**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 Provisional Bishop of the Protestant Episcopal Church in the Diocese of South Carolina, | ) | |
| Plaintiff, | ) | Case No.: 2:13-cv-00587-CWH |
| v. | ) | |
| The Right Reverend Mark J. Lawrence and John Does numbers 1-10, being fictitious defendants whose names presently are unknown to Plaintiff and will be added by amendment when ascertained, | ) | |
| Defendants. | ) | |

**PLAINTIFF'S MOTION FOR RECONSIDERATION**

Plaintiff, The Right Reverend Charles G. vonRosenberg, pursuant to Federal Rule of Civil Procedure 59(e), respectfully moves that the Court reconsider its Order dated August 23, 2013, Doc. No. 30.

Dated: September 16, 2013

Respectfully Submitted,

/s/ Thomas S. Tisdale

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**CERTIFICATE OF SERVICE**

I hereby certify that on September 16, 2013, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system which will send notification of such filing to all ECF users registered with the Court for this case.

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**MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFF'S MOTION FOR RECONSIDERATION**

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**Rules**

Plaintiff, The Right Reverend Charles G. vonRosenberg, pursuant to Federal Rule of Civil Procedure 59(e), respectfully submits this Motion for Reconsideration of the Court's Order, dated August 23, 2013, Doc. No. 30.

## INTRODUCTION

The Court's abstention holding is premised on two fundamental errors. In the interests of efficiency and judicial economy, Bishop vonRosenberg presents these errors for the Court's reconsideration prior to re-filing this action or appealing to the Fourth Circuit.

First, this action is not parallel with the state-court action brought by Bishop Lawrence's followers. Neither Bishop vonRosenberg nor Bishop Lawrence is a party in the state-court proceeding, and the claims asserted by Bishop vonRosenberg in this action cannot be raised by the state-court parties. The Court's ruling to the contrary was based on the incorrect conclusions that Bishop vonRosenberg is in privity with the state-court defendants and that his receipt of orders issued by the state court meant that he could not be classified as a stranger to that action. Bishop vonRosenberg is not in privity with the state-court defendants because, as the Court recognized in holding that Bishop vonRosenberg has standing, he is asserting rights he possesses by virtue of his office—rights that could not be asserted by entities that do not hold that office, including the state-court defendants. And mere notice of orders entered by the state court does not transform Bishop vonRosenberg into a participant in that proceeding.

Second, the relevant abstention standard is provided by *Colorado River Water Conservation District v. United States*, 424 U.S. 800 (1976), not the more permissive standard that applies to declaratory judgment actions, *see Brillhart v. Excess Ins. Co. of Am.*, 316 U.S. 491 (1942); *Wilton v. Seven Falls Co.*, 515 U.S. 277 (1995). While it does seek a declaratory judgment, this Lanham Act action also—and indeed primarily—is for injunctive and other nondeclaratory relief. As a result, directly applicable Fourth Circuit precedent requires that

abstention be evaluated under *Colorado River*, and it is plain that this case does not present the "extraordinary circumstances" required for abstention under that standard. The *Brillhart/Wilton* standard should *at most* be applied to Bishop vonRosenberg's one-sentence request for declaratory relief.

To address the Court's application of the incorrect standard, Bishop vonRosenberg could easily file a complaint that omitted his inconsequential request for declaratory relief but that still stated valid claims for relief under the Lanham Act. *Colorado River* would then clearly provide the relevant standard. Before Bishop vonRosenberg resorts to filing a new action, however, to conserve the Court's and the parties' resources, Bishop vonRosenberg asks the Court to reconsider its Order.

