (Helfgott, Tr. at 191).

187m. Helfgott testified that it was reported to him by the interviewers that in response to the screening questions 100% of the interviewees said they use an air impact wrench. This information was not recorded in any records of the survey and that, because the totals were 100% in both surveys, there was no need to record the information (Helfgott, Tr. 279-80).

187n. Helfgott testified that with respect to Bates 142, 143 and 149 (all confusion questionnaires) phrases such as "seems to be", "looks like", or "probably", which precede a company identification, received identical treatment, in terms of tabulation, to those identifications of companies without such qualifying language (Helfgott, Tr. 470-72).

K. Circumstantial Evidence

188. The Ingersoll Rand logo is prominently featured in Ingersoll Rand's advertisements, its air impact wrench 231, its catalogues, (Stryker Tr. 845,

846, 849 to 868).

189. Ingersoll Rand's advertisement do not promote the asserted mark over elements, e.g., functional elements, which are not part of the asserted mark. Moreover some of the elements of the asserted mark in the advertisements are merely incidental (SX 40-42).

190. Although complainant's advertising of the IR-231 includes visual depictions of the IR-231, the advertising emphasizes the power, performance and reliability of the IR-231 to the exclusion of any of the alleged aesthetic, non-functional design features claimed in this investigation (RX 1; fee RPF 72 Ad).

191. In Ingersoll-Rand's advertising for the IR-231, two-piece construction has been stressed as providing easy serviceability (Stryker Tr. 895).

192. A 1990 Ingersoll-Rand Automotive Power Tools catalog advertises features of the IR-231, including:

Steel hammer case provides maximum protection.

Two piece construction provides for easy servicing.

Variable speed trigger provides complete control of power output.

Balanced design allows easy handling.

(SPX 2 at 12).

193. Some of Ingersoll-Rand's direct advertising materials have stated that:

The 1/2" drive Impactool is probably the most important tool for automotive service. To give you a better idea of the engineering quality of our tools we are using 231 as a typical example.

(SX 40 at 4).

194. Among the features that have been advertised by IR are the following:

hardened steel hammer case for extra protection of impact mechanism.

"2-pack" construction for easy servicing.

high power-to-weight ratio

lightweight compact design makes the tools exceptionally maneuverable and ideal for use in close quarters.

strong, comfortable handles contoured to fit the operator's hand for faster, fatigue-free work.

\* \* \*

specially selected steel accurately machined and heat treated insures long life of critical parts.

simplified design guarantees ease of maintenance. Parts are easily accessible and economical to replace.

(SX 40 at 4) (Emphasis in original).

195. In connection with the IR-231, Ingersoll-Rand advertised that:

You get precision control of speed and power with the built in trigger stop regulator. And IR's convenient forward reverse feature saves time and effort.

(SX 40 at 1).

196. Ingersoll-Rand advertised that the 231 has:

heavy duty motor housing and job-proven air motor for long, tough service.

smooth, vibration-free performance - a tool that's easy to handle without tiring.

(SX 40 at 2; see SX 40 at 3).

197.

(RX 19) (Emphasis in original).

198. A visual comparison of the general overall appearance of the IR-231 (CPX-1) to several other one half inch air impact wrenches on the market, such as SPX 15 identified as Chicago Pneumatic 743-2, SPX 16 identified as Central Pneumatic SKU 2065 and SPX 14 identified as Mac Tool AW 234 show similar as well as identical elements. While the AW 234 has some differences in its front end assembly compared with the others, it has similar, if not the same, side-to-side rotational and power control and triggers as well as handles.

199. In 1979 several changes were incorporated to the 231 housing and one of those was the shift of the inlet air at the front of the handle to the rear of the handle and the oiler plug was taken from the rear of the handle and moved to the front of the handle. The thumb rest was also removed in 1979 (Davis CX 3 at 42). A thumb rest is visually seen in CPX 3 which has been identified as an air impact wrench marketed and sold by Mac Tool. It is similar to what was on the IR-231 before its removal in 1979 (Davies Tr. at 642).

200. A 2nd Quarter 1972 Ingersoll Rand advertisement for the 231 shows a series of white hashmarks on the trigger to help with power regulation. They no longer appear in the 231 (CPX 1). Also the trigger MCPX-1 has indentations on both sides. The lines on the trigger were removed when Ingersoll Rand went to power regulation (RX-1 at 4, Davies SPX 8 at 70, Davies Tr. at 643 to 644).

201. In Bogg's experience the end users typically ask for the IR-231 by name, i.e. "they ask for a 231" (Boggs SPX 7 at 52).

202. The IR-231 is always sold with the brand name and the IR logo

prominently displayed on the products. The box which acts as a packaging for the IR-231 carries or prominently displays the Ingersoll Rand name and the IR logo (Stryker Tr. at 965, 966).

203. Ingersoll Rand in its container for selling the 231 and in advertising of the 231 has its logo with a black background although on the 231 there is no black background for the symbol IR and the R in the circle. The black background on the container and advertising is to show off much better, in photography, Ingersoll Rand's registered trademark (Stryker Tr. at 966, 967).

204. The purpose of putting the registered trademark on the IR-231 tool is to show source of supply which is a common practice among manufacturers of those products. The Astro 555 uses a trademark and a logo on its 555 which are different from those on the IR-231 (Stryker Tr. at 966, 967).

205. SX 42, excluding several pages, represents IR's current cooperative advertising package (since around 1984) for the automotive market. It requires that for selling the IR-231 the Ingersoll Rand brand name or logo must appear prominently in any headline or the subhead of an ad (Stryker Tr. at 968, 969).

206. Ingersoll Rand's program to acquaint potential purchasers with the products that Ingersoll Rand offers the automotive service industry has a total annual expenditure on average to well over \_\_\_\_\_ a year. The 231 represents approximately a \_\_\_\_\_ percent of that cost. Stryker does not know the volume of the manufacturing revenue which has been specifically earmarked for the IR-231 (Stryker CX 1, Question S2; Stryker Tr. at 1032, 1033).

207. Ingersoll Rand in its co-op advertising program supplies sellers with camera-ready art that shows a picture of the IR tool and its model

number. The brand name Ingersoll Rand and/or the IR logo, the registered trademark, is incorporated into the ad copy (Kuhn Tr. at 1132).

208. Kuhn came into contact with end users of half-inch air impact wrenches when he was a wagon jobber with a truck, i.e., a door-to-door tool salesman. The truck is similar to a bread truck. The wagon jobber demonstrates the tools inside the place of business as well as on the tool trucks. There are shelves for display of tools on both sides of the truck. When Kuhn was a jobber, he brought the whole package with the tool when he went inside the place of business to demonstrate products because packaging typically denotes a marketing approach by the manufacturers and helps to sell the product (Kuhn Tr. at 1105, 1106).

209. While Kuhn, when he was a mobile jobber, had the IR-231 indicated in his inventory of potential products to sell to customers, he rarely sold the IR-231 (Kuhn Tr. at 1095).

210. Kuhn has seen a significant progress in the rate of sale of the IR-231 since he started Stampede Tool seven years ago. Ingersoll Rand about six years ago took on "offshore" tools which included air impact wrenches as well as significant other automobile tools. Today Ingersoll Rand has a pretty complete line of automotive air tools (Kuhn Tr. at 1097-1098).

211. Kuhn has never heard any of his customers or the customers of his customers make any reference to associating the appearance or the shape of the configuration of the IR-231 with Ingersoll Rand exclusive of any identifying brand name or logo. As a jobber for two years Kuhn found people very familiar with a Chicago Pneumatic 734 but the Ingersoll Rand half inch impact wrench "had to be sold completely, bringing in the company's history, 'bringing in the product, bringing in the torque, bringing in this, and giving demos out. It

did not rest on its past." To Kuhn the end users have never indicated that.

"I am buying this tool because it looks like this" (Kuhn Tr. at 1100-1101).

212. According to Kuhn, people buy the IR-231 because of its power (Kuhn Tr. at 1102).

213. Kuhn testified:

Q Do you consider the auto mechanics that you and our customers deal with to be fairly knowledgeable about the half-inch air impact wrenches?

A Yes, I do.

Q Do you know whether they are aware of the identity of all of the manufacturers that offer these products in the marketplace?

A I believe they have got knowledge of who is out there and who is not.

Q Before they purchase manufacturer's half-inch air impact wrench do they do any analysis in their own minds as far as purchasing or do they just purchase impulsively?

A No. They compare price, performance. They take the opinions of their fellow mechanics, if it's a new mechanic. They take many factors into it before they buy and then they shop around and buy the cheapest price from whatever one of five tool dealers that walk in the door that week.

Q Do you know how end users differentiate and tell the difference between the different half-inch air impact wrenches that are out in the market?

A By the name on the product.

Q When you say by the name of the product, do you mean the brand name that is on the product?

A The brand name and by who is selling it, the packaging, the logos.

Q Thank you. Are you aware of any instances in which manufacturers or suppliers of half-inch air impact wrenches copy each other's products?

A Yes. The whole industry is a big copy.

Q Does that hold true -- when you say industry, are you talking about the automotive air impact industry?

A The automotive air tool business is one copying another copying another.

Q Is this being done to confuse people? Why do manufacturers copy each other?

A Market share. Jockeying for position out there.

Q Do you know whether Chicago Pneumatic has copied other competing manufacturers' products?

A I'm not aware. They are the most copied product out there.

Q Their product is the most copied?

A Their product is the most copied.  
\* \* \*

Q But they (IR] sell it will the Ingersoll Rand brand name and logo on it, do they not?

A Yes, sir.

Q And from your knowledge -- do you buy that product from Ingersoll Rand?

A Yes, I do.

Q And you understand that they come from Ingersoll Rand?

A Pardon me?

Q You understand that it comes from Ingersoll Rand?

A Yes, I do.

Q Have you ever believed that that product is made for Ingersoll Rand by Chicago Pneumatic?

A No.

Q Do you know anybody that believes that?

A No.

Q And prior to six years ago -- let's go to seven years ago, is it your testimony that Astro Pneumatics automotive air tool product line was broader and offered more products

that Ingersoll Rand did?

A Much broader.

Q Have you ever heard of any instances in the marketplace in which you sell where anybody has confused an Astro air impact wrench as being manufactured -- as either an IR-231 or manufactured for Astro by Ingersoll Rand?

A I have never heard-that.

Q Just one last few questions, Mr. Kuhn. I just wanted to confirm: In every instance in which you have seen these products sold, I am speaking about air impact wrenches, have they always been sold with their packaging and accompanying product literature?

**A Every time I** have sold it, it has been that way.

Q Are you familiar with the Mac 234 product, sir?

**A Yes, I am.**

Q **And you have** already testified that you are familiar with IR-231 product. Is that correct?

**A Yes.**

(Kuhn Tr. at 1171-1174)

**I. Functionality**

214. Some of the factors that are usually considered in designing air impact wrenches, similar to the IR-231, are performance, durability, ergonomics, safety, serviceability, quality and cost of manufacture (Davies SPX 8 at 93; Boggs SPX 7 at 21-22).

215. The text of, and answer to, Interrogatory No. 26 of the staff's First Set of Interrogatories to complainant are as follows:

26.

(SX 16 at 2).

216. Boggs testified that the efficiency of a tool depends upon the motor and clutch mechanism or "whatever you have hanging on the front end of it" and how they fit and operate together (Boggs SPX 7 at 21).

217. The internal portion of the hammer casing of the IR-231 is internally controlled to specific dimensions to provide clearance for the impact mechanism to operate and to provide the proper positioning of an internal ring to provide squeeze to the motor (Davies Tr. 563, 570-573; Davies CX 2 at 22).

218. The impact mechanism in the IR-231 is called the twin-hammer mechanism (Davies Tr. 557, 560).

219. The twin-hammer mechanism in the IR-231 is enclosed in the black hammer casing (Davies Tr. 560-561).

220. Davies testified that he thought that the IR-231's twin-hammer mechanism is comparable or superior to other mechanisms that are available, and that from a performance standpoint, the mechanism gives a competitive edge to the IR-231 over other air impact wrenches (Davies Tr. 559). Davies further testified that in his opinion there are no other mechanisms available on the **market that are in any way superior to the twin-hammer mechanism in the IR-231 (Davies Tr. 560).**

**221. The design of the hammer casing of the IR-231 must accommodate the patented mechanism in such a way that it can function properly (Davies Tr. 573).**

222. The interior and the exterior of the hammer casing of the IR-231

are symmetrical (Davies Tr. 561). The hammer casing is symmetrical to accommodate the impact mechanism. It would be possible to design a hammer casing that was asymmetrical as long as it would still accommodate the impact mechanism (Davies Tr. 570-571). Davies testified that although the twin hammer mechanism of the IR-231 could be contained in a pyramid or triangle shape as long as the shape accommodated the internal mechanism's movement, he thought that such a configuration "would probably be more expensive" than the configuration currently used (Davies Tr. 575).

223. All of the hammer casing complainant uses to house the twin-hammer mechanism in its entire line of air impact tools are symmetrical in their exterior and interior configurations (Davies Tr. 578; CPF 69 Ad).

224. The exterior circumference of the hammer casing of the ra-231 is controlled to specific dimensions (Davies Tr. 563).

225. A lot of variation is possible with the exterior shape of the hammer casing, but differences in size, density and shape that could affect the cost of manufacture would be considered (Boggs SPX 7 at 22-23). Davies testified that a bigger hammer casing for the IR-231 than that already used would be less cost-effective (Davies Tr. 573).

226. A lot of variation is possible with the exterior shape of the motor casing of the IR-231 (Boggs SPX 7 at 21).

227.

(Davies SPX 8 at 94).

228.

(Davies Tr. 587-588).

229.

(Davies Tr. 588).

230.

(Davies Tr. 590-591).. Painting the hammer casing after the ferro process would make the tool more costly to manufacture and would be impractical because it would amount to putting two finishes on the same part within the manufacturing process (Davies Tr. 717).

231. With respect to the cost of manufacturing the hammer casing, Davies testified as follows:

Q Additionally, some various alternatives were presented during the testimony that indicated if we made it longer, it would cost more. You said, yes, et cetera. Generally, are there lower cost ways of producing the hammer housing?

A I would say that a lower cost material such as aluminum would be a lower cost option. Composite materials in this day and age are coming down significantly in price and will probably be an option for less cost.

Also, the option of eliminating the hammer case and making the handle one piece as far as motor housing and hammer case encompassed in one piece on the tool is an option for eliminating parts. And today in engineering and in manufacturing, we are always striving to design for assembly, design for manufacturability. And a lot of that has to do with minimization of part count. So eliminating part number or parts within the product would be lower cost options.

(Davies Tr. 717-718).

232. With respect to using aluminum for the housing on an air impact wrench, Davies testified:

Q Did you testify, Mr. Davies, that an aluminum hammer housing such as on the tool you had in front of you which you can identify again met the same standard as the hammer housing on the 231. Is that correct?

A It provides encapsulation function of the hammer mechanism and protection.

**THE WITNESS: CPX-3.**

**BY MR. GOULD:**

Q - Are you saying it provides the same minimum level of protection as the 231?

A Yes, I believe I am.

Q Going beyond a minimum level of protection, does the 231 hammer housing ultimately provide a **higher degree** of protection than the other exhibit, even if it is a very high degree of protection?

A Again, I have never conducted any tests as far as whether or not the hammer housing or **hammer case on the 231 provides any more protection than, which is CPX-1, any more protection than the hammer case or housing on CPX-003.**

(Davies Tr. 728).

233. With respect to possibility of using a composite, Davies testified:

Q As you sit here today, Mr Davies, can you name a specific composite material that would be suitable to replace the hammer housing on the IR-231?

A Specifically as far as compound is concerned?

Q Yes:

A No.

(Davies Tr. 729).

234. The IR-231 with its twin-hammer mechanism has developed a reputation over the years as being the most powerful and the most durable product, lasting the longest in a market where tools have the tendency to fall

apart (Stryker CX 1 at 32; Stryker Tr. 1040-1041).

235. Kuhn disagreed with Davies (see FF 232) about the protection provided by the hammer casing of the IR-231. Kuhn runs an authorized service center for Ingersoll Rand and for Mac Tools (Kuhn Tr. 1175), and testified as follows:

Q Are you familiar with the Mac 234 product, sir?

A Yes, I am.

Q And you already testified that you are familiar with the IR-231 product. Is that correct?

A Yes.

Q Did you hear the testimony of Mr. Robert Davies that the hammer casing, the aluminum casing of the Mac 234 affords the same degree of protection as the steel hammer casing of the IR-231?

A Yes, I did hear that.

Q Do you agree or disagree with that statement.

A Totally disagree.

Q For what reason?

A The most maintained item on that tool as far as the service center goes and Mac Tool goes is the nose piece or the hammer cover here. Because of the material, it shatters.

Q The material being aluminum?

A I don't know what the material is made of. I know it does not hold up the same as the Ingersoll-Rand 231.

(Kuhn Tr. at 1174-1175).

235a. The sheen on the IR-231 is from polished aluminium, which is not exclusive to Ingersoll Rand (Davies Tr. at 727).

236. With respect to the shape of the edges on air impact wrenches, Boggs testified as follows:

Q And what sorts of design features would change the cost to manufacture?

A The size, the density of the housing.

Q The shape?

A The shape, of course.

Q What sorts of shape?

A Depending upon the type of tool, where you wanted to balance the handle on the motor housing so that it wasn't either nose-heavy or top-heavy.

Q How about things like square edges, for example?

A You would just really never try to have a square edge.

Q Why not?

A It wears, for one thing, and it's easier to get into a small area -- Where you've got different things around in front of a nut or a bolt where you're trying to get an impact wrench on there, it's a lot easier to get something that's round in there than it is something that's square.

Q How about in terms of cost to manufacture? What would a square edge do to casting costs?

A A square edge would be more expensive, from my understanding anyway at this point, than a round one.

(Boggs SPX 7 at 23).

237. A compact design makes an air impact wrench maneuverable and useful in small areas (SX 40 at 4).

238. Stryker testified that when an operator of an air impact wrench is performing a "heavy duty job, he tends to use it as a two handed' tool putting his left hand, if he is a right handed, on top of the tool" (Stryker CX 1 at 15). An air impact wrench like the IR-231 that has two-piece construction of its motor housing and front end, with a ridge at the top, is not as comfortable to work with as a tool that has a smooth, continuous flow of material (Stryker Tr. at 891-892; Stryker CX 1 at 15). However, two-piece

construction makes it easier to service the impact mechanism because the tool can be split apart (Stryker Tr. 894). Davies testified that one need only remove three cap screws on the IR-231 for almost total disassembly in order to service the internal components (Davies SPX 8 at 96).

239. The smooth surfaces of the IR-231 without sharp corners make the tool safer to use (Davies Tr. 672).

240. The pistol grip design of the IR-231 was used prior to the time that the IR-231 came on the market (Davies Tr. 628).

241. Davies testified that the size and location of the pistol grip of the IR-231 affects the tool's balance. He testified as follows:

Q With respect to the location of the pistol grip on the product, do you know whether or not the location and the size of the grip in any way affects the balance of the tool?

A Yes, it does.

Q If the grip was shorter, would it affect the balance of the tool.

A Not as I know what balance means.

Q Why don't you tell us what balance means? I think that might help clear up the record.

A It suggests that when you hold the tool in your hand balances whether or not the tool wants to fall forward or fall backward. Okay? And the position of the handle itself on the tool would be more susceptible to changing the balance than the length of the handle.

(Davies Tr. 628).

242. Moving the pistol grip on the IR-231 either forward or backward would affect the balance of the tool. Making the pistol grip shorter or longer would affect the balance of the tool (Davies SPX 8 at 94).

243. Stryker testified that from a purely ergonomic standpoint, the handle of the IR-231 would be longer, but conceded that when Ingersoll-Rand

designed longer handles, customers rejected the handles and asked for the design to be changed because with longer handles the tools were difficult to .fit into tight spots (Stryker CX 1 at 14).

244. When asked about nonfunctional features of the IR-231, Boggs testified in part as follows:

The black and silver, the regulator. What else?

A The trigger.

Q What about the trigger?

A Location of the trigger, ergonomically just perfect for anyone's finger.

Q Once again that sounds to me like a functional feature of the product. When you talk about ergonomics, if I understand it correctly --

A Yes, that would be functional.

Q Now you say the location of the trigger. It's located sort of at the juncture of the housing and the handle.

A Yeah, but the pivot point is the key, as to where the pivot point of that trigger is and as to the feel of the trigger and how you're able to inch an -- what we call inch an impact wrench or inch a tool slow speed to high speed with the trigger.

Q What nonfunctional features would you attribute to the trigger?

A Nonfunctional features. I don't know if you would call it nonfunctional. I guess it's just recognized as an ergonomically designed type of a trigger, where it's located.

Q What about the silhouette of the tool?

A The silhouette of the tool is what I just spoke about basically with the black and the shiny and the total silhouette of the tool, the exterior silhouette, is recognized as Ingersoll-Rand.

(Boggs SPX 7 at 28-29).

245. The trigger of the IR-231 was designed so that it would not pinch anyone's finger, and the location was decided upon so as to meet that objective (Boggs Tr. 748).

246. Boggs believes that the location of the trigger of the IR-231 is superior to any other location that might be used (Boggs Tr. 748-749).

247. The location, pivot point and feel of the trigger of the IR-231 is ergonomically advantageous. The trigger also allows a mechanic "to inch", i.e., change from slow speed to high speed with the trigger (Boggs SPX 7 at 28).

248. The reverse valve is located at the rear of the IR-231, and is indicated by two black knobs to each side of the handle (Davies Tr. 626; CPR 1). The purpose of the reverse valve is to change the direction of the air flow thereby changing the direction of the rotation of the tool. There are numbers on the housing at both sides of the tool near the reverse valve. The numbers provide a reference point as to the power output of the tool. Zero indicates no air flow, 1 indicates the minimum air flow for the tool, and 5 indicates the maximum air flow. One knob has a slot in it, and the other knob has a notch. The slot and notch act as a pointer directed toward the numbers. Both knobs at the reverse valve have serrated edges. It would be more difficult to rotate the reverse valve if the knobs did not have serrations (Davies Tr. 626-627, 683-684; see FF 21).

249. Stryker testified:

From discussions with customers the basic customer preference for a reverse valve is similar to the CP approach of forward to rear rather than the side-to-side approach.

(Stryker CX 1 at 13).

250. Davies did not think that the location of the regulator was

necessarily superior to any other feasible location:

Q Taking the tool itself, do you believe there is a particular advantage in placing the regulator at the location that it is placed on the 231?

A Versus anywhere else on the tool?

Q Yes.

A It's probably as easy there as anywhere else you could impede or improve the air flow. That is what you are basically doing is adjusting air flow.

(Davies SX 8 at 96).

251. Davies also did not think that there was any location for the regulator that is superior to that of the IR-231:

Q Do you believe that there is any other superior designs as to the regulator on any other impact wrenches in the market?

A Not that I am aware of.

(Davies SX 8 at 96).

252. With respect to the location of the regulator, Kuhn testified:

Q I want to direct your attention to some of the features. Could you indicate the reason for the location of the regulator which also functions as a reverse mechanism?

A The what, now?

Q Looking at the regulator.

A Okay.

Q And doesn't the regulator, you can push/pull it to act also as a forward/reverse?

A Yes.

Q So it has a dual function?

A Right. .

Q What is your understanding of why that particular feature is located where it is?

A Well, the purpose of it is to raise and lower the power of the tool. Why it is at that particular spot I don't know other than it makes sense to me.

Q Why does it make sense to you?

A The mechanic when he is using it can flip it back and forth.

Q And from your experience in the use of these tools, does the mechanic in order to carry out that operation use -- does he carry that operation out with the hand that is holding the handle or with his other free hand?

A He is changing directions and speeds with the free hand.

Q Would it be more convenient or inconvenient if the reverse mechanism was above the trigger underneath the hammer case housing?

A I think it would be more of a problem because the man would actually, if he is sitting on a bolt like this, as it is, it can go back and forth like this.

JUDGE LUCKERN: "Sitting on a bolt like this, " I will be reading the transcript --

THE WITNESS: Positioned on a bolt to work on whatever the mechanic is working on, he can use the forward and reverse valve as it sets. He has got to take the tool off of his work to see it up front here and use it properly.

(Kuhn Tr. 1176-1177).

253. IR's Davies testified that he was always able to recognize the IR-231 although he has never heard anyone at Ingersoll Rand **say** that there was a **trademark** in the design of the 231 (Davies SPX 8 at 74-75).

254. Upon examination by the staff, Boggs testified as follows on the **subject of** how complainant's sales force approaches the market:

Q They are taught to stress certain things about the product **they're selling?**

A **We teach them features and benefit selling and role . playing on how to sell to different types of customer and that type of thing, along with the engineering and how the tools are manufactured, how they're designed and how you repair them.**

Q With regard to the half-inch air impact wrench, what features would they be taught to stress?

A Well, specifically on the 231 impact wrench, at the time that our patent was still valid they were of course taught to stress the twin hammer mechanism and the features of that particular hammer.

Q Anything else?

A Ingersoll-Rand's design, our performance characteristics.

Q Ingersoll-Rand's design meaning what?

A The housing, the basic motor buildup.

Q What about the housing are they taught to stress?

A Just the feel, the balance of the tool. It's a recognized image in the marketplace that that tool is the Cadillac of the industry in the half-inch drive impact wrenches and it's not only here, it's throughout the world.

The 231 is recognized immediately by a mechanic. It's a higher-priced tool which some of them need a bit of a sales job to get them to go for that. It is the Cadillac of the industry and they know it's the longest lasting tool, heavy duty, got the best performance.

It's recognized in the marketplace as the tool to buy.

(Boggs SPX 7 at 24-26).

255. The interior of the IR-231 hammer casing is controlled to specific dimensions to provide clearance for the twin-hammer mechanism and to provide proper positioning of an internal ring to provide motor squeeze to the motor (Davies, Tr. at 563, CX 2 at 21).

CONCLUSIONS OF LAW

1. The Commission has in rem jurisdiction and subject matter jurisdiction.
2. The Commission has in personam jurisdiction over each of the respondents.
3. There are no unfair acts in the importation of certain half-inch air impact wrenches.
4. The mark in issue is de iure functional and thus incapable of becoming a trademark.
5. Assuming the mark in issue is not de facto functional, it is not inherently distinctive and has no secondary meaning.
6. Assuming the mark in issue is a valid common law trademark, there is no infringement.
7. The accused product has been imported into and sold in the United States.
8. Complainant has a domestic industry in certain air impact wrenches.
9. Assuming unfair acts have been proven, importation of certain air impact wrenches has not substantially injured the domestic industry.
10. Assuming unfair acts have been proven, importation of certain air impact wrenches does threaten to destroy or substantially injure the domestic industry.
11. There is no violation of section 337.

INITIAL DETERMINATION AND ORDER

Based on the foregoing findings of fact, conclusions of law, the opinion, and the record as a whole, and having considered all of the pleadings and arguments presented orally and in briefs, as well as certain proposed findings of fact (All Order No. 24), it is the administrative law judge's determination that there is no violation of section 337 in the importation into, and sale in, the United States of certain air impact wrenches.

The administrative law judge hereby CERTIFIES to the Commission this initial determination, together with the record consisting of the following:

1. The transcript of the hearing;
2. The exhibits admitted into evidence and the exhibits as to which objections have been sustained; and
3. AUJ Exhibits 1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), and 1(h).

The pleadings of the parties filed with the Secretary are not certified, since they are already in the Commission's possession in accordance with Commission Rules of Practice and Procedure.

Further it is ORDERED that:

1. In accordance with Rule 210.44(b), all material heretofore marked j camera because of business, financial, and marketing data found by the administrative law judge to be cognizable as confidential business information under Rule 201.6(a), is to be given j, camera treatment continuing after the date this investigation is terminated.
2. Counsel for the parties shall have in the hands of the administrative law judge those portions of the initial determination which contain bracketed confidential business information to be

deleted from the public version of the initial determination, and all attachments thereto, no later than Wednesday May 22, 1991. Such bracketed version shall not be served by telecopy on the administrative law judge. If no comments are received from a party it will mean that the party has no objection to removing the confidential status, in the entirety, from this initial determination.

3. This initial determination shall become the determination of the Commission forty-five (45) days after the service thereof, unless the Commission, within forty-five (45) days after the date of filing of the initial determination shall have ordered review of the initial determination of certain issues therein pursuant to 19 C.F.R. 210.54(b) or 210.55 or by order shall have changed the effective date of the initial determination.

