

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION**

The Right Reverend Charles G.)
vonRosenberg, individually and in his)
capacity as the former Provisional Bishop of)
The Episcopal Church in South Carolina and)
The Right Reverend Gladstone B. Adams, III,)
individually and in his capacity as the)
Provisional Bishop of The Episcopal Church)
in South Carolina,)
Plaintiffs,)
The Episcopal Church,)
Plaintiff in Intervention)
vs.)
The Right Reverend Mark J. Lawrence, et al.)
Defendants.)

**CIVIL ACTION NUMBER:
2:13-cv-00587-RMG**

**DEFENDANTS, CHURCH OF THE
CROSS, INC. AND CHURCH OF THE
CROSS DECLARATION OF TRUST,
CHURCH OF OUR SAVIOUR, IN THE
DIOCESE OF SOUTH CAROLINA,
HOLY TRINITY, GRAHAMVILLE, ST.
ALBAN’S CHAPEL, ST. ANDREW’S
MISSION, ST. JOHN’S EPISCOPAL,
CHARLESTON, THE VESTRY AND
CHURCH WARDENS OF ST. JUDE’S
CHURCH OF WALTERBORO’S
MEMORANDUM IN SUPPORT OF
MOTION FOR SUMMARY
JUDGMENT**

Pursuant to Rule 56 of the Federal Rules of Civil Procedure, Defendants Church of the Cross, Inc. and Church of the Cross Declaration of Trust, The Church of Our Saviour, in the Diocese of South Carolina, Holy Trinity, Grahamville, St. Alban’s Chapel, St. Andrew’s Mission, St. John’s Episcopal, Charleston, and The Vestry and Church Wardens of St. Jude’s Church of Walterboro (collectively “Defendants”) hereby submits this Memorandum in Support of its Motion for Summary Judgment against Plaintiff Adams and vonRosenberg (“Plaintiff Bishops”), Plaintiff-in-Intervention The Episcopal Church in South Carolina (“TECSC”), and Plaintiff-in-Intervention The Episcopal Church (“TEC”) (collectively “Plaintiffs”).

INTRODUCTION

Filed in 2013, this trademark action is one iteration of a number of ongoing lawsuits between the parties since the Defendant Diocese and the Defendant Parishes parted ways with TEC and those later formed TECSC in 2012. In the South Carolina State Court proceeding, the court found that the Diocese disassociated from the unincorporated association TEC and the parishes remained associated with the Diocese. The Defendants retained their corporate identities and names after this disassociation of the Diocese. A fractured South Carolina Supreme Court issued five separate opinions on the issues appealed by TEC and TECSC and on remitter, the state trial court is determining the application of those five separate opinions. Plaintiffs amended this action to raise Lanham Act claims against Bishop Lawrence, the Diocese, and the associated Parishes.

Earlier this year, 2018, Plaintiffs amended their pleadings to name the Defendant Parishes, including Defendants, based on Parishes' alleged use of the word "episcopal" and public association with a "diocese." Plaintiffs' claims fail as a matter of law for a number of reasons. First, as shown by briefing submitted by the Defendant Diocese, which Defendants specifically incorporates by reference herein, the marks which form the basis of Plaintiffs' claims are generic and, thus, invalid. Second, Defendants' use of its marks predates both the existence of TEC and TECSC and their use of any alleged marks. Without priority, Plaintiffs claims against Defendants fail. Next, even if Plaintiffs are senior owners of valid marks, they have not—and cannot—introduce evidence supporting the elements of their causes of action. Finally, Plaintiffs' delay in naming Defendants in this case is fatal under the doctrine of laches. For these reasons, Defendants are entitled to summary judgment on all of Plaintiffs' claims.

FACTUAL BACKGROUND

A. Church of the Cross, Inc. and Church of the Cross Declaration of Trust (“The Cross”)

The Cross has existed as a religious South Carolina nonprofit and eleemosynary corporation since July 3, 1979. Exhibit 1 (TC-1). Prior to its incorporation, it existed as a religious unincorporated association since May 23, 1767. Exhibit 2 (Tr. Testimony Charles Owens, p. 1097 (July 14, 2014)).

