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6 UNITED STATES DISTRICT COURT
7 WESTERN DISTRICT OF WASHINGTON
8 AT SEATTLE

9 NEW FLYER INDUSTRIES CANADA ULC,
10 and NEW FLYER OF AMERICA INC.,

11 Plaintiffs,

12 v.

13 RUGBY AVIATION, LLC d/b/a SAN JUAN
14 AIRLINES,

15 Defendant.

Case No. 2:18-CV-299-RSL

ORDER GRANTING
DEFENDANT'S MOTION
FOR SUMMARY
JUDGMENT

16 This matter comes before the Court on Rugby Aviation, LLC d/b/a/ San Juan Airlines'
17 ("San Juan Airlines") motion for summary judgment. Dkt. #42.¹

18 **BACKGROUND**

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20 This case arises out of the apparently unintentional use of similar trademarks by two
21 companies, San Juan Airlines and New Flyer Industries Canada ULC, along with its subsidiary,
22 New Flyer of America Inc. (together, "New Flyer"). New Flyer brought claims for trademark
23 infringement, dilution, unfair competition, and unjust enrichment. Dkt. #1 (Compl.) at ¶¶ 52–96.
24 San Juan Airlines moves for summary judgment on all claims. Dkt. #42.

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27 ¹ This matter can be decided on the briefing filed by both parties. San Juan Airlines' request for
28 oral argument is accordingly denied. See Dkt. #42.

1 **A. The Parties**

2 New Flyer is the largest bus manufacturer and parts distributor in North America,
3 supplying buses to the 25 largest municipal transit agencies. Dkt. #56 (Norris Decl.) at ¶ 2. New
4 Flyer estimates that it occupies approximately 43% in market share of United States and
5 Canadian heavy-duty bus deliveries. *Id.* at ¶ 3. It sells approximately 2,000 to 2,500 buses every
6 year. Ex. 1, Dkt. #46-1 (Norris Dep.) at 56:14–23. However, New Flyer does not own any buses,
7 sell any bus tickets, or operate any bus lines itself. That is done by the customers who buy their
8 buses. *Id.* at 48:22–25, 51:1–52:13. Its main competitors are bus manufacturers BYD and
9 Proterra. *Id.* at 95:1–96:15.

10 In 2003, King County Metro in Seattle placed an order for 213 hybrid buses. Norris Decl.
11 at ¶ 8. In 2014, King County Metro signed a \$164 million contract with New Flyer for 141 new
12 electric trolley buses to replace its existing fleet of 155 electric trolley buses. *Id.* at ¶ 9. New
13 Flyer has a major presence in the King County region. However, it does not do any business in
14 the San Juan Islands, and its customers do not include Whatcom Transportation Authority, the
15 operator of Bellingham’s bus system (“Whatcom”). Norris Dep. at 49:1–3; Ex. 5, Dkt. #46-2
16 (Moen Dep.) at 16:7–9. One of New Flyer’s competitors, Gillig, sells buses to Whatcom. Norris
17 Dep. at 185:14–186:5.

18 San Juan Airlines is a small company based in Bellingham that is owned by Jason and
19 Charlene Douglass. Dkt. #44 (Douglass Decl.) at ¶ 2. The Douglasses purchased the company
20 from Louis (“Skip”) and Katie Jansen in April 2017. *Id.* at ¶ 8; *see* Ex. 2, Dkt. #44 at 8–25. They
21 and their 20 employees² fly customers to the San Juan Islands and surrounding areas on five
22 propeller planes that seat between three and five passengers. Douglass Decl. at ¶ 3. San Juan
23 Airlines also offers charter flights throughout Puget Sound and to Vancouver Island. *Id.* at ¶ 4.

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26 ² New Flyer has approximately 300 times that number of employees. Hanno van der Bijl, *Transit*
27 *bus company unveils \$25M Alabama expansion*, BIRMINGHAM BUSINESS JOURNAL (Nov. 27, 2018),
28 <https://www.bizjournals.com/birmingham/news/2018/11/27/transit-bus-company-unveils-25m-alabama-expansion.html>.

1 They market their flights to travelers in Bellingham, Anacortes, Friday Harbor, Eastsound,
2 Roche Harbor, Seattle, Olympia, Tacoma, Gig Harbor, and Port Townsend. Id. at ¶ 5.
3 Approximately 90% of its reservations are made by individuals or companies with addresses 30
4 miles from Bellingham Airport. Id. at ¶ 6. Approximately 25-30% of its revenue comes from
5 flying residents of the San Juan Islands to and from their homes, and 35% of its business comes
6 from health care and construction workers and professional service providers who travel to the
7 San Juan Islands year-round. Id. Its tickets are sold over the telephone. Id. at ¶ 10.

8 **B. San Juan Airlines and New Flyer’s Logos**

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10 New Flyer’s logo is comprised of “two concentric circles centered between two ‘wings’
11 consisting of three feathers each”, as below.³ Compl. at ¶ 16.



16 The company registered the black and white logo on March 14, 2007 with the Patent and
17 Trademark Office (“PTO”). Dkt. #46 (Goldman Decl.) at ¶ 5. Color was not claimed as a feature
18 of the mark. Id. It was registered for use on buses. Id. On November 25, 2015 and June 5, 2017,
19 New Flyer again registered its black and white logo for use on buses. Id. at ¶ 6. Two months
20 later, New Flyer applied for protection of its mark with the colors orange and blue for use on
21 buses. See Dkt. #1-4. The logo is usually accompanied by the housemark NEW FLYER or the
22 mark BUILT TO RELY ON. Id. at ¶ 17. But it is also occasionally used without them. Norris
23 Dep. at 79:15–82:6. Permission must be obtained from the marketing department before the logo
24 is used without the company’s name. Id. at 82:7–14.

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28 ³ Ex. 1, Dkt. #46-1 at 77; see Norris Dep. at 91:14–22.