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Paul J. kern  
Administrative Law Judge

Issued: May 6, 1991

ALJ Exhibit List

- ALJ Ex. 1(a)** - Discovery Statement Of Complainant Ingersoll Rand Company
- ALJ Ex. 1(b)** - Joint Discovery Statement Of Respondents Astro Pneumatic Tool Tool Co. and Kuan I Gear Co., Ltd.
- ALJ Ex. 1(c)** - Discovery Statement Of The Commission Investigative Staff
- ALJ Ex. 1(d)** - Complainant's Pre-hearing Statement Pursuant & Ground Relief
- ALJ Ex. 1(e)** - Objections Of Respondents To Complainant's Exhibits
- ALJ Ex. 1(f)** - Prehearing Statement Of The Commission Investigative Staff, including errata
- ALJ Ex. 1(g)** - Joint Prehearing Statement Of Respondents Astro Pneumatic Tool, Co. and Kuan-I Gear Co. Ltd.
- ALJ Ex. 1(h)** - Complainant's Opposition To Respondent's Motion To Disallow Admission Of Helfgott Study



UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D. C.

Before the Honorable Paul J. Luckern

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IN THE MATTER OF )  
 )

CERTAIN AIR IMPACT WRENCHES )  
 )  
\_\_\_\_\_)

Inv. No. 337-TA-311

DISCOVERY STATEMENT OF COMPLAINANT INGERSOLL-RAND COMPANY

Complainant Ingersoll-Rand Company, by counsel, submits this Discovery Statement pursuant to Administrative Order No. 1, issued on April 30, 1990, and Administrative Order No. 3, issued on May 1, 1990.

1. Proposed Litigation Issues: Complainant (IR) proposes to establish that:

1.1. Complainant, IR, developed, owns, and marketed for a period of years the overall design of the 231 IMPACTOOL 1/2" air impact wrench (231 IMPACTOOL).

1.2. IR has, through accrual of secondary meaning,. acquired a common law trademark in its design of the 231 IMPACTOOL.

**EXHIBIT**

ALJ Ex. 1(a)

1.3. IR is a domestic industry, an industry in the United States, within the meaning of Section 337 of the Tariff Act of 1930.

1.4. Respondent Kuan I Gear Co., Ltd., has produced and is producing a product, the Astro 555, that infringes upon the commonlaw trade mark acquired by IR as referenced in 1.1 supra.

1.5. Respondent Astro Pneumatic Tool Company has and is continuing to import into and market throughout the United States, a product, the Astro 555, that infringes upon the commonlaw trade mark acquired by IR as referenced in 1.1 supra.

1.6. Infringing imports by Respondent constitute unfair acts by respondents that threaten substantial injury to Complainant.

2. Information and Evidence To Be Presented: Complainant **intends** to submit the following information and evidence:

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2.1. Relevant systematic activity of IR in the United States: relative investment in land, directly related labor costs, relevant capital investment, cost of marketing, and, inter alia, investment in distribution, all as relative to the existence of a relevant domestic industry.

2.2. Long-term marketing and relevant advertising efforts by IR of the 231 IMACTOOL as pertinent to secondary meaning;

2.3. Original design and creation by IR of the 231 IMPACTOOL as relevant to IR's right to use the common law trademark at issue;

2.4. Accrual of secondary meaning via competent surveys, length and manner of use and marketing, historic sales levels, nature and extent advertising and promotion ;

2.5. Foreign production, importation and sales in the United States market of an infringing article, the ASTRO 555, which is a "mirror image" copy of the 231 IMPACTOOL, by respondents, so as to infringe upon the common law trademark of complainant.

**2.6. Actual, potential, and likelihood of customer confusion demonstrated through competent surveys;**

**2.7. Existing foreign cost advantage, production capacity, ability of foreign product to undersell IR's product, intent to penetrate U.S. market, sales plans, manufacturing plans, pattern of past sales, as relevant to threat of injury to the U.S. industry;**

**2.8. Availability of commercially feasible, alternative design features that perform the same function;**

**3. Information and Evidence To Be Sought From Others:** Complainant will seek from qualified experts survey information on secondary meaning and confusion in the marketplace.

**4. Discovery Information:** Complainant will seek from Respondents detailed information on foreign production capacity, current production levels, deliberate copying by respondents of IR's 231 IMPACTOOL, foreign cost advantage, production capacity, expansion capabilities and/or plans, ability of foreign product to undersell IR's product, intent to penetrate U.S. market, sales plans, manufacturing plans, pattern of past sales, all as

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relevant to threat of injury to the U.S. industry. This information will include detailed production and sales records.

5. Proposed Procedural Schedule: Complainant adopts and incorporates by reference the agreed-upon procedural schedule Presented by Respondents.

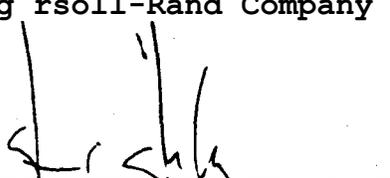
8. Settlement Discussions: Settlement discussions are underway. The first meeting was held on May 22, 1990, and further discussions are contemplated pending development of additional information on the part of respondents.

Status of Related Litigation: There is no related litigation.

Modification Proposals: None proposed by Complainant.

On behalf of Complainant,  
Ingersoll-Rand Company

By:

  
\_\_\_\_\_  
William L. Dickey, Esq.  
Dickey, Neville, Peterson & Williams  
1555 Connecticut Avenue, N. W.  
Anchorage Building, Suite # 308  
Washington, D. C. 20036

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing COMPLAINANT'S DISCOVERY STATEMENT were served on the parties as designated below the 29th day of May, 1990, by postage-paid first-class mail unless otherwise indicted upon:

The Honorable Paul J. Luckern  
Administrative Law Judge  
U.S. Int'l Trade Commission  
500 E Street, S. W.  
Room 213-H  
Washington, D. C. 20436

Louis S. Mastriani, Esq.  
Tom S. Schaumberg, Esq.  
Larry L. Shatzer, II, Esq.  
Adduci, Mastriani, Meeks & Schill  
1140 Connecticut Avenue, N. W.  
Washington, D. C. 20036

Mr. George C. Summerfield  
Commission Investigative Attorney  
Office of Unfair Import Investigations  
U. S. International Trade Commission  
500 E. Street S. W.  
Washington, D. C. 20436

  
\_\_\_\_\_  
William L. Diokey, Esq.  
Dickey, Neville, Peterson &  
Williams  
1555 Connecticut Avenue, N. W.  
Anchorage Building, Suite # 308  
Washington, D. C. 20036

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

Before The Honorable Paul J. Luckern

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IN THE MATTER OF

CERTAIN AIR IMPACT WRENCHES ) Inv. No. 337-TA-311

JOINT DISCOVERY STATEMENT OF RESPONDENTS  
ASTRO PNEUMATIC TOOL CO. AND KUAN I GEAR CO., LTD.

Respondents Astro Pneumatic Tool Co. ("Astro") and Kuan I Gear Co., Ltd. ("Kuan Gear") by and through counsel, hereby submit their Joint Discovery Statement pursuant to the Order Relating to Discovery Statements, the Scheduling of Preliminary Conference and to Ground Rules (Order No. 1) issued by the Administrative Law Judge on April 30, 1990.

I. PROPOSED ISSUES TO BE LITIGATED

A. Whether the Complainant possesses any common-law trademark rights in the 231 IMPACTOOL.

B. Whether the design features of the 231 IMPACTOOL are inherently distinctive, fanciful, arbitrary and non-functional.

C. Whether the design of the 231 IMPACTOOL has acquired any secondary meaning in that it has become so associated in the mind of the public with the Complainant that the mark distinguishes Complainant's goods from the goods sold by others.

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**EXHIBIT**

ALJ Ex. .1(b)



D. Whether the design features claimed by Complainant to constitute a common-law trademark are copies from or based upon the designs of the products of other manufacturers.

E. Whether there are any instances of actual confusion among the public between Respondents' and Complainant's products, or if there is any likelihood of confusion among customers with respect to these products.

F. Whether Respondents import and sell products which infringe the alleged common-law trademark of Complainant.

G. Whether Respondents' products are properly marked as to country of origin in compliance with Customs' country-of-origin regulations and Section 5(a)(1) of the FTC Act (15 45(a)(1)).

H. Whether there is any confusion or likelihood of confusion as alleged in the Complaint among the general consuming public as to the source of Respondents' products.

I. Whether Complainant's alleged common-law trademark is unenforceable by reason of unclean hands of Complainant's and/or their agents, affiliates, officers and directors:, including, but not limited to, Complainant's labeling of the 231 IMPACTOOL with the numbers of expired patents in violation of 35 U.S.C. § 292.

J. Whether Complainant has acquiesced in Respondents' alleged infringing activities, and whether Respondents have relied on this acquiescence to their detriment.

K. Whether Complainant is entitled to any relief under Section 337 because its operations within the United States do not constitute a domestic industry as required by Section 337.

L. Whether Respondents' activities within the United States have a threat or effect of destroying or substantially injuring an industry in the United States.

M. Whether Complainant is entitled to any relief under Section 337 because it is barred by laches.

N. Whether Complainant is entitled to any relief under Section 337 because it is barred by estoppel.

O. Whether the Complainant has engaged in extensive false and misleading statements and advertising with the intent of deceiving the general consuming public. Specifically whether the Complainant has intentionally and fraudulently labeled its products and/or packaging as being manufactured within the United States in violation of Section 5(a)(1) of the FTC Act (15 U.S.C. S 45(a)(1)).

P. Whether the Complainant has unfairly competed with Respondents by misusing its alleged common-law trademark and by unlawfully restraining, monopolizing and/or attempting to monopolize the United States market for air impact wrenches on both the wholesale and retail distribution level.

II. INFORMATION AND EVIDENCE THAT RESPONDENTS INTEND TO SUBMIT TO PROVE THEIR CASE

At this early stage of the investigation, and particularly in view of the fact that Respondents' discovery has just begun, it is not possible to set forth with specificity the evidence which Respondents will offer at the hearing on permanent relief. However, nit, generic categories of evidence which the Respondents presently plan to offer at the hearing will be as follows:

A. Respondents intend to introduce evidence concerning their importation of the alleged infringing product and of their other products.

B. Respondents intend to introduce evidence regarding the appearance, operation and structure of Complainant's 231 IMPACTOOL, and the appearance, operation and structure of the Astro 555, as well as other non-infringing products.

C. Respondents intend to introduce evidence showing the prior independent development of substantially similar pneumatic air impact wrenches by manufacturers other than Complainant.

D. Respondents intend to introduce evidence to establish that the alleged common-law trademarks of Complainant are not

inherently distinctive, and that they are not fanciful, arbitrary, or distinctive and non-functional.

E. Respondents intend to introduce evidence to establish that the design features for which the Complainant claims common-law trademark rights existed and were in the marketplace long before Complainant began manufacturing the 231 IMPACTOOL.

F. Respondents intend to introduce evidence to show that the alleged common-law trademark of Complainant is not entitled to any priority of appropriation in trade, nor does it merit any uniqueness or distinctiveness.

G. Respondents intend to introduce evidence that the alleged common-law trademark of Complainant has not acquired any secondary meaning through exclusive use, and that the alleged mark has not become so associated in the mind of the public with Complainant and/or its products or that the purported mark identifying the 231 IMPACTOOL distinguishes it from the air impact wrenches sold by others.

H. Respondents intend to introduce evidence that the vague and unspecified design features cited by Complainant for the 231 IMPACTOOL are copies of or based upon the designs of the products of other manufacturers. Furthermore, Respondents intend to introduce evidence that the design features claimed by Complainant are purely of a functional nature and are, therefore, in the public domain and not entitled to any protection.

I. Respondents intend to, introduce evidence that the source and origin of Respondents' 4Nstro 555 is clearly and conspicuously indicated on the products and their packaging, and

that there is no actual confusion among the public between Respondents and Complainant's air impact wrenches, nor is there any likelihood of confusion among consumers with respect to these products.

J. Respondents intend to introduce evidence showing that the general consuming public is not adequately notified nor apprised of the source or origin of Complainant's 231 IMPACTOOL.

K. Respondents intend to introduce evidence that the general consuming public has not adequately identified the features, marks or other characteristics of the 231 IMPACTOOL with the Complainant.-

L. Respondents intend to introduce evidence that the alleged common-law trademark is unenforceable by reason of unclean hands of the Complainant and/or its agents, affiliates, officers and directors, including, but not limited to, Complainant's labeling of the 231 IMPACTOOL with the numbers of expired patents in violation of 35 U.S.C. 5 292.

M. Respondents intend to introduce evidence that Complainant has acquiesced in Respondent's alleged infringing activities, and that Respondents have relied on that acquiescence to their detriment.

N. Respondents intend to introduce evidence that Complainant's legal remedies, if any, are barred by laches and estoppel.

O. Respondents intend to introduce evidence that Complainant's products are fraudulently labeled and/or packaged as being manufactured within the United States in violation of

Section 5(a)(1) of the Federal Trade Commission Act (15 U.S.C. 45(a)(1)).

P. Respondents intend to introduce evidence that Complainant has unfairly competed with Respondents by misusing its alleged trademarks.

Q. Respondents intend to introduce evidence which will show that Complainant is not entitled to any relief under Section 337 because Complainant's operations within the United States do not constitute a domestic injury as required by Section 337.

R. Respondents intend to introduce evidence which will show that no conduct or activities on their part have the alleged threat or effect to destroy or substantially injure an industry within the United States.

III. DESCRIPTION OF INFORMATION AND EVIDENCE THAT RESPONDENTS WISH TO OBTAIN FROM OTHERS

At this early stage of the investigation, and In view of the scope of Complainant's allegations, it is not possible to set forth with particularity all of the evidence which the Respondents will seek from others. Nonetheless, some of the categories of information and evidence which will be sought in discovery from others will include the following:

A. Documents and things which refer or relate to the genesis, formulation and development of the design features of the 231 IMPACTOOL;

B. Documents and things regarding the prior development and use of the design features at issue by others which supersede Complainant's alleged rights.

C. Documents and things relating to Complainant's alleged common-law trademark rights, especially:

1. Ownership, assignment and licensing of the alleged common-law trademark;

2. Specific nature and features of each of the alleged common-law trademarks;

D. The sale and commercial exploitation of the 231 IMPACTOOL including:

1. Identification of all domestic and foreign utility and/or design patents, either in force or expired issued to Complainant which relate to air impact wrenches;

2. Consumer surveys, both completed and in progress, which were undertaken with respect to the public's perception and recognition of Complainant's products;

E. Documents and things relating to the alleged infringement of Complainant's common-law trademark rights and Respondents' alleged deceptive actions, especially:

1. Confusion among consumers between Complainant and Respondents or others products;

2. Specific instances of any improper labeling' or designation of source on Respondents or others products and packaging;

F. Documents and things relating to communications between Complainant or any affiliate or agents with its attorneys and any third parties relating to the present investigation, as well as any other litigation involving the allegedly trademark products.

G. Documents and things in the possession of Complainant and affiliates and/or agents which relate to Respondents' activities in the pneumatic tool market, both on a world-wide and United States basis.

H. Documents and things relating to:

1. The scope and extent of Complainant's domestic activities with respect to the manufacture, production, exportation, importation and marketing, distribution and sale of air impact wrenches and components thereof.

2. Documents which relate to all research and development activities carried out by Complainant with respect to the products in question.

3. Documents relating to any operations, manufacturing, quality control, research and development, marketing, financial support or other assistance rendered by third parties or affiliates of Complainant with respect to the products in question.

4. Documents relating to all promotional, informational, advertising and marketing materials prepared for use in the United States and world markets by Complainant for the 231 IMPACTOOL.

5. Documents relating to all customer service activities carried out by Complainant, their distributors and their sales personnel with respect to the distribution, promotion and sale of the products in the United States.

6. Documents and things which would relate to the existence and scope of a purported domestic industry, including

equipment, labor, foreign sourcing of components and domestic value added.

7. Documents and things relating to the nature and extent of any injury or threat of any injury allegedly experienced by Complainant as the result of Respondents' exportation, importation and other purported acts, especially with respect to:

- a. The profitability of the 231 IMPACTOOL and Complainant's other pneumatic tools, including overall company financial statements, profit and loss statements and other financial data relating to the sale of these products.
- b. The nature and extent of competition within the domestic pneumatic tool market, including market surveys and market profiles;
- c. Prices and pricing policy with respect to the sale in the United States of Complainant's pneumatic tools.
- d. The nature and extent of the domestic market for pneumatic tools and accessories, relating to:
  - (1) Any subdivisions of the market;
  - (2) Competition within the market(s);
  - (3) Any projections or information regarding the size of any competition in the market, including forecasts with respect to expected growth or decline of market snares; and
  - (4) The manner in which the Complainant has attempted to develop the domestic market for pneumatic tools, especially involving the 231 IMPACTOOL.
  - (5) The marketing and sale of pneumatic tools and accessories, including the nature of the sales force employed in soliciting such sales, the nature of

the distribution network utilized in sales, and the manner in which it is controlled and directed by Complainant, as well as, all advertising and descriptive brochures of any type used in the solicitation of such business, the efforts developed to commercially exploit each such market, and the marketing philosophy behind Complainant's sales efforts.

- (6) The extent and nature of Complainant's inventory of the 231 IMPACTOOL.
- (7) Communications from purchasers of air impact wrenches relating to:
  - (a) The purchase of Complainant's allegedly trademark products, the reasons underlying such purchase and selection, and the operating experience with such products;
  - (b) The purchase of Respondents' products and the reasons underlying such purchase and selection, and the operating experience with such products;
  - (c) The purchase of another competing company's air impact wrenches and the reasons underlying such purchase and selection, and the operating experience with such products; and
  - (d) The purchase of Complainant's air impact wrenches other than those within the asserted scope of the alleged common-law trademark, and the operating experience with each such product.

8. **Every document** known to Complainant which relates to any test or examination of Respondents' products and those of other companies on the issue of infringement, as well as any test or examination in general of Respondents' products or those of other companies..

I. With reference to the 231 IMPACTOOL, the identity of the officers, managers and employees who are primarily responsible, now and in the past, as well as documents and things which indicate the individuals considered most knowledgeable as to Complainant's activities in:

1. Research;
2. Development;
3. Manufacture and production;
4. Quality control;
5. Marketing and sale; and/or
6. Advertising.

J. Documents and summaries which relate to pricing policies and price lists of Complainant and the sale of the 231 IMPACTOOL.

K. Documents which describe the foreign and domestic production capacity of the Complainant's 231 IMPACTOOL. Included within this category would be documents which would relate to Complainant's actual and projected production of the products in issue.

L. Documents and things which relate to Complainant's relation with their distributors, as well as those which relate to the nature and operations of the distribution network in general.

M. Documents and things which relate to the circumstances under which Complainant has lost customers or **failed to obtain** new customers for the products at issue in this investigation, **or** where customers reduced their orders as a result of their

purchase of Respondents' products of the type accused to be covered by the trademark at issue. These documents should include copies of any salesmen's reports, resumes of sales conferences, as well as communications between customers and Complainant.

IV. DESCRIPTION OF INFORMATION AND EVIDENCE  
RESPONDENTS BELIEVE CAN BE OBTAINED ONLY  
BY DEPOSITION, INTERROGATORIES,  
SUBPOENA, OR REQUEST FOR ADMISSIONS

At this early stage in the investigation it is difficult to set forth with particularity the information and evidence which Respondents believe can be obtained only by 'forthall discovery methods. Respondents are prepared to cooperate in any reasonable proposal to expedite discovery 'through the informal exchange of information. However, formal discovery methods will likely be required to obtain most of the items identified in Part III of this Discovery Statement.

V. PROPOSED PROCEDURAL SCHEDULE

- |   |                    |
|---|--------------------|
| A. Date of Exchange of (1) Expeq<br>information and (2) witnesses list<br>(3) notice of art                   | September 3,, 1990 |
| B. Cut-Off Date for Motions to Compel<br>Discovery and Related Motions  | October 10, 1990   |
| C. Date for Submission Of Direct EXhibits<br>and Witness Statements by Complainant<br>and Respondents Parties | October 17, 1990   |
| D. Date for Submission of Staff Direct<br>Exhibits  | October 1 , 1990   |

E. Complainant's Prehearing Statement	October 19, 1990
F. Respondents' Prehearing Statement	October 23, 1990
G. Date for Submission of Rebuttal Exhibits	October 23, 1990
H. Staff's Prehearing Statement	October 25, 1990
I. Objections to Direct Exhibits and Witness Statements	October 29, 1990
J. Objections to Rebuttal Exhibits	October 29, 1990
K. Declarations Justifying Confidentiality of Exhibits	October, 29, 1990
L. Prehearing Conference	November 5, 1990
M. Date for Hearing	November 5, 1990

VI. STATUS OF SETTLEMENT NEGOTIATIONS

Representatives of Astro and Ingersoll-Rand, along with their respective attorneys and the Commission Staff Attorney met on May 22, 1990 to discuss possible settlement. As a result of this meeting further discussions in the near future are anticipated.

VII. PROPOSALS FOR MODIFICATIONS OF, OR ADDITION TO, THE GROUND RULES ATTACHED TO THIS ORDER

Respondents request that the ground rules be modified to eliminate the requirement of a discovery cut-off date and a discovery completion date. Respondents believe that a cut-off

date for discovery related motions should be adequate to alleviate any last minute discovery problems.

In view of the early stage of this investigation, Respondents reserve the right to modify, supplement or otherwise amend this Discovery Statement as discovery develops and additional facts become available and relevant.

Respectfully submitted,



Lois . M riani

Tom M. Schaumberg  
Larry L. Shatzer, II  
ADDUCI, MASTRIANI,  
MEEKS & SCHILL  
1140 Connecticut Ave., N.W.  
Suite 250  
Washington, D.C. 20036  
(202) 467-6300

Attorneys for  
Astro Pneumatic Tool Co.  
and Kuan I Gear Co., Ltd.

Dated: May 25, 1990

YY700990



CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing JOINT DISCOVERY STATEMENT OF RESPONDENTS ASTRO PNEUMATIC TOOL CO. AND KUAN I GEAR CO., LTD. were served on the parties as designated below this 25th day of May, 1990, by postage-paid first-class mail unless otherwise indicated upon:

Kenneth R. Mason, Secretary  
U.S. International Trade Commission  
500 E Street, S.W.  
Room 112  
Washington, D.C. 20436  
(HAND DELIVERED)

George Summerfield, Esq.  
U.S. International Trade Commissi  
500 E Street, S.W.  
Room 401-F  
Washington, D.C. 20436  
(HAND DELIVERED)

The Honorable Paul J. Luckern  
Administrative Law Judge  
U.S. International Trade Commission  
500 E Street, S.W.  
Room 213-H  
Washington, D.C. 20436  
(HAND DELIVERED)

William L. Dickey, Esq.  
John M. Peterson, Esq.  
Martin J. Neville, Esq.  
Dickey, Neville,  
Peterson & Williams  
1555 Connecticut Ave., N.W.  
Anchorage Building  
Suite 308  
Washington, D.C. 20036  
(HAND DELIVERED)

/

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ADDUCI, MASTRIANI,  
MEEKS & SCHILL  
1140 Connecticut Ave., N.W.  
Suite 250  
Washington, D.C. 20036  
(202) 467-6300

YY100090



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C. 20436  
Before Paul J. Luckern  
Administrative Law Judge

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In the Matter of

CERTAIN AIR IMPACT WRENCHES ) Investigation No. 337-TA-311

DISCOVERY STATEMENT OF THE COMMISSION INVESTIGATIVE STAFF

The Commission Investigative Staff ("Staff") files this Discovery Statement pursuant to Administrative Order No. 1, issued on April 30, 1990, and Administrative Order No. 3, issued on May 1, 1990.

I. The Procoosed Issues tote Litigated

A. Jurisaiction

1. whether the Commission has jurisdiction over the subject matter of this investigation.

2. whether the Commission has jurisdiction over the Respondents, Astro Pneumatic Tool Co. ("Astro") and Xuan-1 Gear Corporation ("Kuan-1") in this investigation.

B. Existence Of: .Common Law Trademark

1. whether the Complaihant, Ingersoll-Rand Company, is the owner of all rights to the alleged common lawtrademarx in the design or its 231 Impacted] Yz" air impact wrench.

2. whether the alleged common law trademark nas acouired secondary meaning.

3. whether the alleged common law trademark r\hererty distinctive.

, whether the alleged common aw :r3Cemark is nun-

**EXHIBI**

ALI Ex. 1(c)

functional.

5. whether the alleged common law trademark is generic.

B. Importation

Whether the Respondents have imported into the United States, sold for importation or sold within the United States after importation air impact wrenches which infringe the alleged common law trademark ("accused products").

C. Infringement

Whether the design of the accused products infringes the alleged common law trademark.

D. False Designation of Origin

Whether the Respondents' method of labeling the accused products constitutes a false designation of origin.

E. Domestic Industry

Whether an industry is in the process of being established in the United States, or whether there exists an industry in the United States, with respect to the alleged common law design trademark.

F. Injury

Whether the alleged unfair acts of the Respondents have the threat or effect of destroying or substantially injuring the Complainant's alleged domestic industry.

II. Stipulations

At this time the parties have not entered into any stipulations. The Staff may propose to the other parties during the course of this investigation such stipulations as are appropriate. The Staff will encourage and cooperate with other counsel to narrow and clearly define

the issues to be litigated.

III. Evidence to be Offered by the Staff

Evidence obtained through discovery among the parties and from non-parties may be offered at the hearing by the Staff. The Staff may offer data or other evidence, whether obtained through discovery or otherwise, which will bear on the issues set out Part I above.

IV. Information and Evidence that will be Sought from Mothers

The Staff has served discovery interrogatories on all parties regarding the issues set-forth in Part I above. The Staff may serve supplemental discovery requests as necessary, and may file appropriate motions if complete discovery responses are not submitted in accordance with specified deadlines.

The parties have yet noticed any depositions in this investigation. However, the Staff will participate to the fullest extent possible in all depositions noticed by the parties. In addition, the Staff may subpoena documents and deposition testimony of non-parties as appropriate.

The Staff specifically reserves the right to seek additional discovery from the parties after the parties identify the documents, information and other evidence that they intend to rely upon in support of their respective positions. In particular, the Staff reserves the right to notice for deposition and depose any and all persons identified by the parties as having information relevant to this proceeding, including experts the parties consult or intend to call for testimony at the hearing.

## V. The Discovery Process

The Staff will endeavor to obtain discovery of documents and exchange of evidence and documents from the parties on an informal basis. Nonetheless, the formal discovery process may be the best method for efficient exchange of information among the parties. At this point, it is not known what information and evidence may be obtained only by deposition, interrogatory, subpoena or request for admission.

## VI. Proposed Schedule

The parties have agreed upon, and jointly propose, the following dates:

Identification of experts and witnesses	September 3, 1990
Identification of functionality art	September 3, 1990
Motions to compel discovery	October 10, 1990
Direct exhibits and witness statements	
Complainant	October 17, 1990
Respondents	October 17, 1990
Staff	October 19, 1990
Prehearing statements	
Complainant	October 19, 1990
Respondents	October 23, 1990
Staff	October 25, 1990
Rebuttal exhibits	October 23, 1990
Objections to direct and rebuttal exhibits and witness statements	October 29, 1990
Declarations regarding confidentiality	October 29, 1990
Prehearing conference	November 1, 1990
Commencement of hearing	November 5, 1990

The Staff requests that, under whatever schedule is adopted, its prehearing statement be due at least two days after the due date of the respondents' prehearing statements.

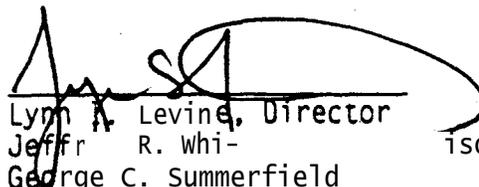
VII. Settlement

The Staff is aware of preliminary settlement discussions between the parties. The Staff remains willing to participate in and facilitate any reasonable discussions among the parties.

VIII. Comments on the Ground Rules

Ground Rule No. 3 should be amended to provide that replies to answers and sur-replies shall only be allowed if the replying party moves for, and is granted, leave to file such a reply.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Lynn A. Levine", is written over the typed name of Lynn A. Levine. The signature is stylized and includes a large loop at the end.