## STATEMENT OF FACTS

Since his election and installation as Provisional Bishop of The Protestant Episcopal Church in the Diocese of South Carolina (the "Diocese"), Bishop vonRosenberg has been, and continues to be, irreparably harmed by Bishop Lawrence's continued representations that he is Bishop of the Diocese. As set forth more fully in Bishop vonRosenberg's prior filings, despite his renunciation of The Episcopal Church and his removal from the office of Bishop, Bishop Lawrence continues to make false representations of fact regarding his continued affiliation with the Diocese and continues to use the Diocese's service marks. This conduct has rendered it nearly impossible for Bishop vonRosenberg to exercise the authority and duties of his office.

As a result of Bishop Lawrence's ongoing conduct, Bishop vonRosenberg filed a complaint against Bishop Lawrence in this Court on March 5, 2013, alleging multiple violations of the Lanham Act. *See* Doc. No. 1. Bishop vonRosenberg requested an injunction prohibiting Bishop Lawrence's unlawful conduct, and made a demand for costs, including reasonable attorneys' fees and disbursements; an accounting of profits obtained in connection with Bishop

Lawrence's conduct; and a declaration that Bishop Lawrence's unauthorized use of the Diocese's marks violates the Lanham Act. Doc. No. 1, at 19-21. Two days after filing his complaint, Bishop vonRosenberg filed a motion for a preliminary injunction in order to halt the irreparable harm that Bishop Lawrence's actions continue to cause. Doc. No. 6. In a separate action commenced in South Carolina state court, followers of Bishop Lawrence have asserted claims under South Carolina law against The Episcopal Church and The Episcopal Church in South Carolina ("TECSC").[1]

On March 28, 2013, Bishop Lawrence moved to dismiss this action, or in the alternative, to abstain or stay proceedings. Doc. No. 13. This Court held a hearing on that motion on August 8, 2013, and entered an order dismissing the action on August 23. Doc. No. 30.

**ARGUMENT**

Bishop vonRosenberg respectfully submits that the Court's dismissal order is premised on two errors of law. First, under the standard set forth by the Fourth Circuit, this case is not parallel to the state-court case. Second, controlling decisions of the Fourth Circuit dictate that abstention be evaluated using the *Colorado River* standard, and not the more permissive standard for declaratory judgment actions. The correction of either error would require that the Court alter its order and deny Bishop Lawrence's motion to dismiss. *See Robinson v. Wix Filtration Corp.*, 599 F.3d 403, 407 (4th Cir. 2010) (relief under Rule 59(e) is proper if there has been a clear error of law).

[1] To comply with a state-court order, The Episcopal Church is temporarily referring to the Diocese as The Episcopal Church in South Carolina. The entities are one and the same.

## I. This Action And The State-Court Action Are Not Parallel.

As explained in Bishop vonRosenberg's response to the motion to dismiss, the Fourth Circuit has "strictly construed" the parallelism requirement. *Chase Brexton Health Servs., Inc. v. Maryland*, 411 F.3d 457, 464 (4th Cir. 2005). Parallel cases are those in which the parties are "almost identical," *id.*, and the claims are "totally duplicative." *McLaughlin v. United Va. Bank*, 955 F.2d 930, 935 (4th Cir. 1992); *see also New Beckley Mining Corp. v. Int'l Union, United Mine Workers of Am.*, 946 F.2d 1072, 1073 (4th Cir. 1991) ("Suits are parallel if *substantially the same parties* litigate *substantially the same issues* in different forums." (emphases added)). The Court determined that this stringent standard was satisfied because, the Court concluded, Bishop vonRosenberg is in privity with the state-court defendants and because Bishop vonRosenberg is not a stranger to the state-court action. *See* Doc. No. 30, at 15-16. Both determinations are incorrect as a matter of law and, accordingly, should be reconsidered.