1 San Juan Airlines’ logo is very similar, as below.⁴



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7 In 2013, before the Douglasses purchased San Juan Airlines, the Jansens hired Greg
8 DeVeer, a graphic designer, to design a new logo for the airline. Ex. 7, Dkt. #57-7 (DeVeer
9 Dep.) at 66:4–67:21. They asked him to use the color orange for the logo because they had
10 recently repainted their planes in that color. *Id.* at 81:12–25. DeVeer’s main inspiration for the
11 design was the wing pins he received as a child from airplane pilots. *Id.* at 94:6–22. He
12 submitted two rounds of designs to the Jansens, incorporating their feedback after the initial
13 meeting. *Id.* at 134:22–142:2. He was not aware of New Flyer’s logo at the time. *Id.* at 173:23–
14 174:14. Neither was Skip Jansen, *see* Dkt. #43 (Jansen Decl.) at ¶ 2, or Janet Englehart, the in-
15 house accountant for San Juan Airlines prior to its purchase by the Douglasses. Dkt. #45
16 (Englehart Decl.) at ¶¶ 2–3. DeVeer testified that he would not have “felt it was appropriate to
17 have San Juan [Airlines] use the logo” that he designed had he been aware of the New Flyer
18 logo at the time, because it was “too similar.” DeVeer Dep. at 45:19–46:1.

19 New Flyer brought claims for trademark infringement of its marks, U.S. Reg. No.
20 3358708, U.S. Reg. No. 5405486, and U.S. Reg. No. 5263347 (collectively, “New Flyer
21 Marks”), under the Lanham Act, *see* 15 U.S.C. § 1114(1), and under the common law, for
22 trademark dilution under the Lanham Act, *see* 15 U.S.C. § 1125(c), and Washington state law,
23 *see* RCW 19.77.160, for false designation of origin and unfair competition under the Lanham
24 Act, *see* 15 U.S.C. 1125(a), for unfair trade practice under Washington’s Consumer Protection
25 Act, *see* RCW 19.86.010 *et seq.*, and for unjust enrichment. Compl. at ¶¶ 52–96.

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28 ⁴ Ex. 4, Dkt. #46-2 at 59; *see* DeVeer Dep. at 141:6–142:2.

1 **DISCUSSION**

2 **A. Defendant’s Request to Strike Plaintiff’s Expert Report**

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4 In its response to San Juan Airlines’ motion for summary judgment, New Flyer included
5 an expert report from Philip G. Hampton II (“Hampton Report”) that contained his “expert
6 opinions and testimony regarding the practices and procedures of the United States [PTO] ... in
7 connection with the infringement of [the trademarks] owned by New Flyer and asserted in this
8 case.” Ex. 4, Dkt. #57-5. San Juan Airlines moved to strike the Hampton Report in its reply.
9 Dkt. #62 at 16. New Flyer argued in a brief surreply that the motion to strike was procedurally
10 improper. Dkt. #65 at 1–2.

11 San Juan Airlines’ request to strike the Hampton Report was not, as New Flyer suggests,
12 an “argument[] raised for the first time in a reply brief” that the Court need not consider. Zamani
13 v. Carnes, 491 F.3d 990, 997 (9th Cir. 2007) (citing Koerner v. Grigas, 328 F.3d 1039, 1048
14 (9th Cir. 2003)). The airline could not have raised this argument previously in its motion for
15 summary judgment because the Hampton Report was included only in New Flyer’s response.
16 Anchondo v. United States, No. C15-1070RSL, 2016 WL 2930439, at *2 (W.D. Wash. May 19,
17 2016) (“exceptions [in which the Court can consider an argument raised for the first time in a
18 reply brief] include ... if the argument was raised by an opposing party...”); Levias v. Pac. Mar.
19 Ass’n, No. 08-CV-1610-JPD, 2010 WL 431884, at *3 (W.D. Wash. Jan. 27, 2010) (denying
20 motion to strike because “there is no unfairness in allowing Defendants to respond in their reply
21 brief to new arguments presented by Plaintiffs in their opposition.”).

22 However, New Flyer has not had the opportunity to meaningfully respond. Dkt. #65 at 2;
23 see LCR 7(g). The Court declines, therefore, to strike the Hampton Report outright, but notes
24 that “an expert witness may not provide legal conclusions, or opinions on an ‘ultimate issue of
25 law.’” Medvedeva v. City of Kirkland, No. C14-7RSL, 2015 WL 11233199, at *2 (W.D. Wash.
26 May 18, 2015) (citing Nationwide Transport Fin. & Cass Info. Sys., Inc., 523 F.3d 1051, 1058
27 (9th Cir. 2008)). The Court will read the Hampton Report accordingly.

1 For all the foregoing reasons, San Juan Airlines’ request to strike the Hampton Report,
2 see Dkt. #62 at 16, is DENIED.

3 **B. Legal Standard**

4 A party is entitled to summary judgment if it “shows that there is no genuine dispute as to
5 any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P.
6 56(a). “The proper question ... is whether, viewing the facts in the non-moving party’s favor,
7 summary judgment for the moving party is appropriate.” Zetwick v. Cty. of Yolo, 850 F.3d 436,
8 441 (9th Cir. 2017) (citing Arizona ex rel. Horne v. Geo Grp., Inc., 816 F.3d 1189, 1207 (9th
9 Cir. 2016)). “[W]here evidence is genuinely disputed on a particular issue—such as by
10 conflicting testimony—that ‘issue is inappropriate for resolution on summary judgment.’” Id.
11 (quoting Direct Techs., LLC v. Elec. Arts, Inc., 836 F.3d 1059, 1067 (9th Cir. 2016)).
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13 “[S]ummary judgment is generally disfavored in the trademark arena”. Fortune Dynamic,
14 Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc., 618 F.3d 1025, 1029 (9th Cir. 2010) (quoting
15 Entrepreneur Media, Inc. v. Smith, 279 F.3d 1135, 1140 (9th Cir. 2002)). The “likelihood of
16 confusion is a factual determination, and district courts should grant summary judgment motions
17 regarding the likelihood of confusion sparingly.” Id. at 1039 (internal citation, alterations, and
18 quotation marks omitted).