The Plaintiff-in-Intervention The Episcopal Church (“TEC”) has not provided any facts to support its causes of action against The Cross. TEC’s Rule 30(b)(6) designee, Chief Operating Officer Geoffrey T. Smith, testified TEC could not provide “any specific instance” where a member of the public became confused that The Cross was affiliated with TEC. Exhibit 3 - Smith Depo. p. 162:23-163:7 (Oct. 23, 2018). TEC testified that The Cross does not use any of the registered marks of TEC. *Id.* at p. 163:14-167:2. Neither could TEC identify any activities of The Cross that has led to dilution of their marks, either through blurring or tarnishment other than a general statement that “actions that they have taken would be the creation of confusion”. *Id.* at p. 167:2-168:8. TEC could not identify any evidence supporting this general statement of confusion created by The Cross, *Id.* at p. 168:9-12, that The Cross created public confusion or false perceptions, *Id.* at p. 168:18-24, or identified any repeat actions by The Cross. *Id.* at p. 169:1-5. TEC admitted they have suffered no harm from The Cross, *Id.* at p. 169:7-9, and could not identify anyone who was misled by The Cross that they were affiliated with TEC. *Id.* at p. 169:10-15.

Plaintiff Adams and vonRosenberg, and Plaintiff-in-Intervention The Episcopal Church in South Carolina (collectively “TECSC”) similarly provided no evidence of confusion, trademark infringement, or false advertising by The Cross. TECSC’s 30(b)(6) designee, The Right Reverend Gladstone B. Adams, III, stated that they have no evidence of anyone in the public confused as to

whether The Cross was affiliated with TEC or TECSC. Exhibit 4 – Adams Depo. p. 254:15-19 (Oct. 22, 2018). He testified there were no instances of trademark infringement by The Cross. *Id.* at p. 254:20-255:5. Finally, he was not aware of any person who had misdirected funds to The Cross intending them to go to TEC or TECSC. *Id.* at p. 255:6-11. In fact, the only statement he made was The Cross was “listed with the [Diocese of South Carolina]” in response to the alleged infringing activity to The Cross. *Id.* at p. 253:24-254:3. TECSC’s designee, in response to other parish questions, later claimed that use of the Book of Common Prayer and the Hymnal was trademark infringement by the parishes on TEC’s marks. *Id.* p. 267:11-18. However, TEC’s designee, Geoffrey Smith, specifically testified that the use of the TEC Book of Common Prayer and the TEC Hymnal do not infringe on TEC’s marks. Exhibit 3 – Smith Depo. at p. 70:19-71:7.

B. The Church of Our Saviour of the Diocese of South Carolina (“Our Saviour”)

Our Saviour has existed as a religious South Carolina nonprofit and eleemosynary corporation since March 10, 1981. Exhibit 5 (OS-1).

TEC has not provided any facts to support its causes of action against Our Saviour. Its designee testified TEC was not “aware of any” instance where a member of the public became confused that Our Saviour was affiliated with TEC. Exhibit 6 - Smith Depo. p. 170:22-171:1. TEC was unable to provide any evidence that Our Saviour held itself out to the public that it was affiliated with TEC. *Id.* at p. 171:2-16, 177:10-13. TEC also testified that Our Saviour does not use any of the registered marks of TEC. *Id.* at p. 171:17-21, 175:24-176:6. TEC could also not identify any activities of Our Saviour that has led to dilution of their marks, either through blurring or tarnishment other than a general statement that “potential for confusion for people who are seeking an Episcopal Church that this indeed is an Episcopal Church”. *Id.* at p. 172:16-22. Yet TEC could not identify anyone misled by Our Saviour into believing that they were affiliated with

TEC. *Id.* at p. 177:10-13. TEC was unable to identify any action by Our Saviour that they allege created public confusion or false perceptions. *Id.* at p. 175:24-177:6. TEC admitted they have suffered no harm from Our Saviour. *Id.* at p. 177:7-9.

TECSC similarly provided no evidence of confusion, trademark infringement, or false advertising by Our Saviour. Its designee testified that they have no evidence of anyone in the public being confused as to whether Our Saviour was affiliated with TEC or TECSC. Exhibit 7 - Adams Depo. p. 255:12-16, 256:1-6. He testified there were no instances of trademark infringement by Our Savior. *Id.* at p. 255:22-25. Finally, he was not aware of any person who had misdirected funds to Our Saviour intending them to go to TEC or TECSC. *Id.* at p. 256:7-13. In fact, the only statement he made was Our Saviour's "association as a constituent member of the [Diocese of South Carolina] on the website" in response to the alleged infringing activity causing confusion by Our Saviour. *Id.* at p. 255:17-21. TECSC's designee, in response to other parish questions, later claimed that use of the Book of Common Prayer and the Hymnal was trademark infringement by the parishes on TEC's marks. *Id.* p. 267:11-18. However, TEC's designee, Geoffrey Smith, specifically testified the claim that the use of the TEC Book of Common Prayer and the TEC Hymnal do not infringe on TEC's marks. Exhibit 6 at p. 70:19-71:7.