Lynn A. Levine, Director  
Jeff R. Whitham, Advisory Attorney  
George C. Summerfield  
Commission Investigative Attorney

OFFICE OF UNFAIR IMPORT INVESTIGATIONS

Date: May 25, 1990



CERTAIN AIR IMPACT WRENCHES  
337-TA-311

CERTIFICATE OF SERVICE (NON-CONFIDENTIAL)

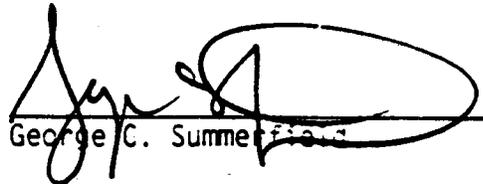
I, George C. Summerfield, hereby certify that a true copy of the foregoing DISCOVERY STATEMENT OF THE COMMISSION INVESTIGATIVE STAFF was served on May 25, 1990 by hand on the Administrative Law Judge and on the following parties:

For Complainant, Ingersoll-Rand Company:

William L. Dickey, Esq.  
Dickey, Neville, Peterson & Williams  
1555 Connecticut Avenue, N.W.  
Anchorage Building  
Suite 308  
Washington, D.C. 20036

For Respondents, Astro Pneumatic Tool Co. & Kuan-1 Gear Corporation:

Louis S. Mastriani  
Adduci, Mastriani, Meeks & Schill  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036

  
George C. Summerfield



BEFORE THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D. C.

Before the Honorable Paul J. Luckern

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IN THE MATTER OF  
CERTAIN AIR IMPACT WRENCHES

---

Inv. No. 337-TA-311

PRE-HEARING STATEMENT  
PURSUANT TO GROUND RULE 8

(a) NAMES OF ALL KNOWN WITNESSES:

James D. Stryker, Ingersoll-Rand (See Exhibit Testimony)

Robert Davies, Ingersoll-Rand (See Exhibit Testimony)

Myron J. Helfgott, Ph. D.; Survey Expert (See Exhibit Testimony)

James J. Boggs, Ingersoll-Rand (At Request of Commission Counsel)

Astro Pnuematic Witness: Requested of Respondent that a witness be made available: Mr. Fisher if physically able, or a substitute witness (FRCP 30(b)(6)-type witness].

(b) EXHIBITS TO BE INTRODUCED AT HEARING

See Schedule of Exhibits dated January 17, 1991, Attached

(c) STIPULATIONS

A. Ingersoll-Rand Company (Ingersoll-Rand) is a corporation organized under the laws of Delaware, having its principal place of business at P. O. Box 1776, Allen & Martinsville Roads, Liberty Corner, New Jersey 07938.

B. Kuan-I Gear Corporation ("Kuan-I") is a Taiwanese corporation, having its principal place of business at ;891-26, Chung Cheng Road, Sin Chuang, Taipei, Taiwan.

C. Respondent Astro Pneumatic Tool Company ("Astro" is a California corporation, with a principal place of business at 4455 East Sheila Street, Los Angeles, California 9002.

**EXHIBIT**

AU Ex. 1(d)

D. Ingersoll-Rand's products at issue are models 231 and 231-2 1/2" air impact wrenches.

E. The Respondent's accused product is the Astro model 555.

F. The Respondents have imported the accused product into the United States.

G. The Complainant has a domestic industry under section 337(a)(A) of the Tariff Act regarding the asserted common law trademark.

H. The asserted common law trademark is not inherently distinctive.

I. The asserted common law trademark is not generic.

J. The Respondents' alleged unfair acts do not have the effect of destroying or substantially injuring Ingersoll-Rand's domestic industry regarding the asserted common law trademark in the appearance of Ingersoll-Rand's 1/2" air impact wrench.

K. Ingersoll-Rand is not aware of a single instance in which a direct customer of Ingersoll-Rand has ceased selling the Ingersoll-Rand 231 as a result of a decision by that customer to sell the Astro 555.

L. The large majority of warehouse distributors and jobbers carry more than one line of air impact wrench.

M. The Astro 555 and the Ingersoll-Rand 231 are sold through the same channels of commerce, i.e., the same warehouse distributors purchase both the Astro 555 and the Ingersoll-Rand 231.

N. Warehouse distributors constitute the primary market for both the Ingersoll-Rand 231 and the Astro 555.<sup>1</sup>

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<sup>1</sup> We qualify this stipulation that this is the first tier of the market; the end-users, the ultimate purchasers, as surveyed are the ultimate market and the most relevant group for survey purposes.

(d) STATEMENT OF ISSUES TO BE CONSIDERED AT THE HEARING

1. Definition of the mark: set forth in the Complaint as amended.

1.1 Ingersoll-Rand is entitled to protection of the shape, proportion, configuration, color and texture of the 231 IMPACTOOL, to the extent these feature combine to create an overall appearance of the product.<sup>2</sup> Protection has been given to such products as fishing reels<sup>3</sup>, lamps, the rubik

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<sup>2</sup> McKenney and Long, in their treatise on the Lanham Act 43(a) state:

The protectibility under Section 43(a) of the shape, proportion, configuration, color and texture, to the extent these features create an overall appearance of the product itself, is now well established. An entire product is capable of attaining the status of a three-dimensional trademark protectable under Section 43(a).

\* \* \*

\* \* \* it is well-established that any product \* \* \* may be the subject matter of protection under Section 43 (a) so long as the product has gained trademark significance through \* \* \* secondary meaning and is not functional.

\* \* \*

• \* \* Section 43(a) \* is "broad enough to include the tort of unprivileged imitation, the imitation of any nonfunctional physical details of a competitor's product that have acquired secondary meaning."

<sup>3</sup> Brunswick Corp. v. Spinit Reel Co., 832 F.2d 513, 4 USPQ 2d 1497 (10th Cir. 1987) (black-and-chrome-finish fishing reel protected).

<sup>4</sup> PAF S.R.L. v. Lisa. Lighting Co., Ltd., 712 F. Supp. 394 (S.D.N.Y. 1989), an opinion by Bernard Newman, Senior Judge, United States Court of International Trade, sitting as a District Court Judge by designation.

cube<sup>5</sup>, staple guns<sup>6</sup>; caulking guns<sup>7</sup>, features of Cross pens<sup>8</sup>, Pac man games<sup>9</sup>, revolvers", novelty glasses", single handled faucets<sup>12</sup>, sneaker soles<sup>13</sup>, and plug in blade fuses.<sup>11</sup>

1.2 Design of a product must be viewed in its totality.<sup>15</sup>

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<sup>5</sup> In re Certain Cube Puzzles, Inv. No. 337-TA-112, 4 IRTD 2102 (1982); Ideal Toy Corporation v. Plawner Toy Mfg. Corp., 216 USPQ 102 (CA 3rd Cir. 1982).

<sup>6</sup> In re Certain Heavy Duty Staple Gun Tackers, Inv. No. 337 TA 137, 6 IRTD 1636 (1984).

<sup>7</sup> In re Certain Caulking Guns, Inv. No. 337 TA 139, 6 IRTD 1432 (1984).

T&T Manufacturing Co. v. A. T. Cross Co., 197 USPQ 763 (Dist. Ct., Rhode Island 1978)

<sup>9</sup> In re Certain Coin-Operated Audio-Visual Games, Inv. No. 337-TA-68, 3 IRTD 1212 (1981).

" Wesson v. Galef, 286 F. 620 (S.D.N.Y. 1922). An opinion by Judge Learned Hand.

" In re Certain Novelty Glasses, Inv. No 337-TA-55, 2 IRTD 5400 (1979).

<sup>12</sup> In re Certain Single Handled Faucets, Inv. No. 337-TA-167, 7 IRTD 1470 (1984).

<sup>13</sup> In re Sneakers with Fabric Uppers and Rubber Soles, 337-TA-118 (1983).

<sup>14</sup> In re Certain Miniature Plug-In Blade Fuses, Inv. No. 337-TA-114 (1983).

<sup>15</sup> In North Carolina Dairy the court addressed the issue as follows:

Contrary to Foremost's assertion the combination of two or **more generically** descriptive words as a composite mark may result in a composite which is non-descriptive as a unitary term eligible for trademark protection. (Citations omitted) The validity of a composite mark must be determined by viewing

2. SECONDARY MEANING: The defined mark has acquired secondary meaning

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it in its entire and unfragmented context since "[t]he commercial impression of a trademark is derived from it as a whole, not from its [separated] elements. (Citations omitted) So long as the primary significance of the descriptive term in the minds of the buying public is shown to be the product source rather than the product then trademark protection will be extended under the doctrine. (Citations omitted)

In PAF the court stated: "The design of a product must be viewed in its totality."

In Staple Guns the Commission stated:

However, the distinctiveness of a product configuration, like a composite mark, must be determined by looking at the product or mark as a whole, See 1 McCarthy, Sec. 1.10. The commercial impression of a trademark is derived from its appearance as a whole, not from each element separated and considered in detail; therefore, the configuration must be examined in its entirety. (Citations omitted)

In Exxon Coro. v. Texas Motor Exchange of Houston, 628 F.2d 500 (5th Cir. 1980) at pages 504-5, the court stated concerning "similarity of design:"

This factor has been described as "really nothing more than a subjective eyeball test." 2 J. McCarthy, Trademarks and Unfair Competition Sec. 237:7 (1973). The similarity of design is determined by considering the overall impression created by the mark as a whole rather than simply comparing individual features of the marks. Armstrona Cork Co. v. World Carcets, Inc., 597 F.2d 496, 502 (5th Cir. 1979). Restatement of Torts Sec. 729. Comment b. (1983) Obviously, the greater the similarity in the design of the trademarks, the greater the likelihood of confusion.

2.1 The claimed mark is not de lure functional.<sup>16</sup>

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<sup>16</sup> While the motor housing and hammer case each function to enclose or package the internal workings, the overall design cannot be considered de jure functional. This issue deserves some development. As stated by Judge Newman in PAF (Supra at page 3, note 4]:

The Supreme Court in Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844, 850-51 n. 10, (1982) defined a functional feature as one "essential to the use or purpose of the article or (that] affects the cost or quality of the article." Nevertheless, merely because a design feature also performs a function does not make it "essential" to the purpose of the article. The design of a product must be viewed in its totality., (Citations omitted) "Thus, the true test of functionality is not whether the (design] in question performs a function, but whether the (design] 'is dictated by the function (] Brandir Int'l, 834 F.2d at 1148 (quoting Warner Brothers, Inc. v. Gay Toys, Inc., 724 F.2d 327, 331 (2nd Cir. 1983).. In making this determination of functionality, courts look at the availability of alternative designs or construction. (Citations omitted)

The reason for this kind of analysis is clear:

(C]ourts must be sensitive to whether a grant of trade dress protection would close all avenues to a market that is otherwise open in the absence of a valid patent. This threat is particularly great ... when a first manufacturer seeks broad trade dress protection for a product on the ground that its arrangement of predominantly functional features is distinctive ... (The court must, however, balance] this purpose with the Lanham Act's purpose of preventing confusion as to the source of products, (and the correct inquiry in a functionality defense is whether trade dress protection] 'will hinder competition or impinge upon the rights of others to compete effectively in the sale of goods.'

IR will provide the evidence of several alternative designs to defuse the functionality issue.

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## 2.2 Significant Recognition of the Mark: Survey Evidence"

### 2.3 Proper Foundation of the Survey

2.3.0.1 The proper universe was selected and examined;

2.3.0.2 The representative sample was drawn from that universe;

2.3.0.3 The correct method of questioning was used;

2.3.0.4 The persons conducting the interview were recognized. experts;

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<sup>17</sup> Following is an analysis of the law appearing in Certain Electric Power Tools:

There is no prescribed recognition rate for determining what weight a survey is entitled to as evidence of secondary meaning, but figures exceeding 50% are generally considered sufficient. Woodworking Machines, Faucets<sup>5</sup>-(63% recognition rate considered sufficient); Sneakers (67% recognition rate considered sufficient). Lower figures have been persuasive in cases involving low-priced, high volume products that are typically purchased with relatively little consideration. Staple Guns, (recognition rates of 14, 30 and 40 per cent accepted as evidence).; Cube Puzzles (recognition rates of 33, 40 and 72 percent accepted). .Moreover, such cases with low recognition rates have also found strong corroborative-evidence of secondary meaning, such as, sales, in the United States for over thirty years and advertising-which stressed:the mark, Staple Guns, 'and heavy advertising- and existence of a strong mark. Cube Puzzles.

2.3.0.5 The data gathered were accurately reported;

2.3.0.6 The sample, the questionnaire and the interviewing were in accordance with generally accepted standards of objective procedure and statistics in the field of such surveys.

## 2.4 Other Factors<sup>18</sup>

2.4.1 Length of Time on Market with continuous design

2.4.2 Extensive Advertising Expenditures over a period of years

2.4.3 Size of the Seller

2.4.4 Number of Sales Made

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<sup>18</sup> See McCarthy, J. Thomas, Trademarks and Unfair Competition, Second Edition, The Lawyers Co-Operative Publishing Co., Rochester, New York 14964 (1984). Section II, Proving Secondary Meaning: See §§ 15.10 Introduction; § 15.11 Burden of Proof; § 15.12 Proof of Actual Confusion or knowing imitation; § 15.14 Association by how many buyers and who they are; § 15.16 Circumstantial Evidence; 15.17 Evidence of size of company and sales figures; § 15.18, 19 Advertising; as a vehicle to establish secondary meaning; § 15.20 Length of Use.

#### 2.4.5 Scope of Publicity

#### 2.4.6. Exact Design of the Mark is not Driven by Function

2.5 Can the ITC, in a secondary meaning and confusion context, extend lesser standards of protection from import than domestic competition?

3. CONFUSION: There is a likelihood of confusion between the 231 IMPACTOOL and the ASTRO 555. <sup>19</sup>

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<sup>19</sup> Judge Newman in PAF [Supra at page 3, note 4) has also characterized likelihood of confusion requirements as follows:

To succeed under their Lanham Act claim, plaintiffs must demonstrate that "'an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused as to the source of the goods in question.'" Charles of the Ritz Group, Ltd. v. Quality King Distributors, Inc., 832 F.2d 1317, 1321 (2d Cir. 1987) (quoting Mushroom Maker, Inc. v. R.G. Barry Corp., 580 F.2d 44, 47 (2d Cir. 1978) (per curiam), cert. denied, 439 U.S. 1116) (1979)). In trademark infringement cases, once demonstrated, likelihood of confusion also establishes the requisite irreparable harm. Id., cited in McNeil Inc. v. American Home Products Corp., 848 F.2d 34, 38 (2d Cir. 1988); Church of Scientology Intl v. The Elmira Mission, 794 F.2d 38, 41 (2d Cir. 1986). Cases involving trade dress infringement are no different. Keystone Camera, 667 F.Supp. at 1224,.

Judge Friendly's landmark decision in Polaroid Corp. v Polarad Electronics Corp., 287 F.2d 492, 495 (2d Cir.), cert. denied, 368 U.S. 820 (1961), presents the recognized analysis for determining likelihood of confusion in trademark infringement [\*42] actions n17 and delineates the following eight factors:

- (1) The strength of the mark;
- (2) The degree of similarity between the marks;
- (3) The proximity of the products;

3.1 The factual pattern meets the basic "Polaroid" factors relative to a finding of confusion:

3.1.1 Strength of the mark - the mark is readily recognized by a substantial number of individuals constituting the relevant market for the 231 IMPACTOOL.

3.1.1.1 The Helfgott survey establishes a likelihood of substantial confusion

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(4) The likelihood that the senior user will bridge the gap;

(5) The junior user's good faith in adopting the mark;

(6) The quality of the junior user's product;

(7) Evidence of actual confusion;

(8) The sophistication of the relevant consumer group.

The Polaroid analysis originally applied only where the products in question were different. Polaroid now extends to competing products. *Physicians Formula cosmetics, Inc. v. Rest Cabot Cosmetics, Inc.*, 857 F.2d 80, 83 (2d Cir. 1988); *Banff, Ltd. v. Federated Dept. Stores. Inc.*, 841 F.2d 486, 490 (2d Cir. 1988); *Thompson Medical*, 753 F.2d at 214. See also *Orient Express Trading Co. v. Federated Dept. Stores, Inc.*, 842 F.2d 650, 654 (2d Cir. 1988). In determining likelihood of confusion, district courts need not review all eight Polaroid factors, but "need only consider sufficient factors to reach the ultimate conclusion as to whether . . . there is a likelihood of confusion," and may consider other factors as well. *Id.*

3.1.2 There is a "mirror image," slavish copying, degree of similarity between the 231 IMPACTOOL and the ASTRO 555 exhibiting an intent to copy.<sup>20</sup>

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<sup>20</sup> Intentional Slavish Copying: In PAF, [Supra at page 3, note 4] Judge Newman also addresses the intentional copying issue as follows:

Without peradventure of doubt, defendants deliberately copied the Dove lamp; there is no evidence to the contrary. The Dove and Swan, even when viewed side by side, are virtually indistinguishable. \* \* \* .

Proof of intentional copying is persuasive, if not conclusive evidence of secondary meaning. 20th Century II, 815 F.2d at 10; Shen Mfg. Co. v. Suncrest Mills. Inc., 673 F.Supp. 1199, 1203 (S.D.N.Y 1987) ("failure to prove secondary meaning immaterial where trade dress was intentionally copied") (citing cases); accord M. Kramer Mfg. Co. v. Andrews, 783 F.2d 421, 448 (4th Cir. 1986) (intentional copying may create a presumption of secondary meaning); Transgo, Inc. v. AJAC Transmission Parts Corp., 768 F.2d 1001, 1016 (9th Cir. 1985) (proof of exact copying (\*33] can be sufficient to establish secondary meaning), cert. denied, -- U.S. -- 106 S.Ct. 802 (1986); but see Schwinn Bicycle Co. v. Ross Bicycles, Inc., 678 F.Supp. at 1342 n.8 (proof of intentional copying by itself does not eliminate the need for additional proof of secondary meaning).

The ITC has similarly found intentional copying to be substantial evidence of secondary meaning. In Staple Guns the ITC stated:

The fact that respondents, beginning with Test-Rite, obviously copied Arrow's T-50 is probative of secondary meaning. \*  
\* The copying of Arrow's pictorial by competitors is additional persuasive evidence of secondary meaning of the T-50 configuration.

The legendary and widely-revered jurist, Learned Hand, back in 1922, observed:

Though a man may make several kinds of goods, each may still become known as his, and when you copy any down to the least

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detail, measure for measure, you may as well represent that your goods are his though he made only one. While in such cases the protection is narrow, for that very reason the mark of ownership may be picked up from a combination of elements, all old and none sufficient, if taken alone.

There appears to me not the slightest question that all the infringing revolvers were deliberately made for the purpose of imitating a model of the plaintiffs.' In the case of Galef and Newmark they correspond in dimension even by gauge, a coincidence wholly impossible in the absence of conscious imitation. In the case of Gluck, the visual similarity is complete. Such things do not happen because the manufacturers are merely following old patents.

To give it the shape which it actually has was certainly not necessary.

\* \* \*

The combination of all these features being, as I have said, an unescapable evidence of purpose to imitate, the only conclusion I can come to is that the purpose was in turn actuated by a desire to sell the Spanish revolver as a Smith & Wesson. What precautions did the makers take to avoid this result? They added their names, their trademarks, their monograms on the scutcheon, and, as the law required, the place of manufacture, Spain. On these, as is customary, they rely to escape the inference to be drawn from their imitation.

\* \* \*

The defendants argue that revolvers are expensive articles, and that men buy them only after examination. That is undoubtedly true in many instances, and it is never the hope of simulators to do more than catch the unwary. Since I am satisfied that the makers of these revolvers tried to do so [catch the unwary] I do not see that I need weigh too nicely the probabilities of their success.

In Single Handle Faucets the ITC wrote:

The prevalence of private labeling in the plumbing industry -- the practice of manufacturing for and under the name of another -- and the existence of Taiwanese manufacture of plumbing

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3.1.3 The 231 IMPACTOOL and the ASTRO 555 move in the same channel of trade. (Stipulated]

3.1.4 The likelihood that the senior user will bridge the gap;

3.1.5 The Respondents failed to use good faith in adopting the mark; it was a deliberate attempt to piggy-back on Ingersoll Rand's excellent reputation, advertising

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products for american companies makes it more likely that a consumer would believe an association exists between Delta faucets and the imported faucets, even if the imported faucets were marketed under a name other than Delta and even if the consumer was aware they were manufactured in Taiwan.

Finally, "(p]roof that [one] chose a mark with the intent of copying (another's] mark, standing alone, may justify an inference of confusing similarity. (Citations omitted)

In Blade Fuses the ITC found:

The complainant's fuse design was unique when it was introduced in 1976. For that reason, Littelfuse developed and disseminated extensive promotional material explaining the miniature plug-in blade fuse and identifying it as a Littelfuse product.

The record shows that the non functional design features of the imported fuses duplicate the Littelfuse blade fuse housings even though other designs could have been used. Such similarity in appearance gives rise to a presumption of secondary meaning.

The respondents' actions in this case demonstrate their intent to deceive the public and thus give rise to a presumption of secondary meaning.

3.1.5.1 Intentional Slavish Copying as evidence of intent and presumptions of secondary meaning and likelihood of confusion

3.1.5.2 Statements that manifest an intent to copy the IR 231 and generate confusion in the relevant market

3.1.6 The quality of the junior user's product;

3.1.6.1 Evidence of inferior quality

3.1.7 Evidence of actual confusion; (Helfgott Survey)

3.1.7.1 Appears in Helfgott Survey

3.1.8 The sophistication of the relevant consumer group.<sup>21</sup>

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<sup>21</sup> See PAF [Supra at page 3, note 4):

The relevant consumer group, as we have seen, is relatively sophisticated. Concededly, the sophistication, of consumers normally militates against finding a likelihood of confusion. Nonetheless, when the products have a virtually identical design, as here, "(t)he sophistication of the consumers cannot be relied upon to prevent confusion<sup>19</sup> and depending on the circumstances of the market and the product, may operate to increase confusion. Banff, Ltd. v. Federated Dept. Stores. Inc., 841 F.2d 486, 492 (2d Cir. 1988) (quoting Macgregor-Doniger Inc. v. Drizzle Inc., 599 F.2d 1126, 1137 (2d Cir. 1979)); Centaur, 830 F.2d at 1228; see also Grotrian, Helfferich, Schulz Th. Steinweg Nachf v. Steinway & Sons, 523 F.2d 1331, 1339 (2d Cir.

3.2. Placement of an identifying logo on identical goods does not preclude a finding of likelihood of confusion.<sup>22</sup>

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1975) (care exercised by consumers in purchase of high priced pianos could not eliminate likelihood of confusion).

We can further recall the opinion of Judge Learned Hand:

The defendants argue that revolvers are expensive articles, and that men buy them only after examination. That is undoubtedly true in many instances, and it is never the hope of simulators to do more than catch the unwary. Since I am satisfied that the makers of these revolvers tried to do so [catch the unwary] I do not see that I need weigh too nicely the probabilities of their success.

22 ASTRO counsel has insisted that the placement of the logo on the identical goods eliminates the confusion problem. Several courts disagree. In PAF, [Supra at page 3, note 4] Judge Newman discussed the issue as follows:

The Swan is sold in a box that has KENROY INTERNATIONAL printed in large [\*50] letters on the outside of the box. Tr. 393. The record, though, indicates that retail lighting stores always display lamps for sale without the box. Tr. 140, 307, 336. Defendants, therefore, propose to modify the Swan and contend that by embossing, in raised black letters, a "KI" logo, see DX 6-A, onto the base of the lamp, defendants will avoid any likelihood of consumer confusion as to the source of its product. Hence, maintain defendants, even if the Swan is sold outside the box, the logo would be sufficient to identify KI as the source of the lamp.

In support of this proposition, defendants cite a number of cases holding that a newcomer can, in the absence of patent protection, copy another's product so long as it obviously labels the product as its own. Litton Systems, Inc. v. Whirlpool Corp., 728 F.2d 1423, 1446 (Fed. Cir. 1984) (name displayed in three places on microwave oven enough to eliminate confusion); Fischer stoves, Inc. v. All Nighter Stove Works, Inc., 626 F.2d 193, 194-95 (1st Cir. 1980) (name and logo prominently displayed on stove door eliminates any likelihood of confusion); Bose Corp. v. Linear Design Labs, Inc., 467 F.2d 304, 310 (2d Cir. 1972) (\*51] (manufacturer's initials clearly displayed on

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speakers eliminates likelihood of confusion); Artemide SpA, 672 F.Supp. at 711; Sunbeam, 635 F.Supp. at 633 (compact food processor properly labeled will avoid any likelihood of confusion).

But under the facts of this case, defendants' argument is at best specious, and defendants' reliance on case law is misplaced. In none of the cases cited by defendants was the trade dress being considered highly distinctive or had acquired secondary meaning. See e.g., Schwinn Bicycle, 678 F.Supp. at 1347. In both Sunbeam and Fischer Stoves, the product's overall design was held to be functional. Litton never ruled on the issue of secondary meaning. Moreover, the court observed that "ordinary users of microwave ovens are accustomed to seeing the maker's or brand name conspicuously placed for their edification, and distributors and dealers must suppose that this information is important to the customer." 728 F.2d at 1446. Here, however, there is no evidence that consumers associate KI with Kenroy International. In point of fact, Mr. Steinberg testified that to his retail customers a KI logo would mean nothing. Tr. 309. And as Lowy [\*52] aptly pointed out, consumers could easily mistake a KI logo for Koch & Lowy. Tr. 143.

As observed in Artemide SPA, the court must look at both the type of product and the prominence of the label. 672 F.Supp. at 711. While a label may help in great degree to distinguish products whose designs are fairly commonplace, (microwave ovens and food processors are not a hotbed for design) in a situation, as here, where the trade dress is distinctive and the products so closely resemble each other, labeling cannot preclude the possibility that confusion will occur. Consumers may be drawn initially to the infringing product precisely because its trade dress so closely resembles that of the other product. This is especially the case where a product has already acquired secondary meaning. See Lois Sports Wear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 872-75 (2d Cir. 1986) (regardless of labeling, post sale confusion as to source is enough to warrant protection under the Lanham Act, especially where the consumers are sophisticated); Harlequin Enterprises Ltd. v. Gulf & Western Corp, 644 F.2d 946, 949-50 (2d Cir. 1981); Schwinn Bicycle, 678 F.Supp. at 1348; Source Perrier [\*53] S.A. v. Saratoga Springs, Inc., 217 U.S.P.Q. 617, 619-20 (S.D.N.Y. 1980).

4. THREAT OF INJURY CONCEPTS<sup>23</sup>

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In Staple Guns, the ITC found: "Indeed, a different label on essentially identical products does not preclude a finding of likelihood of confusion.

In Sneakers, the ITC found: "[L]abeling is not a defense to likelihood of confusion, particularly when a potential dominant force in the market is copying a smaller company's design. Such labeling may contribute to confusion rather than alleviate it.

We are reminded of two precedents: (1) The Learned Hand opinion where he states:

What precautions did the makers take to avoid this result? They added their names, their trademarks, their monograms on the scutcheon, and, as the law required, the place of manufacture, Spain. On these, as is customary, they rely to escape the inference to be drawn from their imitation.

and (2) the opinion in Faucets:

The prevalence of private labeling in the plumbing industry -- the practice of manufacturing for and under the name of another -- and the existence of Taiwanese manufacture of plumbing products for American companies makes it more likely that a consumer would believe an association exists between Delta faucets and the imported faucets, even if the imported faucets were marketed under a name other than Delta and even if the consumer was aware they were manufactured in Taiwan.

Finally, "[p]roof that [one] chose a mark with the intent of copying [another's] mark, standing alone, may justify an inference of confusing similarity. (Citations omitted)

<sup>23</sup> The ITC maintains an injury standard distinguishable from, that required by federal courts in interpretation of section 43(a) of the Lanham Act. As explained in Single Handle Faucets:

When an assessment of the market in the presence of the accused imported product demonstrates relevant conditions or circumstances from which probable future injury can be inferred, a tendency to substantially injure the domestic industry has been shown. Certain Combination Locks, Inv. No. 337-TA-45, RD at 24 (1 IRTD 5462). Relevant conditions or circumstances may

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4.1 Complainant is threatened with injury from confusing similarity: threaten with a significant loss of sales

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include foreign cost advantage and production capacity, ability of the imported product to undersell complainant's product, or substantial manufacturing capacity combined with the intention to penetrate the United States market. Certain Methods for Extruding Plastic Tubing, -Inv. No. 337-TA-110 [4 IRTD 1758] (1982); Reclosable Plastic Bags, Panty Hose. Tariff Commission Pub.No. 471 (1972). The legislative history of section 337 indicates that "Where unfair methods and acts have resulted in conceivable loss of sales, a tendency to substantially injure such industry has been established." Trade Reform Act of 1973, Report of the House Comm. on Ways and Means, H. Rep. No. 93-571, 93 Cong., 1st Sess. at 78 (1973), citing in re Von Clemm, 108 USPQ 371 (1 TRTO) 11<sup>25</sup> (C.C.P.A. 1955) See also Bally/Midway Mfg. Co. v. U. S. International Trade Commission, 219 USPQ 97, 102 [4 IRTD 2309] (C.A.F.C. 1983).

