

1
2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
9 WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

10 EUREKA! PET FOOD INC,

11 Plaintiff,

12 v.

13 ROSS-WELLS INC,

14 Defendant.

CASE NO. C18-252 MJP

ORDER ON MOTIONS FOR
SUMMARY JUDGMENT

15
16 The above-entitled Court, has received and reviewed:

- 17 1. Ross-Wells, Inc.'s Motion for Summary Judgment (Dkt. No. 33), Eureka! Pet Food,
18 Inc.'s Response in Opposition to Ross-Wells Inc.'s Motion for Summary Judgment
19 (Dkt. No. 46), and Reply to Ross-Wells, Inc.'s Motion for Summary Judgment (Dkt.
20 No. 48); and
- 21 2. Eureka! Pet Food, Inc.'s Motion for Partial Summary Judgment (Dkt. No. 38), Ross-
22 Wells, Inc.'s Response to Eureka!'s Motion for Summary Judgment (Dkt. No. 42),
23
24

1 and Eureka! Pet Food, Inc.’s Reply in Support of Motion for Partial Summary
2 Judgment (Dkt. No. 49); and
3 all attached declarations and exhibits, and relevant portions of the record. Finding oral argument
4 is not necessary to arrive at a decision, the Court rules as follows:

5 IT IS ORDERED that Defendant’s motion for summary judgment is PARTIALLY
6 GRANTED and PARTIALLY DENIED: Plaintiff’s claims for breach of contract, unjust
7 enrichment, violations of the Wisconsin Deceptive Trade Practices Act, and tortious interference
8 with business relations are DISMISSED with prejudice. Defendant’s motion for summary
9 judgment on Plaintiff’s trademark infringement claims is DENIED.

10 IT IS ORDERED that Plaintiff’s motion for partial summary judgment is DENIED.

11 **Background**

12 Defendant Ross-Wells, Inc. (“Ross-Wells”) is a Wisconsin meat processing and animal
13 feed company. In the late 60’s, the owners of the company developed a pet food formula
14 combining fresh meat and a blend of vitamins and minerals. Known as “premix,” the formula
15 (which has been altered over time but remained essentially the same for 50 years) is the
16 foundation of many pet foods offered by Ross-Wells, including dog food.

17 In 1989, Ross-Wells began shipping a version of premix developed for a local “musher”
18 (sled team driver) to a man in Alaska named Winston Hobgood, who resold it to Alaska mushers.
19 Over time, Winston requested that additional ingredients (e.g., liver, corn oil, bone meal) be
20 added to the premix. (A declaration from Ross-Wells’ plant manager – unchallenged by Plaintiff
21 – indicates that Winston also adopted some revisions suggested by Ross-Wells; *see* Dkt. No. 37,
22 Decl. of Kleifgen at ¶ 9). Around 1993, Winston began repackaging the product under the brand
23 name “Eureka!.” Winston printed his own Eureka! packaging materials, shipped them to Ross-
24

1 Wells, and the company packaged Winston’s version of their premix formula in the Eureka!
2 materials. At that point, Ross-Wells began rebating their savings (the result of not having to use
3 their own packaging materials) to Winston, calling it a “commission.” The rate varied and – like
4 the rest of their business relationship with Winston – the arrangement was never reduced to
5 writing.

6 The division of labor saw Ross-Wells responsible for manufacturing the special-order
7 premix and packaging it (using Winston’s “Eureka!” materials) while Winston coordinated
8 transport from Ross-Wells’ Medford, WI plant to Alaska, consulted on dog-related issues and
9 generated a small number of sales leads in the lower 48 states. In 2009, Winston trademarked
10 the Eureka! name and the next year formed a Eureka! business entity. He was the only member
11 of the organization, never had any employees, and never had his own manufacturing facilities.