### A. Privity Does Not Exist Between Bishop vonRosenberg And The State-Court Defendants.

Bishop vonRosenberg is not in privity with The Episcopal Church or TECSC. The Court based its contrary conclusion on the fact that Bishop vonRosenberg is an agent of TECSC and that Bishop vonRosenberg's interests are "aligned" with both parties. *See* Doc. No. 30, at 15-16. But "'[a]n agent and his principal are not, merely as such, in privity with each other.'" *Holliday Amusement Co. of Charleston, Inc. v. South Carolina*, No. 01-210, 2006 WL 1285105, at *4 (D.S.C. May 5, 2006) (Houck, J.) (quoting *Wyndham v. Lewis*, 354 S.E.2d 578, 579 (S.C. Ct. App. 1987)), *aff'd by* 493 F.3d 404 (4th Cir. 2007); *see also Alcon Assocs., Inc. v. Odell Assocs., Inc.*, No. 04-22151-18, 2005 WL 3579057, at *3 (D.S.C. Dec. 29, 2005) ("The contractual privity/agency relationship alone is insufficient to establish res judicata privity."). Indeed, the

existence of a principal-agent relationship sheds virtually no light at all on whether privity exists ***for res judicata purposes***.

In this context, the relevant question is the second component of the Court's privity analysis: whether the parties' "interests in a given lawsuit are deemed to be aligned." *Jones v. SEC*, 115 F.3d 1173, 1181 (4th Cir. 1997) (internal quotation marks omitted). But while Bishop vonRosenberg may share common interests with The Episcopal Church and TECSC, their interests in the two litigations are not "aligned" in such a way as to allow one to conclude that the parties all are in privity with each other. As *Jones* makes clear, parties are in privity only if their "aligned" interests "represent the same legal right." *Id.* This Court has likewise recognized that "[t]he privity requirement assumes that the person in privity is so identified in interest with a party to former litigation that he represents *precisely the same legal right* in respect to the subject matter involved." *Holliday Amusement*, 2006 WL 1285105, at *4 (quoting *Andrews v. Daw*, 201 F.3d 521, 525 (4th Cir. 2000)) (emphasis in *Daw*).

The legal rights Bishop vonRosenberg has asserted in this action are distinct from those represented by The Episcopal Church and TECSC in the state-court action. This is amply demonstrated by the Court's own determination that Bishop vonRosenberg possesses constitutional and prudential standing. In its standing analysis, the Court correctly held that Bishop vonRosenberg was asserting "rights and interests held by virtue of [his] office." Doc. No. 30, at 7. Those rights and interests, the Court recognized, are not "the legal rights of a third party," Doc. No. 30, at 10, and are "attendant to the spiritual mission and temporal duties with which he has been charged to fulfill as provisional bishop." Doc. No. 30, at 7. They include, for example, the bishop's right to perform certain ecclesiastical acts, such as confirmations. *See, e.g.*, Doc. No. 1 ¶ 54 ("Bishop Lawrence's conduct impedes the exercise of Bishop

vonRosenberg's spiritual and temporal duties and restricts Bishop vonRosenberg's ability to exercise the authority of his office."); Doc. No. 6-15 ¶ 11 (stating that confusion has arisen about whether Bishop Lawrence has the authority to perform confirmations).

Thus, contrary to the Court's suggestion, *see* Doc. No. 30, at 8 n.8, the rights and interests possessed by Bishop vonRosenberg as Provisional Bishop are not asserted in the state-court action—and could not be asserted in that action—for the simple reason that The Episcopal Church and TECSC are not the Provisional Bishop. The Fourth Circuit's conclusion in *Dixon v. Edwards*, 290 F.3d 699 (4th Cir. 2002), applies with equal force here: "While the Diocese itself has no right to [perform ecclesiastical acts], Bishop [vonRosenberg], by virtue of [his] office, is plainly vested with such a right." *Id.* at 712. And "[w]hile the Diocese may be injured [by Bishop Lawrence's actions], such an injury would be different from those that Bishop [vonRosenberg] alleges [he] has suffered. *Id.*; *see also id.* at 713 ("It is also significant that Bishop Dixon does not claim that the Church itself has been injured in its power or prestige by the Defendants. Rather, she asserts that [the Defendants] have interfered with the exercise of the authority she possesses *as Bishop* of the Diocese." (emphasis in original)). In sum, although Bishop vonRosenberg, The Episcopal Church, and the Diocese may all have been injured by Bishop Lawrence's conduct and may all have claims under the Lanham Act, Bishop vonRosenberg is asserting—and is the only individual or entity even ***capable*** of asserting—claims based on injuries he has suffered as Provisional Bishop. As a result, the state-court defendants do not "represen[t] precisely the same legal right[s]" that Bishop vonRosenberg represents in this action. Privity does not exist.