It should be well-noted that the Court of Appeals for the Federal Circuit observed:

Contrary to Textron's assertion, section 337 does not function merely as the international extension of our patent, trademark and copyright laws. See In-the-Ear Hearing Aids, Tariff Commission Publ. No. 182 at 28 (July 1966). Instead, section 337 has consistently been interpreted to contain a distinct injury requirement of, independent proof. Id, Congress may well have included this Separate requirement in the original 1930 version of section 337 to insure that the extreme and internationally provocative remedy contemplated therein -- exclusion of products from particular countries -- would be implemented on when this is compelled by strong economic reasons. (Citations omitted) Although the contemplated range of remedies was expanded by the Trade Act of 1974 to include "softer" sanctions such as cease-and-desist orders Congress never altered the statute's injury requirement. In fact, Congress expressly rejected a Nixon Administration attempt to eliminate the injury requirement in its proposed Trade Reform Act of 1973. (Citations omitted)

4.2 There exists a presumption of injury arising from intentional copying.

4.3 Inferior products of Respondent threaten damage to reputation of Complainant.<sup>24</sup>

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<sup>24</sup> Quality: Judge Newman (Supra at page 3, note 4] also addressed the quality issue:

Normally, a marked difference in quality will militate against finding a likelihood of confusion. But see *Hasbro, Inc. v, Lanard Toys, Ltd.*, 858 F.2d 70, 78 (2d Cir. 1988) ("inferior quality product produced by junior user injures the senior user's reputation insofar as consumers might think that the source of the inferior product is the senior user"). However, where the differences are not apparent from a visual inspection of the products, and the products are identical, confusion becomes more likely than not.

In sum, the inferior quality of the Swan is a factor entitling plaintiffs to trade dress protection for the Dove. The lamps are virtually identical in appearance, and accordingly there is a significant risk that the public's perception of the Dove as a high quality product will suffer from confusion between the lamps.

In Faucets it was stated:

The final factor indicating a tendency to substantially injure the domestic industry is the inferior quality of the imitation faucets imported from abroad. The look-alike faucets have been shown to be of very poor construction which will require frequent repair and replacement of parts. Complainant's tests also revealed a tendency for such faucets to leak. The poor quality of the imported imitations is confirmed by the deposition testimony of one of the importers.

The poor quality of the accused products, when combined with the likelihood of confusion caused by the close similarity between the Delta ball handle faucets and their imitators, as discussed above, poses a very serious threat to the continued good will

4.4 Respondents have substantial foreign capacity

4.5 Respondents have an intent to penetrate U. S. market

4.6 Respondents have full and ready access to U. S. Market

4.7 Respondents have a significant foreign cost advantage

4.8 Respondents have the ability to undersell senior user's product

## 5. AFFIRMATIVE DEFENSES

5.1 Concerning Respondent's contention that the AW 234 is substantially similar:

5.1.1 The question has not been raised in a timely manner, and there has not been sufficient specificity in raising the issue; the AW 234 is manufactured by Ingersoll-Rand, and the Respondent has only raised this issue with respect to tools made by other manufacturers.

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associated with complainant's products.

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5.1.2 The AW 234 is designed to be and is substantially different from the 231 IMPACTOOL, and there would be no likelihood of confusion between the AW 234 and the 231 IMPACTOOL.

5.2 Concerning Respondent's contention that Ingersoll-Rand lacks clean hands because patent numbers appeared on the tool for a brief period after patent expiration, Respondent has produced no evidence of an intent or purpose to deceive the public, which is an essential element to support a violation of 35 U.S.C. § 292. Mayview Corp. v. Rodstein, 620 F.2d 1347 (9th Cir. 1980); Brose v. Sears, Roebuck and Company, 455 F.2d 763, 765 (5th Cir. 1972).

5.3 Concerning Respondent's "laches" contention that the ASTRO 148 was a copy of the 231 IMPACTOOL, and Ingersoll-Rand did nothing about it, it is to be established that (i) the tool design was different, not an exact copy, and (ii) the inner workings were so inferior that the product was never a factor in the market, thus, lacking injury, Ingersoll-Rand did not have, and would not today have, an effective remedy against the ASTRO 148, as marketed to date by AS'TRO. Further, ASTRO has not adequately plead, or contended with specificity, the ASTRO 148.

(e) PRIOR ART: Not Applicable

(f) Proposed Agenda:

date by ASTRO. Further-, ASTRO has not adequately plead, or contended with specificity, the ASTRO 148.

(e) PRIOR ART: Not Applicable

(f) Proposed Agenda:

In addition to any items requested by Respondent's and ITC Staff counsel, Complainant would request time to discuss possible striking of Respondent's remaining affirmative defenses.

(g) Estimated duration of hearing: Because so much of the case has been stipulated, or remains as legal and not factual issues, I do not anticipate the hearing will be lengthy. The primary determinative factor will be the cross examination by the Respondent's and ITC Staff counsel. Complainant should be able to cover any outstanding matters it has within 4 or 5 hours of actual hearing time.

(i) See attached Schedule of Exhibits re: Ground Rule 12.

(j) Counsel would want only closing argument.

On behalf of Complainant,  
Ingersoll-Rand Company  
By:



William L. Dick, Esq.

John M. Peterson, Esq.

Martin J. Neville, Esq.

Dickey, Neville, Peterson & Williams  
2300 N Street, N. W., Suite 600  
Washington, D. C. 20037

Facsimile 202 223 1512

Telephone 202 663 9036

Date: January 18, 1991



Schedule of Exhibits of Complainant, Ingersoll-Rand

January 18, 1991

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STATUS <sup>2</sup>	EXHIBIT CX#	CONF.	WITNESS	DESCRIPTION
	19.	C	FISHER	ASTRO DISTRIBUTORS
	20.			Formerly Fisher Deposition Moved to CPX # 31
	21.	C	FISHER	ASTRO INTERROGATORY RESPONSES <sup>3</sup>
	22.	C	KG	KUAN GEAR INT. RESPONSES "
	CPX #			
	1.	NC	DAVIES	IR 231 IMPACTOOL AIR IMPACT WRENCH
	2.	NC	DAVIES	ASTRO 555 AIR IMPACT WRENCH
	3.	NC	DAVIES	MAC AIR IMPACT WRENCH
	4.	NC	DAVIES	BLACK & DECKER 2297 AIR IMPACT WRENCH
	5.	NC	DAVIES	CP 734 AIR IMPACT WRENCH
	6.	NC	DAVIES	CLECO DRESSER AIR IMPACT WRENCH
	7.	NC	DAVIES	ROCKWELL AIR IMPACT WRENCH
	8.	NC	DAVIES	BLACK & DECKER 6540 AIR IMPACT WRENCH
	9.	NC	DAVIES	RODAC AIR IMPACT WRENCH
	10.	NC	DAVIES	SKIL AIR IMPACT WRENCH
	11.	NC	DAVIES	SIOUX AIR IMPACT WRENCH
	12.	NC	DAVIES	IR 223 AIR IMPACT WRENCH
	13.	NC	DAVIES	CP 745 AIR IMPACT WRENCH
	14.	NC	DAVIES	BLACK & DECKER 6544
	15.	NC	DAVIES	VANGUARD AIR IMPACT WRENCH
	16.	NC	DAVIES	ATLAS COPCO AIR IMPACT WRENCH
	17.	NC	STRYKER	IR ANNUAL REPORT
	18.	NC	STRYKER	POWER TOOL DIVISION CATALOG
	19.	NC	STRYKER	IR MECHNIC PRICE LIST
	20.	C	STRYKER	IR DISTRIBUTORS PRICE LIST
	21.	C	STRYKER	ASTRO PRICE LIST

<sup>2</sup>Legend:

A - Admitted  
 C - Confidential  
 NC - Non-Confidential  
 W - Withdrawn  
 S - Stricken

<sup>3</sup> Submitted to use Bates # Attachments to sales and pricing.

<sup>4</sup> Submitted to show foreign production capacity and pricing:  
 See answers 4 and 5.

Schedule of Exhibits of Complainant, Ingersoll-Rand  
January 18, 1991  
Page 3

STATUS <sup>5</sup>	EXHIBIT		WITNESS	DESCRIPTION
	CX4	CONF.		
	22.	C	DAVIES	DESIGN DRAWINGS (CX 100)
	23.	C	DAVIES	DESIGN DRAWINGS (CX 106)
	24.	C	DAVIES	DESIGN SPECIFICATION (CX 102)
	25.	C	DAVIES	DESIGN DRAWINGS (CX 101)
	26.	C	DAVIES	DESIGN DRAWINGS (CX 105)
	27.	C	DAVIES	DESIGN DRAWINGS (CX 105)
	28.	C	DAVIES	DESIGN SPECIFICATIONS (CX 108)
	29.	C	DAVIES	DESIGN DRAWINGS (CX 107)
	30.	NC	STRYKER	IR FLYER - ADVERTISING
	31.	C	FISHER	IRVING FISHER TRANSCRIPT'
	32.	NC	STRYKER	Advertising Brochure/Flyer

Dated: January 18, 1991

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<sup>5</sup>Legend:

A - Admitted  
C - Confidential  
NC - Non-Confidential  
W - Withdrawn  
S - Stricken

<sup>6</sup> The FISHER Deposition is submitted for the following reasons:

Page(s)	Subject
21-29	Design Copying
35-39	Well Make Arrangements
46	Channels of Trade: Access to Market
52	Domestic Distribution Capacity
54	Marketing, Access to Market
56-65	Catalog Distribution Capacity
65-86	Import Levels & Price/Cost Information
86-96	Marketing Philosophy
97-105	Design Similarity
130-134	Copying/Intent
135-136	Financial Strength
137-140	Market Access
141-144	Design/Intent
145-152	Market Access



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.  
Before the Honorable Paul J. Luckern

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IN THE MATTER OF  
CERTAIN AIR IMPACT WRENCHES

Inv. No. 337-TA-311

**OBJECTIONS OF RESPONDENTS TO COMPLAINANT'S EXHIBITS**

1. Exhibit CX-1 (Witness Statement of James D. Stryker) - Respondents object to the following portions of the Stryker witness statement:

**Question No. 22** - This question is irrelevant and immaterial as the product speaks for itself. The answer is also objectionable as it is non-responsive to the question ask.

**Question No. 24** - This question is objectionable as no foundation has been laid with respect to Mr. Stryker's competence to testify with respect to ergonomics.

**Question No. 27** - This question is objected to as no foundation has been laid with respect to Mr. Stryker's competence to testify with respect to consumer preferences. For this reason the response is also objectionable as unreliable heresay.

**Question No. 34** - This question is objectionable because it calls for the witnesses to give a legal conclusion.

**Question No. 36** - This question is objectionable as no foundation has been laid as to either the source of the figures given or Mr. Stryker's competence to testify with respect to such information.

**Question No. 51** - This question is objectional as calls for a conclusion with respect to an ultimate issue and thus invades the province of the trier of fact.

**Question Nos. 60 and 61** - These questions are objectionable because they relate to a document which is inadmissible because it was not produced in response to discovery.

**EXHIBIT**<sup>0</sup>

ALJ Ex. 1(e)

Question No. 67 - This question is objectionable because it assumes facts not in evidence and is unnecessarily inflammatory in its characterization of the Astro-555 as a "replica."

Question No. 72 - This question is objected to due to lack of foundation and because it assumes facts which are not in evidence, i.e., that Complainant has a common law trademark in the product at issue. The question is also irrelevant and immaterial as the products speak for themselves. Furthermore, the last sentence of the answer is, by the witnesses own admission, unreliable hearsay and speculation.

Question No. 74 - The question is objected to as being irrelevant and immaterial to any issue in this investigation.

Question No. 75 - The question is objected to as being Irrelevant and immaterial to any issue in this investigation.

Question No. 79 - This question is objectionable as it calls for a conclusion with respect to an ultimate issue. The response to the question is also objectionable as unreliable faearsay.

**Question No. 81** - This question is objectionable because the witnesses opinion of the "importance and significance" of the document is irrelevant and immaterial to this investigation. The drawing of such conclusions is the province of the trier of fact.

**Question No. 82** - This question is objected to as being irrelevant and immaterial as the pictures speak for themselves.

**Question No. 83** - This question is objectionable because the witnesses conclusions are irrelevant and immaterial to this investigation. The drawing of such conclusions is the province of the trier of fact.

**Question No. 84** - This question is objectionable because the witnesses opinions with respect to intent are irrelevant and immaterial to this investigation. The drawing of such conclusions is the province of the trier of fact.

**Question No. 85** - This question is objectionable because no foundation has been laid with respect to Mr. Stryker's competence to testify with respect to manufacturing in Taiwan.

**Question No. 86** - This question is objected to because the term "name brand production" is vague and ambiguous. Nor has any foundation been laid with respect to Mr. Stryker's competence to testify on this subject.

**Question Nos. 87-89** - These questions are objectionable because they relate to a document which is inadmissible because it was not produced in response to discovery and is irrelevant and immaterial to the issues in this investigation.

**Question No. 90** - This question is objectionable as irrelevant, immaterial and unreliable hearsay as it calls on the witness to speculate on the state of mind of others. It is also objectionable as calling on the witness to draw a conclusion on an ultimate issue.

**Question No. 95** - This question is objectionable as being irrelevant and immaterial to any issue in this investigation. The answer is also non-responsive to the question asked and no foundation has been laid.

**Question No. 99** - This question is objected to as inflammatory due to its characterization of the Astro-555 as a "mirror image" of the IR-231. Furthermore no foundation is laid as to the source and competence of the figures cited in the response.

2. Exhibit CX-2 (Witness Statement of Robert Davies) - Respondents object to the following portions of the Davies witness statement:

**Question No. 44** - This question is objectionable as being leading. Furthermore, the tools speak for themselves.

**Question No. 45** - This question is objectionable as being leading. Furthermore, the tools speak for themselves.

**Question No. 66** - This question is irrelevant and immaterial as the products speak for themselves.

**Question No. 119** - The last sentence of the response to this question is objectionable as opinion testimony which is irrelevant and immaterial.

**Question No. 130** - This question is objected to because it is not a question and the answer, therefore, is non-responsive.

**Question No. 138** - This question is objectionable as being irrelevant and immaterial to any issue in this investigation.

**Question Nos. 146-47** - The responses to these questions are objectionable as being based on admittedly unreliable hearsay.

**Question Ivo. 152** - This question is objectionable as no foundation has been laid as to the competence of Mr. Davies to testify on the technological sophistication of Taiwan. This answer is also non-responsive to the question asked.

3. Exhibit CX-3 (Witness Statement of Myron J. Helfgott) -

Respondents object to the following portions of the Helfgott witness statement:

**Question No. 60** - This question is objected to because it mischaracterizes and misstates the witnesses prior sworn testimony. This question is also leading.

**Question No. 66** - This question is objected to as being compound and leading. The response is objected to as no foundation has been laid as to Dr. Helfgott's competence to testify with respect to physiological psychology.

**Question Nos. 81-83** - Respondents object to these questions because no foundation has been laid as to what is encompassed within "the proper universe."

**Question No. 84** - This question is objected to because no foundation has been laid as to Dr. Helfgott's competence to testify with respect to statistical tabulation.

**Question No. 85** - This question is objected to because no foundation has been laid to what "generally acceptive (sic) standards" this question is referring to.

**Question Nos. 86-88** - These questions are objectionable as irrelevant and immaterial as the Commission's decision in Certain Luggage Products speaks for itself. The witnesses response also improperly misstates the facts in that investigation. Furthermore, no foundation has been laid establishing that Dr. Helfgott has reviewed the actual survey in question.

**Question No. 89** - This question is objected to as being irrelevant and immaterial as the article speaks for itself.

4 Exhibit CX-4 (Secondary Meaning and Confusion Surveys and supporting documents). Respondents object to the admission of the portion of this exhibit entitled "The Results of Two Surveys

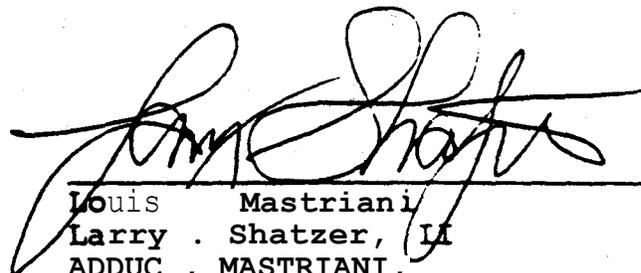
Concerning Ingersoll-Rand and Astro Power Air Impact Wrenches." Respondents object to this exhibit as being irrelevant and immaterial to the issues of this investigation. The secondary meaning survey is irrelevant because, by Dr. Helfgott's admission, the survey was not designed to measure the secondary meaning of the alleged common law, trademark at issue. As detailed in Respondents' pre-hearing brief, the both surveys suffer from several other flaws in, methodology, For these reasons the survey results are of no probative value and hence are inadmissible.

5. Exhibit CX-S - Respondents object to this exhibit because it was the express subject of discovery requests, which were of a continuing nature, by Respondents and the Staff and was not produced. (See Respondents First Request for Production, Request Nos. 5 and First Set of Interrogatories of Commission Investigative Staff Nos. 14, 15, and 20). This exhibit is also objected to because it does not constitute the best evidence of what appears to have been a survey of professional automotive technicians. The exhibit is further objected to as double hearsay for which no reliable foundation has been laid.

6. Exhibit CX-10 - Respondents object to the first page of this exhibit because it was the subject of a discovery request by the Respondents and was not produced. (See Respondents' First Request for Production, Request No. 35). Respondents also object because the underlying document speaks for itself.

7. . Exhibit CX-11 - Respondents object to this exhibit because it was the subject of a discovery request by Respondents and was not produced. (221 Respondents First Request for Production, Request Nos. 29.and 39). Respondents further object to this exhibit as being irrelevant and immaterial because it covers all pneumatic tools and cannot be used to support the contention that imports of 1/2 inch air impact wrenches are increasing.

.8. Exhibit pc-12 - Respondents object to this exhibit because it was the subject of a discovery request by Respondents and was not produced. (See Respondents First Request for Production, Request



Louis Mastriani  
Larry . Shatzer, II  
ADDUC , MASTRIANI,  
MEEKS & SCHILL  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036  
(202) 467-6300

Attorneys for Respondents  
Astro Pneumatic Tool Co. and  
Kuan I Gear Ltd.

Dated: January 28, 1991

YY700891

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing **OBJECTIONS OF RESPONDENTS TO COMPLAINANT'S EXHIBITS** were served on the parties as designated below this 28th day of January, 1991, by postage-paid first-class mail unless otherwise indicated upon:

Kenneth R. Mason, Secretary  
U.S. International Trade  
Commission  
500 E Street, S.W.  
Room 112  
Washington, D.C. 20436  
**(HAND DELIVERED)**

William L. Dickey, Esq.  
John M. Peterson, Esq.  
Martin J. Neville, Esq.  
Dickey, Neville,  
Peterson & Williams  
2300 N Street, N.W.  
Suite 600  
Washington, D.C. 20036  
**(HAND DELIVERED)**

The Honorable Paul J. Luckern  
Administrative Law Judge  
U.S. International Trade  
Commission  
500 E Street, S.W.  
Room 213-H  
Washington, D.C. 20436  
**(HAND DELIVERED)**

James Gould, Esq.  
U.S. International Trade  
Commission  
500 E Street, S.W.  
Room 401-F  
Washington, D.C. 20436  
**(HAND DELIVERED)**

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ADDUCr, MASTRIANI,  
MEEKS & SCHILL  
1140 Connecticut Ave., N.W.  
Suite 250  
Washington, D.C. 20036  
(202) 467-6300







UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.  
Before Paul J. Luckern  
Administrative Law Judge

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In the Matter of

CERTAIN AIR IMPACT WRENCHES

Inv. No. 337-TA-311

PREHEARING STATEMENT OF THE COMMISSION INVESTIGATIVE STAFF

I. INTRODUCTION

The Commission Investigative Staff ("Staff") submits the following prehearing statement in accordance with Administrative Law Judge Order Nos. 1 and 12.

A. Witnesses

It is the Staff's understanding that the witnesses at the hearing will be three of Complainant's employees (James Stryker, Robert Davies and James Boggs) and Complainant's survey expert (Myron Helfgott). Mr. Boggs will be testifying at the request of the Staff. In addition to the subjects covered in his deposition, Mr. Boggs will be asked about the Memorandum marked and submitted by Respondents as RX 11. Counsel for Respondents and the Staff have agreed that the Staff will take the lead in cross-examining Complainant's witnesses. Finally, the Staff notes that Complainant has requested that Respondents produce "Mr. Fisher if physically able, or a substitute witness [FRCP 30(b)(6) -type witness]." (Complainant's Prehearing Statement at 1). It is expected that Complainant will soon provide notice as to whether such a

witness will be produced. The Staff reserves the right to cross-examine any witness.

B. Proposed Exhibits

A copy of the Staff's proposed exhibit list is appended.

C. Stipulations

The following is a list of the stipulations agreed to by the parties:

1. Ingersoll-Rand Company ("Ingersoll-Rand") is a corporation organized under the laws of Delaware, having its principal place of business at P.O. Box 1776, Allen & Martinsville Roads, Liberty Corner, New Jersey 07938.
2. Kuan-I Gear Corporation ("Kuan-I") is a Taiwanese corporation, having its principal place of business at \*891-26, Chung Cheng Road, Sin Chuang, Taipei, Taiwan.
3. Respondent Astro Pneumatic Tool Company ("Astro"), is a California corporation, with a principal place of business at 4455 East Sheila Street, Los Angeles, . California 90023.
4. Ingersoll-Rand's products at issue are models 231 and 231-2 1/2" air impact wrenches.
5. The Respondents' accused product is the Astro modal 555.
6. The Respondents have imported the accused product into the United States.
7. The Complainant has a domestic industry under section 337 of the Tariff Act regarding the asserted common law trademark.
8. The asserted common law trademark is not inherently distinctive.
9. The Respondents' alleged unfair acts do not have the effect of destroying or substantially injuring the Complainant's domestic industry regarding the asserted common law trademark in the appearance of Complainant's 1/2" air impact wrench.
10. Ingersoll-Rand is not aware of'a single instance in which a direct customer of Ingersoll-Rand has ceased selling the Ingersoll-Rand 231 as a result of a decision by that customer to sell the Astro 555.
11. The large majority of warehouse distributors and jobbers carry more than one line of air impact wrench.

12. The Astro 555 and the Ingersoll-Rand 231 are sold through the same channels of commerce, i.e., the same warehouse distributors purchase both the Astro 555 and the Ingersoll-Rand 231.

13. Warehouse distributors constitute the primary market for both the Ingersoll-Rand 231 and the Astro 555.<sup>1/</sup>

D. Issues 1/<sup>21</sup>

1. What specifically comprises Ingersoll-Rand's asserted common law trademark.

2. Whether Ingersoll-Rand has a common law trademark, as defined by Ingersoll-Rand, in the appearance of its 1/2" air impact wrench.

3. Whether the accused air impact wrenches are likely to be confused with the Ingersoll-Rand air impact wrench by the relevant consumer class.

4. Whether the Respondents have imported or sold for importation into, or sold after importation in, the United States the accused air impact

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I/ Complainant has qualified this stipulation as follows: "this is the first tier of the market; the end-users, the ultimate purchasers, as surveyed are the ultimate market and the most relevant group for survey purposes." The Staff agrees to this qualification.

<sup>1/</sup> In addition to Complainant's allegation of common law trademark infringement, the original Complaint also contained allegations that Respondents have violated "country-of-origin" marking requirements found in 19 C.F.R. §134.46 and Section 5(a) of the FTC Act. At pages 53-54 of the deposition transcript of James Stryker, Complainant advised that its "country-of-origin" allegations made in paragraphs 4.3 and 4.4 of the Complaint were no longer in issue. Furthermore, Complainant has not discussed these issues in its prehearing statement. Nonetheless, the Staff requests that this matter be confirmed at the Prehearing Conference. If Complainant is no longer relying on this cause of action, a motion to amend the Notice of Investigation (or a stipulation to that effect) would be appropriate.

<sup>2/</sup> The issue of whether the Commission has jurisdiction in this case was listed by the Staff in its Discovery Statement. However, none of the parties has raised any jurisdictional issues in their prehearing statements. Thus, the Staff submits that jurisdiction is not a contested issue. The Staff will seek a stipulation to this effect at the prehearing conference.

wrenches.

5. Whether there is a domestic industry with respect to Ingersoll-Rand's alleged common law trademark.

6. Whether the respondents' activities have the threat of substantially injuring the domestic industry related to Ingersoll-Rand's alleged common law trademark.

The Staff has included only a very brief discussion of importation and domestic industry because the parties have stipulated to importation and the existence of a domestic industry. Additionally, the Staff notes that the parties have stipulated that there has been no "effect" of substantial injury to the domestic industry and thus only the issue of threat of injury remains.

The affirmative defense issues are as follows:

7. Whether Ingersoll-Rand is not entitled to relief because it is guilty of unclean hands.

8. Whether Ingersoll-Rand is estopped from obtaining relief due to its acquiescence in Respondent Astro's activities.

E. Proposed Agenda for the Prehearing Conference

1. Rulings on outstanding motions (if any).
2. Witness Scheduling.
2. Introduction of exhibits.
3. Discussion of the proposed stipulations.

F. estimated Duration of the Hearing

Based on the issues that the Staff anticipates will be contested at the hearing, the Staff expects the hearing to require five working days to be completed.

G. penositions

The Staff intends to introduce the following deposition transcripts as physical exhibits at the hearing:

1. Deposition of James \$oggs.
2. Deposition of Robert Davies.
3. Deposition of Steven Cornell.
4. Deposition of Myron Helfgott.
5. Deposition of-Ralph Leonard.
6. Deposition of Richard Poore.
7. Deposition of James Stryker.

H. Goering and Closing Statements

The Staff does not intend to make an opening statement at the hearing. At this time the Staff does not know whether it will be necessary to make a closing statement but reserves the right to do so.

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POINTS AND CONTENTIONS:A/

I. 7L:AT COMPRISES INGERSOLL-RAND'S ASSERTED COMMON ,LAW TRADEMARK

The Commission has held that a determination of whether a complainant has established a common law trademark properly begins with a definition of the alleged trademark. Certain Luggage Products, Inv. No. 337-TA-243, U.S.I.T.C. Pub. No. 1969, Views of the Majority at 8 (June 1987) ("Lu:zalte Products"). 211 also Certain Hard Sided Molded Luggage Cases, Inv. No. 337-TA-262, Unrev'd Initial Determination at 5 (Nov. 23, 1987) ("Hard Sided Luggage").

The Staff anticipates that the evidence to be presented at the hearing will be widely divergent as to the definition of the asserted mark. During discovery, statements by Ingersoll-Rand and by individual employees of Ingersoll-Rand have been inconsistent and conflicting, demonstrating a lack of agreement as to what constitutes the asserted trademark.<sup>21</sup> In Complainant's December 26, 1990 amendment to the complaint, the mark is defined as follows:

Except for the above-described excepted elements of the

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if The positions of the Staff set forth herein are based upon information adduced during discovery of which the Staff is aware. To the extent that evidence presented at trial contravenes such information, the Staff reserves the right to modify its positions. As will be noted below, the Staff's ability to take positions on certain issues is further complicated by Complainant's failure to provide factual support for, or any analysis of, its positions in its prehearing statement and by Complainant's failure to adequately define the nature and scope of its asserted mark.

<sup>1/</sup> The Staff did not oppose Complainant's December 26 motion to amend because (1) the proposed amendment would not prejudice the public interest nor the rights of the parties to the investigation inasmuch as there has already been substantial discovery by the parties on the definition of Complainant's asserted common law trademark, and (2) the proposed amendment would not necessitate a change in the scope of the investigation as defined in the Notice of Investigation. However, the Staff noted that its non-opposition to the motion to amend should not be construed as Staff agreement to the proposed amended definition or to the existence of the asserted common law trademark.

231 IMPACTOOL, [chuck, air inlet, IR logo] the mark covers the overall configuration and appearance of the 231 IMPACTOOL to include such appearance-related factors as color, size, shape, texture, the visual appearance of the manner of parts assembly, feature location and sheen;

but the claimed mark does not cover non-appearance related characteristics such as weight, balance, feel smell, and temperature of the article.

In its prehearing statement, Complainant describes its asserted mark as "the shape, proportion, configuration, color and texture of the 231 IMPACTOOL, to the extent these features. combine to create an overall appearance of the product." Complainant's Prehearing Statement at 3.

