

HONORABLE RICHARD A. JONES

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

CERTAINTEED CORPORATION,

Plaintiff,

v.

SEATTLE ROOF BROKERS, et al.,

Defendants.

CASE NO. C09-563RAJ

ORDER

I. INTRODUCTION

This order sets an evidentiary hearing for March 11, 2011 to determine whether Defendant James Garcia should be held in contempt for violating the court's June 28, 2010 permanent injunction. Dkt. # 55. This order also terminates all pending motions in this case (Dkt. ## 75, 77, 83), in favor of a motion calendar for March 11, 2011, in which the court will address whatever issues remain from those motions in light of the court's determinations following the contempt hearing.

II. BACKGROUND

On June 28, 2010, the court entered a permanent injunction against Mr. Garcia and a roofing business under his control. Relying on the Lanham Act and the Washington Consumer Protection Act ("CPA") the court enjoined Mr. Garcia from making three specified false statements "in any advertising promoting his roofing business" about roofing products manufactured by Plaintiff CertainTeed Corporation. Dkt. # 55 at 24. Mr. Garcia had made the statements on his seattleroofbrokers.com website, which was

1 mirrored at several other roofbrokers.com websites under his control. The injunction also
2 prohibited Mr. Garcia from making false statements in letters to homeowners.

3 As to Mr. Garcia's website, the court gave him two options. He could take the
4 website offline, revise its content, submit that content to the court, and await the court's
5 determination of whether he had complied with the injunction. *Id.* at 25. Alternatively,
6 he could keep his website online while he worked to comply with the injunction,
7 provided he placed hyperlinks to the order and injunction on every page of that website.

8 Mr. Garcia elected to take his website offline. He did so by July 12, 2010, the
9 deadline the court imposed.

10 After the injunction, CertainTeed elected to forego trial, to dismiss its other claims
11 against Mr. Garcia without prejudice, and to request a judgment consisting essentially of
12 the injunction. In a July 23 order, the court permitted CertainTeed to dismiss its
13 remaining claims, and directed it to move for the entry of judgment.

14 At about the same time, Mr. Garcia revised the content of his website. On August
15 13, the court issued an order allowing Mr. Garcia to publish specified website content.

16 Instead of complying with the order, Mr. Garcia published website content that he
17 had never submitted to the court. On August 19, CertainTeed filed a motion to enforce
18 the injunction and hold Mr. Garcia in contempt. On August 30, the court ordered Mr.
19 Garcia to take his website offline. Dkt. # 80. It required him to do so no later than
20 September 2, 2010, or he would be held in contempt and subject to a minimum sanction
21 of \$100 for each day that his website remained online. *Id.*

22 After the court issued its August 30 order, it received Mr. Garcia's response (Dkt.
23 # 79) to CertainTeed's motion for contempt.¹ In that response, Mr. Garcia stated that he
24

25 ¹ Mr. Garcia insists that the court ignored his response when it issued the August 30 order. Mr.
26 Garcia, who does not participate in the court's electronic filing system, sent his response by mail.
27 The clerk of court received his response on Friday, August 27. It was not placed on the court's
28 docket until the afternoon of August 30. By that time, the court had already dispatched its
August 30 order to the clerk to be placed on the docket.

1 had closed his roofing business, effective August 8.² In his view, because he no longer
2 had a roofing business that promoted products in competition with CertainTeed products,
3 he was no longer “advertising,” and the court’s order did not apply to him. As evidence
4 that he is no longer in business, Mr. Garcia has submitted a document memorializing the
5 cancellation of his business registration with the State of Washington, as well as
6 documents memorializing his cancellation of domain name registrations for his various
7 roofbroker.com websites. Although Mr. Garcia purports to be out of business, his
8 website contains the same requests for contact from visitors as it contained before he
9 went out of business. CertainTeed insists that Mr. Garcia remains in the roofing
10 business, although it offers no evidence other than the content of his website.

11 Mr. Garcia complied with the court’s August 30 order in that he took his
12 seattleroofbroker.com website offline. Mr. Garcia did not, however, remove his
13 campaign against CertainTeed from the internet. He instead posted to a blog he created
14 at seattleroofbroker.blogspot.com. He described this lawsuit, the court’s orders, and his
15 view of CertainTeed’s practices. He insisted that the court’s orders violated his First
16 Amendment rights. He also included content substantially similar to that which he had
17 previously posted at his seattleroofbroker.com website. CertainTeed called the blog
18 material to the court’s attention on September 20. Mr. Garcia contends that he first
19 posted a draft version of it in August 2010.

20 On January 31, 2011, CertainTeed alerted the court that the seattleroofbroker.com
21 website had been resurrected. Its content was essentially identical to its content when it
22 was last online in September 2010. Mr. Garcia asserts that he no longer controls the
23 website. In early February 2011, the web service that hosts the current incarnation of
24 seattleroofbroker.com stated that James Garcia is the registrant, administrative contact,
25 and technical contact for the website. Dkt. # 94, Ex. A. In a recent declaration, Mr.