12 Although Winston died in 2014, it was not until months later that Ross-Wells was made
13 aware of his passing. Ownership of Eureka! Pet Food eventually passed (after protracted
14 litigation) to Winston’s children, Rhonda and Joel. In December 2014 (before the ownership
15 issue had been settled), Rhonda and Joel visited the Medford plant with the intention of
16 continuing to build on the relationship their father had created with Ross-Wells. The relationship
17 did not get off to a good start (Ross-Wells took exception, for instance, to Rhonda’s assertion
18 that her father had “invented” the dog food formula being sold as Eureka! pet food), and things
19 were really never the same after Winston’s death. Rhonda and Joel did not bring the level of
20 experience or expertise to the business which their father had possessed – they had no experience
21 in dog-related issues, animal nutrition or pet-food manufacturing, did not continue their father’s
22 practice of supplying Eureka! packaging to Ross-Wells, and did nothing over the course of their
23
24

1 relationship with Ross-Wells other than maintain the Ross-Wells website and monitor customer-
2 response emails.

3 For six months following Winston's death, Ross-Wells sent Rhonda a commission check
4 utilizing the rate at the time of Winston's passing (6%, less the cost of packaging materials Ross-
5 Wells has purchased to replenish the Eureka! inventory), despite the fact that the children were
6 not providing the same of level of services their father had (i.e., providing neither Eureka!
7 packaging to Ross-Wells nor consulting on issues concerning dog feeding/nutrition). In
8 February 2015, however, Ross-Wells co-owner Robert Wells advised Eureka! that the
9 commission would need to be renegotiated for those reasons. Between July 2015 and July 2017,
10 Ross-Wells sent Rhonda five biannual commission checks (totaling \$22,237.82) accompanied by
11 a reconciliation statement which reflected the total amount of Eureka! product manufactured,
12 multiplied by the new commission rate (1.5%). Rhonda cashed all five checks.

13 In July 2017, Ross-Wells received a cease-and-desist letter from Eureka!'s attorney,
14 terminating the business relationship and giving Ross-Wells 21 days to (1) cease using Eureka!'s
15 name on their packaging and (2) turn over Ross-Wells' formulas and customer lists as "trade
16 secrets." Ross-Wells responded by letter through their counsel, disputing the "trade secrets"
17 claim. Additionally, Ross-Wells advised Eureka! that the company still had \$7600 worth of
18 Eureka! packaging in stock and indicating that (a) Eureka! could purchase it from them or (b)
19 Ross-Wells would utilize the Eureka! materials until they were depleted and then begin
20 packaging under a new trade name. Eureka! never responded to the letter. For two months,
21 Ross-Wells used the packaging "as is" (i.e., without obscuring the "Eureka!" name); thereafter,
22 the company began pasting labels over the Eureka! name on the boxes with their new product
23 names ("Titan Red" and "Titan Blue") and turning the bags with the Eureka! logo inside out.

1 Ross-Wells also emailed its customers and advised them of the new “Titan” product name and
2 why the name change was necessary. As of November 2017, the company was no longer
3 utilizing the Eureka! materials.

4 In that same month, Eureka! filed suit against Ross-Wells. The initial lawsuit alleged
5 liability for trade secrets violations, but that claim was abandoned in the Second Amended
6 Complaint. In January 2018, Eureka! mass-emailed 1400 addresses culled from the website it
7 had maintained for Ross-Wells, announcing new production facilities and a new product.
8 Although Eureka! began accepting orders immediately, the company did not actually begin
9 delivering product until May 2018.

10 Discussion

11 Standard of review

12 “The court shall grant summary judgment if the movant shows that there is no genuine
13 dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R.
14 Civ. P. 56(a). The moving party is entitled to judgment as a matter of law when the nonmoving
15 party fails to make a sufficient showing on an essential element of a claim in the case on which
16 the nonmoving party has the burden of proof. Celotex Corp. v. Catrett, 477 U.S. 317, 323
17 (1985). There is no genuine issue of fact for trial where the record, taken as a whole, could not
18 lead a rational trier of fact to find for the non moving party. Matsushita Elec. Indus. Co. v.
19 Zenith Radio Corp., 475 U.S. 574, 586 (1986) (nonmoving party must present specific,
20 significant probative evidence, not simply “some metaphysical doubt.”); Fed. R. Civ. P.
21 56(e). Conversely, a genuine dispute over a material fact exists if there is sufficient evidence
22 supporting the claimed factual dispute, requiring a judge or jury to resolve the differing versions
23
24

1 of the truth. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 253 (1986); T.W. Elec. Service Inc.
2 v. Pacific Electrical Contractors Association, 809 F.2d 626, 630 (9th Cir. 1987).

