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Color scheme leads to \$54M mark verdict

Yellow-black duo on power tools infringes on rival

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A federal jury Monday ordered the sellers of Rockwell power tools to pay \$54 million for using the yellow-and-black color scheme of a rival brand.

Jurors deliberated for about four hours before returning the \$54,074,815 verdict in favor of The Black & Decker Corp. and two subsidiaries.

The eight-member jury determined Positec USA Inc. and RW Direct Inc. infringed both the trademark and the trade dress of Black & Decker's DeWalt line of tools.

U.S. District Judge Robert M. Dow Jr. set a Nov. 2 deadline for filing post-trial motions.

The lead attorney for Black & Decker is Raymond P. Niro Jr. of Niro, McAndrews LLC.

"It was a hard-fought battle and we're obviously pretty pleased with the jury verdict," Niro said. "The case was filed four years ago and the trial itself lasted four weeks."

During the trial and in closing argument, Niro likened DeWalt's yellow-and-black color scheme to Nike's "swoosh" trademark and the golden arches of McDonald's.

Also trying the case for Black

& Decker was Niro's law partner, Matthew G. McAndrews.

McAndrews said the verdict shows jurors and the public "recognize the incredible value of intellectual property rights."

"It's a very hostile climate these days for intellectual property owners and this is a ray of sunshine in that climate," he said.

Black & Decker also is represented by Niro, McAndrews lawyers Kyle D. Wallenberg and Anisha Mehta.

The lead attorney for Positec and RW Direct is Robert J. Theuerkauf of Middleton, Reutlinger in Louisville, Ky.

Other attorneys with the firm representing the defendants include Brian P. McGraw and Scot A. Duvall.

If Dow enters judgment in favor of Black & Decker, Theuerkauf said, Positec and RW Direct likely will appeal.

"Although we are disappointed with yesterday's decision, we know that there are times that the verdict does not result in the just result — especially in cases involving complicated issues such as trademark law," he said in a statement. "There will be post-trial motions, so this matter has not reached a final judgment in the trial court."

Black & Decker, which is based in Towson, Md., is a subsidiary of Stanley Black & Decker.

Black & Decker launched the DeWalt line of power tools and accessories in 1992.



Raymond P. Niro Jr.

Positec and RW Direct are based in Charlotte, N.C. They are sister companies.

Positec manufactures the Rockwell brand of tools and accessories and sells the products in retail stores. RW Direct sells them online.

Both Rockwell and DeWalt products are sold in stores that include The Home Depot, Sears and Lowe's.

In 2011, Black & Decker filed its suit against Positec and RW Direct.

Black & Decker alleges the use of the yellow-and-black color scheme on Rockwell products and packaging leads customers to believe they are buying DeWalt products.

At trial, Black & Decker attorneys presented evidence that most of the people surveyed — 100 percent of the professional trades people and 85 percent of the people who



Matthew G. McAndrews

regularly use power tools in do-it-yourself projects — associate the yellow-and-black color scheme with DeWalt products.

The attorneys also presented evidence that Black & Decker has spent more than \$100 million in advertising and promoting the DeWalt brand since 1992.

In its verdict, the jury ordered Positec to pay \$53,960,014 and RW Direct to pay \$114,801.

The jury found that the companies' infringement of DeWalt's trademark and trade dress was willful.

While that finding opens the way for Black & Decker to ask Dow to triple the amount of damages awarded, Niro said he will not make such a motion.

But he will seek attorney fees and costs, Niro said.

The case is *The Black & Decker Corp., et al. v. Positec USA Inc., et al.*, No. 11 C 5426.