C. Holy Trinity, Grahamville ("Holy Trinity")

Holy Trinity has existed as a religious unincorporated association since 1830. Ex. 8 (Depo. Dr. Rev. James A. Gibson, III, p. 11 (Oct. 31, 2018)). Holy Trinity has existed as a religious South Carolina nonprofit and eleemosynary corporation since 1876. Exhibit 9 (HTG-1218-002).

TEC has not provided any facts to support its causes of action against Holy Trinity. Its designee testified TEC was "not aware of any" instance where Holy Trinity held themselves out as being affiliated with TEC. Ex. 10 - Smith Depo. p. 212:8-11, 213:19-22. TEC also testified

that Holy Trinity does not use any of the registered marks of TEC. *Id.* at p. 211:12-17; 212:2-7. TEC could also not identify any activities of Holy Trinity that has led to dilution of their marks, either through blurring or tarnishment other than a general statement that “actions that they have taken would be the creation of confusion”. *Id.* at p. 212:12-15. TEC could not identify any evidence supporting this general statement about confusion created by Holy Trinity other than it describes itself as being a member of the Diocese of South Carolina. *Id.* at p. 212:25-213:15. TEC was unable to identify any actions or repeat actions by Holy Trinity that they allege created public confusion or false perceptions. *Id.* at p. 212:16-23. TEC admitted they have suffered no harm from Holy Trinity. *Id.* at p. 213:16-18.

TECSC similarly provided no evidence of confusion, trademark infringement, or false advertising by Holy Trinity. Its designee testified that they have no evidence of anyone in the public being confused as to whether Holy Trinity was affiliated with TEC or TECSC. Ex. 11 – Adams Depo. p. 282:12-16. He testified an instance of trademark infringement by Holy Trinity was through their use of the Book of Common Prayer and the Hymnal. *Id.* at p. 281:18-282:11, 282:17-283:8, 282:17-283:2. However, TEC’s designee specifically testified that the use of the TEC Book of Common Prayer and the TEC Hymnal does not infringe on TEC’s marks. Ex. 3 – Smith Depo. p. 70:19-71:7. Finally, he was not aware of any person who had misdirected funds to Holy Trinity intending them to go to TEC or TECSC. Ex. 10 – Adams Depo. p. 283:18-22. TECSC’s designee stated that Holy Trinity being “associated on the [Diocese of South Carolina] website” was an instance of trademark infringement by Holy Trinity. *Id.* at p. 283:3-8.

D. St. Alban’s Chapel (“St. Alban’s”)

St. Alban’s has existed as a college outreach ministry since the 1940s as a religious club at The Citadel. Exhibit 12- Sturdy Depo. p. 7:5-8:5. TEC has not provided any facts to support its

causes of action against St. Albans's. Its designee testified TEC was "not aware of any" instance where St. Albans's held themselves out as being affiliated with TEC. Exhibit 13 - Smith Depo. p. 219:16-220:9 (Oct. 23, 2018). TEC also testified that St. Albans's does not use any of the registered marks of TEC. *Id.* at p. 220:13-27. TEC could also not identify any activities of St. Albans's that has led to dilution of their marks, either through blurring or tarnishment. *Id.* at p. 221:10-12. TEC was unable to provide any evidence that St. Albans's held itself out to the public that it was affiliated with TEC. *Id.* at p. 219:11-15, 221:5-8. TEC was unable to identify any action by St. Albans's that they allege created public confusion or false perceptions. *Id.* at p. 220:18-24. Without being able to cite any evidence actions by St. Albans's, TEC admitted they have suffered no harm from St. Albans's. *Id.* at p. 221:1-4.

TECSC similarly provided no evidence of confusion, trademark infringement, or false advertising by St. Albans's. Its designee testified that they have no evidence of anyone in the public being confused as to whether St. Albans's was affiliated with TECSC just a parent who was upset that the Diocese of South Carolina disaffiliated with TEC. Exhibit 14 – Adams Depo. p. 290:23-293:24 (Oct. 22, 2018). He testified there were instances of trademark infringement by St. Alban's through their use of the Book of Common Prayer and the Hymnal. *Id.* at p. 293:25-294:5, 295:15-297:9. However, TEC's designee specifically testified the claim that the use of the TEC Book of Common Prayer and the TEC Hymnal do not infringe on TEC's marks. Exhibit 13 – Smith Depo. at p. 70:19-71:7. TECSC's designee testified that other than the use of the Book of Common Prayer and Hymnal that there was no instances of trademark infringement by St. Alban's as to the TEC marks. Ex. 14 – Adams Depo. p. 293:25-294:5. Finally, he was not aware of any person who had misdirected funds to St. Albans's intending them to go to TEC or TECSC. *Id.* at p. 297:18-24. TECSC's designee stated that St. Alban's being "association with the [Diocese of

South Carolina] own website” was an instance of trademark infringement by St. Albans’s. *Id.* at p. 294:6-11.