19 **C. Trademark Infringement and Unfair Competition Claims (Counts I-V, XIII-IX)**

20 “‘Likelihood of confusion’ is the basic test for both common law trademark infringement
21 and federal statutory trademark infringement.” Dr. Seuss Enterprises, L.P. v. Penguin Books
22 USA, Inc., 109 F.3d 1394, 1403 (9th Cir. 1997). “The elements necessary to establish trademark
23 infringement and unfair competition claims are identical.” eAcceleration Corp. v. Trend Micro,
24 Inc., 408 F. Supp. 2d 1110, 1114 (W.D. Wash. 2006) (citing Brookfield Comm., Inc. v. West
25 Coast Enter. Corp., 174 F.3d 1036, 1046 n. 6, 1047 n. 8 (9th Cir. 1999)). Assessing the
26 likelihood of confusion involves a “determination of whether ‘the similarity of the marks is
27 likely to confuse customers about the source of the products.’” GoTo.com, Inc. v. Walt Disney
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1 Co., 202 F.3d 1199, 1205 (9th Cir. 2000) (quoting Official Airline Guides v. Goss, 6 F.3d 1385,
2 1391 (9th Cir. 1993)). “A likelihood of confusion exists when a consumer viewing a service
3 mark is likely to purchase the services under a mistaken belief that the services are, or [are]
4 associated with, the services of another provider.” Murray v. Cable Nat. Broad. Co., 86 F.3d
5 858, 861 (9th Cir. 1996), as amended (Aug. 6, 1996) (citing Rodeo Collection, Ltd. v. West
6 Seventh, 812 F.2d 1215, 1217 (9th Cir. 1987)). “The confusion must ‘be probable, not simply a
7 possibility.’” Id. (quoting Rodeo Collection, 812 F.2d at 1217).

8 “The first to use a mark is deemed the ‘senior’ user and has the right to enjoin ‘junior’
9 users from using confusingly similar marks in the same industry and market or within the senior
10 user’s natural zone of expansion.” Brookfield Commc’ns, 174 F.3d at 1047. “Forward confusion
11 occurs when consumers believe that goods bearing the junior mark came from, or were
12 sponsored by, the senior mark holder.” Surfvivor Media, Inc. v. Survivor Prods., 406 F.3d 625,
13 630 (9th Cir. 2005) (citing Dreamwerks Prod. Grp., Inc. v. SKG Studio, 142 F.3d 1127, 1129–
14 30 & n.5 (9th Cir. 1998)). “[T]o survive summary judgment on its forward confusion claim in
15 this case, [New Flyer] must raise a material question of fact [as to] whether the general public
16 and the ... industry members thought that [New Flyer] was the source of [San Juan Airlines’]
17 [goods and services]. M2 Software, Inc., a Delaware corporation v. Madacy Entm’t, a
18 corporation, 421 F.3d 1073, 1079–80 (9th Cir. 2005).

19
20 **i. Related Goods and Services**

21 “When the goods produced by the alleged infringer compete for sales with those of the
22 trademark owner, infringement usually will be found if the marks are sufficiently similar that
23 confusion can be expected.” AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348 (9th Cir. 1979),
24 abrogated on other grounds by Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir.
25 2003); accord Nordstrom, Inc. v. 7525419 Canada Inc., No. C12-1387 TSZ, 2012 WL
26 12507605, at *5 (W.D. Wash. Dec. 27, 2012). “When the goods are related, but not competitive,
27 several other factors are added to the calculus.” Id. “Related products or services are those that,
28 ‘though not identical, are related in the minds of the consumers’ and ‘would be reasonably

1 thought by the buying public to come from the same source if sold under the same mark.”
2 Fierce, Inc. v. Franklin Covey Co., No. C18-1449-MJP, 2019 WL 1453573, at *5 (W.D. Wash.
3 Apr. 2, 2019) (quoting Levi Strauss & Co. v. Blue Bell, Inc., 778 F.2d 1352, 1363 (9th Cir.
4 1985)). “If the goods are totally unrelated, there can be no infringement because confusion is
5 unlikely.” Sleekcraft, 599 F.2d at 348.⁵ New Flyer argues that its goods and services are related
6 to those of San Juan Airlines, as they are “both modes of transportation offered in the same
7 geographic region”, even if New Flyer does not compete with the airline. Dkt. #55 at 15. San
8 Juan Airlines argues that they are unrelated.

9 Geographically speaking, New Flyer does not do any business in the San Juan Islands
10 and does not supply buses to Whatcom. Norris Dep. at 49:1–3; Moen Dep. at 16:7–9; Goldman
11 Decl. at ¶ 15. San Juan Airlines is based in Whatcom County, and approximately 90% of its
12 reservations are made by individuals or companies with addresses 30 miles from Bellingham
13 Airport. Douglass Decl. at ¶ 6. See Growler Station, Inc. v. Foundry Growler Station, LLC, No.
14 SACV180433DOCDFMX, 2018 WL 6164301, at *6 (C.D. Cal. July 19, 2018) (“the likelihood
15 of customer confusion is diminished since neither Plaintiff nor Defendant sell or try to sell
16 anything within the same territory that the other does business.”) (citing Fairway Foods v.

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19 ⁵ New Flyer argues that the relatedness of the goods and services is not a threshold inquiry that
20 must be satisfied before reaching the remainder of the analysis. Dkt. #55 at 15. Rather, it is just one
21 factor among many for the district court to consider. Id. In Halicki Films, LLC v. Sanderson Sales &
22 Mktg., while reversing the district court and holding that the plaintiff had standing to bring an
23 infringement claim, the Ninth Circuit noted that the defendants’ use of the marks on products that did
24 not directly compete with plaintiff’s products was not dispositive. 547 F.3d 1213, 1227 (9th Cir. 2008).
25 Rather, “[t]he ‘proximity or relatedness of the goods’ is but one of eight factors for a district court to
26 consider in its ‘likelihood of confusion’ analysis.” Id. at 1228. The Ninth Circuit “caution[ed] the
27 District Court to take a sufficiently broad approach if and when it reache[d] the merits of [the]
28 infringement claims.” Id. This does not take away from the holding in Sleekcraft that “[i]f the goods are
totally unrelated, there can be no infringement”. 599 F.2d at 348. See eAcceleration Corp., 408 F. Supp.
2d at 1117 (“However, even where the marks are identical, ‘there may be no consumer confusion—and
thus no trademark infringement—if the alleged infringer is in a different geographic area or in a wholly
different industry.’”) (quoting Brookfield Commc’ns, 174 F.3d at 1054); Murray, 86 F.3d at 861 (“If
goods or services are totally unrelated, there is no infringement because confusion is unlikely.”) (citing
Sleekcraft, 599 F.2d at 348).

