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I. Introduction

Defendants the Protestant Episcopal Church in the Diocese of South Carolina, the Trustees of the Protestant Episcopal Church in South Carolina, and Bishop Mark J. Lawrence (collectively the “DSC”) have moved the Court for summary judgment on nonliability as to all causes of action asserted against them by Plaintiffs the Episcopal Church (“TEC”), the Episcopal Church in South Carolina (“TECSC”), and Bishops Charles G. vonRosenberg and Gladstone B. Adams, III (collectively the “Plaintiff Bishops”).

The trademark-based dispute is unusual because it arises from facts dating at least back to the 1700s and sometimes back to the 1600s; indeed, some of those facts, especially those relating to the genericness of the word “episcopal,” predate the founding of the republic and even the discovery of North America. It also is unusual because, with one exception, it presents causes of action against Defendants whose claims to the disputed marks are undisputedly superior to those of Plaintiffs. And, even with respect to that one exception, laches bars Plaintiffs’ challenge to the mark in question. For the reasons set forth below, this Court therefore should find as a matter of law that, even if TEC’s claimed marks are not generic:¹ (1) TEC cannot prove the priority of rights necessary for its infringement-based and dilution-based challenges to the Diocese’s THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA mark; (2) the Plaintiff Bishops and TESC cannot prove the priority of rights necessary for their infringement-based challenges to *any* of the Diocese’s marks; (3) the Plaintiff Bishops and TESC lack the state registrations necessary under South Carolina law for their infringement-based challenges to the Diocese’s marks; (4) TEC cannot prove the likelihood of confusion necessary to its infringement-based challenges to any of the Diocese’s marks; (5) TEC cannot prevail on its dilution-based

¹ The genericness of those marks is the subject of a separate summary judgment motion.

challenge to the Diocese's THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA mark because TEC's claimed marks were not famous when the Diocese adopted its mark; (6) TEC additionally cannot prevail on its dilution-based challenge to any of the Diocese's marks because those marks are unlikely to tarnish or blur the distinctiveness of TEC's claimed marks; (7) the Plaintiff Bishops and TECSC cannot prevail on their false advertising-based claims to the Diocese's entirely accurate use of the words "episcopal," "diocese," and "South Carolina"; and (8) laches bars all of TEC's claims against the Diocese.

II. Statement of Facts

A. Relevant Historical Facts

The histories of the Protestant Episcopal Church in the Diocese of South Carolina ("DSC") and the Episcopal Church ("TEC") are pertinent to certain facts concerning the use of the marks in this action. Many of these were findings of fact in the state court action, which involved claims that arose out of the same events as those in the present action.

B. State Court Findings

The DSC, TEC and The Episcopal Church in South Carolina ("TECSC"), as well as many of the Defendant parishes were all parties to the state lawsuit which joined the issues of the ownership of parish real and personal property and the DSC's right to injunctive relief for the infringement of its marks. Also joined was TECSC's defense that the DSC marks were invalid because they were derived from TEC's marks. TEC's two principal claimed marks ("The Protestant Episcopal Church in the United States" and "The Episcopal Church") were admitted and testimony was taken on that issue. *See generally* Exhibit 1 - Final Order, *Protestant Episcopal Church in the Diocese of South Carolina v. Episcopal Church*, South Carolina Court of Common Pleas, First judicial Circuit Court, No. 2013-CP-18-00013 (Feb. 3, 2015). The state court made factual findings

pertinent to the present dispute and the following were undisputed and unappealed in that proceeding.

The DSC was formed in May 1785 and has met annually more or less since then. *Id.* ¶1. TEC was formed in 1789 when the DSC and six other state associations of “Protestant Episcopal Churches” formed the association comprising TEC. *Id.* ¶ 69. Since the DSC’s formation, it has used the following names at various times in its history: “The Protestant Episcopal Church in the State of South Carolina”, “The Protestant Episcopal Church in South Carolina”, “the Protestant Episcopal Church in the Diocese of South Carolina”, “The Protestant Episcopal Diocese of South Carolina”, “The Diocese of South Carolina” and “the Episcopal Diocese of South Carolina”. *Id.* ¶ 2.

In November 2010, the South Carolina Secretary of State registered the following service marks to the DSC as owner: “The Diocese of South Carolina”; “The Episcopal Diocese of South Carolina”; “The Protestant Episcopal Church in the Diocese of South Carolina” and the DSC seal in color and black and white. *Id.* ¶ 31. The DSC withdrew its association with TEC in October 2012. *Id.* ¶ 37. None of the Defendant Parishes has ever been a member of TEC or TECSC. *Id.* ¶ 54. Thirteen of the Defendant parishes are legislatively chartered. *Id.* ¶ 60. Eight were legislatively chartered pursuant to Article 38 of the 1778 South Carolina Constitution. *Id.* ¶ 63. Ten Defendant parishes preexisted the formation of the DSC, TEC, TECSC and the United States. *Id.* ¶ 62. TECSC was first organized in January 26, 2013. *Id.* ¶ 82. Of particular relevance to this case, is the following finding of fact:

The Plaintiffs’ names and marks were not derived from TEC. The word “episcopal” is used in many other churches unrelated to TEC. Before TEC was created, “Episcopal” and “Episcopal Church” were part of some of the Plaintiffs corporate names and some were called “denominations” by the South Carolina legislature. Before TEC was created, the words “Protestant Episcopal Church” were used to describe the Moravian Church by the English

Parliament in 1749 and were part of the names of pre-existing state church organizations who later formed the association comprising TEC.

Id. ¶ 81. Additionally, the record in this case, which by consent order adopts all discovery done in the state case except requests for admission (Dkt. No. 64), adds additional factual depth to this finding.

The DSC and the former Anglican parish churches creating it in May 1785 were referred to as “episcopal”, “episcopalian”, “episcopal churches”, and “Protestant Episcopal Churches” before TEC was organized in 1789. Thirteen “Protestant Episcopal Churches” subscribed to the DSC’s constitution on May 31, 1786. It states its subscribers are delegates of “our respective Protestant Episcopal Churches.” Declaration No. 1 of Andrew Platte in Support of Defendants Mot. for Summary Judgment, Exhibit 1 - DSC 56; *see also* Frederick Dalcho, *An Historical Account of the Protestant Episcopal Church in South Carolina*, Charleston, SC: E. Thayer, 1820) at 473. Eight of the Defendant parishes were subscribers: St. Philips (Charleston), St. Michaels (Charleston), St. Helena (Beaufort), Old St. Andrew (Charleston), Trinity Edisto (Edisto Island), Prince George (Georgetown), St. John’s (Johns Island), Christ Church (Mt. Pleasant). All eight were legislatively chartered, called themselves “episcopal” or “episcopalians” or members of an “Episcopal Church” in their petitions to the legislature. They were called “episcopal” in both the statutes incorporating them and in the names given them by the legislature. The legislature declared their names to be theirs “forever hereafter”. Declaration No. 2 of Andrew Platte – Formation Documents of Defendant, Parishes, Exhibits 1, 2, 5, 7, 8, 9, 10, 13.

Moreover, neither these Defendant parishes nor the DSC were the first to use “Protestant Episcopal”. There were other state organizations created by former Anglican parishes who called themselves “Protestant Episcopal” as early as 1780. Dkt. No. 20-12, at 23 (Affidavit of Dr. Jeremy Bonner April 8, 2013). Even earlier, the English Parliament called the United Brethren Church

(Moravian) an “ancient Protestant Episcopal Church” in a 1749 Act. Declaration No. 6 of Andrew Platte – Defendants’ Expert Reports, Exhibit 7 - Expert Report of Dr. Jeremy Bonner at 3 (October 18, 2018). Still earlier, in 1688, the two principal protestant religious groups in Maryland were referred to as “Roman Catholic and the Protestant Episcopal”. *Id.* at 3-4.

The words “episcopal”, “Episcopal”, and “Episcopalian” were commonly used in the 17th and 18th centuries to refer to worshiping communities and their clergy before TEC was organized. *Id.* at 4-12. The Church of England was viewed not only as an “episcopal church” whose members were “Episcopalians of the Church of England”, *Combe v. Brazier*, 2 S.C. eq. 431, 443, 444 (1806) but also as a “Protestant Episcopal Church.” *Vestry of St. Luke’s Church v. Matthews*, 4 S.C. Eq. 578, 581, 585 (1815). (St. Luke’s was incorporated in 1788 as the “Protestant Episcopal Church of St. Luke’s” and before its incorporation was with the “Protestant Episcopal Church of England.”). There were similar uses by Defendant parishes in this action.

In addition to the legislative acts creating “episcopal” churches after petitions by “episcopalian” worshippers, there were also internal parish documents and public documents that used these terms. On July 7, 1784, St. Helena sought a “clergyman of the Episcopalian Church.” Exhibit 1 - Final Order at 44, n. 23; Declaration No. 6 of Andrew Platte – Defendants’ Expert Reports, Exhibit 7 at 15. Published in Charleston in 1787, the “South Carolina and Georgia Almanac, 1788” refers to the “Two Episcopal...Churches” in Charleston² and also to the “Society for the relief of the Widows and Orphans of the Clergy of the Protestant Episcopal Church, in the State of South

² The full quote follows: “There are twelve places of worship, viz. Two Episcopal and two Independent Congregational churches, one Baptist, one Scotch Presbyterian, one French Calvinist, one German Lutheran, and one Methodist church; a Roman Catholic chapel, and two Jewish synagogues.” Declaration No. 1 of Andrew Platte in Support of Defendants Mot. for Summary Judgment, Exhibit 7, at DEF-120718-013-014.

Carolina, instituted 21st April 1762, incorporated 22nd March, 1786.” Declaration No. 1 of Andrew Platte in Support of Defendants Mot. for Summary Judgment, Exhibit 7, at DEF-120718-013-014.

As previous filings in this action make clear, the parties dispute the sequence of events between 1785 and 1789 concerning the formation of the Episcopal Church. *See* Dkt. No. 6-19 (Affidavit of Dr. Robert Mullin); 6-17 (Affidavit of Dr. Walter Edgar); 20-10 (Declaration of Dr. Colin John Podmore); 20-11 (Declaration of Dr. Gillis J. Harp); 20-12 (Affidavit of Dr. Jeremy Bonner). It is clear that nothing about that dispute affects the dates of first use of the word “episcopal”, “Episcopal”, “episcopalian”, “Episcopalian”, “Episcopal Church”, “Protestant Episcopal” and “Protestant Episcopal Church”. These terms were all used before TEC used them not only by the DSC and some of those parishes that formed the DSC, but also by the legislature in its incorporation of parishes, the English Parliament, as well as other state associations of former anglican parishes.

In 2007, TEC received registrations from the USPTO for certain trademarks. The date of first use for “The Protestant Episcopal Church in the United States of America” was 1/1/1837. The date of first use for “The Episcopal Church” was 1/1/1967. Those dates of first use have never been amended even after renewal in 2017. Declaration No. 3 of Andrew Platte – Trademark Registrations Owned by The Episcopal Church, Exhibits A, B, D, G.

C. Third-Party Use

Not only were the terms “episcopal” and “episcopal church” used by Defendant parishes who preexisted TEC’s formation, these terms have been, since at least 1784, used by many other denominations in the United States without any objection by TEC.

Eleven third party depositions were taken of religious denominations who use various combinations of the words “episcopal” and “episcopal church” in their names and in their operations.