**B. Bishop vonRosenberg Is A Stranger To The State-Court Action.**

Bishop vonRosenberg is plainly not a party in the state-court case. And he did not become a *de facto* participant in that action due to the fact that he received notice of the state-

court TRO and preliminary injunction. *See* Doc. No. 30, at 16. Those orders cannot directly enjoin any action by Bishop vonRosenberg. *See Golden State Bottling Co. v. NLRB*, 414 U.S. 168, 180 (1973) ("There will be no adjudication of liability against a [non-party] without affording it a full opportunity at a hearing, after adequate notice, to present evidence . . . . " (internal quotation marks and brackets omitted)); *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 395 U.S. 100, 112 (1969) (holding that it was error to enter an injunction against a nonparty); *Lake Shore Asset Mgmt. Ltd. v. CFTC*, 511 F.3d 762, 767 (7th Cir. 2007) ("The only defendant in the CFTC's suit is Lake Shore Asset Management, which must be the sole addressee of the injunction."). To the contrary, the orders could issue against only The Episcopal Church—the only defendant in the action at the time the orders were entered. The notice provided to Bishop vonRosenberg and others simply served the purpose of communicating that they could become liable if they assist The Episcopal Church in violating the orders. *See* S.C. R. Civ. P. 65(d); *NML Capital, Ltd. v. Republic of Argentina*, ___ F.3d ___, 2013 WL 4487563, at *5 (2d Cir. 2013) (explaining that the injunctions issued only against the party to the case, do not directly enjoin non-parties, and, by operation of Federal Rule of Civil Procedure 65(d), "automatically forbi[d] others—who are not directly enjoined but who act 'in active concert or participation' with an enjoined party—from assisting in a violation of the injunction"). The notices did not transform Bishop vonRosenberg and other recipients into participants in the state-court action, and they are therefore irrelevant to the parallelism analysis.

* * *

At bottom, this action and the state-court action are not parallel under controlling decisions of the Fourth Circuit. Bishop vonRosenberg is not a party to the state-court action. Nor is Bishop Lawrence a party to that action—a fact that the state-court plaintiffs have

attempted to perpetuate by opposing the state-court defendants' request to add him as a party. And the claims Bishop vonRosenberg asserts here, which are based on injuries he has suffered by virtue of his office, cannot be asserted in the state-court action. Abstention is not available in these circumstances.

## II. The Relevant Abstention Standard Is Provided By *Colorado River*, Not *Brillhart/Wilton*.

Abstention was improper for the independent reason that *Colorado* River, and not *Brillhart/Wilton* provides the relevant standard, and it plainly is not satisfied here. The Court has jurisdiction over this action pursuant to 15 U.S.C. § 1121(a) and 28 U.S.C. §§ 1331, 1338. Doc. No. 1 ¶ 7. The action asserts two stand-alone counts under the Lanham Act, neither of which is dependent on the issuance of declaratory relief. Rather, Bishop vonRosenberg's request for such relief comes in one sentence of the complaint that, if excised, would have absolutely no effect on the validity or viability of Bishop vonRosenberg's action. *See* Doc. No. 1, at 19 ("Bishop vonRosenberg hereby respectfully requests that the Court . . . [d]eclare that Bishop Lawrence's unauthorized use of the Diocese's marks violates the Lanham Act."). Accordingly, the decision whether to abstain is governed by *Colorado River* and not the lesser standard applied to declaratory judgment actions. And at a minimum, *Colorado River* should apply to the requests for nondeclaratory relief—here, Bishop vonRosenberg's requests for an injunction, costs, profits, and an accounting. *See* Doc. No. 1, at 20.