1 Fairway Markets, 227 F.2d 193, 196 (9th Cir. 1955)). However, New Flyer and San Juan
2 Airlines both operate in the Puget Sound region in Washington. Norris Decl. at ¶¶ 8–9; Douglass
3 Decl. at ¶ 2. See Brookfield Commc’ns, 174 F.3d at 1054 (noting that there may be no consumer
4 confusion if the infringer is in a different geographic area from the complainant, such as New
5 Jersey and North Carolina, and Maryland and elsewhere in the country) (citations omitted).

6 In terms of the industry, San Juan Airlines sells tickets on its flights from Bellingham to
7 the San Juan Islands. Douglass Decl. at ¶ 3. New Flyer supplies buses to transit agencies. Norris
8 Decl. at ¶ 3. It does not own any buses, sell any bus tickets, or operate any bus lines itself.
9 Norris Dep. at 48:22–25, 51:1–52:13. San Juan Airlines’ tickets are sold directly to traveling
10 customers over the telephone. Douglass Decl. at ¶ 10. New Flyer’s sales begin with a Request
11 for Information (“RFI”) or a Request for Proposal (“RFP”) from a transit agency. Norris Dep. at
12 184:19–185:4. New Flyer then puts together a bid for the agency and submits it. Id. The entire
13 process is highly regulated and could take months or even a year. Id. at 186:6–187:4.

14 Both goods and services are within a (broadly conceived) transportation industry. They
15 are not as far afield of each other as electronic tracking devices and antibiotics, Trovan Ltd. v.
16 Pfizer Inc., 107 F. App’x 788, 789 (9th Cir. 2004) (mem), or garbage bags and literary works,
17 Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 790 (9th Cir. 1981). However, they do not
18 appear to be related for the purposes of this analysis. Contrast Murray, 86 F.3d at 861 (holding
19 that the parties’ services were unrelated where the plaintiff conducted consumer surveys and
20 sold his services to clients for use in television commercial advertising and the defendant had a
21 talk-show program that allowed viewers to respond to questions by calling telephone numbers,
22 but did not sell polling or marketing services or have any overlap of customers), with
23 Nordstrom, 2012 WL 12507605 at *1–5 (holding that the goods and services of the parties were
24 related where the plaintiff was a leading retailer of apparel and accessories and the defendant
25 sold designer goods at discounted prices to its members through a ‘flash sale’ website, did not
26 plan to expand into brick and mortar stores, and offered brands that overlapped with those
27 available at the plaintiff’s physical stores). Regardless, however, the Court will proceed to an
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1 analysis of the “several other factors”, known as the Sleekcraft factors, that apply where goods
2 and services are related. Sleekcraft, 599 F.2d at 348.

3 **ii. Application of Sleekcraft Factors**

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5 “The Sleekcraft factors are intended as an adaptable proxy for consumer confusion, not a
6 rote checklist.” Network Automation, Inc. v. Advanced Sys. Concepts, Inc., 638 F.3d 1137,
7 1145 (9th Cir. 2011) (citing Fortune Dynamic, 618 F.3d at 1030. “‘Likelihood of confusion is a
8 factual determination,’ and ‘district courts should grant summary judgment motions regarding
9 the likelihood of confusion sparingly.’” Fortune Dynamic, 618 F.3d at 1039 (quoting Thane
10 Int’l, Inc. v. Trek Bicycle Corp., 305 F.3d 894, 901 (9th Cir. 2002), superseded by statute on
11 other grounds, 15 U.S.C. § 1125) (alterations omitted). “Granting summary judgment in cases in
12 which a majority of the Sleekcraft factors could tip in either direction is inconsistent with that
13 principle.” Id. There are eight factors: strength of the plaintiff’s mark, proximity or relatedness
14 of the goods and services, the defendant’s intent in selecting the mark, evidence of actual
15 confusion, marketing channels used, the likelihood of expansion into other markets, and the
16 degree of care likely to be exercised by purchasers.

17 **1. Strength of the Mark**

18 “The more likely a mark is to be remembered and associated in the public mind with the
19 mark’s owner, the greater protection the mark is accorded by trademark laws.” GoTo.com, 202
20 F.3d at 1207 (citing Kenner Parker Toys Inc. v. Rose Art Indus., Inc., 963 F.2d 350, 353 (Fed.
21 Cir. 1992)). The strength “of the trademark is evaluated in terms of its conceptual strength and
22 commercial strength.” Id.

23
24 “[M]arks are placed in one of five categories, ranging from weakest to strongest: generic,
25 descriptive, suggestive, arbitrary, and fanciful”. Fortune Dynamic, 618 F.3d at 1033 (citing
26 GoTo.com, 202 F.3d at 1207). A strong mark is inherently distinctive, for example, an arbitrary
27 or fanciful mark; it will be afforded the widest ambit of protection from infringing uses.”
28 Sleekcraft, 599 F.2d at 349 (citation omitted). “A descriptive mark tells something about the

1 product; it will be protected only when secondary meaning is shown.” Id. (citation omitted). “In
2 between lie suggestive marks which subtly connote something about the products. Although less
3 distinctive than an arbitrary or fanciful mark and therefore a comparatively weak mark, a
4 suggestive mark will be protected without proof of secondary meaning.” Id. (citation omitted).

5 “Courts assess a mark’s commercial strength by considering its actual marketplace
6 recognition, and, on one hand, may consider evidence of substantial advertising expenditures,
7 substantial sales, and widely distributed advertising campaigns ‘sufficient to make the relative
8 commercial strength of the ... mark a question for the jury.’” Clean Crawl, Inc. v. Crawl Space
9 Cleaning Pros, Inc., 364 F. Supp. 3d 1194, 1207 (W.D. Wash. 2019) (quoting Fortune Dynamic,
10 618 F.3d at 1034). Commercial strength can also be “shown through length and manner of use
11 of the mark, the amount and volume of advertising, and the volume of sales.” Playmakers, LLC
12 v. ESPN, Inc., 297 F. Supp. 2d 1277, 1281 (W.D. Wash. 2003), aff’d, 376 F.3d 894 (9th Cir.
13 2004) (citation omitted).