E. St. Andrew’s Mission (“St. Andrew’s”)

St. Andrew’s has existed as a religious South Carolina nonprofit and eleemosynary corporation since May 3, 1922. Exhibit 15. Prior to its incorporation, it existed as a religious unincorporated association since 1845. *Id.*

TEC has not provided any facts to support its causes of action against St. Andrew’s. Its designee testified TEC was “not aware of any” instance where St. Andrew’s held itself out to the public that it was affiliated with TEC. Exhibit 16 - Smith Depo. p. 217:21-24. TEC also testified that St. Andrew’s does not use any of the registered marks of TEC. *Id.* at p. 217:25-218:4. TEC could also not identify any activities of St. Andrew’s that has led to dilution of their marks, either through blurring or tarnishment. *Id.* at p. 218:5-11. TEC could not identify any evidence regarding public confusion regarding St. Andrew’s being affiliated with TEC. *Id.* at p. 218:15-25. Without being able to cite any evidence actions by St. Andrew’s, TEC admitted they have suffered no harm from St. Andrew’s. *Id.* at p. 218:12-14.

TECSC similarly provided no evidence of confusion, trademark infringement, or false advertising by St. Andrew’s. Its designee testified that they have no evidence of anyone in the public being confused as to whether St. Andrew’s was affiliated with TEC or TECSC. Exhibit 17 – Adams Depo. p. 286:9-13, 287:25-288:3. He testified there were instances of trademark infringement by St. Andrew’s through their use of the Book of Common Prayer and the Hymnal. *Id.* at p. 286:24-287:5. However, TEC’s designee specifically testified that the use of the TEC Book of Common Prayer and the TEC Hymnal do not infringe on TEC’s marks. Exhibit 16 – Smith Depo. at p. 70:19-71:7. Finally, he was not aware of any person who had misdirected funds

to St. Andrew's intending them to go to TEC or TECSC. *Id.* at p. 288:4-9. TECSC's designee stated that St. Andrew's being "associated on the [Diocese of South Carolina] website" was an instance of trademark infringement by St. Andrew's. *Id.* at p. 287:6-11.

F. St. John's Episcopal, Charleston ("St. John's Chapel")

St. John's Chapel has existed as a religious South Carolina nonprofit and eleemosynary corporation since November 11, 2006. Exhibit 18. Prior to its incorporation, it existed as a religious unincorporated association since 1839. Exhibit 19.

TEC has not provided any facts to support its causes of action against St. John's Chapel. Its designee testified the only instance of St. John's Chapel holding itself out as being affiliated with TEC was St. John's Chapel's website where they claim to be a "traditional Episcopal Church." Exhibit 20 - Smith Depo. p. 214:9-15, 215:24-216:3. TEC also testified that St. John's Chapel does not use any of the registered marks of TEC. *Id.* at p. 216:8-13. TEC could also not identify any activities of St. John's Chapel that has led to dilution of their marks, either through blurring or tarnishment. *Id.* at p. 216:4-7. TEC admitted they have suffered no harm from St. John's Chapel but claims alleged confusion created regarding the website that does not use the TEC marks. *Id.* at p. 216:14-18, and could not identify anyone who was misled by St. John's Chapel that they were affiliated with TEC. *Id.* at p. 215:11-15.

TECSC similarly provided no evidence of confusion, trademark infringement, or false advertising by St. John's Chapel. TECSC's designee stated that they have no evidence of anyone in the public being confused as to whether St. John's Chapel was affiliated with TEC or TECSC. Exhibit 21 - Adams Depo. p. 284:12-16. He testified there was an instance of trademark infringement by St. John's Chapel through their use of the Book of Common Prayer. *Id.* at p. 284:17-23. However, TEC's designee specifically testified that the claim that the use of the TEC

Book of Common Prayer and the TEC Hymnal do not infringe on TEC's marks. Exhibit 20 – Smith Depo. p. 70:19-71:7. TECSC's designee testified the other instances of infringement by St. John's Chapel was the use of the word "Episcopal" in St. John's Chapel's name and its "association on the [Diocese of South Carolina] website" was an instance of trademark infringement by St. John's Chapel. Ex. 21 – Adams Depo. p. 283:23-284:6, 284:24-285:5. Finally, he was not aware of any person who had misdirected funds to St. John's Chapel intending them to go to TEC or TECSC. *Id.* at p. 286:17-21.