They have all used these terms in the furtherance of their religious services without objection by The Episcopal Church. A summary of these depositions is attached. Declaration No. 4 of Andrew Platte – Summary of Third Party Depositions, Exhibit A. The denominations and churches deposed include The Southern Episcopal Church of the United States, The African Methodist Episcopal Zion Church, The Charismatic Episcopal Church, The Episcopal Missionary Church and St. Luke’s Episcopal Church, The Communion of Evangelical Episcopal Church, the African Methodist Episcopal Church, The Christian Methodist Episcopal Church, The United Episcopal Church of North America, and the Christian Episcopal Church.

III. Argument

A. This Court Should Summarily Dispose of Plaintiffs’ Claims

Summary judgment is appropriate because there is no genuine issue as to any material fact, and the DSC is entitled to judgment as a matter of law. *Harleysville Mut. Ins. Co. v. Packer*, 60 F.3d 1116, 1119 (4th Cir. 1995). Summary judgment exists to “isolate and dispose of factually unsupported claims.” *Celotex Corp. v. Catrett*, 477 U.S. 317, 323-24 (1986). Parties against whom summary judgment is sought cannot create a genuine issue of fact through mere speculation or the building of one inference upon another. *Harleysville Mut. Ins. Co.*, 60 F.3d at 1120. “[T]he existence of a mere scintilla of evidence in support of the [plaintiff’s] position is insufficient to withstand the summary judgment motion.” *Garcon v. Cruz*, No. 6:13-cv-2450-RMG, 2014 WL 5106893, at *2, 10 (D.S.C. Oct. 10, 2014) (Gergel, J.). A summary judgment motion requires a district court to look beyond the pleadings and determine whether there is a genuine need for trial. *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 587 (1986). The “party opposing summary judgment must produce evidence establishing every element on which it bears

the burden of proof.” *Scheduled Airlines Traffic Offices, Inv. v. Objective, Inc.*, 180 F.3d 583, 593 (4th Cir. 1999) (citing *Celotex*, 477 U.S. at 323).

B. The DSC is Entitled to Summary Judgment on Plaintiffs’ Trademark-Based Claims Even if TEC’s Marks are Valid

1. Plaintiffs Cannot Establish Priority of Trademark Rights

It is a fundamental proposition of trademark law that “as between conflicting claimants to the right to use the same mark, priority of appropriation determines the question.” *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 100 (1918); accord *George & Co. v. Imagination Entm’t Ltd.*, 575 F.3d 383, 400 (4th Cir. 2009). The prior use of a mark by a defendant therefore is not actionable, and the evidentiary presumptions attached to any registration acquired by a latter-day plaintiff are void as to that prior user. *See* 15 U.S.C. §§ 1065, 1115(b).³ Here, Plaintiffs cannot show prior use with respect to all but one of the DSC’s uses,⁴ and that failure mandates the summary disposition of their challenges to the DSC’s remaining marks.

a. TEC Cannot Establish Priority of Rights Vis-à-Vis the DSC’s use of THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA and Does not Otherwise Claim Prior Use of a “Diocese” Mark

The DSC is entitled to summary judgment as to TEC’s challenge to the DSC’s use of THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA because the DSC, and not TEC, is the prior user of a mark consisting in part of the words “episcopal.”⁵

³ *See also Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975 (9th Cir. 2006) (enjoining owner of incontestable federal service mark registration based on rights of prior user).

⁴ That use is of THE EPISCOPAL DIOCESE OF SOUTH CAROLINA.

⁵ Although the Plaintiff Bishops and TECSC assert priority of rights in four marks that include the word “diocese,” Dkt. No. 146 ¶¶ 102-112, 113-117, TEC’s Second Amended Complaint in Intervention contains no such allegations. Instead, TEC’s trademark-based causes of action rest only on the claimed “episcopal” marks identified in that document. *See* Dkt. No. 150 ¶¶ 11-20. Thus, TEC’s trademark-based causes of action target the Diocese’s use of two marks: (1) THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA; and (2)

TEC's Second Amended Complaint-in-Intervention claims TEC was founded as a denomination in 1789, but TEC's filings in the USPTO claim a date of first use of "The Episcopal Church" as a service mark only as early as January 1, 1967, and a date of first use of "The Protestant Episcopal Church in the United States of America" only as early as January 1, 1836. Declaration No. 3 of Andrew Platte – Trademark Registrations Owned by The Episcopal Church ¶¶ 3-9 & Exs. A-G.

To the extent TEC claims dates earlier than these, it must meet the heavy burden of proving them by clear and convincing evidence:

[TEC] is not bound by the date of first use alleged in his application[s] for registration [It] is entitled to carry the date of first use back to a prior date by proper evidence. However, where one has alleged in his application for a trade-mark a date of earliest use and subsequently by proof attempts to show an earlier date, he is then under a heavy burden, and his proof must be clear and convincing.

Elder Mfg. Co. v. Int'l Shoe Co., 194 F.2d 114, 118 (C.C.P.A. 1952).⁶

TEC has failed to make such a showing. And, of critical significance, *TEC would be the junior user of an "episcopal" mark even if the Court credits the 1789 date of first use claimed in TEC's complaint.* The undisputed record evidence and testimony establish the parishes of the former South Carolina colony founded the DSC in 1785. *See* Declaration No. 6 of Andrew Platte – Defendants' Expert Reports, Exhibits 7 - Expert Report of Dr. Jeremy Bonner at 14, 16, 30; *see also* Ex. 1 ¶61. That evidence and testimony also establishes that those parishes assembled under the mark THE PROTESTANT EPISCOPAL CHURCH IN THE STATE OF SOUTH CAROLINA during that year. *See* Declaration No. 6 of Andrew Platte – Defendants' Expert Reports, Exhibits 6 - Expert Report of the Rev. Dr. Leslie Fairfield ¶ 6 & n.14. The DSC eventually updated

THE EPISCOPAL DIOCESE OF SOUTH CAROLINA. As set forth in this section, the Diocese has priority of rights where the former is concerned. The Diocese does not assert priority of rights as to the latter, but, as set forth below in greater detail, laches bars TEC's challenge to that mark.

⁶ *Accord Martahus v. Video Duplication Servs., Inc.*, 3 F.3d 417, 423 n.7 (Fed. Cir. 1993); *Harod v. Sage Prods., Inc.*, 188 F. Supp. 2d 1369, 1377 (S.D. Ga. 2002)

its mark to THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA, which it has used since then that time.

This minor evolution in the DSC’s use of its mark—the substitution of the generic word “diocese” for the generic word “church”—does not affect the DSC’s priority of rights. Trademark law recognizes and accommodates the need to update marks from time to time:

Minor changes in a mark which do not change the basic overall commercial impression will not constitute any abandonment and will not interrupt the user’s chain of ownership back [to] use in the original form. That is, the owner will be permitted to “tack-on” the prior format for priority purposes....

Small and insignificant changes in trademark format are not a basis on which to find a loss of priority or abandonment. The courts are unlikely find abandonment or loss of priority or abandonment. The courts are unlikely to find abandonment or loss of priority where the core commercial impression of the mark continues unbroken through new formats.

2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 17:27 (5th ed.).⁷

Here, THE PROTESTANT EPISCOPAL CHURCH IN THE *STATE* OF SOUTH CAROLINA and THE PROTESTANT EPISCOPAL CHURCH IN THE *DIOCESE* OF SOUTH CAROLINA clearly create the same commercial impression, and the DSC’s priority tacks back to its adoption of the former mark in 1785. *See* Bonner Rep. at 30.⁸ TEC’s use of its claimed marks

⁷ *See generally* *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 955 (7th Cir. 1992) (no abandonment or loss of priority where mark evolved from THIRST-AID—FIRST AID FOR YOUR THIRST to THIRST-AID); *Drexel Enters. v. Richardson*, 312 F.2d 525, 527 (10th Cir. 1962) (no abandonment or loss of priority where mark evolved from HERITAGE to HERITAGE-HENREDON back to HERITAGE); *D & J Master Clean, Inc. v. Servicemaster Co.*, 181 F. Supp. 2d 821, 825 (S.D. Ohio 2002) (no abandonment or loss of priority where mark evolved from SERVICEMASTER to SERVICEMASTER CLEAN in light of generic nature of “clean”).

⁸ This is especially true because both iterations of the Diocese’s mark contain the key modifier “of South Carolina,” which renders “state” and “diocese” substantively equivalent references to that state: As Dr. Bonner has testified, the two words are essentially fungible in this context. *See* Bonner Rep. at 15; *see also* *Miami Credit Bureau, Inc. v. Credit Bureau, Inc.*, 276 F.2d 565, 568 (5th Cir. 1960) (“The [names] ‘Miami Credit Bureau’ and ‘Credit Bureau of Greater Miami,’ if not the grammatical equivalent of each other, are so obviously synonymous as to be self-refutation of the contention that the [plaintiff] abandoned the former trade name when it began to use the latter”).

therefore postdates the DSC's use of its full name by decades, and TEC has no rights that are enforceable against the DSC. TEC consequently has failed to state trademark-related causes of action against the DSC's use of its THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA mark, and the Court therefore should hold the DSC entitled to summary judgment. *See, e.g., Am. Express Co. v. Goetz*, 515 F.3d 156, 160-61 (2d Cir. 2008) (affirming summary dismissal of trademark claims based on counterclaim plaintiff's inability to prove prior use); *Cent. Mfg. Co. v. Brett*, 78 U.S.P.Q.2d 1662, 1669 (N.D. Ill. 2005) (summary judgment of nonliability in light of plaintiffs' inability to prove prior use of disputed mark).

b. The Plaintiff Bishops and TECSC Cannot Establish Prior Rights to the Four "Diocese" Marks Covered by the DSC's State Service Mark Registrations

Like TEC's claims, the challenge by the Plaintiff Bishops and TECSC to the DSC's use and registration of the four state-registered service marks referenced by paragraph 103 of those Plaintiffs' Third Amended Complaint, Dkt. No. 146, at 28-29, is meritless as a matter of law for want of priority. Indeed, even that pleading on its face demonstrates the inability of those Plaintiffs to prove prior use of the four marks at issue.

The record is clear TECSC is *not* a successor in interest to the DSC but instead is a wholly separate entity that cannot avail itself of the DSC's priority of rights.⁹ Likewise, the Plaintiffs

⁹ Contrary to TECSC's assertion in its pleading, the South Carolina Supreme Court did not rule that TECSC was the successor to the Diocese. *See Protestant Episcopal Church in the Diocese of S.C. v. Episcopal Church*, 421 S.C. 211, 806 S.E.2d 82 (2017), *cert. denied*, 138 S. Ct. 2623 (2018). First, TECSC failed in its argument that the Diocese could not withdraw from TEC as the entire Court found that it did, the "Disassociated Diocese." Second, the sole basis for TECSC's assertion is a reading of a footnote to Chief Justice Beatty's opinion that is inconsistent both with what that footnote says, *Id.* at 251 n.29, 806 S.E. 2d at 103 n.29, and with Justice Toal's interpretation of it because the successorship comments relate, at best, only to Camp St. Christopher. *Id.* at 291 n.72, 806 S.E.2d at 125 n.72. Third, the opinion affirmed a permanent injunction prohibiting TECSC and TEC from using Diocese-owned marks, an ownership undisputed at trial. The permanent injunction was entered under two statutory grounds, S.C. CODE ANN. §§ 16-17-310 & 16-17-320

Bishops do not allege that, as representatives of TEC, they were somehow wrongfully divested of control over the DSC: On the contrary, the DSC has long existed as a standalone corporate entity independent of TEC and fully capable of making its own decision to associate itself with the Anglican Church rather than with TEC. Bonner Rep. at 19, 25-26; Exhibit 2 - Lawrence Dep. at 15-16, 20. If the Plaintiff Bishops and TECSC seek to establish their standing to prosecute an infringement action against the DSC, they therefore must demonstrate either prior use in their own right of any marks on which their claims rest.