### A. *Chase Brexton* Requires The Application of *Colorado River*.

The Fourth Circuit's decision in *Chase Brexton Health Services, Inc. v. Maryland*, 411 F.3d 457 (4th Cir. 2005), requires that *Colorado River* govern the abstention analysis in this action. In *Chase Brexton*, the Fourth Circuit considered whether abstention was proper in an action requesting both injunctive and declaratory relief. *See id.* at 459. Of particular relevance

here, the plaintiffs requested (1) a declaration that Maryland's method for Medicaid reimbursement violated federal law; and (2) an injunction prohibiting Maryland from using that method in settling certain claims. *See id.* The Fourth Circuit first concluded that abstention was not warranted under *Colorado River*. *See id.* at 466. The court then rejected the argument that the district court possessed broader discretion to abstain under the Declaratory Judgment Act. *See id.* at 466-67. The court held that the *entire* case—including the claims for declaratory relief—must be evaluated under *Colorado River*. *See id.* Because "[t]he claims in this case for which declaratory relief is requested and those for which injunctive relief is requested are so closely intertwined," the court concluded that "judicial economy counsels against dismissing the claims for declaratory relief while adjudicating the claims for injunctive relief." *Id.*; *see also id.* at 466 ("[W]hen a plaintiff seeks relief in addition to a declaratory judgment, such as damages or injunctive relief, both of which a court *must address*, then the entire benefit derived from exercising discretion not to grant declaratory relief is frustrated, and a stay would not save any judicial resources." (emphasis in original)).

This case is on all fours with *Chase Brexton*: Bishop vonRosenberg has requested an injunction prohibiting Bishop Lawrence from violating federal law and a declaration that Bishop Lawrence is violating federal law. And as the Court recognized, Bishop vonRosenberg's requests for injunctive and declaratory relief "exis[t] in a close relationship." Doc. No. 30, at 21. Critically, this fact does not mean, as the Court concluded, that the *Brillhart/Wilton* standard applies to the entire case. Instead, *Chase Brexton* requires the application of *Colorado River* to both forms of relief.

Since *Chase Brexton*, the Fourth Circuit, recognizing that a circuit split exists on the issue, has declined to hold that *Colorado River* applies to *all* claims in *all* cases raising both

declaratory and nondeclaratory claims. *See Great Am. Ins. Co. v. Gross*, 468 F.3d 199, 210 (4th Cir. 2006). Although repeatedly recognizing that the court's "'jurisprudence suggests that, in a 'mixed' complaint scenario, the *Brillhart/Wilton* standard does not apply, at least to the nondeclaratory claims,'" the Fourth Circuit has declined to take a "'definitive view.'" *VRCompliance LLC v. HomeAway, Inc.*, 715 F.3d 570, 575 (4th Cir. 2013) (quoting *Great Am.*, 468 F.3d at 211). Notwithstanding its forbearing from announcing a definitive view, *Chase Brexton*'s and *VRCompliance*'s description of the Circuit's jurisprudence suggests strongly that the Fourth Circuit likely is aligned with other circuits that "have held that the *Brillhart/Wilton* discretionary standard is *per se* supplanted by the harsher *Colorado River* standard whenever an action includes both declaratory and non-frivolous nondeclaratory claims." *Great Am.*, 468 F.3d at 210; *see also, e.g.*, *New England Ins. Co. v. Barnett*, 561 F.3d 392, 395 (5th Cir. 2009).