G. The Vestry and Church Wardens of St. Jude's Church of Walterboro ("St. Jude's")

St. Jude's was incorporated as a religious South Carolina nonprofit and eleemosynary corporation on July 19, 1905 under the name "The Church Wardens and Vestry of St. Jude's Episcopal Church, Walterboro." Exhibit 22 (SJ-1). Prior to its incorporation, it existed as a religious unincorporated association since 1855. Exhibit 23 (Tr. Testimony Marianne Holmes, p. 949 (July 14, 2014)).

TEC has not provided any facts to support its causes of action against St. Jude's. Its designee testified TEC could not provide an instance where a member of the public became confused that St. Jude's was affiliated with TEC. Exhibit 24 - Smith Depo. p. 206:15-18, 207:17-20. TEC also testified that St. Jude's does not use any of the registered marks of TEC. *Id.* at p. 204:25-205:4. TEC claims that a statement on the St. Jude's website has led to dilution of their marks, either through blurring or tarnishment, but were unable to identify any instance of public being confusion or instance where the public thought St. Jude's was affiliated with TEC. *Id.* at p. 205:5-8, 204:17-24, 205:20-206:18. TEC could not identify any evidence supporting this alleged confusion created by St. Jude's. *Id.* at p. 206:15-18. TEC admitted they have suffered no harm from St. Jude's. *Id.* at p. 207:14-16.

TECSC similarly provided no evidence of confusion, trademark infringement, or false advertising by St. Jude's. Its designee stated that they have no evidence of anyone in the public confused as to whether St. Jude's was affiliated with TEC or TECSC. Exhibit 25 – Adams Depo. p. 273:15-19. He testified there were instances of trademark infringement by St. Jude's through their use of the Book of Common Prayer and the Hymnal. *Id.* at p. 272:22-273:5, 273:20-274:1. However, TEC's designee, Geoffrey Smith, specifically testified that the use of the TEC Book of Common Prayer and the TEC Hymnal do not infringe on TEC's marks. Exhibit 24 – Smith Depo. at p. 70:19-71:7. TECSC's designee was unaware of any other infringing activities by St. Jude's as to TEC or TESC. Ex. 25 – Adams Depo. p. 273:10-14, 273:20-274:1, 274:8-11. Finally, he was not aware of any person who had misdirected funds to St. Jude's intending them to go to TEC or TECSC. *Id.* at p. 274:16-20. TECSC's designee stated that St. Jude's "association on the [Diocese of South Carolina] website" was an instance of trademark infringement by St. Jude's. *Id.* at p. 274:2-7.

LEGAL STANDARD

Defendants incorporates herein by reference all of the legal arguments and authorities submitted to the court by The Protestant Episcopal Church, of the Parish of Saint Philip, in Charleston, in the State of South Carolina, and those of the Defendants The Rt. Rev. Mark J. Lawrence ("Bishop Lawrence") and The Protestant Episcopal Church In The Diocese of South Carolina ("Diocese of South Carolina") regarding trademark and Lanham Act claims.

ARGUMENT

I. TECSC Trademark Infringement Claims

For reasons more fully argued in Defendant Diocese's motions for summary judgment, Defendants are entitled to summary judgment on Plaintiff Bishops' and TECSC's trademark-

based claims because the Defendant Diocese—not the Plaintiffs—is the registrant, owner, and senior user of the “diocese” marks. Rather than repeat the Defendant Diocese’s arguments concerning its ownership and priority of use of the “diocese” marks, Defendants specifically incorporates by reference those portions of the Defendant Diocese’s motions for summary judgment.¹ As set forth below, the Plaintiff Bishops and TECSC cannot make out the elements of their remaining claim for trademark-based claims and, thus, Defendants are entitled to summary judgment.

II. TEC Trademark Claims - Confusion is Unlikely as a Matter of Law

TEC and TECSC (“Plaintiffs”) cannot establish likelihood of confusion. Each of the factors in the likelihood of confusion inquiry favors a finding of noninfringement in this case. *Variety Stores, Inc.*, 888 F.3d at 660. While a likelihood of confusion analysis can often involve disputed issues of fact, “summary judgment is appropriate if, based on the undisputed facts in the summary judgment record, no reasonable jury could find a likelihood of confusion.” *Fuel Clothing Co. v. Nike, Inc.*, 7 F. Supp. 3d 594, 609 (D.S.C. 2014) (internal citations and quotations omitted).