Although the Commission acknowledged in Luggage Products at 5 that "a common law trademark may exist in the overall appearance of a product," it noted that, under Ambit. Inc. v. Kraft. Inc., 805 F.2d 974 (11th Cir. 1986) (a case relied upon by the complainant in Luggage Products), "precise identification" of features constituting the mark is necessary.

Luggage Products at 7. In Luggage Products, for example, the Commission gave little weight to self-serving testimony that the asserted trademark consisted of the unique "Hartmann look". luggage Products at 11-12. The evidence expected to be offered by the Complainant here that the trademark in this investigation consists of the "overall appearance" of the product at issue is no different than asserting that the trademark consists of the "Ingersoll-Rand look." In the Staff's view Complainant has not sufficiently identified the features which constitute its purported mark.

Moreover, in Luggage Products, the Commission concluded that the alleged marks were of "a weak nature based upon the divergent testimony of Complainant's witnesses as to what the alleged common law trademarks are." Luggage Products at 12. Similarly, here there is inconsistent and conflicting

testimony as to the definition of the asserted trademark. Consequently, the Staff submits that the asserted mark is of a weak nature, requiring the Complainant to provide strong evidence of secondary meaning. Luggage Products at 16.

II. WHETHER INGERSOLL-RAND HAS A COMMON LAW TRADEMARK IN THE APPEARANCE OF ITS 1/2" AIR IMPACT WRENCH.

A trademark is defined at common law, as it is under the Lanham Act, as "any word, name, symbol, or device, or any combination thereof, adopted and used by a manufacturer or merchant to identify his goods and to distinguish them from those manufactured or sold by others." 15 U.S.C. §1127; 1 McCarthy, Trademark and Unfair Competition, §3:1 at 103 (1984) ("McCarthy"); Certain Woodworking Machines, Inv. No. 337-TA-174 at 6 (1985) ("Woodworking Machines").

In order to demonstrate that it has a common law trademark in the appearance of its 1/2" air impact wrenches, Ingersoll-Rand must show that: (1) it has a right to use the alleged mark; (2) the mark is not primarily functional; (3) the mark is either inherently distinctive or has acquired secondary meaning; and (4) the mark has not acquired generic meaning. Certain Sickle Guards, Inv. No. 337-TA-247 at 7, 2 U.S.P.Q. 2d 1889 (1987) ("Sickle Guards"); Certain Vacuum Bottles, Inv. No. 337-TA-108 (1982) ("Vacuum Bottles") at 5.

A. Ingersoll-Rand's Right to Use the Alleged Mark

A person claiming a trademark must establish that he has a right to identify his product by the mark. Prior use by another without abandonment may bar this right. Certain Cube Puzzles, Inv. No. 337-TA-112 ("Cube

guzzles") at 7. In order for such prior use to constitute a bar, such prior use must confer trademark rights on the senior user. *Id.* at 7-8. The evidence to be presented at the hearing is expected to show that Mac Tool Company is claiming a common law trademark in the appearance of its AW 234 1/2" air impact wrench, which is similar to the appearance used by the Complainant for the I-R 231.<sup>21</sup> However, the evidence is expected to show that the Complainant is the senior user of the design. Therefore, the Staff maintains that the presence of the AW 234 does not interfere with Ingersoll-Rand's right to use the asserted mark.

B. Functionality

1. The Design of the I-R 231

In Morton-Norwich Products, Inc., 671 F.2d 1332, 213 U.S.P.Q. 9 (C.C.P.A. 1982), the Court of Customs and Patent Appeals set forth the criteria to be considered in determining whether a utilitarian advantage of the design at issue is functional: (1) whether the feature asserted as a mark was the subject of a utility patent; (2) whether the particular design results from a comparatively simple or cheap method of manufacture; (3) whether other commercial alternatives are available; and (4) whether the advantages in the design have been touted in advertisements. Morton-Norwich, 671 F.2d at 1340-1341. The Commission has adopted these factors for use in determining functionality. Agg Vacuum Bottles at 19-25; Cube Puzzles, surrg. at 16-19. Functional features, whether or not associated by the public with a specific source, cannot have protectable trademark significance. U.S. Golf Assoc. v St. Andrews Systems Data-Max, Inc., 749 F.2d 1028, 1032 (3rd Cir. 1984).

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<sup>11</sup> The AW 234 is in fact manufactured for Mac Tool under private label by Ingersoll-Rand.

Thus, as held by the Third Circuit in American Greetings Coro. v. Dan-Dee Imports, Inc., 807 F.2d 1136, 1141, 1 U.S.P.Q. 2d 1001, 1004 (3rd Cir. 1986).

When a feature or combination of features is found to be functional, it may be copied and the imitator may not be enjoined from using it, even if confusion in the marketplace will result.

Where the alleged mark is a composite design, the question is whether protection of the entire design, i.e., the composite, would hinder competition. The Federal Circuit has held:

To assert an overall product shape as a mark, the entire design must be arbitrary or non-de jure functional. An overall design is not removed from the category of non-protectable shape (i.e., de jure functional) merely because it includes arbitrary features. . . On the other hand, particular features may become an indication of source even though the entire product shape does not meet the criteria. . .

Petersen Mfg. Co., Inc. v. Central Purchasing, Inc., 740 F.2d 1541, 1550, 222 U.S.P.Q. 562, 569 (Fed. Cir. 1984). (Emphasis in original) Accord, New England Butt Co. v. U.S.I.T.C., 756 F.2d 874 (Fed. Cir. 1985); Textron, Inc. v. U.S.I.T.C., 753 F.2d 1019 (Fed. Cir. 1985).

a. Utility Patents Governing Ingersoll-Rand Products.

Courts have almost invariably found that configurations that were the subject of a utility patent are functional, whether or not such patent has expired. lei, e.g., Application of Honeywell, Inc., 497 F.2d 1345 (CCPA 1974); Best Lock Corp. v. Schlage Lock Co., 413 F.2d 1195 (CCPA 1969); Application of Shenango Ceramics, Inc., 302 F.2d 287 (CCPA 1966); In re Vico Products Manufacturing Co., Inc., 229 U.S.P.Q. 164 (TTAB 1985). Although Ingersoll-Rand had utility patents on the internal mechanism of the 1/2" air impact wrench, U.S. Patent Nos. 3,605,914 and 3,661,217, it does not appear that either of these patents covers the exterior design of the '231 wrench.

b. Whether the Design of the Ingersoll-Rand Products Results from a Comparatively Simple or Cheap Method of Manufacture

The Federal Circuit and the Commission have used as a criterion of functionality whether the design in question is the result of a comparatively cheap or simple method of manufacture. Morton-Norwich, 671 F.2d at 1341, Schwinn Bicycle Co. v. Murray Ohio Manufacturing Co., 470 F.2d 975 (6th Cir. 1972); Certain Hard Sided Molded Luggage Cases, Inv. No. 337-TA-262 (Unreviewed I.D. Nov. 4, 1987). A product feature may have a utilitarian purpose but be considered nonfunctional if there are commercially feasible, alternative features that perform the same function. As the predecessor to the Federal Circuit stated:

a discussion of 'functionality' is always in reference to the design of the thing under consideration (in the sense of appearance) and not the thing itself.

Morton-Norwich, 671 F.2d at 1338, 213 U.S.P.Q. at 13 (emphasis in original).

It is expected that the evidence to be produced at trial will prove that the design of the I-R 231 does not result from a comparatively simple or cheap method of manufacture. In fact, the evidence will show that the asserted design is, among 1/2" air impact wrenches, one of the more expensive to manufacture.

c. Whether There are Available Alternatives

As noted by the Federal Circuit in In re Bose Corp., 772 F.2d 866, 872 (Fed. Cir. 1985), if the design asserted to give a product distinctiveness is the best, or at least one of a few superior designs for its de facto purpose, it follows that competition is hindered. Common law trademark rights cannot be asserted where such hindrance would result. Truck Equipment Service Co. Fruehauf Corp., 536 F.2d 1210 (8th Cir. 1976). The evidence is expected to show that the design of the Ingersoll-Rand '231 is one of the "superior

designs" for air impact wrenches. Further, since there appears to be information that the design of the '231 was driven, at least in part, by a need to simultaneously accommodate both (a) the internal mechanical workings and (b) the human hand, the "overall appearance and configuration" of the '231 may be de jure functional, i.e., the functional aspects may well dictate the design. On the otherhand, Complainant has included color and shear in its discussion of the asserted mark and those aspects of the mark do not appear to be functional. Given the insufficiency of Complainant's definition of its mark, the Staff reserves taking a position on this issue at least until - Complainant has provided an adequate definition of its mark.

d. Touting Functional Features in Advertising

In its advertisements, the following constitute representative statements made by Ingersoll-Rand regarding the alleged benefits of the *designs* of its products:

Steel hammer case provides maximum protection.

Two piece construction provides for easy servicing.

Balanced design allows easy handling.

See Ingersoll-Rand Automotive Power Tools Catalog, SPX 02 at 12 (17th ed. 1990).

Other manufacturers, such as Mac Tool have made similar claims with respect to the designs of their air impact wrenches. See, *g.s.*, proposed Exhibit RX 19. While such statements may indicate that aspects of the overall appearance and configuration are functional, they have generally not been found to be sufficient to establish the functionality of an asserted design trademark. Certain Electric Power Tools. Battery Cartridges. and Battery Chargers. Inv. No. 337-TA-284, Unrev'd I.D. at 204 (June 2, 1989) ("Power

Tools").

2. The Color of the I-R 231

Ingersoll-Rand has claimed as a part of its trademark the "black and shiny" appearance of the I-R 231. The Federal Circuit has held that "when the color applied to goods serves a primarily utilitarian purpose it is not subject to protection as a trademark." In re Owens-Corning Fiberglas Corr). (Owens-Corning), 774 F.2d 1116, 227 U.S.P.Q. 417, 419 (Fed. Cir. 1985). Industry practices and competitive needs factor into this determination. j. at 419. The evidence to be presented at the hearing is expected to show that the **black and shiny** appearance is widely used in the pneumatic tool industry. Complaint. Exh. C. In such a circumstance, it could be argued that Ingersoll-Rand's assertion of a common law trademark in the black and shiny appearance of the I-R 231 might constitute **an impermissible** depletion of color. Power Tools at 208-209. However, since Ingersoll-Rand appears to be asserting a trademark in the color in combination with the "overall appearance and configuration" of the I-R 231, and not in the color **alone, it** is the Staff's view that the color depletion theory is inapplicable.<sup>2/</sup>

C. Ingersoll-Rand's Alleged Trademark is not Inherently Distinctive

The parties to this investigation have stipulated that the appearance of the I-R 231 is not inherently distinctive. As a consequence, Ingersoll-Rand's alleged mark is legally recognizable as a common law trademark only upon proof of secondary meaning. See generally Certain Luggage Products, Inv. No. 337-TA-243, Commission Action and Order at 3-4 (1986); Certain Heavy Duty Staple Gun Tackers, Inv. No. 337-TA-137, Initial Determination at 28-29 (1984)

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**21** The Staff notes that in Owens-Corning the definition of the mark was limited to the color;

("Staple Guns"); Certain Sneakers With Fabric Uppers and Rubber Soles, Inv. No. 33<sup>7</sup>-TA-118 (1983) ("Sneakers"); Certain Braiding Machines, Inv. No. 337-TA-130 (1984); Milling Machines, supra; Vacuum Bottles, supra; Certain Novelty Glasses, Inv. No. 337-TA-55 (1979); Trolley Wheel Assemblies at 41.

D. Ingersoll-Rand's Alleged Trademark Does Not Have Secondary Meaning

Ingersoll-Rand must prove that either its alleged trademark or specific components thereof have acquired secondary meaning. Secondary meaning is the public's association of the word, phrase, symbol or design with the purported trademark owner. 1 McCarthy, supra, §15.2. The test of secondary meaning of a mark is that the primary significance of the mark in the minds of the public is to identify the source of the product rather than the product itself. Braiding Machines, supra, at 57 (citing Kellogg Co. v. National Biscuit Co., 39 U.S.P.Q. 296, 299 (1938)); Sneakers, supra, at 7 (1983). In order to establish secondary meaning, Ingersoll-Rand must prove an "association in the buyers' mind between the alleged mark and a single source of the product bearing the mark." Luggage Products at 8. Since the asserted trademark is weak, Ingersoll-Rand will be required to put forth substantial proof of secondary meaning, rather than a very remote possibility of such meaning. Trolley Wheel Assemblies at 41; 1 McCarthy, §15.11.

Proof of secondary meaning may consist of both direct evidence and circumstantial evidence. Trolley Wheel Assemblies at 41-42; Sneakers at 7; 1 McCarthy §15.16. Direct evidence consists of buyers' testimony, presented through live testimony, affidavits or surveys. Circumstantial evidence consists of information relevant to length of use, commercial success, advertising and intentional copying. Milling Machines at 13; Staple Guns supra; Sneakers, supra; Fuses, supra; Vacuum Bottles, supra; 1 McCarthy

§15.16.

1. Direct Evidence

In evaluating the acceptability of consumer surveys, it is necessary to consider the guidelines prescribed by the Judicial Conference of the United States:

1. Examination of the proper universe;
2. A representative sample drawn from that universe;
3. A correct mode of questioning interviewees;
4. Recognized experts conducting the survey;
5. Accurate reporting of data gathered;
6. Sample design, questionnaire, and interviewing in accordance with generally accepted standards of objective procedure and statistics in the field of such surveys;
7. Sample design and interviews conducted independently of the attorneys; and
8. The interviewers, trained in this field, have no knowledge of the litigation or the purpose for which the survey is to be used.

Handbook of Recommended Procedures for the Trial of Protracted Cases at 73-74 (West Ed. 1960). These standards have been adopted by the Commission. Id., e.g., Certain Heavy Duty Stable Gun Tackers, 6 I.T.R.D. 1623 (Unreviewed I.D. 1984); Hard Sided Luggage at 56.

At the hearing, Ingersoll-Rand is expected to introduce two survey studies conducted by Dr. Myron J. Helfgott. The first study was designed to measure the level of secondary meaning in the appearance of the Ingersoll-Rand product. Essentially, the survey respondents were asked to identify the brand name of a masked I-R 231 (question 1a), and, in certain cases, to specify the reasons for making their particular identifications (question 1b).

The evidence to be presented at the hearing is expected to show that Dr.

Helfgott's secondary meaning study was designed in a way that did not yield objective results, and is thus entitled to little, if any, evidentiary weight. For example, the Staff's submits that (i) the secondary meaning survey is seriously flawed due to the leading nature of the questions posed to interviewees; <sup>1/</sup> (ii) the number of persons surveyed (100) was inadequate; <sup>1/</sup> and (iii) abnormal time constraints marred the survey process. These methodological *flaws*, among others, significantly reduce the reliability of the survey results.

The evidence will also show that Dr. Helfgott conducted the secondary meaning study without having an understanding of what specific intellectual property right Ingersoll-Rand was asserting in this investigation. Helfgott Dep. at 52 and 202-03. The purpose of the survey, according to Dr. Helfgott, was not to link the identifications of the survey respondents to a particular feature or features of the tools. Helfgott Dep. at 48-49. In fact, there has been no explanation as to how particular answers to question 1b relate to the asserted trademark. Further, 25% of the survey respondents in the secondary meaning survey were not even asked question 1b i.e., were not even probed as to why they made a particular identification. (Helfgott dep. at ).

The Commission has determined that a trademark survey is supposed to association of the trademark with the product, and that a survey that purports

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<sup>21</sup> *For* example, in question 1, the survey respondents were asked whether they knew "the brand name of *this* tool or the company that makes it", suggesting that the tool had a single source. That type of question has been criticized as leading by the Commission. Luggage Products at 21.

<sup>2/</sup> Dr. Helfgott testified that he was required to conduct this survey in substantially less time than he would normally require, Helfgott Dep. at 149-50, and the Staff submits that these abnormal time constraints contributed to the survey's flaws in several ways.

to demonstrate recognition without demonstrating whether such recognition is because of the trademark should be accorded no weight. Luggage Products at 19-21. Because there is no attempt to correlate recognition to the asserted mark, the survey should be accorded no weight.

Even if the survey is accorded some weight, the Staff submits that, given the weakness of the mark, and the survey's methodological flaws, the survey results are not sufficient to support a finding of secondary meaning in the asserted mark.

## 2. Circumstantial Evidence

### a. Use of Word Mark

One may have a number of marks for a single product. Since Complainant's alleged design mark is not inherently distinctive and is always used in connection with strong existing marks, i.e., the Ingersoll-Rand Logo and name, the alleged common law trademark must be shown to have secondary meaning that creates a commercial impression separate and apart from the existing marks in order for the asserted design to be protectable. Petersen Mfg. Co., supra ("Visegrip" and the configuration of pliers); McIlhenny supra (word mark and the configuration of a bottle); In re Mogen David Wine Corp., 372 F.2d 539 (C.C.P.A. 1967); Luggage Products, supra, at 54-55 ("Hartmann" and the appearance of the luggage).

The circumstantial evidence respecting use of the word mark in advertising in this investigation is quite similar to that which led the Commission to find that secondary meaning did not exist in Luggage Products, supra. Ingersoll-Rand, in much the same manner as Hartmann, always advertises its air impact wrenches with its strong word mark. If the configuration is advertised with a strong word mark, then it is difficult for the fact finder

to draw an inference that consumers recognize the configuration trademark (without the strong word mark) as coming from a single source. Ingersoll-Rand, like Hartmann, has taken no steps to indicate that it considered the appearance of the Ingersoll-Rand wrenches to be its trademark.

Ingersoll-Rand's advertisements do not identify or promote the configurations Ingersoll-Rand seeks to protect. Rather, these features are merely incidental. The advertisements produced by Ingersoll-Rand feature the Ingersoll-Rand name and logo in connection with the air impact wrenches. By comparison, the configurations are obscure. The mere presence or visibility of a specific component in advertisements or catalogs does not necessarily support a finding of secondary meaning. Trolley Wheel Assemblies at 48. ;1,, New England Butt, supra; Textron, supra. The evidence will show that in Ingersoll-Rand's advertising no commercial impression is created in the appearance of Ingersoll-Rand's air impact wrench separate and apart from Ingersoll-Rand's strong word mark.<sup>1v</sup>

b. Third-party Use

As noted earlier, Mac Tool, a subsidiary of Stanley Tool Works, sells an air impact wrench called the Mac AW 234 in which it claims a common law design trademark. The AW 234, which is manufactured by Ingersoll-Rand under private label, is similar in appearance to the I-R 231. As noted by Respondents in their prehearing briefs, third party use of similar products has been found to weigh against a finding that the consumer class associates the mark with only one source. 1 McCarthy §15.9.

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While Ingersoll-Rand alleges that it has spent an average of \$248,000 per year on advertising for the past three years, including co-op advertising, the evidence is expected to show that the amount of those expenditures that were used to promote the appearance of Ingersoll-Rand's air impact wrenches specifically is unquantifiable.

c. Asserted Copying

The evidence to be presented at trial is expected to show that Respondents sent an I-R 231 to Taiwan with instructions to have the tool copied in order to produce the Astro 555. However, notwithstanding such evidence, a legal right to copy exists unless a trademark, copyright or patent is present. Power Tools ID at 211. Therefore, the existence of copying cannot be given much weight in determining whether secondary meaning exists. Under Commission precedent, intentional copying is only treated as evidence of secondary meaning in the presence of both a strong mark and other substantial evidence of secondary meaning. Faucets, supra, at 40-46; Trolley 'heels, 12.21.1; Sneakers, supra, at 20.

d. Changes in the Asserted Mark

Ingersoll-Rand contends that the appearance of its I-R 231 has remained the same for the past 18 years. However, the evidence\_\_ which has been adduced during discovery demonstrates that the appearance of the I-R 231 has changed several times in the past 18 years. Such changes include, inter alia the shape of the handle, the design of the trigger (referred to as an "essential element" of the trademark IV), and the sheen of the motor housing. Therefore, Ingersoll-Rand cannot rely on the alleged static appearance of its '231 wrench to establish secondary meaning.

The Staff submits that the circumstantial evidence to be presented in this case will be insufficient to support a finding that the asserted mark has acquired secondary meaning.

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<sup>11/</sup> See April 12, 1990 Amendment to Complaint at 2.

#### E. Genericness

An alleged trademark is generic when its primary significance in the minds of purchasers is not the producer, but the product. Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938). None of the parties has alleged that the purported mark has generic meaning and Complainant has not explicitly argued non-genericness in its brief. However, proof of common law trademark must include a showing that the mark has not acquired generic meaning. Certain Cube Puzzles, Inv. No 337-TA-112 (1982) at 7. As discussed previously, since there is divergent testimony on the definition of the mark, and Complainant has not clarified its mark sufficiently, either in its amendments to the Complaint or in its prehearing statement, the Staff defers taking a position on genericness at this time.

#### III. RESPONDENTS HAVE IMPORTED INTO OR SOLD THE ACCUSED PRODUCTS IN THE 'NT-TED STATES

The parties to this investigation have stipulated that the Respondents have imported the accused products into the United States. The Commission has held that the importation of a single unit, even if it has no commercial value, is sufficient to give rise to a violation of section 337. Certain Trolley Wheel Assemblies., Inv. No. 337-TA-161, U.S.I.T.C. Pub. 1605, Views of the Commission at 8 (Nov. 1984).

#### IV. THERE IS NO LIKELIHOOD OF CONFUSION BETWEEN THE INGERSOLL-RAND PRODUCTS AND THE ACCUSED PRODUCTS

Infringement of a trademark means that a significant portion of the consuming public is likely to be confused as to the source or sponsorship of

the *accused* product. The Commission has recognized that infringement of a common law trademark in the appearance of a product is an unfair act within the meaning of Section 337. Woodworking Machines, supra; Milling Machines, supra, at 8-9; Cube Puzzles, supra; Vacuum Bottles, supra, at 5.

A. Direct Evidence of Confusion

1. The Confusion Survey

Ingersoll-Rand is expected to submit a consumer survey prepared by Dr. Helfgott as to likelihood of confusion between the Ingersoll-Rand product and the accused product. In the confusion survey, the survey respondents were shown an Astro 555 air impact wrench and were asked if they knew the name of the tool or the name of the company that makes it (question 1a). If the survey respondents said "Astro Power", or some variation thereof, the survey respondents were further asked what company they believed made the product for Astro Power (question 2). The survey respondents were then asked to specify the reasons for making the identifications they did (question 3).

Many of the same methodological problems with Dr. Helfgott's secondary meaning survey raise serious doubts as to the accuracy of the confusion survey results. Additionally, question 2, which suggests to the survey respondents that a different company may manufacture the Astro 555 for Astro, impermissibly skews the survey results by improperly giving the survey respondents an extra opportunity to make an Ingersoll-Rand identification. The confusion survey also suffers from the lack of any correlation between reasons for identifications and the trademark asserted by Ingersoll-Rand. Other apparent problems include evidence of guessing and failure of the survey to properly reflect the point-of-purchase environment. The confusion survey is entitled to little weight given its flaws in methodology.

Even if the survey were not methodologically flawed, the Staff contends that the survey results would be insufficient to support a finding of likelihood of confusion. Indeed, only 14% of the survey respondents made an Ingersoll-Rand identification when asked, in question 1a, which company makes the Astro 555. Ingersoll-Rand argues that the confusion rate is actually 29%, given the Ingersoll-Rand identifications in-response to question 2. However, as noted above, question 2 contained the impermissible suggestion that the Astro 555 was manufactured by a company other than Astro. As such, this additional 15% should be accorded very little, if any, weight in determining likelihood of confusion.

## 2. Actual Confusion

Proof of actual confusion is not necessary, although "Itlhere can be no more positive proof of likelihood of confusion." Grotrian. Helffonreich. Schutz. Th. Steinweg Nacht v. Steinway & Sons, 365 F. Supp. 707 at 715-716 (S.D.N.Y. 1973). As noted by the Commission in Food Storage Containers, :nv No. 337-TA-152 at 55 (1984) ("Food Containers"), evidence of actual confusion "is persuasive, if not irrefutable, on the issue of likelihood of confusion)." In its prehearing statement, Ingersoll-Rand has not identified any instances of actual confusion regarding the Astro 555 other than a vague reference to the survey. (Complainant's Prehearing Statement at 14)

### B. Circumstantial Evidence of Confusion

In Coin Operated Audio Visual Games, Inv. No. 337-TA-87 at 8.9 (1981) ("Games I"), the Commission adopted the following circumstantial criteria of the Restatement of Torts § 729 for determining likelihood of confusion:

1. The degree of similarity between the designation and the alleged trademark;
2. The intent of the actor in adopting the accused design;

3. The relation in use and manner between the goods and services marketed by the actor and those marketed by others; and

4. The degree of care likely to be exercised by purchasers.

These criteria have been consistently applied by the Commission. See Braiding Machines, junrg; tale Guns, puprA; Sneakers, swore; Fuses, punra.

The Respondents physically affix their own tradenames and marks on the accused products and identify the country of origin of their goods. The Respondents also identify themselves and the country of origin on the packaging of the accused products. The Ingersoll-Rand mark and country of origin are similarly placed on the Ingersoll-Rand product, packaging and advertisements. Such markings substantially reduce the likelihood of confusion. See American Greetings Corp., supra; Litton Systems Inc. v. 1;hirlpool Corn., 728 F.2d 1423, 1446 (Fed. Cir. 1984); and Sunbeam Corn. v. Ecutv Industries Corn., 635 F. Supp, 625, 633 (E.D. V . 1986). Finally, the evidence will show that the purchasers of air impact wrenches, who are very sophisticated regarding these products, will use a significant degree of care in purchasing the products at issue for a number of reasons, and, as such, will be less likely to be confused.

In light of the foregoing criteria, the evidence to be presented will not establish that there is a likelihood that consumers will be confused into believing that Respondents' accused product emanate from or are sponsored by Ingersoll-Rand.

V. DOMESTIC INDUSTRY

In order to obtain relief for a violation of section 337, a complainant must show that it has an industry in the United States. 19 U.S.C. §1337(a)(1)(A). Under section 337(a)(1)(A), the scope of the domestic industry is defined in terms of the production-related activities that exploit the intellectual property rights in issue. Power Tools at 238, citing Certain Vacuum Bottles, Inv. No. 337-TA-108 (1982); Certain Products with Gremlin Character Depictions, Inv. No. 337-TA-201 (1986); Certain Miniature, Battery-Operated All-Terrain, Wheeled Vehicles, Inv. No. 337-TA-122 (1982), aff'd, Scheyer Mfg. Co. v. U.S.I.T.C., 717 F.2d 1368 (Fed. Cir. 1983).

Ingersoll-Rand manufactures the I-R 231 in Athens, Pennsylvania. Ingersoll-Rand's annual production capacity for the I-R 231 has averaged over \_\_\_\_\_ (Complainant at 3; SX 014; and SX 016 at 3).

The parties have stipulated that, assuming it can establish the existence of its alleged common law trademark, Ingersoll-Rand has a domestic industry under section 337(a)(1)(A) regarding such trademark.

VI. THREAT OF INJURY

When an assessment of the market in the presence of the accused products demonstrates relevant conditions or circumstances from which probable future injury can be inferred, a tendency to substantially injure the domestic industry has been shown. Certain Combination Locks, Inv. No. 337-TA-45,

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<sup>11</sup>/ The parties have stipulated that there is no actual injury in this investigation. Therefore, to obtain relief, Ingersoll-Rand must prove that the alleged unfair acts have the threat of destroying or substantially injuring the domestic industry. 19 U.S.C. 31337(a)(1)(A).

Recommended Determination at 24 (1979). Relevant conditions or circumstances may include foreign cost advantage and production capacity, ability of the imported product to undersell Complainant's product, or substantial manufacturing capacity combined with the intention to penetrate the United States market. Certain Methods for Extruding Plastic Tubing, Inv. No. 337-TA-110, 218 U.S.P.Q. 348 (1982). All of the elements cited in 21 slit are present in this investigation.

The Staff submits that evidence to be presented at the hearing will establish that the wholesale price for the Astro 555 is substantially below that of the I-R 231. The evidence will also show that Respondent Kuan-I Gear has an annual production capacity of \_\_\_\_\_ units of the Astro 555. ;Response of Respondent Kuan I Gear Co., Ltd. to Commission Investigative Staff's FLtst Set of Interrogatories at 2). Further, the Respondents' intent to penetrate the market will be evidenced by the fact that the Respondents have already shipped several thousand units into the United States, and that Respondent Astro has advertised the Astro 555 in the United States in order to promote sales of that product here. Thus, the Staff submits that the evidence will show that there exists a threat of substantial injury to Ingersoll-Rand's domestic industry in this investigation.