That said, at least in cases that present circumstances substantially different from those in *Chase Brexton*, the Fourth Circuit has left itself room to embrace the other side of the circuit split it recognized in *Great American* and hold that *Colorado River* applies only "if the nondeclaratory claims can exist independently of the declaratory claims, such that they could survive even if the declaratory claims vanished." *Great Am.*, 468 F.3d at 210; *see also, e.g.*, *United Nat'l Ins. Co. v. R & D Latex Corp.*, 242 F.3d 1102, 1112-13 (9th Cir. 2001). But because this case is in all material respects identical to *Chase Brexton*, it is that case that controls.

### B. *Riley* Does Not Support The Application Of *Brillhart/Wilton*.

In declining to apply *Colorado River* to the entire action, the Court relied substantially on the Fourth Circuit's unpublished opinion in *Riley v. Dozier Internet Law, PC*, 371 F. App'x 399 (4th Cir. 2010). But, if anything, *Riley* supports only application of *Colorado River* in this case. *Riley* is consistent with *Chase Brexton* and the Fourth Circuit's strong "suggest[ion]" that it has

adopted the *Colorado River* approach in all mixed cases in which the nondeclaratory claims are not frivolous. *See, e.g.*, *New England Ins.*, 561 F.3d at 395-96. In *Riley*, the Fourth Circuit applied the limited exception applicable to frivolous claims for nondeclaratory relief, explaining that *Colorado River* does not control in mixed cases if the nondeclaratory claims are merely "perfunctory" or "boilerplate." 371 F. App'x at 404 n.2.

The perfunctory nature of the nondeclaratory claims in *Riley* was obvious. After a law firm sued Riley in state court for trademark infringement based on Riley's use of that law firm's name on his website, Riley instituted a separate federal action in which he sought a declaratory judgment that his website neither infringed the law firm's trademark nor defamed the law firm's founder. *See id.* at 400. Riley also included a request for an injunction against any future claims of defamation or trademark infringement as well as requests for nominal and punitive damages, attorneys' fees, and costs. *See id.* at 400-01; *see also Riley v. Dozier*, No. 08-642, Doc. No. 15, at 2 (E.D. Va. Nov. 20, 2008). It was clear that Riley simply wanted a declaratory judgment that could be used to halt the pending state proceeding, and that the so-called injunction request was simply a redundant demand for that same relief. In short, the declaratory demand was the only real request for relief in the case. *See* 371 F. App'x at 403 (characterizing Riley's cause of action as only "requesting a declaration that he was not liable to [the firm] in state court").

Here, by contrast, the irreparable harm that Bishop vonRosenberg continues to suffer can be remedied only by his requested injunction against the violations of the Lanham Act. Without the injunctive relief, the declaratory relief will do nothing to forestall the consumer confusion caused by Bishop Lawrence's false advertising. Where the injunctive relief is so central to the package of remedies the plaintiff seeks, the request for injunctive relief cannot fairly be described as "perfunctory." Thus, contrary to the Court's suggestion, *see* Doc. No. 30, at 21,

*Riley* is inapposite here for the same reasons it was distinguishable in *Beaufort Dedicated No. 5 Ltd. v. Bradley*, No. 11-673, 2012 WL 3260325 (M.D.N.C. Aug. 8, 2012). As in *Beaufort*, it does not matter that Bishop vonRosenberg's requests for nondeclaratory and declaratory relief require the resolution of the same question—namely, whether Bishop Lawrence is violating the Lanham Act. *See id.* at *7. Rather, the dispositive fact is that the nondeclaratory claim is not "perfunctory." *Id.* at *7-8.[2]

**C. Even Under The Alternative Approach, *Colorado River* Applies.**

In its order dismissing the action, the Court suggested that it might be applying the alternative approach to abstention in mixed cases under which *Colorado River* applies where "the nondeclaratory claims can exist independently of the declaratory claims, such that they could survive even if the declaratory claims vanished." *Great Am.*, 468 F.3d at 210; *see also* Doc. No. 30, at 21. Even under this alternative approach, *Colorado River* still must be applied to this case because it quite obviously is one in which the nondeclaratory claims for relief can stand on their own.