This they cannot do. To begin with, they are in no better a position than TEC to claim priority over the DSC's centuries-old use of THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA as a mark. Moreover, there is no dispute that, while the DSC secured each of the four state registrations at issue in 2010, TECSC did not even exist until after the disassociation of the DSC. Dkt. No. 146 ¶ 38; Exhibit 3 - vonRosenberg Dep. at 16. Indeed, even paragraphs 73-74 of the Third Amended Complaint of the Plaintiff Bishops and TECSC aver that the genesis of TECSC lies in a reorganization of TEC's operations in South Carolina undertaken only after 2012. Dkt. No. 146 ¶ 71; *see also Knights Armament Co. v. Optical Sys. Tech., Inc.*, 636 F. Supp. 2d 1283, 1297 (M.D. Fla. 2009) (granting defense motion for summary judgment because “[t]o establish that it has a valid trademark, the plaintiff must prove that it used the mark in commerce prior to the defendant’s use of the potentially confusing mark”), *aff’d*,

(Improper Use of Names, Styles and Emblems) and §§ 39-15-1105 *et. seq.* (Service Mark Infringement): “Under both statutes, the Plaintiffs have established their entitlement to permanent injunctive relief.” Exhibit 1, Final Order at 45. The service mark ground was appealed but Chief Justice Beatty expressed no opinion leaving the decision as to that issue 2-2. 421 S.C. at 249 n.28, 806 S.E.2d at 102 n.29 (“I express no opinion concerning the rights to the service marks....”) The alternative statutory ground was not appealed and is now the law of the case. *Atlantic Coast Builders & Contractors, LLC v. Lewis*, 398 S.C. 323, 328 730 S.E. 282, 284 (2012). The Diocese is both the owner of its marks and its exclusive use of those marks is protected by a permanent injunction.

654 F.3d 1179 (11th Cir. 2011).

c. The Plaintiff Bishops and TECSC do not Own the State Registrations Required for Their Infringement Claim Under South Carolina Law

The inability of the Plaintiff Bishops and TECSC to demonstrate priority of use is not the only flaw in their claim under South Carolina law. The cause of action invoked by their Count III expressly requires ownership of a state registration as a prerequisite for relief: “An owner of a mark *registered* under this article may bring an action to enjoin the manufacture, use, display, or sale of a counterfeit or imitation of the *registered* mark” S.C. CODE ANN. § 39-15-1170 (emphasis added). Because it is undisputed the DSC owns the registrations in question, Dkt. No. 146 ¶ 38, the Plaintiff Bishops and TECSC have failed to state any state-law claims upon which relief can be granted, and the DSC is entitled to summary judgment as a result. *See* S.C. CODE ANN. § 39-15-1105 (“‘Registrant’ means the person to whom the registration of a mark under this article is issued and the legal representatives, successors, or assigns of that person.”).

2. Confusion is Unlikely as a Matter of Law

“To establish trademark infringement, a plaintiff must prove that it owns a valid and protectable mark, and that the defendant’s use of a ‘reproduction, counterfeit, copy, or colorable imitation’ of that mark creates a likelihood of confusion.” *George & Co.*, 575 F.3d at 393. The Fourth Circuit repeatedly has acknowledged that district courts can resolve the likelihood-of-confusion inquiry as a matter of law through the application of a multifactor test that takes into account: (1) the strength of weakness of the plaintiff’s mark; (2) the similarity of the parties’ marks; (3) the similarity of the parties’ services; (4) any overlap in the facilities used by the parties; (5) the similarity of the parties’ promotional media; (6) the defendant’s intent in its mark; (7) the existence or

lack of actual confusion; (8) the quality of the defendant’s services; and (9) consumer sophistication. *See, e.g., id.* at 393-400 (affirming summary judgment of noninfringement); *see also Grayson O Co. v. Agadir Int’l LLC*, 856 F.3d 307, 314-20 (4th Cir. 2017) (same); *CareFirst of Md., Inc. v. First Care, P.C.*, 434 F.3d 263, 270 (4th Cir. 2006) (noninfringement as a matter of law on appeal); *Fuel Clothing Co. v. Nike, Inc.*, 7 F. Supp. 3d 594, 620 (D.S.C. 2014) (granting defense motion for summary judgment). Each of these factors favors a finding of noninfringement in this case.

a. Even if Valid, TEC’s Claimed Marks are Inherently Weak and Entitled to a Narrow Scope of Protection

Summary judgment of noninfringement is appropriate because of the weakness of TEC marks renders confusion unlikely. When, in 2005, the U.S. Patent and Trademark Office (USPTO) rejected an application by TEC to register “The Episcopal Church” because of a prior registration of “Reformed Episcopal Church,” TEC’s counsel responded with the following argument:

There are many marks in use that include the terms “Episcopal Church,” including, for example, African Methodist Church (www.amecnet.org); Christian Methodist Episcopal Church (www.cme.org); Calvary Episcopal Church (www.calvaryphg.org); Pohick Episcopal Church (www.pohick.org); All Saints Episcopal Church (www.allsaints.org); St. Andrews Episcopal Church (www.standrewsaa.org); and Grace Episcopal Church (www.gracechurchamherst.org).

The number of similar marks make the registered mark REFORMED EPISCOPAL CHURCH a weak mark. For this reason, the fact that REFORMED EPISCOPAL CHURCH is a registered mark does not bar registration of other marks that include the terms “Episcopal Church.”

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¶ 10 & Ex. H at DEF-112618-069 (citations omitted).¹⁰

¹⁰ This argument against interest can easily be accessed in the online history of TEC’s Reg. No. 3379870 of THE EPISCOPAL CHURCH using the TESS functionality of the USPTO’s website, <http://tmsearch.uspto.gov/bin/gate.exe?f=searchss&state=4805:a9mtio.1.1>, and is properly the subject of judicial notice under Federal Rule of Evidence 201: “The Court may take judicial notice of matters of public record, including factual information located in postings on government websites.” *Fortner v. Spartanburg City Pub. Safety*, No. CV 7:17-2304-TMC, 2018 WL 1115092, at *2 (D.S.C. Feb. 9, 2018), *report and recommendation adopted*, No. CV 7:17-2304-TMC, 2018

To paraphrase the Fourth Circuit on virtually identical facts, “[TEC’s] own representations to the PTO ... undercut [its] current arguments to this court.” *Petro Stopping Ctrs. v. James River Petroleum, Inc.*, 130 F.3d 88, 94 (4th Cir. 1997). Nevertheless, the Court need not determine whether TEC’s arguments against interest judicially estop it from arguing the contrary position in this case to find TEC’s claimed “episcopal”-based marks weak as a matter of law.¹¹ Specifically, an application of this factor yields only one result: Even if they are not generic and therefore unprotectable in the first instance, TEC’s marks are both conceptually and commercially weak. *See Universal Church, Inc. v. Universal Life Church*, No. 14 CIV. 5213 (NRB), 2017 WL 3669625, at *15 (S.D.N.Y. Aug. 8, 2017) (finding claimed “Universal Church” mark weak as a matter of law), *aff’d*, No. 17-2960-CV, 2018 WL 5783687 (2d Cir. Nov. 2, 2018).

The Fourth Circuit has held that the inquiry into the conceptual strength of a mark “involves placing the mark into one of four categories of distinctiveness: (1) generic; (2) descriptive; (3) suggestive; or (4) arbitrary or fanciful.” *Grayson O Co.*, 856 F.3d at 315. As set forth in greater detail in Defendants’ *Motion for Summary Judgment as to Genericness* and supporting papers, the record evidence and testimony demonstrate that TEC’s claimed marks are, in fact, generic and unprotectable. To the extent they are not, however, they are at best geographically descriptive (in

WL 1071279 (D.S.C. Feb. 27, 2018); *see also Express Homebuyers USA, LLC v. WBH Mktg. Inc.*, 323 F. Supp. 3d 784, 789 (E.D. Va. 2018) (confirming that documents “taken directly from the PTO’s website” can be judicially noticed); *Genetic Techs. Ltd. v. Bristol-Myers Squibb Co.*, 72 F. Supp. 3d 521, 526 (D. Del. 2014) (“A court may also take judicial notice of the prosecution histories [of USPTO filings], which are ‘public records.’”); *Worldwide Subsidy Grp. v. Fed’n Int’l de Football Ass’n*, No. 14-00013 MMM (MANX), 2014 WL 12631652, at *2 (C.D. Cal. June 9, 2014) (taking judicial notice of printouts of registrations from USPTO website).

¹¹ *See, e.g., Freedom Card, Inc. v. JPMorgan Chase & Co.*, 432 F.3d 463, 476 (3d Cir. 2005) (affirming summary judgment of nonliability and observing that “[w]hether we view the district court’s treatment of [the plaintiff’s] prior representations [in the registration process] about the commercial availability of marks containing the word ‘freedom’ as judicial estoppel, an admission, waiver, or simply hoisting [the plaintiff] by its own petard, we agree with the district court’s conclusion about the commercial impact of ‘freedom’ in the two marks at issue here”).

the case of “The Protestant Episcopal Church in the United States of America”) and descriptive (in the case of “The Episcopal Church”): Indeed, TEC conceded the marks’ descriptiveness when it registered them under Section 2(f) of the Lanham Act, 15 U.S.C. § 1052(f). *See* Declaration No. 3 of Andrew Platte – Trademark Registrations Owned by The Episcopal Church ¶¶ 3-9 & Exs. A-G; *see also In re Prof’l Learning Ctrs.*, 230 U.S.P.Q. 70, 71 (T.T.A.B. 1986) (“By so seeking registration under Section 2(f), applicant, in effect, has conceded that its mark is not inherently distinctive and is not registrable in the absence of a showing of acquired distinctiveness.”). The marks therefore are conceptually weak as a matter of law. *See Shakespeare Co. v. Silstar Corp. of Am.*, 906 F. Supp. 997, 1013 (D.S.C. 1995) (“[A] merely descriptive mark ... is a weak mark”), *aff’d*, 110 F.3d 234 (4th Cir. 1997). This is true even if the marks are covered by incontestable federal registrations. *See Petro Stopping Ctrs.*, 130 F.3d at 92.