14 According to New Flyer, its logo initially symbolized “a set of wings.” Norris Dep. at
15 63:8–16. It suggests “efficiency in transportation”, or “getting somebody to where they need to
16 go safely, reliably.” Id. at 64:4–12. New Flyer’s logo is not arbitrary or fanciful. Fortune
17 Dynamic, 618 F.3d at 1033. Nor is it descriptive, as it does not describe the buses that it
18 manufactures. It “requires a mental leap from the mark to the product.” Brookfield Commc’ns,
19 174 F.3d at 1058 (citing Self-Realization Fellowship Church v. Ananda Church of Self-
20 Realization, 59 F.3d 902, 910–11 (9th Cir. 1995)). It is a suggestive mark, meaning that it is
21 “presumptively weak.” Id.

22
23 Such a mark may be strengthened by extensive advertising, the length of its exclusive
24 use, or public recognition. Entrepreneur Media, Inc. v. Smith, 279 F.3d 1135, 1144 (9th Cir.
25 2002) (citing Am. Int’l Grp., Inc. v. Am. Int’l Bank, 926 F.2d 829, 832 (9th Cir. 1991)). New
26 Flyer has used various forms of “wing” trademarks since approximately 1945. Ex. 1, Dkt. #57-1
27 at 8. In or about August 2002, New Flyer adopted an “orange and black sun-like circle/ring with
28 an in-flight bird as its logo.” Id. It adopted the logo that is the subject of this lawsuit in 2004. Id.

1 complementary to, similar in use and function to, or sold to the same class of purchasers as San
2 Juan Airlines' flight tickets. Both could be said to offer "products and services relating to the
3 [transportation] industry generally, and their principal lines of business ... are not as different as
4 guns and toys, ... or computer circuit boards and the Rocky Horror Picture Show ..." Brookfield
5 Commc'ns, 174 F.3d 1036 at 1056 (internal citations omitted). However, the goods and services
6 are not used for similar purposes, and the parties do not "compete for the patronage of an
7 overlapping audience." Id.; see M2 Software, 421 F.3d at 1082. ("At a minimum, both [parties]
8 distributed music and CDs. Therefore[,] this Sleekcraft factor weighs in M2 Software's favor,
9 but only slightly because the genres of the music CDs are very significantly different."). The
10 factor weighs in favor of San Juan Airlines.

11 **3. Similarity of the Marks**

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13 The similarity of the marks "has always been considered a critical question in the
14 likelihood-of-confusion analysis. ... Together with the relatedness of the services and the use of
15 a common marketing channel, this first factor constitutes part of the controlling troika in the
16 Sleekcraft analysis." GoTo.com, 202 F.3d at 1205 (internal citation omitted). "[T]he greater the
17 similarity between the two marks at issue, the greater the likelihood of confusion." Id. at 1206.
18 The marks "must be considered in their entirety and as they appear in the marketplace". Id.
19 (citing Filipino Yellow Pages, Inc. v. Asian Journal Publications, Inc., 198 F.3d 1143, 1147-50
20 (9th Cir. 1999)). Similarity "is adjudged in terms of appearance, sound, and meaning". Id.
21 (citing Dreamwerks, 142 F.3d at 1131. Similarities are weighed more heavily than differences".
22 Id. (citing Official Airline Guides, Inc. v. Goss, 6 F.3d 1385, 1392 (9th Cir. 1993)).

23 The logos themselves are "glaringly similar." Id. However, even identical marks may not
24 be confusingly similar depending on "the way the marks are encountered in the marketplace and
25 the circumstances surrounding the purchase" of the goods and services. Lindy Pen Co. v. Bic
26 Pen Corp., 725 F.2d 1240, 1245 (9th Cir. 1984). When a challenged mark is accompanied by the
27 logo of the manufacturer, confusion is unlikely. Survivor Media, Inc. v. Survivor Prods., 406
28 F.3d 625, 633 (9th Cir. 2005) (citing Pignons S.A. de Mecanique de Precision v. Polaroid Corp.,

1 657 F.2d 482, 487 (1st Cir. 1981)). The consistent use of a housemark “can reduce the
2 likelihood of confusion when the housemark is the more conspicuous mark and serves to
3 indicate the source of origin to the public: [but] the presence of a housemark in conjunction with
4 the trademark alone will not negate the likelihood of confusion.” Charles Schwab & Co. v.
5 Hibernia Bank, 665 F. Supp. 800, 808 (N.D. Cal. 1987) (citing Sleekcraft, 599 F.2d at 351).

6 San Juan Airlines represents that it always uses its housemark with its logo. Douglass
7 Decl. at ¶ 13. New Flyer offered evidence of the logo appearing without the housemark SAN
8 JUAN immediately below it. Dkt. #55 at 11–12; see Dkt. #57 (Artz Decl.) at ¶ 9. Viewing the
9 facts in the non-moving party’s favor, Zetwick, 850 F.3d at 441, there are some instances where
10 the logo appears without the SAN JUAN housemark immediately below it, even if the
11 housemark appears elsewhere on the airplane or web page in question. See Dkt. #63 (Douglass
12 Supp. Decl.) at ¶¶ 2–4. In general, New Flyer prefers to “have the wings logo and the name
13 together so that [it] can constantly build [its] brand.” Norris Dep. at 88:20–24. It “sparingly”
14 uses its logo without the housemark NEW FLYER. Id. at 85:2–7. Permission must be obtained
15 from the marketing department before the logo can be used on its own. Id. at 82:7–14. “In recent
16 years, buses in operation with certain transit agencies have used a wings-only application of
17 New Flyer’s trademark—i.e., without any lettering—including King County Metro (King
18 County), Translink (Vancouver), and Community Transit (Everett).” Norris Decl. at ¶ 10.⁶