26 ² Mr. Garcia also sent an email to the court’s deputy clerk announcing that he was going out of
27 business. Unless the court requests it, email is not an appropriate means for a party to
communicate with the court.

1 Garcia seems to suggest that the person the web service identified is a different James
2 Garcia. Dkt. # 95.

3 Now before the court are several motions that center on Mr. Garcia's compliance
4 with the injunction. CertainTeed has also moved for a final judgment. As stated below,
5 the resolution of the issues raised in these motions will await an evidentiary hearing to
6 determine whether Mr. Garcia should be held in contempt of court for violating the
7 injunction.

8 III. ANALYSIS

9 As the court has noted, it enjoined Mr. Garcia from making certain false
10 statements "*in any advertising promoting his roofing business . . .*" Dkt. # 55 at 24
11 (emphasis added). Mr. Garcia has forcefully advocated in every submission he has made
12 to the court since mid-August 2010 that because he no longer has a roofing business, he
13 is not advertising such a business, and therefore cannot be in violation of the injunction.
14 Mr. Garcia's assertion has two critical components – one factual and one legal. First, he
15 asserts that he is no longer in the roofing business. Second, he asserts that if he is no
16 longer in the roofing business, his statements about CertainTeed's products are beyond
17 the scope of the injunction.

18 A. An Evidentiary Hearing Is Necessary to Determine Whether Mr. Garcia 19 Remains in the Roofing Business.

20 As to the factual issue, the court cannot determine on the record before it whether
21 Mr. Garcia is in fact out of the roofing business. There is evidence that Mr. Garcia has
22 discarded some of the trappings of his business (his state business registration, and his
23 domain name registrations). There is also evidence that Mr. Garcia remains, at a
24 minimum, involved in the continued operation of the seattleroofbroker.com website,
25 despite his representations to the contrary. That website contains the same invitations for
26 visitors to contact the website's operator that were present on the site when Mr. Garcia
27 operated it as part of his roofing business. On this record, the court is in no position to

1 determine whether Mr. Garcia remains in the roofing business. The hearing on March 11
2 will resolve that issue.

3 **B. The Injunction Applies Only to “Advertising” Within the Scope of the**
4 **Lanham Act.**

5 To address the legal issue that Mr. Garcia raises, the court assumes for the
6 remainder of this order that Mr. Garcia is not in the roofing business. The court assumes
7 that Mr. Garcia is not currently selling roofing products or roofing services. The court
8 further assumes that Mr. Garcia is not in the business of referring or steering customers to
9 others in the roofing business. In short, the court assumes, for purposes of this order, that
10 Mr. Garcia receives no compensation from the roofing business.

11 CertainTeed devotes surprisingly little attention to the legal import of Mr. Garcia’s
12 departure from the roofing business. It does not cite any of the precedent that addresses
13 what constitutes false “advertising” to which the Lanham Act applies. To obtain the
14 injunction, CertainTeed relied on § 43(a) of the Lanham Act. It provides as follows:

- 15 (1) Any person who, on or in connection with any goods or services, or
16 any container for goods, uses in commerce any word, term, name,
17 symbol, or device, or any combination thereof, or any false
18 designation of origin, false or misleading description of fact, or false
19 or misleading representation of fact, which—
20 (A) is likely to cause confusion, or to cause mistake, or to deceive
21 as to the affiliation, connection, or association of such person
22 with another person, or as to the origin, sponsorship, or
23 approval of his or her goods, services, or commercial
24 activities by another person, or
25 (B) in commercial advertising or promotion, misrepresents the
26 nature, characteristics, qualities, or geographic origin of his or
27 her or another person’s goods, services, or commercial
28 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.

15 U.S.C. § 1125(a). CertainTeed has never suggested that Mr. Garcia has caused
confusion about the origin of his services or CertainTeed’s products. It relied instead on

1 subsection (1)(B) of § 43, which requires false or misleading statements in “commercial
2 advertising or promotion.”

3 The Lanham Act does not define “commercial advertising or promotion,” but the
4 Ninth Circuit has, as have many other courts. The Ninth Circuit adopted the following
5 test:

6 In order for representations to constitute “commercial advertising or
7 promotion” under Section 43(a)(1)(B), they must be: (1) commercial
8 speech; (2) by a defendant who is in commercial competition with plaintiff;
9 (3) for the purpose of influencing customers to buy defendant’s goods or
10 services[;] . . . [and] the representations must be disseminated sufficiently
11 to the relevant purchasing public to constitute “advertising” or “promotion”
12 within that industry.