Moreover, the marks are commercially weak as well. As documented by TEC’s successful response to the U.S. Patent and Trademark Office, the use of similar marks by third parties is strong evidence that no single entity is entitled to claim exclusive rights to a shared word incorporated into those marks. *See, e.g., CareFirst of Md.*, 434 F.3d at 270 (finding no infringement as a matter of law on appeal based in part on weakness of plaintiff’s mark as documented by third-party use); *Arrow Distilleries, Inc. v. Globe Brewing Co.*, 117 F.2d 347, 351 (4th Cir. 1941) (same); *see also Renaissance Greeting Cards, Inc. v. Dollar Tree Stores, Inc.*, 227 F. App’x 239, 243 (4th Cir. 2007) (summary judgment of nonliability based in part on mark weakness as documented by third-party use). Here, and beyond the seven third-party uses identified by TEC’s submission to the USPTO, the record contains undisputed evidence and testimony that the following additional denominations and individual churches also use “episcopal” as a salient component of their names:

African Methodist Episcopal	African Methodist Episcopal Church (2,500,000 reported	Christian Methodist Episcopal Church (290,601 reported
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Zion Church (3,000,000 reported members in 2010)	members in 2014)	members in 2010)
The Reformed Episcopal Church (15,500 reported members in 2009)	The Apostolic Episcopal Church (6,200 reported members in 2016)	United Episcopal Church (of North America)
The Christian Episcopal Church	The Communion of Evangelical Episcopal Churches	The Christian Methodist Episcopal Church
The Charismatic Episcopal Church of North America (a/k/a the International Communion of Charismatic Episcopal Churches)	White Rock Independent Methodist Episcopal Church	The Southern Episcopal Church
Episcopal Missionary Church	Celtic Episcopal Church	St. Luke's Episcopal Church

Declaration No. 6 of Andrew Platte – Defendants’ Expert Reports, Exhibits 8 - Expert Report of Dr. Grant Wacker § 2, at 4-11.¹² In addition, from its formation in December 1784 (prior to the formation of any of the Plaintiffs) through 1968, the “Methodist Episcopal Church” was the formal name for what is now the United Methodist Church, and it has approximately 7 million members in the United States and more than 12 million worldwide. Wacker Rep. § 2, at 3; Declaration No. 4 of Andrew Platte – Summary of Third Party Depositions, Exhibits D - Sadler Dep. at 37-38. As these large numbers of congregants establish, these entities are hardly unknown to churchgoers: On the contrary, “[t]hese organizations collectively have millions of members that dwarf the membership of Plaintiff the Episcopal Church,” which claims only 1.9 million members. Wacker Rep.

¹² See also Sadler Dep. at 18, 45-47 (describing use without objection by TEC of “Episcopal Church” since 1796 by African Methodist Episcopal Church and 7 million aggregate members of that denomination, the Christian Methodist Episcopal Church, and the African Methodist Episcopal Church); Moore Dep. at 11, 40-42 (describing use without objection by TEC of “Episcopal Churches” since 1996-97 by Communion of Evangelical Episcopal Churches); Banek Dep. at 12, 70-71 (describing use without objection by TEC of “Episcopal Church” by the Reformed Episcopal Church since 1873).

§ 2, at 4.¹³

This widespread undisputed third-party use of “episcopal,” upon which, to reiterate, TEC itself has successfully relied for its own purposes, is compelling evidence that confusion is unlikely between the parties’ marks. *See, e.g., Renaissance Greeting Cards*, 227 F. App’x at 243 (summary judgment of noninfringement based in part on weakness of plaintiff’s mark as documented by third-party use); *Universal Church*, 2017 WL 3669625, at *12 (same); *Fuel Clothing Co.*, 7 F. Supp. 3d at 612 (same); *see also Petro Stopping Ctrs.*, 130 F.3d at 93 (holding third-party use of similar marks and lack of actual confusion probative of mark weakness).

b. Consumer Sophistication Precludes Confusion

In registering its claimed “The Episcopal Church” mark, TEC responded to the likelihood-of-confusion-based rejection of its application by averring the following concerning the sophistication of “customers” for religious services:

This factor strongly favors a finding that the marks are not likely to be confused. Religious services are perhaps the quintessential example of an area where consumers make careful, sophisticated decisions. Individuals do not make decisions about the Church [TEC] or other religious institution[s] in which they wish to participate without considerable thought. This not a situation where marks that include common elements may be confused because decisions are made quickly, such as with the purchase of certain inexpensive consumer goods.

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¶ 10 & Ex. H at DEF-112618-068

TEC’s representation against interest remains accurate today. *See Universal Church*, 2017 WL 3669625, at *15 (summary judgment of nonliability based in part on sophistication of consumers of religious services); Ex. 3 - vonRosenberg Dep. at 30. Dr. Thom S. Rainer, who has

¹³ The results of this comparison would be even more pronounced if included the Roman Catholic Church, which also is “episcopal” in structure, Expert Report of Dr. Jeremy Bonner at 18, and its 70 million members in the United States.

consulted and interacted with approximately 2,000 churches since 1998, observes the following in his expert report:

Today, consumers look beyond the church name to learn about congregations they may visit. In other words, the level of discernment is increasing, and it rarely stops at a congregation's name.

....

[C]hurch consumers are discerning. We hear with uniform regularity that they did not approach the issue of visiting or considering a church lightly. To the contrary, we find they did research before attending. They look for online reviews of the church. They tell us, almost without exception, they looked at the church website

Declaration No. 6 of Andrew Platte – Defendants' Expert Reports, Exhibits 4 - Expert Rep. of Dr. Thom S. Rainer at 6.

The same report and the expert report of Scott McConnell discuss the results of a survey of churchgoers and potential churchgoers conducted by LifeWay Research confirming their high level of sophistication. Those results include the following:

- 91% of respondents said the belief and doctrine of candidate churches are important or extremely important in their decision as to which to attend;
- 74% of respondents either strongly or somewhat agreed with the need to be selective in evaluating candidate churches;
- 94% of respondents either strongly or somewhat agreed that there is a lot more to selecting a church than picking from a familiar tradition; and
- 94% of respondents either strongly or somewhat agreed it takes time and effort to find the right church.

Rainer Rep. at 28-29; *see also* Declaration No. 6 of Andrew Platte – Defendants' Expert Reports, Exhibits 5 - Expert Report of Scott M. McConnell at 13-25. Because the Fourth Circuit has repeatedly held that consumer sophistication such as that here weighs against a finding of infringement, summary judgment is appropriate for this reason as well. *See generally Shakespeare Co.*, 110 F.3d

at 242 (affirming finding of noninfringement in light of sophistication of parties' customers); *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 127 (4th Cir. 1990) (vacating summary judgment of liability based on district court's failure to consider consumer sophistication); *Durox Co. v. Duron Paint Mfg. Co.*, 320 F.2d 882, 884 (4th Cir. 1963) (affirming finding of noninfringement in light of knowledgeable nature of parties' customers); *see also interState Net Bank*, 348 F. Supp. 2d at 355 (summary judgment of nonliability in part because "[w]hen consumers exercise heightened care in evaluating the relevant products before making purchasing decisions, courts have found there is not a strong likelihood of confusion").

c. There is no Cognizable Evidence of Actual Confusion

Especially because the Fourth Circuit has never adopted the initial-interest theory of infringement, *Lamparello*, 420 F.3d at 316, Plaintiffs' failure to identify cognizable evidence of actual confusion also merits a finding that confusion is unlikely as a matter of law. *See, e.g., George & Co.*, 575 F.3d at 399 (summary judgment of noninfringement based on de minimis evidence of actual confusion; *Arrow Distilleries*, 117 F.2d at 351 (finding no infringement as a matter of law on appeal based on absence of actual confusion); *see also Anheuser-Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 320 (4th Cir. 1992) (reinstating jury verdict of noninfringement based in part on absence of actual confusion); *Universal Church*, 2017 WL 3669625, at *12 to *13 (finding confusion unlikely as a matter of law based on the absence of actual confusion between the names of two churches – "Universal Church" and "Universal Life Church"). Indeed, the absence of past actual confusion during the years the parties have coexisted creates a presumption it will not occur in the future. *Petro Stopping Ctrs.*, 130 F.3d at 95.¹⁴

¹⁴ *See also Butcher Co. v. Bouthot*, 124 F. Supp. 2d 750, 758-59 (D. Me. 2001) (summary judgment of noninfringement based in part on absence of actual confusion during only one and a half years of coexistence); *E & J Gallo v. Proximo Spirits, Inc.*, 103 U.S.P.Q.2d 1640, 1654 (E.D. Cal. 2012)

Here, unable to identify any anecdotal evidence of actual confusion, TEC has resorted to the results of a survey conducted by Robert K. Klein purporting to document confusion among respondents concerning the relationship between the parties. As set forth in the May 2018 Rebuttal Expert Report of Hal Poret, however, the Klein survey suffers from so many flaws that the results have no probative value even if admitted, not the least of which is the survey's failure to test for alleged confusion arising from the DSC's use of its THE DIOCESE OF SOUTH CAROLINA mark. Instead, the survey exposed respondents only to the DSC's THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA and THE EPISCOPAL DIOCESE OF SOUTH CAROLINA marks, and its results are limited to those marks.

Even with respect to those two marks, however, the survey's results do not document actionable actual confusion for multiple reasons, including the following:

(i) *The survey results were improperly coded:* The survey results were coded in a manner that counted responses as reflecting confusion even if they mentioned a variety of other terms containing the "episcopal" that in no way suggested the respondents were thinking or even aware of TEC. May 2018 Poret Rebuttal Report at 2; *see also Bd. of Regents, Univ. of Tex. Sys. ex rel. Univ. of Tex. at Austin v. KST Elec., Ltd.*, 550 F. Supp. 2d 657, 676 (W.D. Tex. 2008) (rejecting results from Klein survey because of similarly improper and biased coding).

(ii) *The survey lacked an appropriate control:* The survey failed to use a control group permitting an assessment of which respondents merely assumed that any church generically identifying itself as "episcopal" was likely part of a national or international episcopal organization. May 2018 Poret Rebuttal Report at 2-3; *see also THOIP v. Walt Disney Co.*, 690 F. Supp. 2d 218,

(summary judgment of noninfringement based on coexistence of parties' marks for "many months" without actual confusion).

240 (S.D.N.Y. 2010) (excluding survey results based on lack of adequate control).

(iii) *The first survey question was leading*: That question impermissibly led respondents to a particular response because it asked whether the group of churches using the mark shown was affiliated with *a national or international organization*, unnecessarily suggesting a connection to a *national* organization such as TEC. May 2018. Declaration No. 6 of Andrew Platte – Defendants’ Expert Reports, Exhibits 2 - Poret Rebuttal Report at 3; *see also Universal City Studios, Inc. v. Nintendo Co.*, 746 F.2d 112, 118 (2d Cir. 1984) (affirming summary judgment of noninfringement and discounting survey results driven by leading question because “[a] survey question which begs its answer cannot be a true indicator of the likelihood of consumer confusion”). Mr. Klein’s leading question is fatal to the survey, and this is not the first time his surveys have been severely criticized for leading questions. *See Steak Umm Co. v. Steak ‘Em Up, Inc.*, 868 F. Supp. 2d 415, 424 (E.D. Pa. 2012) (discounting results of Klein survey generated by question suggesting a particular response).

(iv) *The survey failed to expose respondents to the test stimulus in a real-world context*: The survey exposed respondents to the test stimulus in bare words, in the abstract, and with no context to simulate how real-world members or attendees would encounter that use. May 2018 Poret Rebuttal Report at 3; *see also Componentone, L.L.C. v. Componentart, Inc.*, No. 02:05CV1122, 2008 WL 4790661, at *25 (W.D. Pa. Oct. 27, 2008) (criticizing Klein survey for identical flaw); *Water Pik, Inc. v. Med-Sys., Inc.*, 726 F.3d 1136, 1144–45 (10th Cir. 2013) (summary judgment of noninfringement based in part on failure of plaintiff’s survey to expose respondents to parties’ marks as they appeared in the marketplace).