3 Defendant has moved for summary judgment on all of Plaintiff's claims; the Court will
4 examine them in turn. The final section ("Trademark infringement") includes an analysis of both
5 Defendant's and Plaintiff's motions for summary judgment on this cause of action.

6 Breach of contract/unjust enrichment

7 It is undisputed that this was an unwritten contract.¹ Plaintiff bases its breach of contract
8 claim on the following allegations:

9 65. Under the terms of this contract, Ross-Wells was obligated to pay 6
10 cents for every pound of dog food sold using the Eureka! formulas and
trademarks.

11 66. Ross-Wells breached this contract by paying Eureka! only 1.5 cents
12 per pound beginning on or about March 26, 2015.

13 Dkt. No. 27, Second Amended Complaint ("SAC"), ¶¶ 65-66.

14 Eureka! admits that Winston never discussed the agreement with his children,² and
15 Plaintiff presents no evidence of the terms of the arrangement. Defendant, on the other hand,
16 offers the testimony of the plant manager at the Medford, Wisconsin manufacturing site
17 (Winston's primary contact) that the "commission" varied from 4-6 cents per pound over the life
18 of the agreement (Decl. of Kleifgen at ¶ 11), and testimony from the co-owner and longtime
19 Secretary-Treasurer of Ross-Wells that the company

22 _____
23 ¹ Dkt. No. 34, Decl. of Breaux, Ex. A, Depo of R. Hobgood, 60:19-61:1; Ex. B, Depo of J. Hobgood, 57:10-13.

24 ² Id., Depo of R. Hobgood, 107:20-108:6; Depo of J. Hobgood, 57:14-17.

1 had paid Winston a variable commission of as much as 6 cents per pound
2 as consideration for packaging he procured and provided; use of the
3 Eureka trade name; his consulting on dog-related questions regarding the
4 complete diet Ross-Wells sold using the trade name Eureka; maintenance
5 of a website; and forwarding customer leads.

6 Dkt. No. 35, Decl. of R. Wells at ¶ 8. Robert Wells’ declaration also provides a chart showing
7 that, between 1995 and 2014, the commission paid to Winston fluctuated between 3.65% and
8 6%. Id. at ¶ 9. None of this evidence is disputed by Plaintiff, nor is Defendant’s representation
9 that the Hobgood children provided none of Winston’s expertise – they knew nothing about dog
10 feeding or other dog-related issues (*see* Depo of R. Hobgood at 10:2-11:6 and Depo of J.
11 Hobgood at 12:11-13:13), and (once the last of the materials provided by Winston ran out)
12 Ross-Wells had to buy the Eureka! packaging itself. Dkt. No. 26, Decl. of J. Wells at ¶¶ 12-13.

13 The evidence is clear that the commission paid to Winston (1) was variable and (2) was
14 based on a variety of services he provided to Ross-Wells, services which (with the exception of
15 maintaining the website and forwarding along email inquiries), his children did not provide after
16 his death. Plaintiff has no evidence that the terms of the contract were otherwise.

17 Ultimately fatal to Plaintiff’s breach of contract claim, however, is the fact that Rhonda
18 Hobgood accepted and cashed five checks representing the 1.5% commission rate over a
19 two-year period, knowing that the payments were based on the reduced rate. Decl. of R.
20 Hobgood at 121:24-122:3. The parties are in agreement that Wisconsin law controls the contract
21 question, and under Wisconsin law the cashing of the checks represents acceptance of the offer
22 of the contract term. Hoffman v. Ralston Purina Co., 86 Wis.2d 445, 454 (1979)(“the cashing of
23 the check will be considered acceptance of the offer...”). Plaintiff attempts to distinguish
24 Hoffman as an “accord and satisfaction” case, but “[o]rdinary contract principles apply in
determining whether an agreement of ‘accord and satisfaction’ is reached,” (Id. at 453, *citing*

1 Corbin, Contracts § 1273 at 115) and the case clearly stands for the rule that cashing the checks
2 constituted an acceptance of the contract term (or, in the case, the *alteration* of the contract term
3 to reflect the lower commission rate). Combined with the fact that Robert Wells wrote to
4 Rhonda Hobgood advising her that the commission percentage was going to be reduced and she
5 did not object at that point, Defendant is entitled to summary judgment on the breach of contract
6 claim.