#### THE AFFIRMATIVE DEFENSES

##### VII. UNCLEAN HANDS

In their prehearing statement, Respondents argue that "Complainant is **guilty of unclean hands** as a result of its assertion of patent rights in the **product at issue** for an extended period of time after the patents had expired

and by its attempt, through this investigation, to improperly enforce its expired patent rights against Respondents". (Respondents Prehearing Statement at 19). The Staff acknowledges that the evidence will show that Complainant marketed its '231 wrench in association with a reference to expired patents. However, the Staff has not seen evidence that such marketing was done with an intent to deceive the public, and the Staff agrees with Complainant that intent to deceive is an essential element to support a violation of 35 U.S.C. §292. Brose v. Sears, Roebuck & Co., 455 F.2d 763, 765 (5th Cir. 1972). Although Respondents' contend that a violation of this statute is not necessary to prove unclean hands, the Staff submits Respondents have not yet made a sufficient showing on this issue.

#### VIII. ESTOPPEL

Respondents assert that "approximately five to six years prior to the institution of this investigation Complainant requested and was provided by Astro one of Astro's 148 TR air impact wrenches to review so that Complainant could determine whether the product infringed its intellectual property rights", and that "[a]fter this review Complainant informed Astro it did not have a problem with the product." Respondents Prehearing Statement at 22. In their Prehearing Statement, Respondents have not identified the evidence upon which they intend to rely to establish this defense. Thus, the Staff does not know, for example, the exact nature of the request or of the asserted response. Accordingly, the Staff will have to await development of a record at the hearing before taking a position on this issue. Respondents' further contend that they acted in reliance upon Complainant's advice. *Id.*



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.  
Before Paul J. Luckern  
Administrative Law Judge

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In the Matter of

CERTAIN AIR IMPACT WRENCHES

Inv. No. 337-TA-311

PROPOSED EXHIBIT LIST OF THE COMMISSION INVESTIGATIVE STAFF

<u>ESL,</u>	<u>Title</u>	<u>EMU</u>	<u>Sponsor</u>	<u>Status</u>
SX 000	Proposed Exhibit List of the Commission Investigative Staff	8	Staff	
SX 001	Response of Respondent Astro Pneumatic Tool Co. to Complaint of Ingersoll-Rand Company as Amended, Response to Notice of Investigation and Affirmative Defenses.	17	Astro	NC
SX 002	Supplemental Response of Respondent Astro Pneumatic Tool Co. to the Complaint.	5	Astro	NC
SX 003	Response of Respondent Astro Pneumatic Tool Co. to Commission Investigative Staff's First Set of Interrogatories.	16	Astro	
SX 004	Response of Astro Pneumatic Tool Co. to First Set of Interrogatories of Complainant Ingersoll-Rand.	22	Astro	
SX 005	Supplemental Response of Astro Pneumatic Tool Co. to First Set of Interrogatories of Complainant Ingersoll-Rand.	7	Astro	
SX 006	Astro World, Vol. 1, No. 1, March 1990 (Bates no. 4-15).	16	Astro	NC

**EXHIBIT**

SX 000

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112...	iiill	Pages	Sponsor	ZIA=
SX 007	Depiction of Astro 555, including features and specifications (Bates no. 3).	1	Astro	NC
SX 008	Astro purchase orders (Bates no. 1-2).	2	Astro	C
SX 009	Astro purchase orders (Bates no. 33-34).	2	Astro	C
SX 010	Shipping documents (Bates no. 20-25).	6	Astro	C
SX 011	Costing documents for Astro 555 (Bates no. 26-32).	7	Astro	C
SX 012	Reserved.			
SX 013	Reserved.			
SX 014	Affidavit of Steve Gornall.	1	I-R	
SX 015	Non-Confidential Response of Complainant Ingersoll-Rand to First Set of Interrogatories of Commission Investigative Staff.	9	I-R	NC
SX 016	Confidential Response of Ingersoll-Rand, Complainant, to First Set of Interrogatories of the Commission Investigative Staff, MUM.	5	I-R	
SX 017	Non-Confidential Response of. Ingersoll-Rand, Complainant, to First Set of Interrogatories of Respondents Astro Pneumatic Tool Co. and Kuan I Gear Co., Ltd.	14	I-R	NC
SX 018	Confidential Response of Ingersoll-Rand, Complainant, to First Set of Interrogatories of Respondents Astro Pneumatic Tool Co. and Kuan I Gear Co Ltd.		I -R	
SX 019	Complainant's Supplemental Response to Respondent's Interrogatories.	10	I:R	C
SX 020	Ingersoll-Rand Warranty Card.	2	I-R	NC
SX, 02,1	US Power Tool Markets Sales/Share Summary February 1990.	1	I-R	C

	Title	Pages	<u>ponsor</u>	<u>Status</u>
SX 022	Letter from Paul Cote of Bergelt, Litchfield, Raboy and Tsao, Inc. to Steve Cornell of I-R, dated May 2, 1990.	2	I-R	
SX 023	I-R Second Quarterly Report for 1990.	2	I-R	NC
SX 024	Affidavit of James J. Boggs, March 23, 1990.	4	I-R	
SX 025	I-R Warehouse Distributor Price List, October 1, 1990.	3	I-R	
SX 025a	Automotive aftermarket matrix.	1	I-R	
SX 026	Cost Data Inquiry for a Part/Comm Number.	1	I-R	
SX 027	Indented Bill of Materials Explosion with Cost Extension (Current Cost). August 1, 1990.	2	I-R	
SX 028	Indented Bill of Materials Explosion with Cost Extension (Frozen Cost). August 1, 1990.	2	I-R	
SX 029	Indented Bill of Materials Explosion with Cost Extension (Frozen Cost Frozen), August 1, 1990.	2	I-R	
SX 030	I -R Factory Expense Report, August 8, 1990.	4	I -R	
SX 031	Miscellaneous documents re I-R's investment in plant and equipment.	5	I-R	
SX 032	Plant schematic for I-R's Athens, Pennsylvania facility.	2	I-R	
SX C33	Calculation of allocation of I-R's investment to the I-R 231.	1	I-R	
SX 034	Direct Labor Weekly Report, August 7, 1990.	31	I-R	
SX 035	Athens Tool Analysis, September 5, 1990.	52	I-R	

		21=	Sponsor	Status
SX 036	Miscellaneous costing documents for component parts of the I-R 231.	19	I-R	
SX 037	Miscellaneous I-R design change documents for the I-R 231.	13	I-R	
SX 038	Reserved			
SX 039	Excerpt from I-R catalog, November 1, 1972.	3	I-R	NC
SX 040	Assorted I-R direct advertising documents.	23	I-R	NC
SX 041	Assorted I-R co-op advertising	12	I-R	NC
SX 042	Ingersoll-Rand Combination Fund Co-op Advertising Data and Ad Planner.	14	I-R	NC
SX 043	Miscellaneous I-R advertising expenditure documents.	9	I-R	
SX 044	Comments on the Automotive Service Marketplace.	1	I-R	
SX 045	Astro Pneumatic Tool Co. Price List for Sept./Oct. 1990 and cover letter.	20	I-R	
SX 046	Excerpts from I-R Automotive Industry Sales & Marketing Management Reports for January, February, May, and August 1990.	6	I-R	
SX 047	Reserved.			
SX 048	Reserved.			
SX 049	<del>Excerpts from Commercial Atlag.</del>	7	I-R	NC
SX 050	Top 40 MSAs - Passenger Car Registration.	3	I-R	NC
SX 051	Handwritten notes re consumer perception survey results in Atlanta, Georgia.	1	I-R	

	<u>Tide</u>	<u>Pages</u>	<u>Sponsor</u>	
SX 052	Miscellaneous documents re comparison testing between the I-R 231 and the Astro 555.	17	I-R	
SX 053-099	Reserved.			
SX 100	Miscellaneous documents re preliminary study performed by Dr. Helfgott in connection with I-R, consumer perception survey.	12	I-R	NC
SX 101	Reserved.			
SX 102	Reserved.			
SX 103	List of potential users of air impact wrenches in Boston, Atlanta, St. Louis, and Denver.	17	I-R	NC
SX 104	Letter from Dr. Helfgott to Orié Santillo at Trinet, Inc., dated August 8, 1990.	1	I-R	NC
SX 104a	Letter from Dr. Helfgott to Martin J. Neville of <b>Neville, Peterson</b> and Williams, dated May 1, 1990.	1	I-R	NC
SX 105	<b>Fax from Orié Santillo of Trinet, Inc. to Dr. Helfgott, dated July 30, 1990.</b>	4	I-R	NC
SX 106	<b>Memorandum from Genie B. Feldman of Depth Research Laboratories, Inc. to "Supervisors", undated.</b>	1	I-R	NC
SX 107	<b>Confusion survey questionnaire.</b>	1	I-R	NC
SX 108	<b>Instructions for Interviewers.</b>	2	I-R	NC
SX 109	<b>Secondary meaning questionnaire.</b>	1	I-R	NC
SX 110	<b>Complaint of Ingersoll-Rand in Inv. No. 337-TA-311</b>	28	I-R	NC
SX 111	<b>Letter dated April 12, 1990 from William Dickie to Ruby Dionne and Amendment to Complaint of Ingersoll-Rand</b>	7	I-R	NC

<i>sq. &amp;</i>	TitIA	<u>pages</u>	/221422L	SIAILI
SX 112	Motion of Complainant Ingersoll-Rand For Leave to Amend Complaint; December 26. 1990 AMendment to Complaint; Memorandum of Points and Authorities in Support of Motion; and "Joint Statement of Ingersoll-Rand Executives on the Common Law Trademark of the 231 Impactool"	8	I-R	NC
SX 113	Response of Complainant Ingersoll-Rand to Certain Interrogatories of the Second Set of Interrogatories of the Commission Investigative Staff. (OUII).	7	1'4	
SX 114	Response of Complainant Ingersoll-Rand to the Third Set of Interrogatories of the Commission Investigative Staff, (OUII).	7	I-R	NC

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	<u>Title</u>	<u>Pages</u>	<u>Sponsor</u>	<u>Status</u>
SPX 01	I-R Automotive Power Tools Catalog, Sixteenth Edition, 1989	52	I-R	NC
SPX 02	I-R Automotive Power Tools Catalog, Seventeenth Edition, 1990.	52	I-R	NC
SPX 03	I-R Professional Power Tools and Accessories Catalog, Eleventh Edition, 1989.	148	I-R	NC
SPX 04	Stampede Tool Warehouse Catalog, with prices in effect through January 28, 1989.	48	Astro	NC
SPX 05	Stampede Tool Warehouse Catalog, with prices in effect through December 30, 1989.	56	Astro	NC
SPX 06	Stampede Tool Warehouse Catalog, with prices in effect through April 28, 1990.	56	Astro	NC
SPX 07	Deposition transcript of James Boggs, September 21, 1990.	86	Staff	
SPX 08	Deposition transcript of Robert Davies, September 26, 1990.	109	Staff	
SPX 09	Deposition transcript of Steven Gornall, September 21, 1990.	88	Staff	
SPX 10	Deposition transcript of Myron Helfgott.	225	Staff	NC
SPX 11	Deposition transcript of Ralph Leonard, September 21, 1990.	27	Staff	
SPX 12	Deposition transcript of Richard Poore, December 11, 1990.	120	Staff	
SPX 13	Deposition transcript of James Stryker, September 26, 1990.	135	Staff	
SPX 14	Mac Tools AW 234 air impact wrench.	n/a	I-R	NC
SPX 15	Chicago Pneumatic CP 743-2 air impact wrench.	n/a	I-R	NC

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N.I.A.	ii:11	Pages	<u>Sponsor</u>	<u>Statua</u>
SPX 16	Central Pneumatic SIM 2065. air impact wrench. -	n/a	I-R	NC
SPX 17	Astro Power AP-137P air impact wrench.	n/a	I-R	NC

Pursuant to Ground Rule 9 (iii), the parties are hereby put on notice that the Staff may rely on, inter. alit., the following pages of the submitted deposition transcripts for substantive evidence (illustrative points are indicated):

Deposition transcript of James Boggs: pp. 24-34 (marketing of I-R 231, incl. comments on asserted trademark); pp. 55-56 (re: confusion); pp. 52-69 (re: alleged infringement of I-R's rights); 72-79 (comparison of I-R 231 with Mac AW 234).

Deposition transcript of Robert Davies: whole transcript (design of I-R 231, and comments on asserted trademark).

Deposition transcript of Steven Gornall: pp. 6-61 and 63-88 (marketing of I-R 231, incl. comments on asserted trademark); 63-68 (awareness of trademark claimed by Mac Tools on design of AW 234).

• Deposition transcript of Myron Helfgott: whole transcript (surveys on secondary meaning and confusion, comments on asserted trademark eta.)

Deposition transcript of Ralph Leonard: pp. 8-11 (description of distinctive features); pp. 12-14 and 21-22 (what was stressed when I-R was marketed; knowledge of asserted trademark).

Deposition transcript of Richard Poore: whole transcript (definition of asserted trademark).

Deposition transcript of James Stryker: pp. 6-52 and 127-132 (comments on asserted trademark); pp. 73-102 and 110-118 (marketing of I-R 231, incl. comparison to respondents' product); pp. 102-105 and 118-120 (decision to pursue trademark action vs. respondents); pp. 105-110 and 132-133 (survey procedures); pp. 120-127 (I-R's assertion of patent rights)

CERTIFICATE OF SERVICE (CONFIDENTIAL)

James M. Gould. hereby certify that a true copy of the foregoing FINAL EXHIBIT LIST OF THE COMMISSION INVESTIGATIVE STAFF was served on the Administrative Law Judge, and the following parties by hand on February 27. 1991:

For Complainant. Ingersoll-Rand Company:

William L. *Dickey*, Esq.  
Dickey, Neville. Peterson & Williams  
1555 Connecticut Avenue, N.W.  
Anchorage Building  
Suite 308  
Washington, D.C. 20036

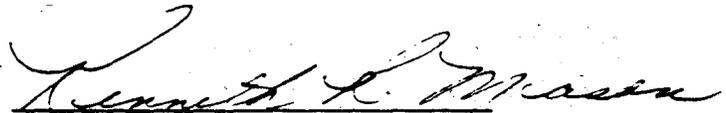
-  
For Respondents, Astro Pneumatic Tool Co. & Kuan-1 Gear Corporation:

Louis S. Mastriani  
Adduci, Mastriani. Meeks & Schill  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036

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es M. Goul

CERTIFICATE OF SERVICE

I, Kenneth R. Mason, hereby certify that the attached Confidential Initial Determination was served upon James M. Gould, Esq. and upon the following parties via first class mail, and air mail where necessary, on April 7, 1991.



Kenneth R. Mason, Secretary  
U.S. International Trade Commission  
500 E Street, S.W.  
Washington, D.C. 20436

;OR COMPLAINANT INGERSOLL-RAND COMPANY

William L. Dickey, Esq.  
Martin J. Neville, Esq.  
John M. Peterson, Esq.  
DICKEY, NEVILLE, PETERSON & WILLIAMS  
1555 Connecticut Ave., N.W.  
Anchorage Building, Suite #308  
Washington, D.C. 20036

(BY HAND)

FOR RESPONDENTS ASTIR<sup>o</sup> PNEUMATIC TOOL CO. & KUAN-1 GEAR CORPORATION:

Louis S. Mastriani  
Tom M. Schaumberg  
Larry L. Shatzer, II  
Charles F. Schill, Esq.  
ADDUCI, MASTRIANI, MEEKS & SCHILL  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036

(BY HAND)

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.  
Before Paul J. Luckern  
Administrative Law Judge

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In the Matter of

CERTAIN AIR IMPACT WRENCHES

Inv. No. 337 -TA -311

ERRATA IN THE JANUARY 24, 1991 PREHEARING STATEMENT  
OF THE COMMISSION INVESTIGATIVE STAFF

The Commission Investigative Staff ("Staff") notes the following errata in its Prehearing Statement filed January 24, 1991 in the above-captioned investigation:

As a result of editing, there are several "jump cites" without a full antecedent citation. Specifically, "Ninth Machines," refers to Certain Vertical Milling Machines, Inv. No. 337-TA-133, Commission Action and Order (1984); "Faucets" refers to Single Handle Faucets, Inv. No. 337-TA-167, Unreviewed Initial Determination (1984); "Trolley Wheel Assemblies" or "Trolley Wheels" refers to Certain Trolley Wheel Assemblies, Inv. No. 337-TA-161, Initial Determination (May 31, 1984); and "fuses" refers to Miniature Plug-In Blade Fuses, Inv. No. 337-TA-114, Commission Opinion (1983).

In addition, because of typographical errors in the underlined digits, the Staff submits the following corrected citations: On page 5, last paragraph, Application of Honeywell, Inc., 497 F.2d 1344 (CCM 1974);

32 F.2d 287 (CCPA 1966); and 1- -cb  
v\*sz\_D\_A-2tsr, 229 U.S. 264 (TTAB 1985).

Further, on page 8, the date of Certain Lu2gage Products, Inc. So.

337-TA-243 (Commission Action and Order), is 1987 instead of 1986, and the date of Certain. Heavy :ut-/ Stacie Sun Tackers, Inv. No. 337-TA137 ;Initial Determination), is 1983 instead of :984.

Lastly, there are several typographical errors at page 11 of the ?rehearing Statement. First, the reference to footnote No. 9 should appear at the end rather than in the middle of the first full sentence of the ;age. Second, the figure in the last full sentence of the page should to 34% instead of 25%, and the omitted citation to the Helfgott Deposition is 112-1:3. :'  
Third, in the last line of the page, "association of" should be replaced with "associate".

Respectfully submitted,



Lynn I. Levi, Director.  
Jeffrey R. Whieldon,  
Supervisory Attorney  
James M. Gould,  
Investigative Attorney

Date: January 28, 1991

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V It should be noted that this citation only **supports the fact that survey** respondents were not always asked the "why" question; **the percentage** figure is based on the Staff's count of the actual responses.

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CERTIFICATE OF SERVICE

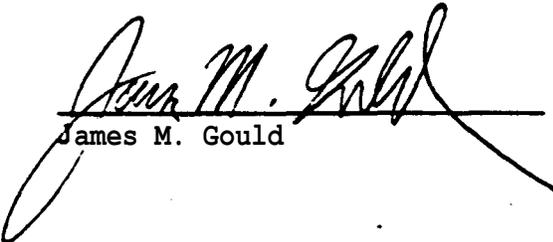
I, James M. Gould, hereby certify that a true copy of the foregoing ERRATA IN THE JANUARY 24, 1991 REHEARING STATEMENT OF THE COMMISSION INVESTIGATIVE STAFF was served on January 28, 1991 by hand on the Administrative Law Judge, and by hand on the following parties:

For Complainant, Ingersoll-Rand Company:

William L. Dickey, Esq.  
Dickey, Neville, Peterson & Williams --  
1555 Connecticut Avenue, N.W.  
Anchorage Building  
Suite 308  
Washington, D.C. 20036

For Respondents, Astro Pneumatic Tool Co. & Kuan-1 Gear Corporation:

Louis S. Mastriani  
Adduci, Mastriani, Meeks & Schill  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036

  
James M. Gould



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.  
Before the Honorable Paul J. Luckern

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IN THE MATTER OF  
CERTAIN AIR IMPACT WRENCHES

Inv. No. 237-TA-311

**JOINT PREHEARING STATEMENT OF RESPONDENTS**  
**ASTRO PNEUMATIC TOOL, CO. AND KUAN-I GEAR CO. LTD.**

Pursuant to Ground Rule No. 3, Respondents Astro Pneumatic Tool Co., Inc. ("Astro") and Kuan-I Gear Co., Ltd. ("Kuan Gear") submit their Joint Prehearing Statement.

**I. WITNESSES**

Respondents do not intend to call any direct witnesses, however, Respondents reserve the right to call James Strker, James Scggs, and William Davies as adverse witnesses and Irving Fisher as a rebuttal witness.

**II. EXHIBITS**

See **attached Documentary and Physical Exhibit Lists**. Respondents also intend to rely on the exhibits submitted by the Staff and Complainant and reserve the right to designate them as exhibits if they are withdrawn for any reason.

**III. STIPULATIONS**

The parties have agreed to the following stipulations:

1. Ingersoll-Rand Company is a corporation organized under the laws of Delaware, having its principal place of

**EXHIBIT**

**ALJ Ex. 1(g)**

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business at P.O. Box 1776, Allen & Martinsville Road, Liberty Corner, New Jersey 07938.

2. Kuan-I Gear Corporation is a Taiwanese corporation, having its principal place of business at F891-26, Chung Cheng Road, Sin Chuan, Taipei, Taiwan.
3. Respondent Astro Pneumatic Tool Company is a California corporation, with its principal place of business at 4455 East Sheila Street, Los Angeles, California 90023.
4. Ingersoll-Rand's products at issue are models 231 and 231-2 1/2" air impact wrenches.
5. The Respondents' accused product is the Astro model 555.
6. The Respondents have imported the accused product into the United States.

Ingersoll-Rand has a domestic industry under section 1337(a)(1)(A) of the Tariff Act regarding the alleged common law trademark.

3. The asserted common law trademark is not inherently distinctive.
9. The Respondents' alleged unfair acts do not have the effect of destroying or substantially injuring Ingersoll-Rand's domestic industry regarding the asserted common law trademark in the appearance of Ingersoll-Rand's 1/2" air impact wrench.
10. Ingersoll-Rand is not aware of a single instance in which a direct customer of Ingersoll-Rand has ceased selling the I-R 231 as a result of a decision by that customer to sell the Astro 555.
11. The large majority of warehouse distributors and jobbers carry more than one line of air impact wrench.
12. The Astro 555 and the I-R 231 are sold through the same channels of commerce i.e., the same warehouse distributors purchase both the Astro 555 and the I-R 231.
13. Warehouse distributors constitute the primary market for both the I-R 231 and the Astro 555.

#### IV. STATEMENT OF ISSUES

Respondents believe the following are the pertinent Issues in this investigation:

- (A) Does Complainant have a common law trademark?
- (B) Have Respondents infringed the alleged mark?
- (C) Has Complainant established threat of injury?
- (D) Is Complainant guilty of unclean hands and thus not entitled to relief?
- (E) Is Complainant estopped from obtaining relief due to its acquiescence in Astro's activity?

##### A. Complainant Does Not Have A Common Law Trademark

In this investigation Complainant is attempting to prove that it has a common law trademark in a combination of certain features of the exterior design of the IR-231 air impact wrench. This trademark allegedly consists of the "shape, proportion, configuration, color and texture" of the IR-231.<sup>1</sup> (Complainant's Prehearing Statement at 3).

Establishing the existence of such a mark is an ambitious task as "[t]he **Commission has consistently held** that product

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<sup>1</sup> Complainant asserts in its Prehearing Statement that "the design of a product must be viewed in its totality" (Complainant's prehearing statement at 5). While as a general matter this is true, the Commission has been highly skeptical of complainants who, as Complainant in this investigation, "persist in defining [its] trade dress in general terms such as 'overall appearance.'" Certain Luggage Products, Inv. No. 337-TA-243 (1986) at 7.

configurations are descriptive and weak." <sup>2</sup> Certain Electric Power Tools, Battery Cartridges and Battery Chargers, Inv. No. 337-TA-284 (Unreviewed Initial Determination) (Int'l Trade Comm'n July 9, 1989) at 201, <sup>3</sup> aff'd, Makita U.S.A. Inc. v. U.S. Int'l Trade Co-'in, 904 F.2d 44 (1990) (citing Certain Luagaae Products, Inv. No. 237-7A-243 (1986) Certain Heavy Duty Staple Gun Tackers, Inv. No. 337-TA-137 (1984); Certain Sneakers with Fabric Loper and Rubber Soles, Inv. **No. 337-TA-118 (1983)**; Certain Braiding Machines, Inv. No. 337-TA-130 (1983).

Complainant's task is further complicated by the fact that the alleged mark includes the color and "sheen" of the product. The Federal Circuit has determined that only under narrowly defined circumstances can a color be established as a trademark. In re Owens-Corning Fiberglas Corp., 774 F.2d 1116, 227 U.S.P.Q. 417 (Fed. Cir. 1985). The color of a product is "usually perceived as

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<sup>2</sup> Complainant's Prehearing Statement relies, almost exclusively, upon PAF S.R.L. v. Lisa Liahting Co.. Ltd., 712 F. Supp. 394 (S.D. N.Y. 1989) to support its assertion of the alleged mark. It should be noted that the Commission has specifically held that the PAF case is not controlling precedent for the Commission's purposes. Power Tools, Commission Opinion Concerning Complainant's Motion for Reconsideration and the Issues of Remedy, Public Interest and Bonding, (March 2, 1990) at 6. Furthermore, the product at issue in EAE was "a highly distinctive, aesthetically appealing and award winning lamp." Pte, 712 F. Supp at 414. The product of issue in this investigation is an air impact wrench designed and purchased solely to perform the function for which it was designed. It is neither distinctive, aesthetically appealing nor award winning. See also Power Tools, Commission Opinion concerning Complainant's Motion for Reconsideration and the Issues of Remedy, -Public Interest and Bonding (March 2, 1990) at 7 n.15.

<sup>3</sup> Judge Mathias' Initial Determination was adopted and became the finding of the Commission on July 31, 1989. 54 Fed. Req. 31,896 (Int'l Trade Comm'n August 2, 1989).

ornamentation," Id. at 1124; thus "color marks carry a difficult burden in demonstrating distinctiveness and trademark character." Id. at 1127.

The Commission has held that in order for a complainant to establish that the claimed mark has attained common law significance it must establish that: (1) it has the right to use the alleged mark; (2) the mark is primarily non-functional; (3) the mark either inherently distinctive or has acquired secondary meaning; and (4) the mark has not become generic. Power Tools, at :00 (citing Certain Sickle Guards, Inv. No. **337-TA-247**, at ,7 U.S.P.Q.2d 1889 (1987); Certain Vertical Milling Machines, :nv. No. 337-7A-133 at 3-9 (1984); Certain Vacuum Bottles, :nv. No. 337-7A-108 at 5 (1982)). Complainant, **as many** who have gone before t, cannot meet this test.

1. **Complainant's Alleged Mark is Primarily Functional**

In order to assert **an overall product shape as a mark**, "the entire design must be non de jure functional or arbitrary." New England Butt Co. v. U.S. Int'l Trade Comm'n, 756 F.2d 874, 877 (Fed. Cir. 1985). In determining whether a design is functional several criteria must be considered. These include: (1) whether the design asserted as a mark was the subject of a utility patent; (2) whether the originator of the design touts its utilitarian advantages through advertising; (3) whether there are other commercial alternatives available; and (4) whether the design results from a comparatively simple or cheap method of manufacture.

Power Tools, at 203 (citing In re Morton-Norwich Prods., Inc., 671 F.2d 1332, 1340-41, 213 U.S.P.Q. 9, 15-16 (C.C.P.A. 1982)). An application of these factors to the product at issue demonstrates that the alleged mark is de lure functional.

**a. Utility Patents**

"[C]onfigurations that are the subject of a utility patent are functional whether or not the patent has expired." Power Tools, at 203. The product at issue is subject to two expired utility patents, U.S. Patent Nos. 3,661,217 and 3,605,914. The evidence will show that certain attributes of the alleged common law trademark are dictated by the claims of these patents and thus the entire mark is de lure functional and not entitled to trademark protection. New England Butt Co., 756 F.2d at 877-79.

**b. Complainant's Advertising**

The law is clear that "[i]f the marketer of a product advertises the utilitarian advantages of a particular feature, this constitutes strong evidence of its functionality." American Greetings Corp. v. Dan-Dee Imports Inc., 807 F.2d 1136, 1142 **U.S.P.Q.2d 1001 (3d Cir. 1986)**. **In this** investigation, the evidence **will** clearly demonstrate that the Complainant's advertising exclusively touts the functional attributes of the product at issue, viz, balance, power, performarice, ruggedness, torque, power-to-weight ratio, maneuverability, comfort and ease of

maintenance, to the exclusion of any of the alleged aesthetic, non-functional design features claimed in this investigation.

c. Other Commercial Alternatives

The Federal Circuit has stated that "Ei)f the feature asserted to give a product distinctiveness is the best, or at least one, of a few superior designs for its de facto purpose, it follows that competition is hindered" if use of such feature is restricted. In re Bose Corp., 772 F:2d 866, 372 (Fed. Cir. 1985). If alternative designs do exist " must be shown that such designs could successfully compete with the design in issue. New Enaland Butt

756 F.2d at 374. In this investigation, the evidence will reveal that many aspects of the alleged mark are, by Complainant's own admission, of superior design. To allow Complainant to have a monopoly on such features would improperly place Respondents and others in the market at a. competitive disadvantage.