19
20
21 ⁶ San Juan Airlines argues that this testimony should be stricken and ignored pursuant to the
22 sham affidavit doctrine. Dkt. #62 at 10. “[A] party cannot create an issue of fact by an affidavit
23 contradicting his prior deposition testimony.” Yeager v. Bowlin, 693 F.3d 1076, 1080 (9th Cir. 2012)
24 (quoting Van Asdale v. Int’l Game Tech., 577 F.3d 989, 998 (9th Cir. 2009)). “This sham affidavit rule
25 prevents ‘a party who has been examined at length on deposition’ from ‘raising an issue of fact simply
26 by submitting an affidavit contradicting his own prior testimony,’ which ‘would greatly diminish the
27 utility of summary judgment as a procedure for screening out sham issues of fact.’” Id. (quoting
28 Kennedy v. Allied Mut. Ins. Co., 952 F.2d 262, 266 (9th Cir. 1991)). However, Ms. Norris’s declaration
does not contradict her deposition testimony. When asked whether there were any circumstances in
which New Flyer would approve the use of its logo without the NEW FLYER housemark, where the
audience was the general community, Ms. Norris only mentioned Twitter. Norris Dep. at 89:1–21; see
Dkt. #62 at 10 n.37. Earlier, however, Ms. Norris also stated that “some” of New Flyer’s buses used the
logo without the housemark. Norris Dep. at 79:15–80:3. She stated that she was unaware of a bus in
Seattle that used the logo without the housemark because she “[hadn’t] been there.” Id. at 80:4–10. This

1 The fact that San Juan Airlines and New Flyer generally use their housemarks along with
2 their logo reduces the likelihood of confusion. Lindy Pen Co., 725 F.2d at 1245. (“The trial
3 court further found that the trademarks “BIC” and “LINDY” were prominently and repeatedly
4 displayed on the pens and all packaging and promotional materials. The trial court therefore
5 concluded that the two marks, Lindy’s “Auditor’s” and Bic’s “Auditor’s fine point,”
6 consider[ing] in the context in which they appeared in the marketplace, were not confusingly
7 similar.”). However, this is not true of every use of the logos, Zetwick, 850 F.3d at 441, and the
8 logos themselves are very similar to each other. This factor weighs in favor of New Flyer.

9 4. Evidence of Actual Confusion

10
11 “Evidence that use of the two marks has already led to confusion is persuasive proof that
12 future confusion is likely. ... Proving actual confusion is difficult, however, ... and the courts
13 have often discounted such evidence because it was unclear or insubstantial.” Sleekcraft, 599
14 F.2d at 352 (internal citations omitted). “The failure to prove instances of actual confusion is not
15 dispositive against a trademark plaintiff, because actual confusion is hard to prove; difficulties in
16 gathering evidence of actual confusion make its absence generally unnoteworthy.” Brookfield
17 Commc’ns, 174 F.3d at 1050. “[T]his factor is weighed heavily only when there is evidence of
18 past confusion or, perhaps, when the particular circumstances indicate such evidence should
19 have been available.” Sleekcraft, 599 F.2d at 353.

20 New Flyer concedes that it has not uncovered any instances of actual confusion. Dkt. #55
21 at 22; see Norris Dep. at 161:24–162:2, 163:8–164:5; see Ex. 1, Dkt. #46-1 at 173. However,
22 given that both New Flyer and San Juan Airlines operate in the same state and, per New Flyer’s
23 contention, in the same ‘transportation industry,’ some evidence of actual confusion should be

24
25 is not a direct contradiction. See DiNardo v. Wow 1 Day Painting, LLC, No. C16-1600JLR, 2018 WL
26 513584, at *7 (W.D. Wash. Jan. 23, 2018) (“[T]he Ninth Circuit cautions that this rule should be applied
27 with caution. ... The inconsistency between a party’s deposition testimony and subsequent affidavit
28 must be clear and unambiguous... The non-moving party is not precluded from elaborating upon,
explaining or clarifying prior testimony elicited by opposing counsel on deposition...” (internal
citations and quotation marks omitted). The Court DENIES the request to strike the testimony.

1 available. See La Quinta Worldwide LLC v. Q.R.T.M., S.A. de C.V., 762 F.3d 867, 876 (9th
2 Cir. 2014) (holding that the lack of actual confusion did not weigh against the plaintiff where the
3 parties “had never both operated in the U.S. market.”). This factor therefore strongly weighs in
4 favor of San Juan Airlines.

5 **5. Marketing Channels**

6
7 “Convergent marketing channels increase the likelihood of confusion.” Sleekcraft, 599
8 F.2d at 353. “In assessing marketing channel convergence, courts consider whether the parties’
9 customer bases overlap and how the parties advertise and market their products.” Pom
10 Wonderful LLC v. Hubbard, 775 F.3d 1118, 1130 (9th Cir. 2014) (citation omitted).

11 San Juan Airlines advertises in small publications local to the Bellingham area that cater
12 to tourists. Douglass Decl. at ¶ 13. New Flyer makes use of its website, social media, press
13 releases, demo buses and other channels. Norris Dep. at 197:15–199:10. It does not attend the
14 fly-ins attended by San Juan Airlines, and San Juan Airlines does not attend the bus
15 manufacturers’ trade shows attended by New Flyer. Douglass Decl. at ¶ 14; see Ex. 3, Dkt. #44
16 at 22–25. “The parties do not attend the same trade shows, and their products are not sold by the
17 same retailers or displayed in adjacent areas.” Accuride, 871 F.2d at 1537. They do not employ
18 the same sales methods and their price ranges are very different. Sleekcraft, 599 F.2d at 353.
19 Their use of the internet does not create a likelihood of confusion, as their goods and services
20 are unrelated and there are no similarities in their domain names. Dkt. #42 at 25. Their customer
21 bases, as previously discussed, do not overlap at all. New Flyer’s argument that its stakeholders
22 include the general public because public opinion influences transit agencies’ decisions of which
23 buses to purchase is not compelling and is unsupported by any evidence. Dkt. #55 at 23. This
24 factor weighs in favor of San Juan Airlines.

25 **6. Type of Goods and Degree of Care**

26
27 “In assessing the likelihood of confusion to the public, the standard used by the courts is
28 the typical buyer exercising ordinary caution.” Sleekcraft, 599 F.2d at 353 (citation omitted).

1 Although the “wholly indifferent may be excluded”, the standard “includes the ignorant and the
2 credulous.” Id. (citations omitted). “When the buyer has expertise in the field, a higher standard
3 is proper though it will not preclude a finding that confusion is likely. . . . Similarly, when the
4 goods are expensive, the buyer can be expected to exercise greater care in his purchases; again,
5 though, confusion may still be likely.” Id. (citations omitted).