7 Ross-Wells makes a secondary argument that, as the contract was based on the personal
8 services of Winston Hobgood, under Wisconsin law his death terminated the agreement. In light
9 of the fact that the arrangement between Eureka! and Ross-Wells clearly continued on in a
10 modified form for some time after Winston's death, the "death = termination" theory is not
11 persuasive; at the very least, the actions of the parties following Winston's death created a new
12 unwritten or quasi-contract. The Court also rules that, in finding a contractual arrangement
13 between the parties that was successfully altered by Defendant and accepted by Plaintiff, the
14 quasi-contractual "unjust enrichment" claim (which was plead in the alternative; "[i]n the event
15 no valid contract is found to exist," SAC at ¶ 84) falls as well.

16 Wisconsin Deceptive Trade Practices Act ("WDTPA"; Wis. Stat. § 100.18)

17 Plaintiff alleges that "false and misleading statements" made by Ross-Wells in
18 advertisements and announcements, and in communication with its customers, claiming or
19 implying that Defendant's products were "Eureka! brand products," constitute WDTPA
20 violations. See SAC at ¶¶ 70-73; Decl. of Breaux, Ex. G (Interrog. Resp. No. 8). Defendant is
21 entitled to summary judgment on this cause of action because Wisconsin courts have ruled that
22 the WDTPA cannot be used to sue competitors for representations made to third parties. Grice
23
24

1 Eng. Inc. v. JG Innovations, 691 F.Supp.2d 915, 923 (W.D. Wis. 2010)(“The statute is not
2 designed to protect product manufacturers from the deceptive acts of their competitors.”)

3 In Grice, a federal court ruling on a similar issue -- which (at that point) had yet to be
4 decided by the Wisconsin Supreme Court -- was required to predict what the state’s highest court
5 would do in this circumstance. The federal court based its ruling on Wisconsin precedent which
6 established that the “reliance” element of a WDTPA claim could only be satisfied if the alleged
7 misrepresentation had “materially induce[d] the plaintiffs’ decision to act.” Novell v.
8 Migliaccio, 2008 WI 44 ¶ 51. The Grice court further found that the purpose of the WDTPA was
9 “to protect the residents of Wisconsin from any untrue, deceptive or misleading representations
10 made to promote the sale of a product’ to consumers.” 691 F.Supp.2d at 923. A later case from
11 the same district again ruled that the Wisconsin Supreme Court would hold that a business
12 “cannot state a claim for misrepresentation made by a competitor to a third party.” Willert v.
13 Andre, 2017 U.S. Dist. LEXIS 170779 at 4 (W.D. Wisc. 2017).

14 Plaintiff’s SAC alleges representations to “the public” and “to Eureka!’s customers”
15 (SAC at ¶¶ 72-73), but nowhere does the company allege (or offer proof) that Plaintiff itself was
16 deceived. Plaintiff attempts rebuttal with a citation to a Wisconsin Court of Appeals case which
17 it claims permitted a WDTPA claim between competitors to go to a jury (*see* Tim Torres
18 Enterp’s, Inc. v. Linscott, 142 Wis.2d 56 (Ct.App. 1987)), but – as the Grice court points out –
19 the issue of whether the WDTPA permits a claim by one competitor against another was never
20 raised in Torres. 691 F.Supp.2d at 923.³

21
22
23 ³ Plaintiff also argues in its response brief that the fact the alleged misrepresentations were made by a “former
24 manufacturer of plaintiff’s product turned seller of that product, and plaintiff relied on those misrepresentations to its
detriment” permits its WDTPA claim against a competitor to go forward (Dkt. No. 46, Response at 12), but it (1)
offers no legal authority for that distinction and (2) offers zero evidence that it “relied to its detriment” on the
alleged misrepresentations. It is legal puffery at best. Similarly, Plaintiff claims (without explanation) that “if the