[2] In a few instances, the district court for the Eastern District of Virginia has misapplied *Riley*'s limited exception and has evaluated nondeclaratory claims under *Brillhart/Wilton* simply because those claims share common issues with the declaratory claims. *See VRCompliance LLC v. Homeaway, Inc.* No. 11-1088, 2011 WL 6779320, at *3, 5 (E.D. Va. Dec. 27, 2011), *aff'd on other grounds in* 715 F.3d 570. *Alfa Laval, Inc. v. Travelers Cas. & Sur. Co.*, No. 09-733, 2010 WL 2293195, at *4-5 (E.D. Va. June 3, 2010). Those cases are not analogous to the present action for various reasons. In *Alfa Laval*, for example, the court concluded that the declaratory claims were "the core claims in the lawsuit." 2010 WL 2293195, at *5. As explained, the exact opposite is true here. Those decisions, moreover, are inconsistent with *Chase Brexton* and the Fourth Circuit's repeated suggestion that *Colorado River* applies in mixed cases. That fact is best demonstrated by the Fourth Circuit's resolution of the appeal in *VRCompliance*. Instead of adopting the district court's analysis and applying *Brillhart/Wilton* to the entire action, the Fourth Circuit recognized that its jurisprudence counsels against that approach and affirmed on the ground that abstention was proper under both *Brillhart/Wilton* and *Colorado River*. *See* 715 F.3d at 575.

This Court determined that the nondeclaratory requests were not independent of the declaratory request because each request for relief is based on a common issue: whether Bishop Lawrence violated the Lanham Act. *See* Doc. No. 30, at 21. That statement is inaccurate and, in any event, does not advance the analysis.

Bishop vonRosenberg's request for declaratory relief did not ask for a broad declaration that Bishop Lawrence violated the Lanham Act. Rather, he requested a specific declaration that "Bishop Lawrence's unauthorized use of the Diocese's marks violates the Lanham Act." Doc. No. 1, at 19. While Bishop vonRosenberg's requested injunction would enjoin Bishop Lawrence's use of the marks, it also would enjoin other violations of the Lanham Act that are not based on the unlawful use of the marks, including Bishop Lawrence's representations, in commercial advertisements and elsewhere, that he is affiliated with the Diocese and is the Bishop of the Diocese. See Doc. No. 1, at 20. Thus, a substantial portion of Bishop vonRosenberg's requested injunctive relief is not premised on the specific Lanham Act violation that is the source of his requested declaratory relief.

In any event, even if Bishop vonRosenberg's declaratory and nondeclaratory requests were coterminous—and they plainly are not—courts applying the alternative approach do not look to whether the claims involve overlapping issues. In *United National*, the Ninth Circuit expressly rejected the contention that "claims are 'independent of' one another only if one can be resolved without disposing of the legal issues raised in the other." 242 F.3d at 1112; *see also Scotts Co. v. Seeds, Inc.*, 688 F.3d 1154, 1159 (9th Cir. 2012) (rejecting analysis that looked to whether claims contained overlapping facts); *R.R. Street & Co. v. Vulcan Materials Co.*, 569 F.3d 711, 717 n.9 (7th Cir. 2009) ("Even if the legal issues involved in deciding the declaratory

claim would be dispositive of all of the non-declaratory claims, that would not necessarily mean that the latter are not independent of the former.").

Instead, courts applying the alternative approach ask "whether [the court] has subject matter jurisdiction over the [nondeclaratory] claim alone, and if so, whether that claim must be joined with [the] one for declaratory relief." *United Nat'l*, 242 F.3d at 1113. Here, there can be no dispute that the Court has subject-matter jurisdiction over Bishop vonRosenberg's nondeclaratory claims. *See* Doc. No. 1 ¶ 7. And those claims need not be joined with a request for declaratory relief. Indeed, if the Declaratory Judgment Act were repealed, or had failed to exist, Bishop vonRosenberg would still have his nondeclaratory claims, including one for injunctive relief, under the Lanham Act. *See United Nat'l Ins.*, 242 F.3d at 1113; *see also, e.g.*, 15 U.S.C. § 1116(a) (vesting district courts with the power to issue injunctions to prevent violations of the Lanham Act). Accordingly, even under the alternative approach embraced by the Seventh and Ninth Circuits, there is no basis for departing from the more stringent test of *Colorado River* here.