2. **Complainant's Alleged Mark Has Not Acquired Secondary Meaning**

Complainant has stipulated that its mark is not inherently distinctive, therefore it bears the burden of proving distinctiveness by the acquisition of secondary meaning. Power Tools, at 212. Secondary meaning is defined by the Commission as "a mental association in the buyers' mind between the alleged mark and a single source of the product bearing the mark." Id. (quoting Luaaaae Products, USITC Pub. 1969 Inv. No. 337-TA-284 (Comm'n Op., June 1987) at 8, citing 1 McCarthy on Trademarks, § 15:2 (1984)).

(The less distinctive the alleged mark, the greater the evidentiary burden to establish secondary meaning." Luagacre Products, Inv. No. 337-TA-243, USITC Pub. 1969 (Comm'n Op. June 1987) at 9; see also, 1 McCarthy on Trademarks, § 15:10 at 683.

a. **Complainant Has Not Adequately Defined its Alleged Mark**

It is obvious that before one can obtain a trademark it must be able to identify the- mark. As Justice Holmes has stated:

A trade-mark is not only a symbol of existing good will, although it commonly is thought of only as that. Primarily it is a distinguishable token devised or picked out with the intent to appropriate it to a particular class of goods and with the hope that it will come to symbolize good will.

Beech-Nut Packing Co. v. P. Lorillard Co., 273 U.S. 629, 632 (1927) (emphasis added).

The evidence in this case will demonstrate that rather than being "devised or picked out with the intent" to symbolize goodwill, the mark alleged in this case was not "devised" until the decision was made to seek to initiate this investigation. The evidence will further show that the alleged mark was devised only because Complainant was unable to directly assert its expired patent rights against Respondents.

The evidence of the fact that the mark alleged in this investigation was not devised to symbolize goodwill includes Complainant's admission that the oldest document in its possession referring to the alleged common law trademark is the Complaint in

this investigation. The fact that Complainant has struggled throughout this investigation to define the mark is further evidence in this regard. The record of the case to this point is rife with contradictory **testimony**, both sworn and unsworn, which show that Complainant has no unified conception of the mark it is attempting to assert. Obviously if Complainant had specifically chosen this mark to symbolize its goodwill it would have known precisely what the mark was all along, however, because the alleged mark was created solely for purposes of litigation its definition has been vague and has changed periodically to suit Complainant's interests in this particular investigation.

**b. The Direct Evidence Does Not Establish Secondary Meaning**

The Commission has held **that** "[t]o support a finding of secondary meaning, [the secondary meaning survey] would have to indicate that a substantial or significant portion of the relevant buying class associate the mark with a single source." PoWet Tools, at 228 (citing Certain Single Handle Faucets, Inv. No. 337-TA-167 (Comm'n Order 1984)) (emphasis added). Where the product is an expensive item with a relatively sophisticated market, such as in this **case**, a higher rate of correct responses is required for a finding of secondary meaning to attach. Certain woodworking Machines, Inv. No. 337-TA-174, USITC Pub. 1979 (Majority Op 1985).

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<sup>4</sup> Divergent testimony as to the definition of the alleged mark is also evidence of the weak nature of the mark. • Luggage Products, Inv. No. 337-TA-243, USITC Pub. 1969 (Comm'n Op. June 1987) at 10.

Complainant's direct evidence of secondary meaning consists of a consumer survey conducted by Dr. Myron J. Helfgott. The evidence will show that this survey is so fundamentally flawed that it is of no probative value in determining secondary meaning.

As noted above, in order to establish secondary meaning Complainant must show "an association in the buyer's mind between the alleged mark and a single source of the product bearing the mark." Luggage Products, Inv. No. 337-TA-243, USITC Pub. 1969 (Comm'n op. June 1987) at 8 (emphasis added). It follows that a secondary meaning survey is to have any utility whatsoever must measure the association between the alleged mark and its source. Complainant's survey, by its own admission, does not measure such an association.

Dr. Helfgott himself stated in his deposition that the secondary meaning survey he undertook was not designed to measure be secondary meaning of the alleged trademark. In fact, he testified that he had "no idea what features the trademark covers or doesn't cover, nor do I really care." (Deposition of Dr. Myron J. Helfgott at 202-03). The 52 percent secondary meaning figure in the survey, according to Dr. Helfgott, includes "the people who identified Ingersoll-Rand for whatever reason." (Helfgott Depo. at 202). In fact, Dr. Helfgott, in performing the secondary meaning Survey, failed to even ask a number of respondents the reason for their identification. As to these respondents, Dr. Helfgott has stated "we don't have a reason for explaining the identification." (Helfgott Depo. at 113).

The Commission has rejected surveys which show "mere recognition, without knowing if the alleged recognition is because of the trademark." Luggage Products at 19-20.<sup>5</sup> Under such circumstances the survey is worthless as it does not provide any evidence of the secondary meaning of the alleged trademark.

Complainant's survey also suffers from a number of other serious flaws. The Judicial Conference of the United States has prescribed guidelines for survey experts to follow in surveys prepared for litigation. See Handbook of Recommended Procedures, cos. Trial of Protracted Cases, at 73-74 (West ed. 1960). These guidelines have been recognized and applied in past Section 337 investigations. See, e.g., Power Tools, at 217; Certain Compound Action Metal Cutting Snips and Components Thereof, Inv. No. 337-TA-197, USITC Pub. 1831 (Initial Determination 1986); Certain Single Handle Faucets, Inv. No. 337-TA-67, (Initial Determination July 1984). Complainant's survey runs afoul of several of these guidelines.

One of the guidelines surveys should adhere to is the use a **correct mode of questioning interviewees. A survey can be seriously flawed by the use of highly suggestive and/or aided questions.** Mennen Co. v. Gillette Co., 565 F.Supp. 648, 652-53

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<sup>5</sup> In Luaoacte Products, the ALJ observed that he did "not understand how a bag which has been identified as a Samsonite because it looks like a Samsonite established that the alleged common law trademark has a secondary meaning." LUogage Products, Inv. :10. 331-TA-243 (Initial Determination December 1987) at 43 n.25. That observation is equally applicable in this case as almost all of the survey responses counted as indicative of secondary meaning were nothing more than statements that the product "looked like" an Ingersoll-Rand.

(S.D.N.Y. 1983), aff'd, 742 F.2d 1437 (2d Cir. 1984). The Commission has held that where the survey consists of questions that tend to slant replies toward a suggested response, the survey should be accorded no weight in establishing secondary meaning. Luaaaae Products, at 21. The evidence in this case will reveal that the questioning of interviewees utilized in Complainant's secondary meaning survey were both biased and suggestive in an effort to obtain the desired results.

The guidelines of the Judicial Conference also require that the sample design, questionnaire, and interviewing during the survey be conducted in accordance with generally accepted standards of objective procedure and statistics in the field of surveys. Power Tools, at 218. Complainant's survey departs from these standards in several respects including providing a financial incentive at a point in the interview which would induce cooperation and the failure to use distractor tools.

A survey should also include an accurate reporting of the data. Id. Complainant's survey is seriously deficient in this respect. First, the survey reported general responses such as "It looks like one" or "I have one" as indicative of secondary meaning. As noted above, such general responses have little relevancy in establishing secondary meaning and thus should not have been reported. Luaaaae Products, Inv. No. 337-TA-243 (Initial Determination, December 1987) at 43. Furthermore, at least five responses reported as indicating secondary meaning were proceeded by qualifiers such as "probably is" or "might be Ingersoll-Rand."

Such responses are clearly the product of guessing and should not have been counted.

The survey also failed to report or provide documentation of the responses to the initial questions ask by the interviewers, viz, (1) Are you an auto mechanic? and (2) Do you use an air impact wrench in your work? In so doing, Dr. Helfgott has deprived the Commission and the parties of vital evidence of the appropriateness of the survey universe.

c. The Circumstantial Establishes  
There is No Secondary Meaning

The circumstantial evidence in this case will also illustrate that Complainant's alleged mark has not obtained secondary meaning. Where trade names and other identifying marks have been prominently displayed on, in conjunction with, product configurations, courts and the Commission have held that secondary meaning cannot be established. Certain Vertical Milling Machines, Inv. No. 337-TA-133, USITC Pub. 1512 (Comm'n Op. March 1984) at 19 (the strength of a word mark, strong-position in the market, and the fact that the product configuration is never advertised without the word mark all significantly diluted a claim of secondary meaning.) See also, In re Mogen David Wine Corp., 152 U.S.P.Q. 593, 595 (C.C.P.A. 1967) ("[T]here is nothing to indicate that the container has been promoted separate and apart from the word mark. . . .") ; Broadcasting Publ., Inc. v. Burnup & Sims, Inc., 582 F. Supp. 309, 314-15 (S.D. Fla. 1983) ("notably missing from any of the products. . . is any use of the symbol alohe, such that a consumer would be

invited to identify the originator of goods by reference to that symbol alone.")

The evidence in this investigation will show that Complainant has consistently and prominently utilized its corporate name, logos, and other distinctive marks in its advertising on the products themselves and their packaging, thus precluding the establishment of any secondary meaning in its configuration and color of the IR-231.

Complainant's claim of secondary meaning is also seriously diluted by the fact that another company, Mac Tools, sells and even claims a common law trademark on a product of nearly identical appearance (Mac AW 234).<sup>6</sup> Such third party use has been found to weigh against a finding that the consumer class associates the mark with only one source. Echo Travel, Inc. v. Travel Assoc., Inc., 370 F.2d 1264, 1269 (7th Cir. 1989); American Heritage Life Ins. Co. v. Heritage Life Ins. Co., 494 F.2d 3, 13 (5th Cir. 1974).

Furthermore, significant aspects of the exterior configurations of the IR-231 have been modified since the introduction of the tool into the market. These include modifications to the handle, trigger and "sheen" of the product. As a result of these changes, the alleged mark has varied significantly in its appearance over the years it has been sold.

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<sup>6</sup> Complainant has incorrectly represented in its Prehearing Statement that Respondents' arguments with respect to the AW 234 are an affirmative defense when in fact they are presented as evidence that the alleged mark has not achieved secondary meaning.

B. Complainant Cannot Prove  
Infringement Of Its Alleged Mark

In order to prove infringement Complainant must show that "a significant portion of the consuming public is likely to confuse the source of sponsorship of the accused product with that of the trademarked product." Power Tools, at 230 (citing Woodworkira Machines; Milling Machines, at 8-9; Cube Puzzles; Vacuum Bottles, at 5). Because Complainant has not established it has a trademark, there can be no likelihood of confusion. Even if Complainant had established the existence of a mark, it has presented no evidence of actual confusion and the record will reveal no such evidence exists. Hence, Complainant's case on infringement case rests entirely on the results of a consumer confusion survey performed by Dr. Myron Helfgott.

Far from establishing confusion, however, Dr. Helfgott's :confusion survey, by his own admission, actually shows that a "significant" portion of the survey sample (49%) is not confused as to the source of Astro products. (Helfgott Depo. at 207). The evidence also clearly indicates that the Respondents who did not identify Astro merely engaged in guessing, as the incorrect responses are almost equally divided between Ingersoll-Rand (14%) and Chicago Pneumatic (12%), the two biggest players in the air impact wrench market. The confusion survey is also permeated with many of the same flaws as the secondary meaning survey and some additional flaws unique to itself.

The most glaring flaw in the confusion survey is the fact that the overall confusion percentage reported by Dr. Helfgott (29%) includes a number of individuals who initially identified the tool correctly as the Astro-555, but were asked a subsequent question which improperly suggested that the tool was made for Astro by someone else, thus giving Complainant two chances to get the interviewee to respond in the manner which they desired. If one only counts the Ingersoll-Rand identifications to the first question the confusion percentage is only 14%.

'It is also important in a confusion survey to have the questions duplicate the actual purchase situation. In Certain Braidina Machines, Inv. No. 337-TA-130, USITC Pub. 1435 (unreviewed Initial Determination 1983), the Commission noted that:

:T]he issue is whether the goods would be confused by a prospective purchaser at the time he considered making the purchase. If the interviewee is not in a buying mood but is just in a friendly mood answering a pollster, his degree of attention is quite different from what it would be had he his wallet in his hand. Many men do not take the same trouble to avoid confusion when they are responding to sociological investigators as when they spend their cash.

Id. at 76 (quoting American Luggage Works, Inc. v. U.S. Trunk Co., Inc., 116 U.S.P.Q. 188, 190, later op. 161 F. Supp. 893, 117 U.S.P.Q. 83 (D. Mass. 1957), aff'd, 59 F.2d 69, 118 U.S.P.Q. 424 (1st Cir. 1958). The evidence will show Complainant, in its confusion survey, made no effort to duplicate the point of purchase experience. This is particularly significant in this case as the

evidence will show that the products are sold by knowledgeable jobbers in separate and distinct packaging.

As with secondary meaning, a claim of infringement is also entitled to little weight when the products at issue are prominently labeled. "Commission precedent indicates that confusion is negated by the clear and prominent labeling of the goods, even where the products under investigation are nearly identical." Braiding Machines, at 78. Both the IR-231 and the Astro-555 prominently and distinctly display the companies registered trademarks and separate country of origin designations on different color nameplates. (Complainant's - red; Respondents' -black) thus negating the possibility of confusion.

**C. Complainant Will Be Unable To Establish Threat Of Injury**

Complainant has stipulated that it has not incurred any actual injury as a result of Respondents' importation and sale of the Astro-555. (See Stipulation No. 9). Therefore, in order to prevail in this investigation, Complainant must establish that Respondents' actions **have the threat** of destroying or substantially injuring **Ingersoll-Rand's domestic industry regarding the alleged trademark.**  
**19 U.S.C. S 1337(a) (1) (A) (i).**

**The Commission has held that** "although an analysis of tendency to injure within the meaning of S 337 is by nature a prospective inquiry, Commission precedent makes clear that the supporting information must constitute more than conjecture. . . ." Braiding Machines, at 95. In Certain Soft Sculpture Dolls

Dopularly Known as "Cabbage Patch Kids." Related Titerature and Packaging Therefor, Inv. No. 337-TA-231, USITC Pub. 1923 (1986), the Commission stated "the injury must be a substantive and clearly foreseeable threat to the future of the industry, not based on allegation, conjecture, or mere possibility." Id. at 121.

The evidence in this case will show that Complainant's allegations of threat of injury have no substance. Among other things, the evidence will establish that the Astro-555 has been on sale in the United States for a year and yet Complainant cannot point to a single lost sale. The evidence will also reveal that Kuan Gear's current production level and its production capacity are both minimal in comparison to the sales of the :R-231 in the United States. Complainant must also establish a nexus between the threat of injury and the alleged unfair act. There is no such nexus in this investigation as the evidence shows that any potential injury to Complainant would be caused by legitimate competition, including Respondents' right to manufacture and sell a more competitive product containing the mechanism covered by Complainant's now expired patents.

Furthermore, Complainant has not put forth a single shred of concrete evidence of threat of injury. Its allegations of the possibility of lost sales, potential harm to reputation and intent to penetrate are based on nothing more than Complainant's own self serving testimony and, hence, are merely the type of speculation and conjecture that the Commission has in the past rejected as inadequate to establish threat of injury.

D. Complainant Is Not Entitled To Relief  
Because It Is Guilty Of Unclean Hands

The doctrine of unclean hands:

closes the doors of a court of equity to one tainted with inequitableness or bad faith relative to the matter in which he seeks relief, however improper may have been the behavior of the defendant . . . . Thus while 'equity does not demand that its suitors shall have led blameless lives,' as to other matters, it does require that they shall have acted fairly and without fraud or deceit as to the controversy in issue (citation omitted).

Certain Track Lighting System Components. Including Pluaboxes, Inv. No. 337-TA-286, (Initial Determination 1989) at 25 (quoting Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co., 324 U.S. 306, 814, reh'a denied, 325 U.S. 893 (1945)). The Supreme Court has also stated that "it is essential that the plaintiff should not in his trademark, or in his advertisements and business, be himself guilty of any false or misleading representation. . . . " Worden & Co. v. California Fig Syrup Co., 187 U.S. 516, 528 (1903).

Respondents believe the evidence in this case will demonstrate that the Complainant is guilty of unclean hands as a result of its assertion of patent rights in the product at issue for an extended period of time after the patents had expired and by its attempt, through this investigation, to improperly enforce its expired patent rights against Respondents.

Specifically, the evidence will show that Complainant deliberately and prominently displayed patent numbers on the product at issue for nearly two years after the patents expired in direct violation of 35 U.S.C. S 292.<sup>7</sup> Complaint did not cease production of models reflecting the patent numbers until very recently and only took this step when confronted by Respondents. The Complainant has also continued to advertise the product at issue as being patented after the patent had expired. The evidence will also reveal that Complainant's motivation in filing and pursuing this action is not to vindicate its alleged common law trademark rights, but to improperly force Respondents to stop manufacturing a product covered by Complainant's expired patent. Courts have held this precise type-of conduct to be a form of unfair competition. Hart-Carter v. J.P. Burroughs & Sons. Inc., 605 F. Supp. 1327, 1342 (E.B. Mich. 1985) ("the inclusion of such irrelevant and expired patent numbers on plaintiffs name plate could only confuse and mislead and play a role in plaintiff's attempt to obtain a patent monopoly or to scare off competitors.") These acts relate directly to the controversy at issue and thus are appropriately raised by Respondents.

**Complainant will no doubt claim that its improper patent marking was unintentional. However, Complainant's unfounded assertion of an** alleged common law trademark, along with its brazen

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<sup>7</sup> It should be noted that, although Respondents believe the Complainant has violated 35 U.S.C. § 292, it is not necessary for Respondents to prove a violation of the statute in order to prevail in their unclean hands defense. See Morton Salt Co. v. G.S. Suonicrer Co., 314 U.S. 488, 494, reh'q denied, 315 U.S. 326 (1942).

and continued assertion of the patent on its product and its advertising after its expiration, will establish that Complainant's conduct in this regard was intentional and for the purpose of deceiving the public.

The evidence is uncontroverted that Complainant was well **aware** of when the expiration dates of the patents covering the I-R 231 expired. Despite this fact Complainant continued to both mark its products as patented and seek to assert their rights under the patents. Under such circumstances the mismarking is presumed to be intentional. Krieger v. Colby, 106 F.Supp. 124, 130 (S.D. Cal. 1952).

Furthermore, "rain unintentional misrepresentation can be an unfair practice." Track Lighting, -Inv. No. 337-TA-286 (Initial Determination May 4, 1988) at 27. For example in Track Lighting Judge Saxon found the Complainant to be guilty of unclean hands by virtue of its advertising its products as "made in America" when in fact some of **the advertised products were made abroad. Although** the Complainant claimed the mismarking was simply a "mistake", Judge Saxon, found the Complainant guilty of unclean hands and **held** that the Complainant could not rely on evidence pertaining to **the mismark line of products to** allege a violation of Section 337.<sup>8</sup>

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<sup>8</sup> **Upon review the** Commission found Judge Saxon's finding on this issue **was not clearly** erroneous and thus choose not to review her findings, however, the Commission also chose not to adopt the portion of the I.D. concerning unclean hands. Track Lighting, Inv. No. 337-TA-286 (Commission Op. August 1989) at 11. Respondents, nevertheless, believe that because Judge Saxon's opinion was found to not be clearly erroneous it is relevant to this **case particularly due to its closely analogous facts and because it** is the only clear statement in Commission precedent with respect to

Id. Respondents believe a similar result should occur in this case.

E. Complainant's Is Estopped From  
Obtaining Relief Due To Its  
Acquiescence In Astro's Activity

Courts have held that:

The defense of acquiescence is a type of estoppel which constitutes a ground for denial of relief upon a finding of conduct on plaintiff's part that amounts to an assurance by the plaintiff to the defendant, either express or implied that plaintiff will not assert his trademark rights against the defendant. Thus a plaintiff cannot indicate at one time to defendant that defendant's acts are acceptable and then later sue defendant after defendant has acted in reliance upon plaintiff's assurances.

CBS Inc. v. Man's Day Publishing Co., Inc., 205 U.S.P.Q. 470, 473-74 (TTAB 1980). This is precisely what has happened in this case.

The evidence will show that approximately five to six years prior to the institution of this investigation Complainant requested and was provided by Astro one of Astro's 148 TR air impact wrenches to review so that Complainant could determine whether the product infringed its intellectual property rights. After this review Complainant informed Astro it did not have a problem with the product. The Astro 148 TR is substantially similar to the Astro 555' which is the subject of this investigation.

In the months prior to the institution of this investigation Astro found it necessary to source its air impact' wrenches from a new supplier. Based upon Complainant's explicit acquiescence to  

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the issue of unclean hands.

the sale of the 148 TR for a number of years, Astro had no reason to believe the design of the Astro-555, which is quite close to the Astro 148 TR, would infringe any of Complainant's proprietary rights either real or imagined. Astro spent significant amounts to start up production of the Astro-555 based upon this reliance and thus would be severely prejudiced should Complainant be permitted to retract its consent.<sup>9</sup>

V. PROPOSED AGENDA FOR PREHEARING CONFERENCE

1. Resolution of pending motions (if any);
2. Witness scheduling;
1. Stipulations;
4. Argument and rulings on all objections to proposed exhibits;
5. Ground rules regarding procedures for direct and cross-examination.

VI. ESTIMATED DURATION OF HEARING

Respondents estimate the hearing will take approximately three days.

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<sup>9</sup> Complainant incorrectly contends in its Prehearing Statement that this is a laches defense and that it should fail because Complainant did not have an effective remedy against the Astro 148. (Complainant's Prehearing Statement at 21). This argument is irrelevant as it mitigates neither Complainant's acquiescence nor Astro's reliance thereon.

**VII. DATE OF APPEARANCE OF WITNESSES**

Respondents do not intend to call any direct witnesses at the hearing.

**VIII. DEPOSITIONS**

Respondents have not designated any deposition transcripts as exhibits, but note that the Commission Staff and Complainant have designated all deposition transcripts in this case as physical exhibits. Respondents intend to rely on deposition transcripts of Messrs. Boggs, Gornall, Stryker, Davies, Poore and Helfgott and reserve the right to designate them as exhibits they are withdrawn for any reason by the other parties.

**IX. OPENING AND CLOSING ARGUMENTS**

Respondents will make an opening argument only if one is made by the other parties. Respondents will make a closing argument and suggests that such an argument be held after submission of post-hearing briefs.

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Louis Mastrida  
Larry . Shatze • II  
ADDUCI, MASTRI I,  
MEEKS & SCHILL  
1140 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 467-6300

Attorneys for Respondents  
Astro Pneumatic Tool Co. and  
Kuan-I Gear Ltd.

Dated: January 22, 1991  
YY700491

**UNITED STATES INTERNATIONAL TRADE COMMISSION**  
**Washington, D.C.**  
**Before the Honorable Paul J. Luckern**

IN THE MATTER OF  
CERTAIN AIR IMPACT WRENCHES

) Inv. No. 337-TA-311

**EXHIBIT LIST OF RESPONDENTS ASTRO**  
**PNEUMATIC TOOL CO. AND RUAN-I GEAR CO.**

<u>STATUS</u>	<u>EX. NO.</u>	<u>CONF.</u>	<u>SPONSORING WITNESS</u>	<u>DESCRIPTION</u>
	RX 1	NC	Stryker	IR-231 Advertisements
	RX 2	NC	Stryker	Catalog Depiction of Mac Tool AW 234
	RX 3	C	Stryker	Correspondence Between Ingersoll-Rand and Super Test Corp.
	RX 4	NC	Davies	U.S. Patent No. 3,661,217
	RX 5	NC	Davies	U.S. Patent No. 3,605,914 -
	RX 6	C	Davies	Ingersoll-Rand Purchase Order No. ATH178039A-B
	RX 7	C	Davies	Change Drawing for IR-231
	RX 8	C	Davies	Product Engineering Change Notice
	RX 9	C	Stryker	Ingersoll-Rand Memo re Catalog
	RX 10	C	Stryker	Automotive Service Sales & Industry Marketing Management Report, January 1990
	<b>RX 11</b>	<b>C</b>	Stryker	Ingersoll-Rand Memo re Twin Hammer Patent
	RX 12	C	Stryker	Ingersoll-Rand Memo re patent markings
	RX 13	C	Unknown	Letter to Hawk from Haynes dated 4/27/90

Legend:

A - Admitted  
C - Confidential  
NC - Non-confidential  
W - Withdrawn  
S - Stricken

STATUS	EX. NO.	CONF.	SPONSORING WITNESS	DESCRIPTION
	RX 14	C	Unknown	Memorandum to Stanley from BAL regarding AW 234 Air Drill dated 4/13/90
	RX 15	C	Unknown	Letter to Marames from Williams dated 4/4/90
	RX 16	C	Unknown	Memorandum to Stanley from BAL dated 6/7/89
	RX 17	C	Unknown	Letter to Larson from Williams dated 2/17/89
	RX 18	C	Unknown	Letter to Williams from Haynes dated 1/23/89
	RX 19	C.	Unknown	Composite of Mac AW 234 advertising

YY700291

Legend:

A - Admitted  
 C Confidential  
 NC - Non-confidential  
 W - Withdrawn  
 S - Stricken

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.  
Before the Honorable Paul J. Luckern

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IN THE MATTER OF  
CERTAIN AIR IMPACT WRENCHES

)  
) Inv. No. 337-TA-311  
)  
)

REVISED FINAL PHYSICAL EXHIBIT LIST OF RESPONDENTS  
ASTRO PNEUMATIC TOOL CO. AND KUAN-I GEAR CO.

<u>STATUS</u>	<u>EX. NO.</u>	<u>SPONSORING WITNESS</u>	<u>DESCRIPTION</u>
A	RPX 1	Stryker	IR-231 Impactool Model A
A	RPX 2	Fisher	Astro Model AP-148 TR
A	RPX 3	Fisher	Packaging for Astro-555
A	RPX 4	Stryker	Packaging for IR-231
A	RPX 5	Fisher	Revised Astro Nameplates
A	RPX 6	Fisher	Packaging for Astro-55 with model number

Dated: May 28, 1991

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing JOINT PREHEARING STATEMENT OF RESPONDENTS ASTRO PNEUMATIC TOOL, CO. AND KUAN-I GEAR CO., LTD. were served on the parties as designated below this 22nd day of January, 1991, by postage-paid first-class mail' unless otherwise indicated upon:

Kenneth R. Mason, Secretary  
U.S. International Trade  
Commission  
500 E Street, S.W.  
Room 112  
Washington, D.C. 20436  
(HAND DELIVERED)

William L. Dickey, Esq.  
John M. Peterson, Esq.  
Martin J. Neville, Esq.  
Dickey, Neville,  
Peterson & Williams  
2300 N Street, N.W.  
Suite 600  
Washington, D.C. 20036  
(HAND DELIVERED)

The Honorable Paul J. Luckern  
Administrative Law Judge  
U.S. International Trade  
Commission  
500 E Street, S.W.  
Room 213-H  
Washington, D.C. 20436  
(HAND DELIVERED)

James Gould, Esq.  
U.S. International Trade  
Commission  
500 E Street, S.W.  
Room 401-F  
Washington, D.C. 20436  
(HAND DELIVERED)

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ADDUCI, MASTRIANI,  
MEEKS & SCHILL  
1140 Connecticut Ave., N.W.  
Suite 250  
Washington, D.C. 20036  
(202) 467-6300

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D. C.

Before the Honorable Paul J. Luckern

ORIGINAL

IN THE MATTER OF )

CERTAIN AIR IMPACT WRENCHES )

Inv. No. 337-TA-311

COMPLAINANT'S OPPOSITION TO RESPONDENT'S MOTION TO DISALLOW ADMISSION OF HELFGOTT STUDY

Respondent's have objected to the admission of the "Surveys" of Dr. Myron J. Helfgott, Ph.D.. Both the Respondent's and Staff have leveled several criticisms of the survey. Complaint responds to this criticism, ad seriatim:

COMPLAINANT'S DEFINITION OF IT'S MARK: Both STAFF and ASTRO urge IR has not adequately defined its mark. Resolution of this "definition" question sits as a threshold question, demanding resolution before the Court can address the supplemental "correlation"<sup>1</sup> questions also raised by both STAFF and ASTRO.

STAFF and ASTRO contend IR lacks a "precise" or "adequate" mark definition. The STAFF cites the "luggage" cases,<sup>2</sup> and Ambrit<sup>3</sup> as setting forth the standard of definition applicable in

<sup>1</sup> The argument is that survey answers did not adequately correlate with the claimed trademark.

<sup>2</sup> Certain Luggage Products, Inv. No. 337-TA-243, ITC Pub. 1969 and Certain Hard Sided Molded Luggage Cases, Inv. No. 337-TA-262.

