

## **SUMMARY STATEMENT**

*Gem State Roofing v. United Components, Inc., dba Gem State Roofing*  
Docket No. 47484

This is an appeal from a judgment entered after a bench trial. Gem State Roofing (Gem State-Blaine) sued United Components, Inc., (UCI) alleging that UCI had advertised, solicited, bid on, and performed roofing work in Blaine County, Idaho, in contravention of a trademark settlement agreement (TSA) entered into by the parties in 2005. Gem State-Blaine brought claims of (1) breach of contract, (2) breach of the covenant of good faith and fair dealing implied in the TSA, (3) trademark infringement of a common law trademark under 15 U.S.C. section 1125, (4) unjust enrichment, (5) a preliminary injunction, and (6) a permanent injunction. Gem State-Blaine also requested money damages, attorney fees, and costs.

After discovery and cross-motions for summary judgment, a bench trial was conducted on the remaining issues and claims. Ultimately, the district court concluded that, despite UCI's breach of the TSA and the implied covenant of good faith and fair dealing, Gem State-Blaine had failed to prove damages or that it was entitled to a permanent injunction. The district court further found that Gem State-Blaine had no protectable common law trademark. Finally, the district court concluded that there was no prevailing party and declined to award attorney fees and costs. Gem State-Blaine appealed. UCI cross-appealed the district court's determination that there was no prevailing party.

The Idaho Supreme Court reversed in part and affirmed in part the district court's decision. The Idaho Supreme Court held that the district court abused its discretion in refusing to enter a permanent injunction, and further held that UCI was estopped from denying the existence of Gem State-Blaine's common law trademark. The Supreme Court also held that the district court erred in refusing to award certain reasonable expenses against UCI for discovery violations. The Supreme Court affirmed the district court's decision denying monetary damages for the breach of the TSA; however; it vacated the district court's decision that there was no prevailing party in the case, and remanded the case for further proceedings.

***\*\*\*This summary constitutes no part of the Court's opinion. It has been prepared by court staff for the convenience of the public.\*\*\****