Taken together, especially in light of TEC’s failure to adduce any *anecdotal* evidence of actual confusion, these flaws render Plaintiffs’ survey results unreliable and incapable of creating

a factual dispute concerning the unlikelihood of confusion between the parties' respective uses. *See Universal Church*, 2017 WL 3669625 at *13 (entering summary judgment of noninfringement after finding survey proffered by owner of claimed "universal church" mark "of limited value").

d. The DSC has Acted in Good Faith

In affirming a finding of no likelihood of confusion as a matter of law, the Fourth Circuit has held that "[t]he intent of a junior user is relevant only if the junior user intended to capitalize on the good will associated with the senior user's mark." *CareFirst of Md.*, 434 F.3d at 273. In particular, mere knowledge of another party's use is not evidence of bad-faith intent. *Swatch AG*, 739 F.3d at 161; *see also Fuel Clothing Co.*, 7 F. Supp. 3d at 620 (summary judgment of nonliability despite defendant's awareness of plaintiff's prior use). Here, the DSC could not possibly have acted in bad faith because, to reiterate, it adopted its marks well prior to the dates of first use Plaintiffs have claimed in their trademark filings with the USPTO. Moreover, throughout this litigation, the DSC has conscientiously advised the public of the lack of any relationship between the parties and has additionally discontinued its use of its THE EPISCOPAL DIOCESE IN SOUTH CAROLINA mark. The DSC's good faith in taking that step is an additional ground for the Court to grant its motion. *See Grayson O Co.*, 856 F.3d at 319 (affirming grant of defense motion for summary judgment in part because diminished use of challenged term by defendant after learning of plaintiff's objections constituted evidence of good faith).

e. The Parties' Uses Are Dissimilar When Viewed in Their Entireties

Summary judgment also is appropriate because of the dissimilarities between the parties' uses when those uses are properly viewed in their entireties. While pursuing the registration of its claimed "The Episcopal Church" mark, TEC represented to the USPTO that "[t]he key to assessing this factor is to look at the marks in their entirety, not their individual parts." Declaration No. 3 of

Andrew Platte – Trademark Registrations Owned by The Episcopal Church ¶ 10 & Ex. H at DEF-112618-067. This is a correct statement of the law: As the Supreme Court has explained, “[t]he commercial impression of a trade-mark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety.” *Estate of P.D. Beckwith, Inc. v. Comm’r of Patents*, 252 U.S. 538, 545-46 (1920). Thus, in affirming a finding of noninfringement as a matter of law, the Fourth Circuit has explained that “a comparison of the texts of the two marks alone is insufficient if the marks have different appearances in the marketplace.” *CareFirst of Md.*, 434 F.3d at 271. Moreover, the same court also has rejected the proposition “that courts in this Circuit must apply a lower threshold for similarity of marks when the parties’ products are more similar.” *Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 160 (4th Cir. 2014) (affirming finding of noninfringement made on written record).

Here, the parties’ marks share only generic and geographically descriptive verbiage:

The DSC’s Prior-Used Marks	Plaintiffs’ Latter-Day Claimed Marks
THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA	The Protestant Episcopal Church in the United States of America
THE EPISCOPAL DIOCESE OF SOUTH CAROLINA	The Episcopal Church
THE DIOCESE OF SOUTH CAROLINA	The Episcopal Church in South Carolina

Because generic and descriptive terminology receives less weight in the likelihood-of-confusion inquiry, *see, e.g., Keebler Co. v. Murray Bakery Prods.*, 866 F.2d 1386, 1388 (Fed. Cir. 1989), an overlap of this sort does not preclude a finding as a matter of law that confusion is unlikely. *See, e.g., Grayson O Co.*, 856 F.3d at 317 (summary judgment of noninfringement despite presence of “450” in each party’s mark); *Glenmore Distilleries Co. v. Nat’l Distillers Prods. Corp.*, 101 F.2d

479, 479 (4th Cir. 1939) (affirming dismissal of challenge to use of KENTUCKY TAVERN, despite shared term with plaintiff's TOWN TAVERN mark).¹⁵ “It is settled ... a manufacturer has no right to the exclusive use of a descriptive word in connection with his goods, and if nevertheless he adopts such a trade-mark, he himself is largely to blame for the confusion which ensues when other manufacturers, with equal right, adopt similar terms to describe their products.” *Bliss, Fabyan & Co. v. Aileen Mills, Inc.*, 25 F.2d 370, 372 (4th Cir. 1928).

Equally to the point, the presentations of the parties' marks as potential parishioners encounter them are readily distinguishable. *See, e.g., Swatch AG*, 739 F.3d at 160 (“The district court correctly noted that accompaniments to marks and the manner in which they are presented in connection with goods can significantly reduce the likelihood of confusion between similar marks.”); *Standard Brands, Inc. v. E. Shore Canning Co.*, 172 F.2d 144, 145 (4th Cir. 1949) (noting the “marked difference in the appearance of the labels and trademarks used by the respective parties, including their background, their coloring, and the arrangement of the printed matter” and determining confusion unlikely between V-8 and VA, both for vegetable juices); *Wonder Works v. Cranium, Inc.*, 455 F. Supp. 2d 453, 459 (D.S.C. 2006) (confusion unlikely between WONDER WORKS and CRANIUM WONDER WORKS marks in part because “the fonts and symbols on the allegedly similar marks are not the same”). Indeed, rather than adopting typefaces, graphics, or any other indicia likely to be associated with Plaintiffs, the DSC has gone to considerable lengths to explain the absence of any relationship between the parties in the form of lengthy and publicly accessible explanations of its disassociation from Plaintiffs, a circumstance that merits the grant of the DSC's motion. *See, e.g., Lamparello v. Falwell*, 420 F.3d 309, 311 (4th Cir. 2005)

¹⁵ *See also Le Book Publ'g, Inc. v. Black Book Photography, Inc.*, 418 F. Supp. 2d 305, 311 (S.D.N.Y. 2005) (summary judgment of noninfringement based in part on generic nature of the only word shared by parties' marks).

(citing disclaimer of affiliation found on counterclaim defendant's website in finding confusion unlikely as a matter of law on appeal); *cf. N. Hess' Sons, Inc. v. Hess Apparel, Inc.*, 738 F.2d 1412, 1413-14 (4th Cir. 1984) (affirming permanent injunction requiring disclaimers of affiliation but not discontinuance of challenged mark).

f. Plaintiffs Have Failed to Demonstrate Deficiencies in the DSC's Services

The high quality of a defendant's services weighs against a finding that confusion is likely, and Plaintiffs here have failed to identify, much less demonstrate, any deficiencies in those of the DSC. This consideration therefore favors the grant of the DSC's motion. *See, e.g., Universal Church*, 2017 WL 3669625 at *15 (summary judgment of noninfringement based in part on absence of deficiencies in defendant's religious services).¹⁶

g. The Parties' Services are Dissimilar in Fundamental and Unmistakable Respects

The Fourth Circuit repeatedly has made clear that even a directly competitive relationship between the parties does not preclude a finding of noninfringement as a matter of law. *See George & Co.*, 575 F.3d at 397 (affirming summary judgment of noninfringement despite "nearly identical" goods sold by parties in overlapping markets); *Arrow Distilleries*, 117 F.2d at 351 (finding of noninfringement as a matter of law on appeal despite parties' use of identical marks for "closely related" goods). Here, however, such a relationship does not exist: On the contrary, the parties' dispute arises from a very conspicuous and public split between the parties. Moreover, both the DSC and Plaintiffs alike have gone to significant lengths to explain the absence of an affiliation

¹⁶*See also Sly Magazine, LLC v. Weider Publ'ns LLC*, 529 F. Supp. 2d 425, 441-42 (S.D.N.Y. 2007) (summary judgment of noninfringement based in part on absence of deficiencies in defendants' goods); *Omega S.A. v. Omega Eng'g, Inc.*, 396 F. Supp. 2d 166, 182 (D. Conn. 2005) (same).

between the parties.

h. The Parties do not Provide Their Services in the Same Facilities

The circumstances under which the parties' dispute has arisen make apparent the obvious: They do not provide their services side-by-side in the same manner as directly competitive goods might be sold in a supermarket. The resulting absence of an overlap in individual retail outlets weighs against likely confusion. *See, e.g., Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 263 (4th Cir. 2007) (affirming summary judgment of noninfringement in part because "there is little overlap in the individual retail stores selling the [parties'] brands"); *see also Swatch AG*, 739 F.3d at 160-61 (affirming finding of noninfringement based in part on lack of overlapping retail outlets).

i. Any Similarities in the Parties' Advertising Media do not Preclude the Grant of this Motion

Especially because a high degree of sophistication among consumers reduces the significance of this factor, *Shakespeare Co. v. Silstar Corp. of Am.*, 110 F.3d 234, 242 (4th Cir. 1997), the parties' potential shared use of certain advertising media does not preclude a finding that confusion is unlikely. *See, e.g., interState Net Bank*, 348 F. Supp. 2d at 356 (shared use of Internet by parties insufficient to preclude summary judgment of nonliability); *Therma-Scan, Inc. v. Thermoscan, Inc.*, 118 F. Supp. 2d 792, 802-03 (E.D. Mich. 2000) (same).

j. Summary of the Relevant Factors: The Absence of Likely Confusion is Beyond Dispute

On more than one occasion, the Fourth Circuit has observed that "we are aware of no case where a court has allowed a trademark infringement action to proceed beyond summary judgment where two weak marks were dissimilar, there was no showing of a predatory intent, and the evidence of actual confusion was *de minimis*." *George & Co.*, 575 F.3d at 400; *accord Grayson O*

Co., 856 F.3d at 320. Because each of these circumstances is present here, summary disposition of Plaintiffs' claims is appropriate.

3. Even if TEC's Claimed Marks are Valid, the DSC is Entitled to Prevail on TEC's Dilution-Based Claims

The DSC is entitled to prevail as a matter of law on TEC's dilution-based claims under Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c), for multiple reasons.¹⁷ As in the infringement context, a finding of genericness will preclude a successful claim for dilution. *See, e.g., Firefly Dig. Inc. v. Google Inc.*, 817 F. Supp. 2d 846, 867 (W.D. La. 2011). Nevertheless, the Court need not resolve the question of the validity of TEC's claimed marks to find the DSC entitled to summary judgment on TEC's claims of likely dilution. Specifically: (1) TEC's cannot prove those claimed marks were famous when the DSC adopted its THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA mark; and, with respect to that mark and TEC's (2) TEC has failed to adduce any evidence that the DSC's uses are likely to tarnish TEC's claimed marks; and (3) TEC has failed to adduce any evidence that the DSC's uses are likely to blur the distinctiveness of TEC's claimed marks. Each of these inquiries is susceptible to resolution on summary judgment. *See, e.g., Louis Vuitton Malletier*, 507 F.3d at 259-69 (affirming summary judgment of nondilution); *Johnson & Johnson v. Am. Nat'l Red Cross*, 552 F. Supp. 2d 434, 447-48 (S.D.N.Y. 2008) (entering summary judgment of nonliability on dilution claims based on absence of required mark fame).

a. TEC did not Own Famous Marks Within the Meaning of Section 43(c) of the Lanham Act at the Time the DSC Adopted its THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA Mark

The DSC is entitled to summary judgment on TEC's challenge to THE PROTESTANT

¹⁷ The Plaintiff Bishops and TECSC have not asserted a dilution-based cause of action.

EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA mark because TEC's claimed marks fail to qualify for protection against dilution in the first instance.¹⁸ Section 43(c) of the Lanham Act provides that:

Subject to the principles of equity, the owner of a famous mark ... shall be entitled to an injunction against another person who, *at any time after the owner's mark has become famous*, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark

15 U.S.C. § 1125(c)(1). The statute therefore makes clear no cause of action will lie unless a plaintiff can prove mark fame prior to the initiation of a defendant's challenged conduct, here the DSC's adoption of its THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA mark in 1785. *See, e.g., New World Sols., Inc. v. NameMedia Inc.*, 150 F. Supp. 3d 287, 320-23 (S.D.N.Y. 2015) (summary judgment of nonliability based on plaintiff's failure to prove mark fame predating defendant's date of first use).¹⁹ Because TEC adopted its claimed marks *after* that date, the DSC is entitled to judgment as a matter of law with respect to that mark. *See Russell Rd. Food & Beverage, LLC v. Galam*, 180 F. Supp. 3d 724, 744 (D. Nev. 2016) (holding as a matter of law that plaintiffs unable to establish priority of rights were equally unable to establish mark fame prior to defendant's date of first use).