<sup>3</sup> Ambit, Inc. v. Kraft, Inc., 805 F.2d 974 (11th Cir. 1986)

EXHIBIT

ALJ Ex. 1(h)

the instant case. ASTRO complains of lack of intent to create a mark.<sup>4</sup>

Complainant, IR, submits that the common law design trademark claimed in this investigation for the IR 231 IMPACTOOL has been defined with far greater precision than the marks submitted in either of the luggage cases or in Ambrit. Specifically, IR has defined its mark with fastidious precision in its initial Complaint and in the amendments to the Complaint.

The STAFF, we submit, misapprehends the true meaning of the cited Luggage language and reads such language out of context, specifically:

The ALJ examined the reasons which the 33 interviewees who were shown a Hartmann attache case and identified the attache as a Hartmann gave for saying "Hartmann." He found that only two, at the most, of these interviewees identified, possibly two of what complainant alleged are the three dominant elements of the trademark. The ALJ stated that a trademark survey is supposed to associate the trademark with

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<sup>4</sup> See STAFF Pre-hearing Statement at pages one and two. The STAFF insists Ambrit controls as requiring a "precise - definition," and the "IR look" roughly equates to the "Hartmann look" as found inadequate in Luggage. Based on these two precedents, the STAFF concludes: "In the Staff's view Complainant has not sufficiently identified the features which constitute its purported mark." IR submits that any inconsistencies of definition of the mark that occurred during the course of the depositions were of a minor "fuzzy edge" character, and such inconsistencies, after deliberations, were promptly cured.

ASTRO at page 8 of its prehearing statement questions the "intent" of IR and argues the mark was selected solely for purposes of litigation.

the product. He added that the record in this investigation does not establish how a mere recognition, without knowing if the alleged recognition is because of trademark, is indicative of secondary meaning of the trademark.

In that case, the survey was trying to separate out three dominant common denominator features<sup>5</sup> from among an entire line of products inclusive of attache cases, hanger bags, carry-on bags, and soft pullman suitcases, inclusive of a wide variety of colors and materials. The "three" such dominant characteristics, presumably, set a theme, or overall identifiable "look" in the dictionary sense.<sup>6</sup>

By sharp contrast, when Complaint recites the "overall appearance," it refers not to such a vague and general look, but the entire appearance of a discrete, fully-defined, solitary, static, article, as contrasted to luggage seeking protection for segregable, fragmented elements that make up the article. The 231 IMPACTOOL is to be viewed in isolation of any product line. The 231 IMPACTOOL has no variations of color or exterior materials or size or proportion or composition. Therefore, the claimed common law trademark claim is for a product as viewed and seen in its entirety, a composition of the essentially unchanging elements of

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<sup>5</sup> The figure 8 handle, lock straps and square shape.

<sup>6</sup> See "look," noun: 2. outward impression; appearance; aspect [the look of a beggar]. Webster's New World Dictionary, Second College Edition, The World Publishing Company, 1978.

its make-up. Thus, when viewed by an interviewee, the identification was of a full and fair representation of the claimed composite common law trademark of the Complainant. When IR claims the "overall appearance" of its mark, accompanied by dimensional drawings and the tool itself, it sets forth a static and precisely defined object, defined in terms of, inter alia, dimension, shape, proportion, color, and texture. To pick out, as the STAFF would insist, dominant features, would be to fragment the composition. The bright-line rule of law is that a mark is to be viewed in its entire and unfragenfed context since "the commercial impression of a trademark is derived from it as a whole, not from its [separated] elements." See North Carolina Dairy Foundation v. Foremost-McKesson, 203 USPQ 1012 (1979).

<sup>7</sup>  
In PAF the court stated: "The design of a product must be viewed in its totality."<sup>8</sup>

In Staple Guns<sup>9</sup> the Commission stated:

However, the distinctiveness of a product configuration, like a composite mark, must be determined by looking at the product or mark as a whole, See 1 McCarthy, Sec. 11.10. The commercial impression of a trademark is derived from its appearance as a whole, not from each element separated and

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PAF S.R. L. v. Lisa Lighting Co., Ltd., 712 E. Supp. 394 (S.D.N.Y.) 1989).

<sup>8</sup> See PAF, supra at note 4, 712 F. Supp at 400.

<sup>9</sup> In re Certain Heavy Duty Staple Gun Tackers, Inv. No. 337 TA 137, 6 IRTD 1636 (1984).

considered in detail; therefore, the configuration must be examined in its entirety. (Citations omitted)<sup>10</sup>

In Luggage, in an effort to extend some "fragments" to cover an entire product line, the complainant sought protection for the fragments, not the composite. Interviewees saw a sample of the product line, and the survey could not -- or did not -- isolate the fragment or fragments of the product-line that generated the recognition. By sharp contrast, IR claims as its mark as the composite overall appearance of the 231 IMPACTOOL, not three isolated features as in Luggage. In Luggage, page 21, footnote 63, the Commission noted "composite" mark cases analogous to the instant case and expressly acknowledged their legitimacy.

For the foregoing reasons, IR does not view the cited language our of Luggage as pertinent to the instant facts. IR makes clear that it does not disagree with Luggage or its analysis as pertained to the facts of that case. But these facts are wholly different, and must be treated as such. It is axiomatic that each case must be assessed on its own facts.

Next, concerning Ambrit, supra, while it called for "precise definition" of a mark, the level of definition found acceptable in the context of an ice cream bar wrapper, would .not begin to satisfy the definitional needs for the three dimensional shape of

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See Staple Guns, supra at note 6; 6 IRTD at page 1636.

the article before us. The Court of Appeals found that the District Judges opinion was sufficiently specific to have found the "Klondike wrapper with its square size, bright coloring, pebbled texture, polar bear and sunburst images, and distinctive style of printing, is a "complex composite of size, color, texture and graphics ... [creating] a distinctive visual impression."

If IR were to use comparable language to describe the three dimensional shape before the court, it would be inadequate. Our attempt to apply such language to aiethe court, was objected to on the grounds that "the object speaks for itself." IR has provided standard engineering dimensional plates, of the relevant singular and static design, which locks in with precision the dimensions of the object design. IR has further indicated that it is the overall design, as opposed to fragments of the design, for which it seeks protection. IR submits its description, as reflected by its complaint and supplements, along with the accompanying narrative, describe the 231 IMPACTOOL design with far greater and more painstaking detail than what is reflected by Ambrit.

In summary, concerning design, IR submits that it has in fact adequately defined its mark. IR remains amazed, in light of

the considerable detail provided concerning its claim for the 231 IMPACTOOL, that it is not understood.

Should the Court find that IR has adequately defined this composite mark, then the several "correlation" arguments, advanced by both STAFF and ASTRO, fail.

LEADING QUESTION

Both STAFF and ASTRO further challenge the study based on a so-called leading question, again citing but misapprehending Luctaage concerning the following language:

We also note that a properly conducted survey could have utilized the approach taken in Question 4 provided that the question was not preceded by Question 2. In our opinion, Question 2 implies that there is a single manufacturer and is, therefore, leading when it precedes Question 4.

'The Helfgott survey has no Question 4 or anything approaching Question 4. Question 4 was an attempt of Hartmann to establish that their product could be identified as being from a single, albiet anonymous, source. Helfgott, in this survey, sought a specific, by-name, recognition response from the composite mark -- the overall appearance --- (as in composite appearance -- not as in the "look" of a beggar, or the "Hartmann" look], and he got a by-name response."

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**This** is the kind of a question asked and response received referred to in note 63, page 21 of luggage.

The entire referred-to Palladino [Luggage at 21] article deals with the problems of surveying for a single, albeit anonymous, source. The foregoing quote, from Luggage, which is the entire predicate for both the STAFF and ASTRO objection, relates exclusively to the anonymous source, not at issue here. Thus, the STAFF and ASTRO objections are misconceived, phantom-like objections, which cannot withstand the most cursory analysis. The above quote qualifies itself -- it limits its application to "when it precedes Question 4." IR has no question 4. IR has sought and found objective by-name recognition, and passed the most difficult test of familiarity -- by name recognition -- no true/false, no multiple choice. The interviewee is shown the tool, with all indicia of "IR" masked, and asked:

Q: Do you know the brand name of this tool or the name of the company that makes it?

( ) Yes (Ask Q 1a)

( ) No

1a What is the name? \_\_\_\_\_

We fail to find any lead into a directed answer. IR got an overall 52% recognition from those answers. We submit this is as

straight forward as any question could be. We fail to see how this question could be confused with a leading question concerning a single, albiet anonymous, source situation. IR submits this entire "leading question" issue should be summarily dismissed as a false and irrelevant argument.

Dr. Helfgott is prepared to and will defend against the balance of criticisms -- too small a sample, hurried sampling, financial incentives (\$5.00 for cooperation), two bites, tabulations, etc..

WHEREFORE, Complainant urges the Court:

To deny the motion of Respondent to exclude the Helfgott studies, and

To admit such studies into evidence at the appropriate time in the proceeding after all of the testimony is in and Dr. Helfgott has had a full opportunity to address the numerous but frail criticisms that have been leveled If his study.

Respectfully submitted,

-li 

William L. Dickey, Esq,  
Dickey, Nevill Peterson & Williams  
2300 N Street, N. W.  
Suite 600  
Washington, D. C. 20037  
(202) 663-9036



BEFORE THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D. C.

Before the Honorable Paul J. Luckern

IN THE MATTER OF  
CERTAIN AIR IMPACT WRENCHES

Inv. No. 337-TA-311

CORRECTED FINAL EXHIBIT LIST OF COMPLAINANT  
INGERSOLL-RAND COMPANY

CX EXHIBITS

<u>CV,</u>	<u>CONF.</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
01	NC/C	STRYKER	Testimony (Conf. Supplement)
02		DAVIES	Testimony of Robert Davies
03	NC	HELFGOTT	Testimony of M.J. Helfgott Ph.D.
04	NC	HELFGOTT	Survey Results of Dr. Helfgott
05		DAVIES	Schedule of Equipment at 231 Manufacturing Cell
06	NC	STRYKER	Advertising Examples
07		STRYKER	IR Distributor List
08		STRYKER	End-User Letter - WITHDRAWN
09		STRYKER	Market Share
10	NC	STRYKER	Astro Catalog Extract p.1 WITHDRAWN
11	NC	STRYKER	Import Statistics of HTSUS
12	C	STRYKER	Astro D&B Report - WITHDRAWN
13		DAVIES	IR Lab Report of 555 Test Results
14		DAVIES	Layout of Manufacturing Cell
15		DAVIES	Layout of Factory
16		DAVIES	Allocation Worksheet
17		DAVIES	Domestic and Foreign Source Value Added
18	NC	HELFGOTT	Dr. Helfgott's Resume
19		FISHER	Astro Distributors
20		FISHER	Formerly Fisher Deposition moved to CPX *31
21	-C	FISHER	Astro Interrogators' Responses
22		KG	Kuan Gear Int. Responses
23	NC	HELFGOTT	WITHDRAWN
24	C	FISHER	Additional Invoices (by stipulation)

**CPX EXHIBITS**

<b>CPX #</b>	<b>CONF.</b>	<b>WITNESSES</b>	<b>DESCRIPTION</b>
03.	NC	DAVIES	IR 231. IMPACTOOL AIR IMPACT WRENCH
02	NC	DAVIES	ASTRO 555 AIR IMPACT WRENCH
03	NC	DAVIES	MAC AIR IMPACT WRENCH
04	NC	DAVIES	BLACK & DECKER 2297 AIR IMPACT WRENCH.
05	NC	DAVIES	CP 734 AIR IMPACT WRENCH
06	NC	DAVIES	CLECO DRESSER AIR IMPACT WRENCH
07	NC	DAVIES	ROCKWELL AIR IMPACT WRENCH
08	NC	DAVIES	BLACK & DECKER 6540 AIR IMPACT WRENCH
09	NC	DAVIES	RODAC AIR IMPACT WRENCH
10	NC	DAVIES	SKIL AIR IMPACT WRENCH
11.	NC	DAVIES	SIOUX AIR T.NPAC.T. WRENCH
12	NC	DAVIES	IR 223 AIR IMPACT WRENCH
13	NC	DAVIES	CP 745 AIR IMPACT WRENCH
14	NC	DAVIES	BLACK & DECKER 6544
15	NC	DAVIES -	VANGAURD AIR IMPACT WRENCH
16	NC	DAVIES	ATLAS COPCO AIR IMPACT WRENCH
17	NC	STRYKER	IR ANNUAL REPORT
18	NC	STRYKER	POWER TOOL DIVISION CATALOG
19	NC	STRYKER	VIDEO TAPE OF CELL OPERATIONS
20	C	STRYKER	IR MECHANIC PRICE LIST
21	C	STRYKER	IR DISTRIBUTORS PRICE LIST
22	C	DAVIES	ASTRO PRICE LIST
23	C	DAVIES	DESIGN DRAWINGS (CX 100)
24	C	DAVIES	DESIGN DRAWINGS (CX 106)
25	C	DAVIES	DESIGN DRAWINGS (CX 102)
26	C	DAVIES	DESIGN DRAWINGS (CX 1.01)
27	C	DAVIES	DESIGN DRAWINGS (CX 105)
28	C	DAVIES	DESIGN SPECIFICATIONS (CX 108)
29	C	DAVIES	DESIGN DRAWINGS (CX .07)
30	NC	STRYKER	IR FLYER - ADVERTISING
31	C	FISHER	IRVING FISHER TRANSCRIPT
32	NC	HELFGOTT	555 SURVEY EXHIBIT
33	MC	HELFGOTT	231 SURVEY EXHIBIT
34	NC	HELFGOTT	ORIGINAL SURVEY RESPONSE SHEETS

UNITED STATES INTERNATIONAL TRADE COMMISSION  
 Washington, D.C.  
 Before the Honorable Paul J. Luckern

IN THE MATTER OF  
 CERTAIN AIR IMPACT WRENCHES

Inv. No. 337-TA-311

FINAL EXHIBIT LIST OF RESPONDENTS ASTRO  
 PNEUMATIC TOOL CO. AND XUAN-I GEAR CO.

STATUS	EX. NO.	CONF.	SPONSORING WITNESS	DESCRIPTION
A	RX 1	NC	Stryker	IR-231 Advertisements
A	RX 2	NC	Stryker	Catalog Depiction of Mac Tool AW 234
A	RX 3	C	Stryker	Correspondence Between Ingersoll-Rand and Super Test Corp.
A	RX 4	NC	Davies	U.S. Patent No. 3,661,217
A	RX 5	NC	Davies	U.S. Patent No. 3,605,914
A	RX 6	C	Davies	Ingersoll-Rand Purchase Order No. ATH178039A-3
A	RX 7	C	Davies	Change Drawing for IR-231
A	RX 8	C	Davies	Product Engineering Change Notice
A	RX 9	C	Stryker	Ingersoll-Rand Memo re Catalog
A	RX 10	C	Stryker	Automotive Service Sales & Industry Marketing Management Report, January 1990
A	RX 11	C	Stryker	Ingersoll-Rand Memo re Twin Hammer Patent
A	RX 12	C	Stryker	Ingersoll-Rand Memo re patent markings
A	RX 13	C		Letter to Hawk from Haynes dated 4/27/40

Legend:

A - Admitted  
 C - Confidential  
 NC - Non-confidential  
 W - Withdrawn  
 S - Stricken

STATUS	EX. NO.	CONF.	SPONSORING WITNESS	DESCRIPTION
A	RX 14	C		Memorandum to Stanley from BAL regarding AW 234 Air Drill dated 4/13/90
A	RX 15			Letter to Marames from Williams dated 4/4/90
A	RX 16	C		Memorandum to Stanley from BAL dated 6/7/89
A	RX 17			Letter to Larson from Williams dated 2/17/89
A	RX 18	C		Letter to Williams from Haynes dated 1/23/89
A	RX 19			Composite of Mac AW 234 advertising
A	RX 20	NC	Fisher	Irving Fisher Synopsis
A	RX 21	-NC	Kuhn	-Richard Kuhn Synopsis
A	RX 22	C	Stryker	U.S. power tool market sales/share summary February 1990

'1Y700291

Legend:

A - Admitted  
C - Confidential  
NC - Non-confidential  
W - Withdrawn  
S - Stricken

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.  
Before the Honorable Paul J. Luckern

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IN THE MATTER OF  
CERTAIN AIR IMPACT WRENCHES

Inv. No. 337-TA-311

FINAL PHYSICAL EXHIBIT LIST OF RESPONDENTS  
ASTRO PNEUMATIC TOOL CO. AND KUAN-I GEAR CO.

STATUS	EX. NO.	SPONSORING WITNESS	DESCRIPTION
A	RPX 1	Stryker	Impactool Model A
A	RPX 2	Fisher	Astro Model AP-148 TR
A	RPX 3	Fisher	Packaging for Astro-555
A	RPX 4	Stryker	'Packaging for IR-231
A	RPX 5	Fisher	Revised Astro Nameplates

YY700391





Hz,	Title	lam	<u>Sponsor</u>	<u>Status</u>
SX 007	Depiction of Astro 555, including features and specifications (Bates no. 3).	1	Astro	NC
SX 008	Astro purchase orders (Bates no. 1-2).	2	Astro	C
SX C09	Astro purchase orders (Bates no. 33-34).	2	Astro	C
SX 010	Shipping documents (Bates no. 20-25).	6	Astro	
SX 011	Costing documents for Astro 555 (Bates no. 26-32).	7	Astro	
SX 012	Reserved.			
SX 013	Reserved.			
SX 014	Affidavit of Steve Gornall.	1	I-R	
SX 015	Non-Confidential Response of Complainant Ingersoll-Rand to First Set of Interrogatories of Commission Investigative Staff.	9	: -R	NC
SX 016	Confidential Response of Ingersoll-Rand, Complainant, to First Set of Interrogatories of the Commission Investigative Staff, (OUII).	5	I-R	
SX 017	Non-Confidential Response of Ingersoll-Rand, Complainant, to First Set of Interrogatories of Respondents Astro Pneumatic Tool Co. and Kuan I Gear Co., Ltd.	14	I-R	NC
SX 018	Confidential Response of Ingersoll-Rand, Complainant, to First Set of Interrogatories of Respondents Astro Pneumatic Tool Co. and Kuan I Gear Co.. Ltd.	8	I-R	
SX 019	Complainant's Supplemental Response to Respondent's Interrogatories.	10		
SX 020	Ingersoll-Rand Warranty Card.	2	I-R	NC
SX 021	US Power Tool Markets Sales/Share Summary February 1990.			

S2A.	at1A	Page	SAM=	Status
SX 022	Letter from Paul Cote of Bergelt, Litchfield, Raboy and Tsao, Inc. to Steve Gornall of I-R, dated May 2, 1990.	2	I-R	C
SX 023	I-R Second Quarterly Report for 1990.	2	I-R	NC
SX 024	Affidavit of James J. Boggs, March 23, 1990.	4	I-R	C
SX 025	I-R Warehouse Distributor Price List, October 1, 1990.	3	I-R	M
SX 025a	Automotive aftermarket matrix.	1	: -R	C
SX 026	Cost Data Inquiry for a Part/Comm Number.	"	I-R	C
SX 027	Indented Bill of Materials Explosion with Cost Extension (Current Cost). - August 1, 1990.	2	I-R	C
SX 028	Indented Bill of Materials Explosion with Cost Extension (Frozen Cost), August 1, 1990.		I-R	
SX 029	Indented Bill of Materials Explosion with Cost Extension (Frozen Cost Frozen), August 1, 1990.		I-R	
SX 030	I-R Factory Expense Report, August 8, 1990.	4	I-R	
SX 031	Miscellaneous documents re I-R's investment in plant and equipment,	8	I-R	
SX 032	Plant schematic for I-R's Athens, Pennsylvania facility.		I-R	
SX 033	Calculation of allocation of I-R's investment to the I-R 231.	1	I-R	-
SX 034	Direct Labor Weekly Report, August 7, 1990.	31	: -R	
SX 035	Athens Tool Analysis, September 5, 1990.	52	I-R	

	Tide	Z <sub>azu</sub>	<u>Sons</u>	=AL L&
SX 036	Miscellaneous costing documents for component parts of the I-R 231.	19	/ -R	
SX 037	Miscellaneous I-R design change documents for the I-R 231.	13	I-R	
SX 038	Reserved			
SX 039	Excerpt from /-R catalog, November 1, 1972.	3	I-R	NC
SX 040	Assorted I-R direct advertising documents.	23	I-R	NC
SX 041	Assorted I-R co-op advertising	12	I-R	SC
SX 042	Ingersoll-Rand Combination Fund Co-op Advertising Data and Ad Planner.	- 14	I-R	NC
SX 043	Miscellaneous I-R advertising expenditure documents.	9	:-R	C
SX 044	Comments on the Automotive Service Marketplace.	1	:-R	!!!
SX 045	Astro Pneumatic Tool Co. Price List for Sept./Oct. 1990 and cover letter.	20	I-R	
SX 046	Excerpts from I-R Automotive Industry Sales & Marketing Management Reports for January, February, May, and August 1990.	6	I-R	
SX 047	I-R Automotive Industry Sales Marketing Management Reports for June, 1990.	2	/-R	
SX 048	I-R Automotive Industry Sales Marketing Management Reports for July, 1990.	2	I-R	
SX 049	<u>Excerpts from Commercial Atlas.</u>	7	I-R	NC
SX 050	Tcp 40 MSAs - Passenger Car Registration.	3	I-R	SC

	<u>Title</u>	<u>Pages</u>	<u>Sponsor</u>	<u>1:1=1</u>
SX 051	Handwritten notes l'econsumer perception survey results in Atlanta, Georgia.	1	I-R	
SX 052	Miscellaneous documents re , comparison testing between'the I-R 231 and the Astro 555.	17	I-R	
SX 053-099	Reserved.			
SX 100	Miscellaneous documents re preliminary study performed by Dr. Helfgott in connection with-I-R consumer perception survey.	12	I-R	NC
SX 101	Reserved.			
SX 102	Reserved.			
SX 103	List of potential users of air impact wrenches in Boston, Atlanta, St. Louit, and Denver.	17	I-R	NC
SX 104	Letter frcm Dr. Helfgott to Orié Santillo at Trinet, Inc., dated August 8, 1990.	1	I-R	NC
SX 104a	Letter from Dr. Helfgott to Martin J. Neville of Neville, Peterson and Williams, dated May 1, 1990.	1	I-R	NC
SX 105	Fax from Orié Santillo of Trinet', Inc. to Dr. Helfgott, dated July 30, 1990.		I-R	NC
SX 106	Memorandum from Gerie B. Feldman of Depth Research Laboratories, Inc. to "Supervisors", undated.	1	Ilt	NC
SX :07	Confusion survey questionnaire.	1	:-R	NC
SX 1C8	:nstructions for Interviewers.	2	.-R	NC
SX 109	Secondary meaning questionnaire.	1	I-R	NC
SX 110	Complaint of :ngersoll-Rand in :nv. No. 337-TA-311	28	I-R	NC

		<u>Sponsor</u>	<u>Status</u>
SX 111	Letter dated April 12, 1990 from 2/ William Dickey to Ruby Dionne and Amendment to Complaint of Ingersoll- Rand	I-R	NC
SX 112	Motion of Complainant Ingersoll-Rand For Leave to Amend Complaint; December 26, 1990 Amendment to Complaint; Memorandum of Points and Authorities in Support of Motion; and "Joint Statement of Ingersoll-Rand Executives on the Common Law Trademark of the 231 Impactool"	8 I-R	NC
SX 113	Response of Complainant Ingersoll-Rand to Certain Interrogatories of the Second Set of Interrogatories of the Commission Investigative Staff, MUD.	-R	
SX 114	Response of Complainant Ingersoll-Rand to the Third Set of Interrogatories of the Commission Investigative Staff, (OUII).	T :-R	NC
SX 115	Stipulations of the parties in 337-TA-311.	Staff	NC
SX 115a	Letter of February 20, 1991 from William Dickey to Judge Luckern.	2 I-R	NC
SX 116	Stipulation No. 16 in 337-TA-311.	Staff	NC

2/ In SX 12, the deposition transcript of Richard Poore. SX 111 is referred to as SX 200.

H2A.	.11112	ZLEL1	<u>Sponsor</u>	Luau
SPX 01	I-R Automotive Power Tools Catalog, Sixteenth Edition, 1989	52	I-R	NC
SPX 02	I-R Automotive Power TOols Catalog, Seventeenth Edition, 1990.	52	I-R	NC
SPX 03	I-R Professional Power Tools and Accessories Catalog, Eleventh Edition, 1989.	148	I-R	NC
SPX 04	Stampede Tool Warehouse Catalog, with prices in effect through January 28, 1989.	48	Astro	NC
SPX 05	Stampede Tool Warehouse Catalog, with prices in effect through December 30, 1989.	56	Astro	NC
SPX 06	Stampede Tool Warehouse Catalog, with prices in effect through April 28, 1990.	56	Astro	NC
SPX 07	Deposition transcript of James Boggs, September 21, 1990.	86	Staff	
SPX 08	Deposition transcript of Robert Davies, September 26, 1990.	109	Staff	
SPX 09	Deposition transcript of Steven Gornall, September 21, 1990.	88	Staff	
SPX 10	Deposition transcript of Myron Helfgott.	225	Staff	NC
SPX 11	Deposition transcript of Ralph Leonard, September 21, 1990.	27	Staff	NC ✓
SPX 12	Deposition transcript of Richard Poore, December 11, 1990.	120	Staff	NC ✓
SPX 13	Deposition transcript of James Stryker, September 26, 1990.	135	Staff	
SPX 14	Mac :ools AW 234 air impact wrench.	n/a	:-R	NC

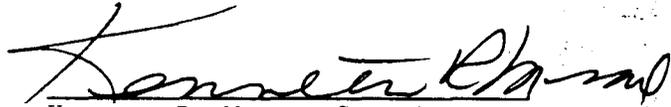
1/ SPX 11 and SPX 12 were dedesignated from confidential status based on Complainant's January 28, 1991 Declaration of Confidential Material.

lif6	=It	WM	12=12X UAW,
SPX 15	Chicago Pneumatic CP 743-2 air impact wrench.	n/a	I-R NC
SPX 16	Central Pneumatic SKU 2065. air impact wrench.	n/a	:-R NC
SPX 17	Astro Paver AP-137P air impact wrench.	n/a	:-R NC

..

CERTIFICATE OF SERVICE

I, Kenneth R. Mason, hereby certify that the attached Public Initial Determination was served upon James M. Gould, Esq. and upon the following parties via first class mail, and air mail where necessary, on May 29, 1991.



Ken R. Mason, Secretary  
U.S. International Trade Commission  
500 E Street, S.W.  
Washington, D.C. 20436

FOR COMPLAINANT INGERSOLL-RAND COMPANY

William L. Dickey, Esq.  
Martin J. Neville, Esq.  
John M. Peterson, Esq.  
DICKEY, NEVILLE, PETERSON & WILLIAMS  
2300 N. Street, N.W., Suite #600  
Washington, D.C. 20037

FOR RESPONDENTS ASTRO PNEUMATIC TOOL CO. & KUAN-1 GEAR CORPORATION:

Louis S. Mastriani  
Tom M. Schaumberg  
Larry L. Shatzer, II  
ADDUCI, MASTRIANI, MEEKS & SCHILL  
1140 Connecticut Avenue, N.W.  
Suite 250  
Washington, D.C. 20036

PUBLIC MAILING LIST

Jeff Jaksa  
Mead Data Central (LEXIS)  
214 Massachusetts Ave., NE  
Suite 430  
Washington, D.C. 20002

Robert S. Lundquist  
Inventory Control, Floor 6E  
West Publishing Company  
50 West Kellogg Boulevard  
P. O. Box 64526  
St. Paul, Minnesota 55164-0526

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GOVERNMENT AGENCIES:

Mr. Charles S. Stark  
Antitrust Div./U.S. Dept of Justice  
Room 3264, Main Justice  
Pennsylvania Avenue & Tenth Street, N.W.  
Washington, D.C. 20530

Don Woodstock, Esq.  
Assistant Director for  
International Antitrust  
Federal Trade Commission  
Room 355  
Pennsylvania Ave., at 6th Street, N.W.  
Washington, D.C. 20580

Sandra H. Shapiro  
Associate General Counsel  
Department of Health & Human Svcs.  
Room 5362, Cohen Building  
330 Independence Avenue, S.W.  
Washington, D.C. 20201

Michael T. Schmitz  
Chief Counsel  
U.S. Customs Service  
1301 Constitution Avenue, N.W.  
Washington, D.C. 20229