* * *

If the Court declines to reconsider its determination that this action and the state-court action are parallel, then Bishop vonRosenberg respectfully requests that it evaluate abstention under *Colorado River*. The overwhelming weight of authority holds that *Colorado River*, and not *Brillhart/Wilton*, provides the relevant abstention standard in this action. At a minimum, *Colorado River* should be used to evaluate the nondeclaratory claims. That would seem an appropriate and efficient approach in a case such as this where the plaintiff has available to him the option of re-filing his complaint without any claim for declaratory relief.

The fact that each of Bishop vonRosenberg's claims required Bishop vonRosenberg to demonstrate a violation of the Lanham Act, Doc. No. 30, at 21, does not justify treating all of his claims as essentially ones for declaratory relief. Any action for injunctive relief or damages based on a violation of federal law in some sense includes a request, sometimes explicit and sometimes implied, for a declaration that such a violation occurred. If that fact alone were enough to require that abstention be evaluated under the permissive *Brillhart/Wilton* standard, then the *Brillhart/Wilton* exception quickly would swallow the *Colorado River* rule and along with it the Supreme Court's mandate that, absent extraordinary circumstances, federal courts exercise their "virtually unflagging obligation . . . to exercise the jurisdiction given them." *Colo. River*, 424 U.S. at 818; *cf. Wilton*, 515 U.S. at 285 (noting that the Court has rejected the application of *Brillhart* "beyond the context of declaratory judgments"). Here, the fact that Bishop vonRosenberg's claims for injunctive and other nondeclaratory relief can survive without any claim for a declaratory judgment compels the conclusion that the *Colorado River* standard must be applied to Defendants' suggestion of abstention.

As explained more fully in Bishop vonRosenberg's response to the motion to dismiss and at the August 8 hearing, this case does not present the "exceptional circumstances" and the "clearest of justifications" that are required for *Colorado River* abstention. *Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 25-26 (1983) (internal quotation marks omitted). Most importantly, "the presence of federal-law issues must always be a major consideration weighing against" a federal court's surrender of jurisdiction, *id.* at 26, and here, federal law provides the exclusive rules of decision. The remaining *Colorado River* factors also weigh firmly against abstention: this matter does not involve property over which the state court has assumed *in rem* jurisdiction; this forum is not an inconvenient one for Bishop Lawrence; the

different parties and claims involved in each action mean that the potential for piecemeal litigation is small, and, in any event, "the mere potential for conflict in the results of adjudications, does not, without *more*, warrant staying exercise of federal jurisdiction," *Colo. River*, 424 U.S. at 816 (emphasis added); the state-court action has not advanced beyond the early stages of litigation; and the state-court action would not adequately protect Bishop vonRosenberg's rights since, as explained, he is not a party to that proceeding and his rights cannot be asserted there. *See* Doc. No. 24, at 20-23. This case quite simply does not present the "exceptional circumstances" necessary to justify a federal court's surrendering its jurisdiction.

## CONCLUSION

For the foregoing reasons, the Court should reconsider its Order abstaining and dismissing this action, deny Bishop Lawrence's motion to dismiss or in the alternative to abstain or stay proceedings, and address the merits of Bishop vonRosenberg's motion for a preliminary injunction.

Dated: September 16, 2013

Respectfully Submitted,

/s/ Thomas S. Tisdale

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**CERTIFICATE OF SERVICE**

I hereby certify that on September 16, 2013, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system which will send notification of such filing to all ECF users registered with the Court for this case.

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