In any case, even if TEC had adopted its claimed marks prior to 1785, it could not possibly demonstrate mark fame as of that year. Under Section 43(c)(2)(A), a mark is famous and eligible

¹⁸ To reiterate, TEC does not challenge the Diocese's use of THE DIOCESE OF SOUTH CAROLINA or the Diocese's state-registered seal.

¹⁹ *See also Mattel, Inc. v. MGA Entm't, Inc.*, 782 F. Supp. 2d 911, 1011 (C.D. Cal. 2011) (granting summary judgment of nonliability because plaintiff "provided no time frame for the [claim of mark] fame"); *Coach Servs., Inc. v. Triumph Learning LLC*, 96 U.S.P.Q.2d 1600, 1612 (T.T.A.B. 2010) ("On this record, opposer cannot prevail on its dilution claim because we have found that opposer has not met its burden of proving that its ... mark is famous for purposes of dilution or that its ... mark became famous prior to applicant's first use of its ... marks."), *aff'd in relevant part*, 668 F.3d 1356 (Fed. Cir. 2012).

for protection against dilution only “if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.” 15 U.S.C. § 1125(c)(2)(A). This strict standard reflects Congress’s determination that dilution protection should be the exception to the rule²⁰ and available only if a plaintiff claiming mark fame makes compelling showings under the four factors set forth in Section 43(c) as governing the mark-fame inquiry. *See* 15 U.S.C. § 1125(c)(2)(a)(i) to (iv). Those factors, and the deficiencies of TEC’s showings under them are:

(i) *The duration, extent, and geographic reach of advertising and publicity of the claimed mark, whether advertised or publicized by the owner or third parties:* TEC has adduced no record evidence or testimony under this factor as of 1785. *See R.J. Ants, Inc. v. Marinelli Enters.*, 771 F. Supp. 2d 475, 501 n.6 (E.D. Pa. 2011) (rejecting as a matter of law claim of mark fame for A TASTE OF PHILADELPHIA mark for various food items, in part because “Plaintiff has not expended significant resources on advertising its business”).

(ii) *The amount, volume, and geographic extent of sales of services offered under the claimed mark:* The record is devoid of any evidence or testimony under this factor as of 1785. *See Biosafe-One, Inc. v. Hawks*, 524 F. Supp. 2d 452, 466-67 (S.D.N.Y. 2007) (rejecting claim of mark fame based on absence of evidence “that the amount, volume, and extent of sales under the mark is at a level that demonstrates the necessary degree of recognition by the general U.S. public”).

(iii) *The extent of actual recognition of the claimed mark:* TEC has identified neither

²⁰ The legislative history of Section 43(c) explains, “the legislation expands the threshold of ‘fame’ and thereby denies protection for marks that are famous only in ‘niche’ markets.” H.R. Rep. No. 109-23, at 8 (2005). Similarly, one of the legislation’s sponsors noted, “[t]he goal must be to protect only the most famous trademarks Dilution should ... be used sparingly as an “extraordinary” remedy, one that requires a significant showing of fame.” *Id.* at 25.

survey results nor other evidence its claimed marks were widely recognized as of the DSC's first use in 1785. *See Bros. of Wheel M.C. Executive Council, Inc. v. Mollohan*, 909 F. Supp. 2d 506, 539 (S.D. W. Va. 2012) (dismissing claim of mark fame at pleadings stage because “[t]he plaintiff has provided the court with no information, data, or statistics demonstrating that its mark is widely recognized by the general consuming public of the United States to the same extent of the national [DUPONT, BUICK, and KODAK] brands referenced in [Section 43(c)’s legislative history]”), *aff’d*, 609 F. App’x 149 (4th Cir. 2015).

(iv) *Whether the claimed mark is federally registered*: Although ownership of a federal registration will not in and of itself create a factual dispute as to mark fame, *Mattel*, 782 F. Supp. 2d at 1010–11, there is no dispute here that TEC registered its claimed marks only in 2007—over two centuries after the DSC’s date of first use. *See Luv N’ Care, Ltd. v. Regent Baby Prods. Corp.*, 841 F. Supp. 2d 753, 757 (S.D.N.Y. 2012) (dismissing claim of mark fame as a matter of law based in part on unregistered status of plaintiff’s mark).

There consequently can be no material dispute that TEC’s claimed marks lacked the required fame in 1785, even if TEC had adopted them prior to that year (which it did not); indeed, even today, the fame of those claimed marks extends at best only to the niche market for religious services and related goods. *See Urban Grp. Exercise Consultants, Ltd. v. Dick’s Sporting Goods, Inc.*, 106 U.S.P.Q.2d 1756, 1763 (S.D.N.Y. 2012) (dismissing dilution cause of action for failure to state claim and noting that Congress intended for courts “to reject dilution claims based on niche fame, i.e. fame limited to a particular channel or trade, segment of industry or service, or geographic region”). Summary disposition of TEC’s dilution-based cause of action against the DSC’s THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA mark therefore is appropriate, even without taking into consideration such other relevant factors as the

geographic descriptiveness of TEC’s claimed marks and the undisputed third-party use of closely similar marks. *See R.J. Ants*, 771 F. Supp. 2d at 501 n.6 (rejecting claim of mark fame as a matter of law in part because of mark’s lack of inherent distinctiveness and because “the record shows that similar marks are used by several third parties”).

b. TEC Cannot Prove Likely Dilution Arising From the DSC’s THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA and THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA Marks

Even if the lack of fame attaching to TEC’s claimed marks was not beyond material dispute, the DSC still would be entitled to summary judgment on TEC’s challenges to the DSC’s THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA and THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA marks because TEC cannot demonstrate dilution under either of the two theories of that tort recognized by the Lanham Act.

i. No Record Evidence or Testimony Supports TEC’s Tarnishment Claim

TEC’s cannot prove the DSC’s marks are likely to tarnish TEC’s claimed marks under the definition of tarnishment set forth in Section 43(c)(2)(C), which provides that “‘dilution by tarnishment’ is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” 15 U.S.C. § 1125(c)(2)(C). Here, TEC does not—and cannot—claim anything about the DSC’s marks harms its reputation in any way recognized as actionable by past case law. Specifically, it has not shown the DSC’s marks are associated with contraband, shoddy goods or services, sexual activity, or obscenity.²¹ Consequently, there is

²¹ *See, e.g., Rolls-Royce Motors Ltd. v. Davis*, 118 U.S.P.Q.2d 1581, 1859 (D.N.J. 2016) (“A mark is tarnished ... when it is improperly associated with an *inferior* or *offensive* product or service ...

no material dispute the DSC's uses neither tarnish TEC's claimed marks nor are likely to do so.

ii. No Record Evidence or Testimony Supports TEC's Blurring Claim

Just as TEC cannot prevail on its dilution-by-blurring claim, so too is the DSC entitled to summary judgment as to TEC's assertion that the DSC's THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA and THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA marks are likely to blur the alleged fame of TEC's claimed marks under Section 43(c)(2)(B), which provides that "'dilution by blurring' is [an] association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." 15 U.S.C. § 1125(c)(2)(B). That Section establishes six statutory factors for consideration, and each favors the DSC:

(i) *The degree of similarity between the defendant's mark and the claimed famous mark:* Here, the only similarity between the parties' respective uses are the generic and descriptive words "protestant," "episcopal," and "church," which are not a basis for a finding of liability under a blurring theory.²²

(ii) *The degree of inherent or acquired distinctiveness of the allegedly famous mark:*

presenting a danger that customers will form unfavorable associations with the mark."); *see also V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 388-89 (6th Cir. 2010) (sex-related goods); *Dallas Cowboys Football Club, Ltd. v. America's Team Props., Inc.*, 616 F. Supp. 2d 622, 643 (N.D. Tex. 2009) (shoddy goods); *Pepsico, Inc. v. #1 Wholesale, LLC*, 84 U.S.P.Q.2d 1040, 1044 (N.D. Ga. 2007) (contraband).

²² *See, e.g., Miss Universe, L.P. v. Villegas*, 672 F. Supp. 2d 575, 594 (S.D.N.Y. 2009) (finding MISS ASIA USA mark unlikely to dilute MISS USA mark in part because "the limited distinctiveness of 'Miss USA' lessens the degree of protection dilution law affords it"); *Fla. Int'l Univ. Bd. of Trustees v. Fla. Nat'l Univ., Inc.*, 91 F. Supp. 3d 1265, 1287 (S.D. Fla. 2015) (summary judgment of nonliability because "[w]hile 'Florida International University' and 'Florida National University' may indeed sound the same, the words 'international' and 'national' have different meanings, and though only two syllables distinguishes the two marks, those two syllables are not insignificant"), *aff'd*, 830 F.3d 1242 (11th Cir. 2016); *see also Swatch AG*, 739 F.3d at 163 (dilution unlikely based in part on dissimilarity between SWATCH and SWAP marks).

Here, as set forth above, TEC conceded while registering its marks under Section 2(f) of the Lanham Act, 15 U.S.C. § 1052(f), that the marks were merely descriptive and therefore lacking inherent distinctiveness. This factor therefore weighs against a finding of blurring.²³

(iii) *The extent to which the owner of the allegedly famous mark engages in substantially exclusive use of its mark:* This factor strongly favors the DSC because of the myriad third-party uses of the words comprising TEC’s claimed marks, especially the generic word “episcopal.”²⁴

(iv) *The degree of recognition of the allegedly famous mark:* A finding that an allegedly famous mark is widely recognized will not itself create a factual dispute precluding the disposal of a dilution-by-blurring cause of action on summary judgment.²⁵ Here, TEC has failed to make any showing that its claimed marks enjoy any greater degree of recognition than any of the myriad other uses of the word “episcopal”; indeed, there is no record evidence or testimony that TEC’s claimed marks are more widely recognized than the DSC’s marks, and summary judgment therefore is appropriate for that reason as well.

²³ See *Miss Universe*, 672 F. Supp. 2d at 594 (“It is fair to say that the limited distinctiveness of [the plaintiff’s mark] lessens the degree of protection dilution law affords it.”).

²⁴ See *Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1210 (1st Cir. 1983) (“If the other registrations and uses of the ‘ASTRA’ mark have not already diminished the uniqueness of Astra’s mark, [defendant’s] use of it . . . will not diminish it, either.”); *Va. Polytechnic Inst. & State Univ. v. Hokie Real Estate, Inc.*, 100 U.S.P.Q.2d 1199, 1212 (W.D. Va. 2011) (declining to find liability because “[f]irst and most importantly, the court is unable to conclude that [the plaintiff] is engaging in ‘substantially exclusive use’ of [its] mark”); *Pan Am. World Airways, Inc. v. Flight 001, Inc.*, No. 06Civ14442CSH, 2007 WL 2040588, at *19 (S.D.N.Y. July 13, 2007) (denying relief because “the fact that numerous other . . . companies [in the same industry] use meridian globe logos suggest that the defendants’ globe logo is not likely to diminish the capacity of the [plaintiff’s] logo to identify and distinguish goods and services”). “Where there are several identical or very similar marks [in the marketplace], a [defendant’s] mark that may have some similarities to the [plaintiff’s] mark is unlikely to cause any significant further dilution,” and that is the case here. *Hershey Co. & Hershey Chocolate & Confectionery Corp. v. Promotion in Motion, Inc.*, No. 07-CV-1601 (SDW), 2013 WL 12157828, at *25 (D.N.J. Jan. 18, 2013).