6 San Juan Airlines argues that purchasers of New Flyer’s buses “would be expected to
7 exercise a high degree of care in making their purchase decisions. This factor weighs heavily
8 against finding a likelihood of confusion in the relevant purchasing population.” Accuride, 871
9 F.2d at 1537. It points out that purchases are made pursuant to RFIs or RFPs that are submitted
10 to New Flyer by the transit agencies themselves. Norris Dep. at 184:19–185:4. The entire
11 process is highly regulated and could take months or even a year. Id. at 186:6–187:4. The Court
12 agrees. San Juan Airlines also argues that the heightened standard applies to its own customers,
13 because the tickets are relatively expensive, approximately 15% of its customers are regular
14 flyers, and there are safety considerations involved in purchasing a flight ticket. Dkt. #42 at 26.
15 Again, the Court agrees. eAcceleration Corp., 408 F. Supp. 2d at 1119 (“the price range [of \$40
16 to \$60] is not so low that the products would be bought on impulse. Thus, this factor is likely to
17 either favor [the defendant] slightly or be neutral.”); Nordstrom, 2012 WL 12507605 at *10
18 (“Although the goods at issue might be considered inexpensive, a consumer desiring to purchase
19 items from [the defendant] must become a member and provide personal information, including
20 an e-mail address. Because a relationship is formed between BTR and its members as a
21 prerequisite to any transaction, the Court cannot focus solely on the price of the items being
22 offered and sold.”). This factor weighs in favor of San Juan Airlines.

23 7. San Juan Airlines’ Intent

24
25 “When the alleged infringer knowingly adopts a mark similar to another’s, reviewing
26 courts presume that the defendant can accomplish his purpose: that is, that the public will be
27 deceived.” Sleekcraft, 599 F.2d at 354 (citation omitted). “Good faith is less probative of the
28 likelihood of confusion, yet may be given considerable weight in fashioning a remedy.” Id. New

1 Flyer argues that San Juan Airlines “at a minimum had constructive knowledge of New Flyer’s
2 registered wings logo, and virtually identical marks coupled with other record evidence supports
3 at least subconscious copying.” Dkt. #55 at 25. It further argues that the “logical inference is that
4 the adopted mark was based off New Flyer’s mark” in an attempt to “make its flights as
5 accessible, easy, convenient, safe, and reliance as riding a bus”. Id.

6 The Court is not persuaded. DeVeer explained that his inspiration for the logo came from
7 the pilot wings given to children when flying. DeVeer Dep. at 94:2–22. He believed that the San
8 Juan Airlines’ logo was strong because it was clearly recognizable as a plane. Id. at 184:23–
9 185:17. Although he cannot recall the specifics, he testified that it is likely that he did Google
10 searches for airlines, airplanes, things related to air transport, and flying. Id. at 87:17–88:25,
11 93:13–25. He also specifically searched for wings logos and marks. Id. at 99:14–100:18. He
12 does not think it likely that he searched for information in the automotive industry, although his
13 colleague did present him with “some information on a car” during their research phase. Id. at
14 90:1–91:9, 91:16–93:10. He did not conduct any searches of trademarks to determine if there
15 were similar logos already in existence. Id. at 166:23–167:2. Regardless, he clearly testified that
16 he was unaware of New Flyer’s logo until San Juan Airlines received New Flyer’s cease and
17 desist letter. Id. 173:2–174:2, 45:12–18. He rides buses in Bellingham but has never noticed the
18 New Flyer logo on them. Id. at 143:4–144:11. He admitted that, had he been aware of the New
19 Flyer logo at the time, he would not have thought it appropriate for San Juan Airlines to utilize
20 his logo. Id. at 45:12–46:1.⁷

21 There is no evidence that DeVeer knowingly designed a logo similar to that of New Flyer
22 for San Juan Airlines. Hokto Kinoko Co. v. Concord Farms, Inc., 738 F.3d 1085, 1096 (9th Cir.
23 2013). He was unaware of New Flyer’s logo at the time of the design. San Juan Airlines had no
24

25
26 ⁷ It’s unfortunate that San Juan Airlines declined DeVeer’s offer to redo the logo once he became
27 aware of the striking similarity of the marks. It might have prevented this lawsuit and would have
28 avoided future potential problems if there are material changes in how either of the parties’ business
evolves.

1 conscious knowledge of the existence of New Flyer’s mark, no intent to infringe, and no
2 indications of a conflict with New Flyer. M’Otto Enterprises, Inc. v. Redsand, Inc., 831 F. Supp.
3 1491, 1503 (W.D. Wash. 1993).

4 **8. Possibility of Expansion**

5
6 “A strong possibility that either party may expand his business to compete with the other
7 will weigh in favor of finding that the present use is infringing.” Sleekcraft, 599 F.2d at 354
8 (citation and internal quotation marks omitted). New Flyer has no plans to expand into
9 manufacturing airplanes. Norris Dep. at 55:1–19. San Juan Airlines has no plans to expand to
10 service municipal bus customers or otherwise compete with New Flyer. Douglass Decl. at ¶ 16.

11 **iii. No Likelihood of Confusion**

12 “The Sleekcraft factors are intended as an adaptable proxy for consumer confusion, not a
13 rote checklist.” Network Automation, 638 F.3d at 1145 (citing Fortune Dynamic, 618 F.3d at
14 1030). “These tests were not meant to be requirements or hoops that a district court need jump
15 through to make the determination.” Eclipse Assocs. Ltd. v. Data Gen. Corp., 894 F.2d 1114,
16 1118 (9th Cir. 1990). “In other words, ‘we do not count beans.’” Rearden LLC v. Rearden
17 Commerce, Inc., 683 F.3d 1190, 1209–10 (9th Cir. 2012) (quoting Dreamwerks, 142 F.3d at
18 1129). “A determination may rest on only those factors that are most pertinent to the particular
19 case before the court, and other variables besides the enumerated factors should also be taken
20 into account based on the particular circumstances.” Id. (citing Network Automation, 638 F.3d
21 at 1142). “This eight-factor analysis is ‘pliant,’ illustrative rather than exhaustive, and best
22 understood as simply providing helpful guideposts.” Fortune Dynamic, 618 F.3d at 1030
23 (quoting Brookfield Commc’ns, 174 F.3d at 1054).