TEC’s marks are generic and also conceptually and commercially weak and entitled to a narrow scope of protection. *See* Memo. in Support of Mot. for Summary Judgment, Diocese of South Carolina and Bishop Mark Lawrence (Dec. 7, 2018). The widespread undisputed third-party use of “episcopal,” and “episcopal church” 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, Inc. v. Dollar Tree Stores, Inc.*, 227 F. App’x 239, 243 (4th Cir. 2007) (affirming grant of defense motion for summary judgment based

¹ TECSC’s designee admitted that TECSC was blocked from using the Diocese of South Carolina marks and are not terms of TECSC. Exhibit 4 – Adams Depo. at 58:11-59:4 & 210:1-212:4.

in part on weakness of plaintiff's mark as documented by third-party use); *Fuel Clothing Co.*, 7 F. Supp. 3d at 612 (summary judgment of noninfringement based in part on third-party use); *see also Petro Stopping Ctrs.*, 130 F.3d at 93 (holding third-party use of similar marks and lack of actual confusion to be probative of mark weakness).

Defendants do not use TEC's marks and the only similar words in their names are the generic words, "the" and "church." "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 trademark, 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*, 25 F.2d 370, 372 (4th Cir. 1928). In evaluating the similarity of the marks, "the marks need only be sufficiently similar in appearance, with greater weight given to the dominant or salient portions of the marks." *Variety Stores, Inc.* 888 F.3d at 664 (internal quotations omitted). Here, the Defendants' names are completely different and this factor weights against the Plaintiff.

Defendants and Plaintiffs do not have a directly competitive relationship. There is no relationship; the parties' dispute arises from a very conspicuous and public split between the parties. Additionally, the Diocese which the Defendants are affiliated with has publicly maintained that there is no affiliation between the parties. This factor also weighs against the Plaintiffs. *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).

Defendants do not provide their services side-by-side in the same manner as directly competitive goods in retail stores resulting in an absence of an overlap in individual retail outlets

weighing against likely confusion. 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).

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 under this factor. *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). Defendants have acted in good faith by promoting its affiliation with the Diocese of South Carolina who conscientiously advised the public of the lack of relationship between the itself, TEC and TECSC. *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)

The Plaintiffs fail to identify any deficiencies in the Defendants’ goods or services. This consideration therefore favors the grant of the Defendants motion. *See, e.g., 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 plaintiff’s failure to prove deficiencies in defendants’ goods); *Omega S.A. v. Omega Eng’g, Inc.*, 396 F. Supp. 2d 166, 182 (D. Conn. 2005) (same).

The high degree of sophistication of consumers of religious services precludes confusion. *See Universal Church, Inc. v. Universal Life Church/ULC Monastery*, No. 14 CIV. 5213 (NRB), 2017 WL 3669625, at *15 (S.D.N.Y. Aug. 8, 2017) (granting defense motion for summary judgment based in part on sophistication of potential consumers for religious services), *aff'd sub nom. Universal Church, Inc. v. Toellner*, No. 17-2960-CV, 2018 WL 5783687 (2d Cir. Nov. 2, 2018). In pursuing registration of its claimed mark, “The Episcopal Church”, 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. *See Palm Bay Imports, Inc. v. Vueve Clicquot Ponsardin*, 396 F.3d 1369, 1375 (Fed. Cir. 2005) (“Purchaser sophistication may tend to minimize likelihood of confusion. Conversely, impulse purchases of inexpensive items may have the opposite effect.”).

Exhibit 26 - 2006 Letter to USPTO.

Because the Fourth Circuit has repeatedly held that consumer sophistication such as that documented in this case weighs against a finding of infringement, summary judgment is appropriate for this reason as well. *See generally Shakespeare Co. v. Silstar Corp. of Am.*, 110 F.3d 234, 242 (4th Cir. 1997) (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 v. NetB@nk, Inc., 348 F. Supp. 2d 340, 355 (D.N.J. 2004) (granting defense motion for summary judgment 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”).

Finally, and perhaps most significantly, the Plaintiffs have failed to provide any evidence of actual confusion. The Plaintiffs did not provide an expert survey report concerning any of the parishes and the likelihood of confusion to the public. 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. 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.3d 316, 320 (4th Cir. 1992) (reinstating jury verdict of noninfringement based in part on absence of actual confusion). 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; *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) (summary judgment of noninfringement based on coexistence of parties’ marks for “many months” without actual confusion).

Each of the factors in the likelihood of confusion inquiry favors a finding of noninfringement in this case, therefore summary disposition of Plaintiffs' claims is appropriate.