²⁵ See, e.g., *V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734, 746–47 (W.D. Ky. 2008), *aff’d*, 605 F.3d 382 (6th Cir. 2010).

(v) *Whether the defendant intended to create an association with the allegedly famous mark:* The proposition that, in 1785, the DSC intended to associate itself with marks that would not exist for at least another half-century strains credulity. In any case, if anything is apparent from the record, it is that no party on either side of the divide intends to associate itself with the parties on the other. This factor therefore strongly supports a finding of nonliability as a matter of law.²⁶

(vi) *Any actual association between the defendant's mark and the allegedly famous mark impairing the distinctiveness of the allegedly famous mark:* TEC has produced no evidence of an actual association between the parties' marks other than the results of the Klein confusion survey, but those results do not create a factual dispute for two reasons. First, as in the likelihood-of-confusion context, the survey results do not create a factual dispute as to the lack of association because "the survey did not measure how consumers would react to the [DSC's] marks as they are actually packaged and presented in commerce." *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 101 U.S.P.Q.2d 1212, 1216 (S.D.N.Y. 2011), *aff'd*, 736 F.3d 198 (2d Cir. 2013).²⁷

Second, and of equal significance, mere association is not probative evidence of actionable dilution; instead, Section 43(c)(2)(B) expressly requires proof of an "association arising from the similarity between a mark or trade name and a famous mark *that impairs the distinctiveness of the famous mark.*" 15 U.S.C. § 1125(c)(2)(B); *see also* 4 *McCarthy, supra*, § 24:116 (observing that "[e]ven if there is proof of a likely association, that does not mean that there is also a likelihood of

²⁶ *See, e.g., Century 21 Real Estate*, 2007 WL 433579, at *4 (summary judgment of nonliability based in part on absence of intent to associate), *aff'd*, 300 F. App'x 527 (9th Cir. 2008); *Swatch, S.A. v. Beehive Wholesale, L.L.C.*, 888 F. Supp. 2d 738, 757 (E.D. Va. 2012) (finding that defendant's knowledge of plaintiff's mark did not constitute evidence of an intent to associate), *aff'd*, 739 F.3d 150 (4th Cir. 2014); *Va. Polytechnic Inst.*, 100 U.S.P.Q.2d at 1212 (denying relief based in part on defendant's good faith).

²⁷ *See also Playtex Prods., Inc. v. Ga.-Pac. Corp.*, 390 F.3d 158, 167–68 (2d Cir. 2004) (rejecting similarly flawed association survey not reflecting marketplace realities).

dilution by blurring or tarnishment” in the absence of evidence of an impairment). Here, TEC has acknowledged the absence of monetary damage, and the record is equally devoid of proof that TEC’s in its claimed marks or their effectiveness as brand signals has been diminished in any way.²⁸ TEC’s claim of blurring necessarily fails as a result.

C. The DSC is Entitled to Summary Judgment on the Plaintiff Bishops’ and TECSC’s False Advertising Claims

The DSC is entitled to prevail as a matter of law on the false advertising causes of action asserted by the Plaintiff Bishops and TECSC²⁹ because those Plaintiffs cannot make the first, second, third, and fifth showings under this Circuit’s test for liability:

(1) the defendant made a false or misleading description of fact or representation of fact in a commercial advertisement about his own or another’s product; (2) the misrepresentation is material, in that it is likely to influence the purchasing decision; (3) the misrepresentation actually deceives or has the tendency to deceive a substantial segment of its audience; (4) the defendant placed the false or misleading statement in interstate commerce; and (5) the plaintiff has been or is likely to be injured as a result of the misrepresentation, either by direct diversion of sales or by a lessening of goodwill associated with its products.

Verisign, Inc. v. XYZ.COM LLC, 848 F.3d 292, 298-99 (4th Cir. 2017). Each of these elements is separately and independently necessary for a finding of liability. *Id.* at 299.³⁰ Moreover, plaintiffs asserting false advertising “must be able to point to at least one challenged statement that satisfies all five Lanham Act requirements; ... a Lanham Act claimant may not mix and match statements, with some satisfying one Lanham Act element and some satisfying others.” *Id.*³¹

²⁸ See *Nordstrom, Inc. v. NoMoreRack Retail Grp.*, No. C12-1853-RSM, 2013 WL 1196948, at *13 (W.D. Wash. Mar. 25, 2013) (“The [plaintiff’s] evidence is not persuasive because there is no discerning whether the number of complaints actually correlates with the business’ overall reputation.”).

²⁹ TEC has not asserted a cause of action for false advertising.

³⁰ Because Plaintiff Bishops and TECSC cannot carry satisfy the other prerequisites for liability, the Court need not address the fourth requirement to grant the Diocese’s motion.

³¹ Summary judgment in false advertising litigation is as appropriate as it is in the trademark infringement context. See, e.g., *Design Res., Inc. v. Leather Indus. of Am.*, 789 F.3d 495, 501-05 (4th

a. The Plaintiff Bishops and TECSC Cannot Prove a Literally False Statement

Summary judgment is appropriate because the Plaintiff Bishops and TECSC cannot prove the DSC has made literally false statements. Liability for false advertising will lie only if a challenged statement is “a representation of fact, or, a ‘specific and measurable claim, capable of being proved false or of being reasonably interpreted as a statement of objective fact.’” *Design Res.*, 789 F.3d at 502 (quoting *Pizza Hut, Inc. v. Papa John’s Int’l, Inc.*, 227 F.3d 489, 496 (5th Cir. 2000)). As the Fourth Circuit has explained, “[t]o be a representation of fact, the statement must “admit[] of being adjudged true or false in a way that ... admits of empirical verification.” *Id.* (quoting *Pizza Hut*, 227 F.3d at 496). Thus, the mere use of a generic word such as “episcopal” ordinarily does not qualify as such a statement. *See Apple Inc. v. Amazon.com Inc.*, 915 F. Supp. 2d 1084, 1090 (N.D. Cal. 2013).

In any case, even if “episcopal” is descriptive (and not generic), the DSC’s use of the word is entirely accurate. Under Section 43(a) of the Lanham Act, an objectively verifiable statement is actionable only if a plaintiff can make one of two showings: (1) the statement is literally false; or (2) if literally true, it nevertheless is misleading in context. *Design Res.*, 289 F.3d at 501. Here, the Plaintiff Bishops and TECSC cannot demonstrate literally false statements by the DSC, and nothing prevents this Court from reaching such a finding as a matter of law. *See, e.g., Verisign*, 848 F.3d at 304 (affirming entry of summary judgment for want of falsity).

Only an unambiguous statement can be found literally false, *Scotts Co. v. United Indus. Corp.*, 315 F.3d 264, 275–76 (4th Cir. 2002), and here there is nothing about the DSC’s THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA, THE

Cir. 2015) (affirming summary judgment of no false advertising); *Scheduled Airlines Traffic Offices, Inc. v. Objective Inc.*, 180 F.3d 583, 591 (4th Cir. 1999) (same).

EPISCOPAL DIOCESE OF SOUTH CAROLINA, or THE DIOCESE OF SOUTH CAROLINA marks that unambiguously informs the public the DSC is affiliated with the Plaintiff Bishops and TECSC. Nor is such a finding even remotely plausible in light of the multiple third-party denominations and churches that also use the word “episcopal.” Because the DSC’s use of the word points no more to the Plaintiff Bishops and TECSC than it does to those numerous other entities,³² it is not an unambiguous and literally false statement. *See Design Res., Inc.*, 789 F.3d at 502 (affirming entry of nonliability because a claim that is “implicit, attenuated, or merely suggestive usually cannot fairly be characterized as literally false”); *accord First Data Merch. Servs. Corp. v. SecurityMetrics, Inc.*, 672 F. App’x 229, 235–36 (4th Cir. 2016). On the contrary, the only unambiguous connotation of the DSC’s use of “episcopal” is that the DSC is subject to the governance of a bishop, a connotation that it is indisputably literally true. If the Plaintiff Bishops and TECSC are to demonstrate falsity, they therefore must do so on the theory that the DSC has disseminated literally true but misleading advertising; the Court need not address that issue, however, because the Plaintiff Bishops and TECSC have failed to prove the required evidence of deception arising from that advertising.

b. To the Extent the Plaintiff Bishops and TECSC Allege Literally True but Misleading Advertising, They Have Failed to Show Deception Through Extrinsic Evidence

A plaintiff asserting literally true but misleading advertising must support its case with extrinsic evidence of deception. *Scotts Co.*, 315 F.3d at 274; *Design Resources*, 789 F.3d at 501. That requirement must be satisfied through survey evidence, and, in its absence, summary judgment is appropriate. *See id.* at 504; *see also Scotts Co.*, 315 F.3d at 276-68 (rejecting results of

³² By the same token, the Plaintiff Bishops’ and TECSC’s own use of the word “episcopal” does not unambiguously state they are affiliated with The Reformed Episcopal Church, The Southern Episcopal Church, The African Methodist Episcopal Church, etc.

focus group discussions in lieu of survey evidence); *Honeywell Int'l Inc. v. ICM Controls Corp.*, 45 F. Supp. 3d 969, 989-90 (D. Minn. 2014) (entering summary judgment of nonliability and declining to accept expert testimony in lieu of survey evidence). As one court has explained:

[A]bsent a showing of absolute falsity, it is absolutely essential for the Plaintiff to show actual deception by using reliable consumer or market research. It is not for the Court to determine, based solely on some intuitive or visceral reaction whether an advertisement is deceptive. Plaintiff cannot obtain relief simply by arguing how consumers *could* react, rather, it must show how consumers *actually* react.

BellSouth Advert. & Publ'g Corp. v. Lambert Publ'g, 45 F. Supp. 2d 1316, 1321 (S.D. Ala. 1999) (citations omitted), *aff'd without op.*, 207 F.3d 663 (11th Cir. 2000).³³

Here, the Plaintiff Bishops and TECSC have failed to conduct the required survey. Although TEC—and not those plaintiffs—commissioned one from Robert Klein purporting to show actual *confusion* between the parties' marks, its results are irrelevant to whether a challenged statement created the *deception* required for false advertising. For example, having failed to demonstrate literal falsity, the plaintiff in *Parks, LLC v. Tyson Foods, Inc.*, 186 F. Supp. 3d 405 (E.D. Pa. 2016), *aff'd*, 863 F.3d 220 (3d Cir. 2017), sought to demonstrate deception through a confusion survey, in effect “asking [the] survey to pull double duty.” *Id.* at 417. Entering summary judgment of nonliability, the court rejected the survey's use in this manner, *id.* at 418:

Instead of assessing the message that the [defendants'] packaging communicates, this survey assessed whether consumers who encounter the two products simultaneously would be confused about their relationship to each other. While that may be an appropriate method to assess the likelihood of confusion in connection with a trademark infringement claim, it is not the appropriate methodology to assess the veracity of a message that an advertisement conveys to its target audience.

³³ See also *Gameologist Grp. v. Sci. Games Int'l, Inc.*, 838 F. Supp. 2d 141, 165 (S.D.N.Y. 2011) (“[T]o demonstrate that an advertisement is likely to deceive or confuse customers, a plaintiff must produce some extrinsic evidence of such consumer deception or confusion, even at the summary judgment stage.”).