24
25 The use of admittedly similar logos by San Juan Airlines and New Flyer is nevertheless
26 unlikely to result in any consumer confusion. San Juan Airlines sells flight tickets to the San
27 Juan Islands and surrounding areas. New Flyer manufactures and sells buses to transit agencies
28 in a highly regulated process initiated by the agencies themselves. Their goods and services are

1 unrelated beyond a semantic affiliation with the transportation industry. San Juan Airlines’
2 customers are individual travelers, and New Flyer’s customers are transit agencies. A member of
3 the public does not *choose* to ride a New Flyer bus over another bus: he or she simply uses the
4 public transportation system available in his or her region. By contrast, a tourist traveling from
5 Bellingham Airport to the San Juan Islands chooses to purchase a ticket on San Juan Airlines
6 over other airlines offering the same flight. There is no overlap in the customer base or
7 marketing channels. There is no evidence of actual confusion, and there is no evidence that San
8 Juan Airlines knowingly adopted a mark similar to New Flyer’s. Viewing the facts in New
9 Flyer’s favor, San Juan Airlines is entitled to summary judgment as a matter of law on its
10 trademark infringement and unfair competition claims. Fed. R. Civ. P. 56(a).

11 **D. Trademark Dilution Claims (Counts VI and VII)**

12
13 “The Washington dilution statute is identical to the federal statute.” Nautilus Grp., Inc. v.
14 Icon Health & Fitness, Inc., No. C02-2420RSM, 2006 WL 3761367, at *5 (W.D. Wash. Dec.
15 21, 2006) (citing RCW 19.77.160(1)). To prevail on a trademark dilution claim “a plaintiff must
16 show that: (1) the mark is famous and distinctive; (2) the defendant is making use of the mark in
17 commerce; (3) the defendant’s use began after the mark became famous; and (4) the defendant’s
18 use of the mark is likely to cause dilution by blurring or dilution by tarnishment.” Lochirco Fruit
19 & Produce Co., Inc. v. Tarukino Holdings, Inc., No. C18-763-RAJ, 2019 WL 157939, at *3
20 (W.D. Wash. Jan. 9, 2019) (quoting Jada Toys, Inc. v. Mattel, Inc., 518 F.3d 628, 634 (9th Cir.
21 2008)). “Dilution is a cause of action invented and reserved for a select class of marks—those
22 marks with such powerful consumer associations that even non-competing uses can impinge
23 their value.” Thane, 305 F.3d at 907 (quoting Avery Dennison Corp. v. Sumpton, 189 F.3d 868,
24 875 (9th Cir. 1999)). Dilution protection is extended only to those whose marks are a
25 “household name.” Nissan Motor Co. v. Nissan Computer Corp., 378 F.3d 1002, 1011 (9th Cir.
26 2004) (quoting Thane, 305 F.3d at 1011). In determining whether a mark “possesses the
27 requisite degree of recognition, the court may consider all relevant factors, including... (i) The
28 duration, extent, and geographic reach of advertising and publicity of the mark, ... (ii) The

1 amount, volume, and geographic extent of sales of goods or services offered under the mark[,]
2 (iii) The extent of actual recognition of the mark[,] [and] (iv) Whether the mark was registered”.
3 15 U.S.C. § 1125(c)(2)(A).

4 New Flyer’s allegations concerning the number of buses that it has sold, its dominance of
5 the bus manufacturing industry, its advertising, and its social media presence, see Dkt. #55 at 22,
6 “do not reasonably support the inference that [its] marks enjoy the ‘requisite recognition,’ and
7 are ‘widely recognized by the general consuming public of the United States’”. (quoting 15
8 U.S.C. § 1125(c)(2)(A)). Kische USA LLC v. Simsek, No. C16-0168JLR, 2016 WL 7212534, at
9 *12 (W.D. Wash. Dec. 13, 2016). New Flyer has not shown that its mark is entitled to protection
10 from dilution. See Govino, LLC v. Goverre, Inc., No. 8:17-CV-01237-JLS-E, 2018 WL
11 7348849, at *5 (C.D. Cal. Nov. 20, 2018) (“Although evidence of marketing attempts to
12 increase a mark’s profile can be considered in a factual determination of famousness, ... courts
13 accord it far less weight than evidence of actual ubiquity in the national consciousness. ...
14 Plaintiff has not submitted consumer surveys or similar direct evidence indicating widespread
15 fame ... extensive media coverage cannot alone support a finding of famousness without
16 independent evidence that such a national media presence has in fact permeated the national
17 consciousness.”).

18 **E. Unjust Enrichment Claim (Count X)**


19
20 “Three elements must be established in order to sustain a claim based on unjust
21 enrichment: a benefit conferred upon the defendant by the plaintiff; an appreciation or
22 knowledge by the defendant of the benefit; and the acceptance or retention by the defendant of
23 the benefit under such circumstances as to make it inequitable for the defendant to retain the
24 benefit without the payment of its value.” Young v. Young, 164 Wn. 2d 477, 484 (2008)
25 (quoting Bailie Commc’ns, Ltd. v. Trend Bus. Sys., Inc., 61 Wn. App. 151, 159–60, amended
26 sub nom. Bailie Commc’ns, Ltd v. Trend Bus. Sys., Inc., 814 P.2d 699 (Wn. Ct. App. 1991)).

1 New Flyer has introduced no evidence to show that San Juan Airlines has “capitalized on
2 the public’s familiarity with New Flyer and its carefully acquired goodwill”, Dkt. #55 at 27, let
3 alone that San Juan Airlines was aware of any purported benefit at the time. Young, 164 Wn. 2d
4 at 484. Fifteen percent of San Juan Airlines’ customers are regular flyers, accounting for 70% of
5 the revenue. Douglass Decl. at ¶ 6. More than 50% of its revenue is generated from customers
6 who have been flying with the airline since before it adopted the logo in question. Id. There is no
7 evidence of a benefit being conferred by New Flyer on San Juan Airlines. San Juan Airlines is
8 entitled to summary judgment on the unjust enrichment claim.

9 **CONCLUSION**

10 For all the foregoing reasons, San Juan Airlines’ motion for summary judgment is
11 GRANTED.
12

13 DATED this 3rd day of September, 2019.

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15 
16 Robert S. Lasnik
17 United States District Judge
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