III. Defendants are Entitled to Summary Judgment on Plaintiff Bishops and TECSC's False Advertising Claims

Defendants are entitled to prevail as a matter of law on the false advertising cause of action asserted by the Plaintiff Bishops and TECSC because those Plaintiffs cannot make any showing under this Circuit's test for liability. *Verisign, Inc. v. XYZ.COM LLC*, 848 F.3d 292, 299 (4th Cir. 2017). Plaintiff Bishops and TECSC have failed to prove the existence of a false statement by the Defendants and failed to produce any evidence of injury suffered as a result of the alleged false statement. TECSC's 30(b)(6) designee testified they have no evidence of anyone in the public confused as to whether the Defendants are affiliated with TEC or TECSC, and further, they are not aware of any person who had misdirected funds to the Defendants who intended those funds to go to TEC or TECSC. The only statement that The Plaintiff Bishops and TECSC identified as alleged infringing activity was the Defendants being listed on the Diocese's website. This statement is not false or misleading as the Defendants is a member of the Diocese of South Carolina. Plaintiff Bishops and TECSC has not identified on statement made by the Defendants that are false or misleading. Nor are the Plaintiff Bishops and TECSC able to point to one challenged statement by Defendants that satisfies all five Lanham Act requirements. *Verisign*, 848 F.3d at 299. Since the Plaintiff Bishops and TECSC has failed to identify any false statement "failure to establish any one element is fatal to the claim," *Design Res.*, 789 F.3d at 501, and their claims fail as a matter of law.

IV. Plaintiff TEC is not Entitled to Relief Under a Dilution Theory

The Defendants are 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 number of reasons. As in the

infringement context, a finding of genericness will preclude a successful claim for dilution. *See, e.g., Firefly Digital Inc. v. Google Inc.*, 817 F. Supp. 2d 846, 867 (W.D. La. 2011). The Court does not need to resolve the question of the validity of TEC's claimed marks to find as a matter of law that the Defendants are entitled to summary judgment on TEC's claims of dilution.

Specifically: (1) TEC cannot prove that the Defendants have commenced using a mark in commerce that allegedly is diluting the famous mark; (2) TEC has failed to show a similarity between the Defendants' mark and the famous mark gives rise to an association between the marks; and (3) TEC has failed to show that the association is likely to impair the distinctiveness of the famous mark or likely to harm the reputation of the famous mark. *Rosetta Stone Ltd.*, 676 F.3d at 168 (quoting *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 264 (4th Cir. 2007)) (affirming summary judgment of nondilution).

a. No Record Evidence or Testimony Supports TEC's Dilution by Tarnishment Claim

TEC cannot prove the Defendants marks are likely to tarnish TEC's claimed marks under the definition of tarnishment set for in Section 43(c)(3)(C), which provides that "dilution by tarnishment" is associated arising from the similarities between a mark or trade name and a famous mark that harms the reputation of the famous mark." 15 U.S.C. § 1125(c)(3)(C). Here TEC does not claim anything about Defendants' use of its marks harm their reputations in any way as recognized by past case law. *See, e.g., Rolls-Royce Motors Ltd. v. Davis*, 118 U.S.P.Q.2d 1851, 1859 (D.N.J. 2016) ("A mark is tarnished. . . when it is improperly associated with an . . . offensive product or service . . . 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). There is no material dispute that the Defendants' use of its name neither tarnishes TEC's claimed marks nor is likely to do so.

b. No Record Evidence or Testimony Supports TEC's Dilution by Blurring Claim

The Defendants are also entitled to summary judgment as to TEC's assertion that the Defendants' 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 Diocese:

(i) *The degree of similarity between the defendant's mark or trade name and the claimed famous mark:* Here, the only similarity between the parties' respective uses are the generic and descriptive words “the” and “church,” which are not a basis for a finding of liability under a blurring theory. *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) (granting defense motion for summary judgment and observing that “[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 (affirming finding that dilution unlikely based in part on dissimilarity between SWATCH and SWAP marks); *Century 21 Real Estate LLC v. Century Sur.*

Co., No. CIV030053PHXSMM, 2007 WL 433579, at *3 (D. Ariz. Feb. 6, 2007) (granting defense motion for summary judgment in part because “[g]iven the prevalence of the term ‘Century’ in the real estate and insurance industries and [the unitary nature of the C21 mark], the mere commonality of ‘Century’ in both parties’ marks is an insufficient basis on which to find substantial similarity”), *aff’d*, 300 F. App’x 527 (9th Cir. 2008).