The Fourth Circuit has similarly held that “[t]he purpose of consumer surveys in false advertising cases is to determine the *message* actually conveyed to consumers.” *Scotts Co.*, 315 F.3d at 280 (emphasis added). Even if, as set forth above, the Klein survey was not fundamentally flawed from a trademark perspective, its results would be similarly inapposite to the issue of deception in the false advertising context. As did the unconvincing survey in *Parks*, that survey failed to ask respondents what message they received when exposed to the DSC’s THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA and THE EPISCOPAL DIOCESE OF SOUTH CAROLINA marks; rather, a leading question prompted respondents to give “Yes,” “No,” or “Don’t know/Unsure” responses, which is a different inquiry altogether. The court’s observations in *CKE Restaurant v. Jack in the Box, Inc.*, 494 F. Supp. 2d 1139 (C.D. Cal. 2007), are thus equally appropriate here:

Plaintiffs’ survey uses leading and suggestive questions, and consumers were not permitted to articulate their own impressions of the commercials. Typically, consumer perception surveys begin with open-ended questions that permit consumers to identify the primary message of a commercial and any source of deception. In Plaintiffs’ survey, the questions were unfairly framed as to beg the results that Plaintiffs ultimately received.... By providing the consumers with the suggested response, Plaintiffs increased the likelihood of biased results.

Id. at 1144-45 (citation omitted).

Equally to the point, as in the infringement context, the Klein survey’s failure to expose respondents to the DSC’s mark as the mark appears in the marketplace precludes its results from having any weight. The survey expert for the unsuccessful plaintiff in *Scotts Co.* employed a similar strategy by folding the packaging used as a stimulus into quadrants so respondents viewed a limited part of the message on that packaging, 315 F.3d at 280; here, of course, respondents to the Klein survey saw the DSC’s mark in a complete vacuum and without context, especially the un-

disputed practice of both the DSC and the Plaintiff Bishops and TECSC to advise potential parishioners of the ongoing dispute and multiple lawsuits between them. “Thus, because [Plaintiffs’] claim depends on consumer confusion ..., and the survey on which [Plaintiffs] rel[y] demonstrates no confusion ..., [Plaintiffs] fail[] to substantiate a theory of implied falsity” *Design Res.*, 789 F.3d at 504.

c. The Plaintiff Bishops and TECSC Cannot Prove Materiality

To demonstrate materiality, a plaintiff alleging false advertising must prove the alleged misrepresentations are likely to affect consumer purchasing decisions. *See, e.g., Medisim Ltd. v. BestMed LLC*, 910 F. Supp. 2d 591, 618 (S.D.N.Y. 2012) (entering summary judgment of nonliability based on absence of evidence of materiality). Here, even if the Plaintiff Bishops and TECSC could establish that potential parishioners valued a local church’s affiliation with a larger denomination, the record contains no evidence those potential parishioners value an affiliation with TEC in particular. *See Electrology Lab., Inc. v. Kunze*, 169 F. Supp. 3d 1119, 1158 (D. Colo. 2016) (rejecting claim of false advertising in action between competing certifying agencies because “while the evidence supports that receiving *some* certification was important to the consumers, for many consumers it mattered not whether it was [from a particular provider]”). The DSC therefore is entitled to summary judgment for this reason as well. *See Apotex Inc. v. Acorda Therapeutics, Inc.*, 823 F.3d 51 (2d Cir. 2016) (affirming summary judgment of nonliability because “[the plaintiff] fails to make the necessary showing that the specific misrepresentation ... in ... [the defendant’s] advertisements—was likely to influence consumers’ purchasing decisions.”).

d. The Plaintiff Bishops and TECSC Cannot Demonstrate Actual or Likely Injury Arising from Any Conduct of the DSC

For a false advertising claim to escape summary judgment, “there must ... be evidence that the injury was ‘competitive’ *i.e.*, that the plaintiff’s ability to compete with the defendant was

actually harmed.” *Brosnan v. Tradeline Sols., Inc.*, 681 F. Supp. 2d 1094, 1099 (N.D. Cal. 2010).

Moreover, there must be a nexus between the allegedly false advertising and any claimed damage:

This is not a minor or technical element of a Lanham Act claim; indeed, as the Supreme Court has explained, it is the core requirement that a plaintiff “show economic or reputational injury flowing directly from the deception wrought by the defendant’s advertising” that assures Article III standing in Lanham Act cases. Accordingly, we have made clear that the indispensable fifth element of a Lanham Act claim is that “the plaintiff has been or is likely to be injured as a result of the [alleged] misrepresentation, either by direct diversion of sales or by a lessening of goodwill associated with its product.”

Verisign, 848 F.3d at 299-300 (quoting *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 133 (2014); *Design Res.*, 789 F.3d at 501).

Here, the Plaintiff Bishops and TECSC have admitted in discovery they have not been harmed financially in any way. Moreover, although alleging in paragraph 80 of their Third Amended Complaint that “Bishop Lawrence’s conduct diverts to him and his followers individuals who would otherwise join ... [TECSC’s] and Bishop vonRosenberg’s and Bishop Adams’ mission,” those Plaintiffs have not produced any evidence or testimony that even a single parishioner has declined to join them because of any “advertising” by the DSC. On the contrary, the record conclusively establishes all parties to this lawsuit have conspicuously disclosed their doctrinal differences and that any parishioners leaving one flock and joining another have relied on those differences and not on any alleged belief that the parties remain affiliated. Indeed, the DSC has introduced undisputed expert witness testimony that 91% of respondents to a survey consider the belief and doctrine of that church important or extremely important. Declaration No. 6 of Andrew Platte – Defendants’ Expert Reports, Exhibits 4 - Expert Report of Thom S. Rainer at 27. Of equal significance, the Plaintiff Bishops and TECSC have not even attempted, much less demonstrated, that any individual parishioners they may have lost have transferred their allegiance to the DSC in particular as opposed to one of the many other denominations (or even religions) “clamoring for

attention in a ... competitive market.” *Verisign*, 848 F.3d at 301; *see also id.* (affirming entry of summary judgment in light of plaintiff’s inability to demonstrate cause of allegedly diverted customers).

In lieu of claimed monetary damage, the Plaintiff Bishops and TECSC could have introduced expert testimony bearing on any claim of reputational damage they may endured. *See, e.g., Merial Inc. v. Ceva Sante Animale S.A.*, No. 3:15-CV-40 (CDL), 2015 WL 13376946, at *3 (M.D. Ga. Sept. 4, 2015) (declining to accept speculative conclusions of expert); *Nature’s Prods., Inc. v. Natrol, Inc.*, No. 11-62409-CIV, 2013 WL 11275370, at *4 (S.D. Fla. Oct. 8, 2013) (considering admissibility of expert testimony proffered to establish alleged damage to plaintiff’s brand equity). No such testimony appears in the record, however, and those Plaintiffs’ inability to demonstrate any actionable damage allegedly caused by the DSC merits the dismissal of their claims of false advertising, separate and independent of the other deficiencies of those claims discussed above.

D. As a Matter of Law, Laches Bars All TEC’s Claims

Although the DSC is entitled to summary judgment as to the merits of all claims asserted against it by TEC, it also is entitled to prevail as a matter of law because laches bars those claims. “Estoppel by laches generally applies to preclude relief for a plaintiff who has unreasonably ‘slept’ on his rights. In other words, laches bars false advertising claims where a defendant is prejudiced by a plaintiff’s unreasonable delay in bringing suit after the plaintiff knew of the defendant’s violation.” *PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111, 121 (4th Cir. 2011) (citation omitted). Because the Lanham Act does not contain a statute of limitations, the Fourth Circuit has endorsed use of the state statutes of limitations for analogous torts as appropriate benchmarks for evaluating plaintiffs’ delays. *Id.* at 121. In South Carolina, that statute of limitations is three years.

See S.C. CODE ANN. § 15-3-530(2) (designating a 3-year statute of limitations for actions for liability created by statute other than a penalty or forfeiture); *id.* § 39-5-150 (designating a 3-year statute of limitations for actions for unfair trade practices); *Secret of the Islands, Inc. v. Hymans Seafood Co.*, No. 2-17-cv-00342, 2018 WL 1566706, at *3 (D.S.C. Mar. 30, 2018) (identifying three years as relevant benchmark). A plaintiffs' delay for longer than that period creates a strong presumption of unreasonable delay and prejudice. See *PBM Prods.*, 639 F.3d at 121.

Here, the DSC has used its THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF SOUTH CAROLINA mark since 1795 and its THE EPISCOPAL DIOCESE OF SOUTH CAROLINA mark since 1997. Moreover, even if the date of the DSC's disassociation from TEC is taken as that on which TEC's claims accrued, TEC's circa-2012 knowledge of the disassociation is undisputed: Indeed, paragraph 26 of TEC's own complaint recites that "[i]n 2012, defendant Lawrence renounced his affiliation with The Episcopal Church, and The Episcopal Church removed him from his office as a bishop in The Episcopal Church"; moreover, each of the following three paragraphs avers that the complained-of activities by the DSC began in that year. Dkt. No. 150 ¶¶ 26-29. Nevertheless, and despite this admitted knowledge, TEC did not file suit to vindicate its purported trademark rights until August 2017.

Because—however it may be measured—TEC's knowing delay in challenging the DSC's prior-used mark extends beyond the three-year period recognized by South Carolina law, TEC's delay is presumptively unreasonable. Moreover, there can be no dispute the DSC has suffered evidentiary prejudice, which "encompasses such things as lost, stale or degraded evidence or witnesses whose memories have faded or who have died." 6 *McCarthy, supra*, § 31:12. Here, the original witnesses to its adoption of THE PROTESTANT EPISCOPAL CHURCH IN THE STATE OF SOUTH CAROLINA have been dead for over a century, and the memory of those

witnesses to the DSC's adoption of its THE EPISCOPAL DIOCESE OF SOUTH CAROLINA mark in 1997 have undoubtedly dimmed in the over two decades since that occurred. The DSC therefore has been disadvantaged in establishing its good faith and lack of intent to associate itself with TEC, considerations that, as noted above, are relevant to the causes of action TEC has asserted against the DSC. *See Haggart Int'l Corp. v. United Co. for Food Indus. Corp.*, 906 F. Supp. 2d 96, 138 (E.D.N.Y. 2012) (finding evidentiary prejudice based on deaths of potential defense witnesses). The DSC also will be economically disadvantaged if it is required to abandon the brand equity it has cultivated in those two mark over the past 200 and 21 years: Even if that disadvantage cannot be quantified, "the Court does not need a precise accounting in order to find that [the DSC] would suffer economic prejudice if [TEC] was now allowed to claim sole rights to the [disputed] mark in the United States." *Haggart Int'l Corp.*, 906 F. Supp. 2d at 138. The Court therefore need not decide whether TEC has protectable rights that have been violated, because the "manifest commercial injustice" of TEC's belated claims precludes even injunctive relief. *See Ambrosia Chocolate Co. v. Ambrosia Cake Bakery*, 165 F.2d 693, 697 (4th Cir. 1947) (injunctive relief barred by mere eight-year delay). As the Supreme Court held in *Ancient Egyptian Arabic Order of Nobles of the Mystic Shrine v. Michaux*, 279 U.S. 737 (1929), a case presenting a mere century-plus delay in asserting rights, laches bars a trademark plaintiff from "asserting an exclusive right, or seeking equitable relief," *id.* at 749; here, of course, the delay exceeds two centuries.

IV. Conclusion

For the reasons set forth above, the Court should grant summary judgment to the DSC with respect to all claims against it based on the Plaintiffs' inability to prove priority of rights and liability on the merits; the Court should enter summary judgment in the DSC's favor with respect to TEC's claims for the additional reason that laches bars those claims.

December 7, 2018

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