1 As with the breach of contract claim, Ross-Wells argues secondarily that Eureka! cannot
2 establish the elements of a claim for deceptive trade practices under Wisconsin law. Plaintiff
3 would have to prove that “(1) the defendant made a representation to the public with the intent to
4 induce an obligation; (2) the representation was untrue, deceptive or misleading; and (3) the
5 representation materially caused a pecuniary loss to the plaintiff.” Willert, 2017 U.S. Dist.
6 LEXIS 179770 at *13.

7 The Court finds the issue of whether any statements made by Defendant were “untrue,
8 deceptive or misleading” would be a question for a jury; i.e., is not capable of being established
9 on summary judgment. However, Plaintiff is required in responding to a summary judgment
10 motion to establish proof on every essential element of its case and what Plaintiff has absolutely
11 not been able to demonstrate is the existence of any pecuniary loss as a result of Defendant’s
12 statements. At the time the statements were being published (August 2017; *see* Decl. of R. Wells
13 ¶ 18, Ex. H), Eureka! was neither manufacturing nor selling any products of its own; it was not
14 until 10 months after its relationship with Ross-Wells was terminated that Eureka! began selling
15 any product. Depo of R. Hobgood at 54:11-55:11.

16 Plaintiff presents *no* evidence of any loss suffered as a result of the alleged
17 misrepresentations. It is reduced instead to arguing

18 Regardless of whether Eureka! had product on hand to sell at the time the
19 misrepresentations were made, Ross-Wells’ false statements were of a
20 such a nature *to be capable of causing harm long after the utterances were made.*

21 Response at 16 (emphasis supplied). Plaintiff cites no legal authority for the position that this
22 speculative possibility is legally sufficient evidence of harm (and produces no evidence of any

23 _____
24 Wisconsin Supreme Court were to consider this issue under the facts and circumstances of this case, like in Torres,
the claim would stand.” Id. at 13. Again, Plaintiff offers no explanation or analysis of why this would be so.

1 *actual* harm caused “long after the utterances were made”). Eureka! has not adduced sufficient
2 proof of a critical element of their WDTPA claim, and Defendant is thus entitled to summary
3 judgment under either of its theories.

4 Tortious interference

5 Plaintiff’s complaint alleges that Ross-Wells solicited business from (unidentified)
6 customers of Eureka! and sought to persuade these anonymous customers to “terminate or avoid
7 their present and prospective purchasing relationships with Eureka!.” (SAC at ¶ 80.) Prevailing
8 on this claim requires Plaintiff to prove (1) that it had a contract or prospective contract with a
9 third party and (2) it was damaged in that relationship by Defendant’s intentional interference.
10 Breismeister v. Lehner, 2006 WI App 140, ¶ 148 (Wis.Ct.App. 2006).

11 Nowhere in its complaint and not even in response to Defendant’s summary judgment
12 challenge, does Plaintiff produce the names of any specific entities with which it had contracts
13 or potential contracts lost because of alleged interference on Defendant’s part. Eureka! alludes
14 generally to “historical customers of Eureka!! brand products” (Dkt. No. 47-1, Depo of R.
15 Hobgood at 175:15-20), but argues that it is “not well-suited to identifying customers *by name*”
16 because “Ross-Wells maintained the buying groups and handled all customer shipments and
17 invoices.” (Response at 16; emphasis in original.)

18 Plaintiff’s concession that it cannot identify one customer with whom it had a contract or
19 potential contract with which Ross-Wells wrongfully interfered is fatal to this claim. Its
20 position that Ross-Wells is in a better position to identify those parties would have been well-
21 taken at the beginning of the case, but Plaintiff had ample opportunity to conduct discovery on
22 this critical issue. As Defendant points out, Eureka! has had more than a year to request the
23 information it needs to prove its case and it has apparently done nothing in regard to this
24

1 element of its proof. Summary judgment is the time for a party to stop relying on allegations
2 and demonstrate that it can *prove* what it has alleged. Plaintiff has no evidence of actual harm
3 proximately caused by Defendant's alleged misconduct and thus no proof to substantiate its
4 claim that its business was the victim of tortious interference.