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

(iii) *The extent to which the owner of the allegedly famous mark engages in substantially exclusive use of the mark:* This factor strongly favors the Defendants in light of the undisputed record evidence and testimony of numerous third-party uses of the words making up TEC’s claimed marks, especially the generic word “episcopal.” *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).

(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. *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). 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 Defendants' marks, and summary judgment therefore is appropriate for that reason as well.

(v) *Whether the defendant intended to create an association with the allegedly famous mark*: If anything is apparent from the record in this case, as well as the reported opinions in other litigation arising from the parties' dispute, it is that none of the parties on either side of the divide intends to create an association with the parties on the other. This factor therefore strongly supports a finding of nonliability as a matter of law. *See, e.g., Century 21 Real Estate LLC v. Century Sur. Co.*, No. CIV030053PHXSMM, 2007 WL 433579, at *4 (D. Ariz. Feb. 6, 2007) (granting defense motion for summary judgment based in part on absence of intent to associate), *aff'd*, 300 F. App'x 527 (9th Cir. 2008); *see also E.A. Sween Co. v. Big City Deli Express Corp.*, No. 14CV6031KAMJO, 2016 WL 11396817, at *6 (E.D.N.Y. Sept. 12, 2016) (declining to grant

unopposed motion for default judgment based on plaintiff's failure to identify facts supporting an intent to create association), *report and recommendation adopted in part*, No. 14-CV-6031 (KAM)(JO), 2016 WL 5874998 (E.D.N.Y. Oct. 8, 2016); *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. & State Univ.*, 100 U.S.P.Q.2d at 1212 (W.D. Va. 2011) (denying relief based in part on evidence of good-faith intent by defendant).

(vi) *Any actual association between the mark or trade name 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 likelihood-of-confusion survey, but those results do not create a factual dispute for two reasons. First, Plaintiffs did not conduct a survey analyzing the Defendants' name only that of the Diocese. Second, 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 [Defendant'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); *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).

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 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:116 (5th ed.) (observing that "[e]ven if there is

proof of a likely association, that does not mean that there is also a likelihood of dilution by blurring or tarnishment” in the absence of evidence of an impairment). Here, TEC has acknowledged the absence of monetary damage arising from the use of the Defendants’ marks, 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. *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.”). TEC’s claim of blurring necessarily fails as a result.

V. Defendants are also entitled to summary judgment against all of Plaintiffs’ claims under the doctrine of laches.

Defendants are additionally entitled to summary judgment because, even if there were factual disputes concerning the lack of merit of the Plaintiffs’ claims, laches bars the assertion of 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, district courts should use the state statute of limitations for analogous torts as the appropriate benchmark for evaluating a plaintiff’s delay. *Id.* at 121. In South Carolina, that statute of limitations for trademark infringement claims is three years. *See* S.C. CODE ANN. § 15-3-530(2) (designating a 3-year statute of limitations for actions for a 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). 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, TEC has long known of Defendants use of marks incorporating the term “episcopal,” especially considering Defendants priority over TEC. Further, TEC has engaged in litigation with the Defendant Diocese regarding similar marks since 2013. However, TEC, Plaintiff Bishops, and the TECSC did not add Defendants to this lawsuit until 2018—well beyond the three-year period allowed under South Carolina law. Because TEC has brought this action so long after the expiration of the statute of limitations, its delay in bringing this action is presumptively unreasonable. Moreover, Defendants have built its reputation in its marks, some for over a century. Allowing Plaintiffs’ eleventh-hour claims against Defendants and forcing Defendants to cease use of its marks at this late juncture would inevitably cause undue and irreparable prejudice. Accordingly, laches bars TEC’s claims are barred, and Defendants are entitled to summary judgment for this reason as well.

CONCLUSION

As this court previously noted, “[u]ltimately, Plaintiffs will need to support these allegations and present proof for each of the Lawrence Parishes.” Or., Doc. No. 411., p. 10 (Aug. 23, 2018). Plaintiffs have failed to support their allegations and failed to carry their burden of proof and all Plaintiffs causes of action against the Defendants should be dismissed by this Court.

December 7, 2018

Respectfully submitted,

/s/C. Alan Runyan
C. Alan Runyan, Esq.
Andrew S. Platte, Esq.
RUNYAN & PLATTE, LLC
2015 Boundary Street, Suite 239
Beaufort, SC 2902
(843)-473-6800

Church of the Cross, Inc. and Church of the Cross Declaration of Trust's; Church of our Saviour, in the Diocese of South Carolina; Vestry and Church Wardens of St. Jude's Church of Walterboro; Holy Trinity, Grahamville; St. Andrew's Mission; St. John's Episcopal, Charleston and St. Albans Chapel, The Citadel