13 *Coastal Abstract Serv., Inc. v. First Am. Title Ins. Co.*, 173 F.3d 725, 735 (9th Cir. 1999)
14 (quoting *Gordon & Breach Science Publishers, Ltd. v. Am. Inst. of Physics*, 859 F. Supp.
15 1521, 1535-36 (S.D.N.Y. 1994)). Other circuits rely on substantially similar tests. *See*,
16 *e.g.*, *Seven-Up Co. v. Coca-Cola Co.*, 86 F.3d 1379, 1383 (5th Cir. 1996); *Porous Media*
17 *Corp. v. Pall Corp.*, 173 F.3d 1109, 1120 (8th Cir. 1999); *Fashion Boutique v. Fendi*
18 *USA, Inc.*, 314 F.3d 48, 56 (2d Cir. 2002). These requirements can be fatal to Lanham
19 Act claims. A defendant not selling a product or service cannot engage in false
20 advertising. *Cornelius v. DeLuca*, 709 F. Supp. 2d 1003, 1119 (D. Idaho 2010). A
21 defendant who does not compete with a plaintiff cannot be liable for false advertising.
22 *Digital Envoy, Inc. v. Google, Inc.*, 370 F. Supp. 2d 1025, 1035 (N.D. Cal. 2005).

23 If Mr. Garcia is not engaged in “advertising or promotion,” he is not engaged in
24 Lanham Act false advertising. If his assertion that he no longer is in the roofing business
25 is true, then he is not using the seattleroofbroker.com website to sell products or services.
26 He is also not in competition with CertainTeed. Each of these facts, if true, is a sufficient
27 basis to avoid Lanham Act liability. The court therefore need not address, at this time,
28 whether Mr. Garcia’s speech targeted at CertainTeed since August 2010 is “commercial
speech.” *See Rice v. Fox Broadcasting Co.*, 330 F.3d 1170, 1181 (9th Cir. 2002)

1 (applying First Amendment commercial speech standards to Lanham Act false
2 advertising claim).

3 The Lanham Act was not the sole basis of the injunction; CertainTeed also relied
4 on the CPA. As the court noted in its June 28 order, however, courts generally must
5 interpret the CPA in accordance with analogous federal statutes. Dkt. # 55 at 11 (citing
6 RCW § 19.86.920). The CPA requires statements in “trade or commerce.” *Id.* (quoting
7 *Indoor Billboard/Washington, Inc. v. Integra Telecom, Inc.*, 170 P.3d 10, 17 (Wash.
8 2007). CertainTeed offers no authority to support the notion that the CPA is broader than
9 the Lanham Act as applied to false advertising, and the court is aware of none.

10 The court’s injunction against false statements “in any advertising promoting [Mr.
11 Garcia’s] roofing business” can be interpreted no more broadly than the law on which it
12 was based. Accordingly, the court concludes that if Mr. Garcia has been out of the
13 roofing business since August 2010, he has not violated the injunction.

14 **C. The Court Will Resolve Issues from the Pending Motions Following the**
15 **Contempt Hearing.**

16 There are three motions pending. Two of them, CertainTeed’s motion for
17 contempt and Mr. Garcia’s motion for approval of his website content, depend in large
18 part on the resolution of the factual dispute over whether Mr. Garcia is still in the roofing
19 business. If he is not, then he is not in contempt, and he does not require court approval
20 of the content of his websites. The court will resolve this factual issue at an evidentiary
21 hearing on March 11.

22 The third motion is CertainTeed’s motion for entry of final judgment. In light of
23 CertainTeed’s dismissal of its other claims (including all claims for damages), that
24 judgment will amount to little more than a restatement of the injunction. CertainTeed
25 would also have the option to seek attorney fees following such a judgment. Although
26 the court could enter a judgment now, it will not do so until after the contempt hearing.

1 Accordingly, the court will direct the clerk to terminate each of the pending
2 motions, and create a motion calendar for March 11, 2011. The court will resolve the
3 issues raised in all of the pending motions at the contempt hearing or shortly thereafter.

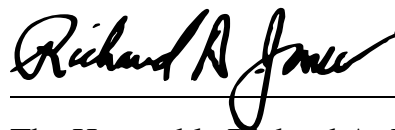
4 **IV. CONCLUSION**

5 For the reasons stated above, the court sets a hearing for March 11, 2011 at
6 9:00 a.m. That hearing will include an evidentiary hearing. The court will permit
7 CertainTeed to question Mr. Garcia under oath regarding, among other things, his
8 departure from the roofing business and the ownership and control of the
9 seattleroofbroker.com domain names. The parties may present any other evidence
10 regarding factual issues relevant to the court's contempt determination.

11 Mr. Garcia has been on notice of the possibility of a contempt finding at least
12 since the court's August 30, 2010 order. The court reiterates that notice here. If it
13 determines at the March 11 hearing that Mr. Garcia has violated the injunction, and if
14 CertainTeed satisfies other requirements for a finding of contempt, the court will hold
15 Mr. Garcia in contempt of court, and will impose, at a minimum, monetary sanctions.

16 The court directs the clerk to TERMINATE all pending motions. Dkt. ## 75, 77,
17 83. The clerk shall create a motion calendar noted for March 11, 2011. In resolving that
18 motion calendar, the court will determine whether Mr. Garcia is in contempt of court and
19 what form of judgment, if any, the court should enter.

20 DATED this 15th day of February, 2011.

21 

22
23 The Honorable Richard A. Jones
24 United States District Judge