5 Defendant's request for summary judgment on the tortious interference claim is
6 GRANTED.

7 Trademark infringement

8 While not clear from the SAC, it is clear from the parties' briefing that Plaintiff's
9 infringement claims (federal and "common law") relate solely to Ross-Wells' use of the
10 packaging with the Eureka! label that was in Defendant's inventory when the cease-and-desist
11 letter was delivered. Both sides filed for summary judgment on this cause of action; Defendant
12 seeks dismissal of claims, while Plaintiff seeks summary judgment and "a permanent injunction
13 enjoining Ross-Wells from infringing on the Eureka!! mark." (Dkt. No. 38, Plaintiff Mtn at 2.)

14 Plaintiff's request for injunctive relief is not meritorious. The grant of a permanent
15 injunction would require Plaintiff to establish (1) "irreparable harm" which (2) cannot be
16 adequately compensated by money damages. It succeeds on neither.

17 Plaintiff argues initially that *any* proof of infringement suffices to establish irreparable
18 harm, citing an unpublished 2013 U.S. District Court case which cites a 1993 Ninth Circuit
19 opinion that "[i]rreparable harm to reputation and goodwill is presumed as a matter of law
20 where, as here, the plaintiff has demonstrated a likelihood of confusion arising from the
21 infringement." Coach, Inc. v. Pegasus Theater Shops, 2013 WL 5406220 at *5 (citing Metro
22 Pub'g Ltd v. San Jose Mercury News, 987 F2d 637 640 (9th Cir. 1993)).

1 Although Metro Publishing does not appear to have been overturned, it no longer
2 appears to represent the state of the law. A more recent Ninth Circuit opinion, Herb Reed
3 Enterp's, LLC v. Fla Enter'mt Mgmt., 736 F.3d 1239 (9th Cir. 2013), has this to say about the
4 presumption of irreparable harm in this context:

5 In eBay [Inc. v. MercExchange, L.L.C.], 547 U.S. 388 (2006)], the Court
6 held that the traditional four-factor test employed by courts of equity,
7 including the requirement that the plaintiff must establish irreparable
8 injury in seeking a permanent injunction, applies in the patent context. 547
9 U.S. at 391. Likening injunctions in patent cases to injunctions under the
10 Copyright Act, the Court explained that it "has consistently rejected . . . a
11 rule that an injunction automatically follows a determination that a
copyright has been infringed," and emphasized that a departure from the
12 traditional principles of equity "should not be lightly implied." *Id.* at 391-
13 93 (citations omitted). The same principle applies to trademark
14 infringement under the Lanham Act.

15 * * *

16 Following eBay and Winter [v. Natural Res. Def. Council, Inc.], 555 U.S. 7
17 (2008)], we held that likely irreparable harm must be demonstrated to
18 obtain a preliminary injunction in a copyright infringement case and that
19 actual irreparable harm must be demonstrated to obtain a permanent
20 injunction in a trademark infringement action. Flexible Lifeline Sys. v.
21 Precision Lift, Inc., 654 F.3d 989, 998 (9th Cir. 2011); Reno Air Racing
22 Ass'n, Inc., v. McCord, 452 F.3d 1126, 1137-38 (9th Cir. 2006).

23 Id. at 1249. The Court finds that this ruling represents the current state of the law, and Plaintiff
24 has no proof of irreparable injury in the form of lost sales and/or lost customers – not surprising,
given that the company had no product on the market for the brief period of time when
Ross-Wells used its Eureka! packaging. Furthermore, Eureka! is required to establish that the
remedies available to it at law (i.e., money damages) are inadequate to compensate for whatever
injuries it can prove. Under the circumstances of this case, this is exactly the type of injury
which is reduceable to a dollars and cents amount. Plaintiff should be able to produce, via

1 discovery, the amount of Eureka!-labeled product that Ross-Wells sold and claim their damages
2 as some percentage of that figure (Ross-Wells even offered, in its responsive letter to the cease-
3 and-desist demand, to give Plaintiff its 1.5% commission on any sales of the last of its “Eureka!-
4 packaged” material; *see* Decl. of R. Wells, Ex. E). Eureka! has simply not made its case that its
5 remedy at law is not adequate.

6 The Court turns next to the parties’ cross-motions for a substantive summary judgment
7 ruling on the federal and common law infringement claims. The trademark infringement statute
8 applies to “[a]ny person who shall, *without the consent of the registrant*,” use a registered mark
9 in commerce. 15 U.S.C. § 1114(1)(emphasis supplied). Defendant’s request for summary
10 judgment of dismissal turns on whether its use of the Eureka! materials for two months in the
11 latter part of 2017 was done with Plaintiff’s consent. Resolution of this issue depends on
12 whether Eureka!’s non-response to Defendant’s letter of July 27, 2017 legally operated as
13 consent for Ross-Wells to do what it said it would do if Eureka! failed to buy their packaging
14 back from Ross-Wells.

15 Ross-Wells relies on the Restatement of Contracts 2d for its argument that Eureka!’s
16 failure to respond amounted to consent to its use of the company’s packaging despite the cease
17 and desist demand. Defendant relies on this language from the Restatement:

18 Where an offeree fails to reply to an offer, his silence and inaction operate
19 as an acceptance in the following cases only:

20 * * *

21 (c) Where because of previous dealings or otherwise, it is reasonable that
22 the offeree should notify the offeror if he does not intend to accept.

23 Restat 2nd of Contracts, § 69 (1981). Defendant presents nothing by way of “previous dealings”
24 evidence that establishes that it was customary in the parties’ communications with each other,
over the history of the relationship, to assume that silence constituted consent. Ross-Wells relies

primarily on the letter it sent to Plaintiff's attorney following receipt of the cease-and-desist demand to demonstrate that it was reasonable to take Plaintiff's non-response for consent. The Court's review of the wording utilized by Ross-Wells in its letter finds that its intention is unclear. The letter indicates that Defendant still had "around \$7,600" worth of Eureka! packaging in inventory, and then states:

If your client does not want to purchase the packaging, then Ross-Wells will continue to use it for sales to their customers and Eureka's customers *if Eureka desires* with Ross-Wells continuing to pay a commission on all sales until the packaging is used.

Decl. of R. Wells, Ex. E (emphasis supplied).

Defendant cites the forcefully assertive language that “Ross-Wells will continue to use” the packaging to argue that it should have been reasonable for Plaintiff to assume that, if it did not object, its packaging would be used. However, that argument completely ignores the phrase “if Eureka desires” which accompanies the declaration. It is the Court’s finding that, in saying that it would use Plaintiff’s packaging for sales to Ross-Wells’ and Eureka!’s customers “if Eureka desires,” Ross-Wells at least created an ambiguity regarding whether Eureka! had to indicate that they so desired before Defendant would be permitted to use Eureka!’s packaging. The impact of the language of the letter on the “consent” issue is a disputed issue of material fact, suitable only for jury determination, and is thus unsuited for resolution by summary judgment (for either side).


Conclusion

Regarding Plaintiff's claims for breach of contract, unjust enrichment, WDTA violation, and tortious interference, there are no disputed issues of material fact and Defendant Ross-Wells is entitled to summary judgment as a matter of law. Those claims are dismissed with prejudice.

1 As to the trademark infringement claim, Plaintiff has not established its entitlement to a
2 permanent injunction against Defendant. In view of the disputed impact of Defendant's
3 communications with Plaintiff following Eureka!'s cease-and-desist demand, neither party is
4 entitled to summary judgment on the trademark infringement claims and both motions will be
5 denied as to those causes of action.

6
7 The clerk is ordered to provide copies of this order to all counsel.

8 Dated April 15, 2019.

9
10 
11 Marsha J. Pechman
12 United States District Judge
13
14
15
16
17
18
19
20
21
22
23
24