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, vs. 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.	Civil Action No. 2:13-587-CWH **ORDER**

This matter is before the Court on the motion by the plaintiff, the Right Reverend Charles G. vonRosenberg ("Bishop vonRosenberg"), to enter a preliminary injunction (ECF No. 6), and on the motion by the defendant, the Right Reverend Mark J. Lawrence ("Bishop Lawrence"), to dismiss or in the alternative to abstain or stay proceedings pursuant to Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6), the Anti-Injunction Act (28 U.S.C. § 2283), the Declaratory Judgment Act (28 U.S.C. § 2201), and the Younger[1] and Colorado River[2] abstention doctrines (ECF No. 13). For the reasons set forth in this Order, the Court declines to exercise jurisdiction over this action in deference to the pending state court action, Protestant Episcopal Church In The Diocese of S.C. v. The Episcopal Church, No. 2013-CP-18-00013, in the Court of Common Pleas for the First Judicial Circuit in Dorchester County, South Carolina.

[1] Younger v. Harris, 401 U.S. 37 (1971).
[2] Colo. River Water Conservation Dist. v. United States, 424 U.S. 800 (1976).

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I. BACKGROUND

A. FACTS

This case arises out of a dispute concerning the use of four service marks registered pursuant to state law with the South Carolina Secretary of State.[3] (Compl. ¶ 29(a)-(d), ECF No. 1; Def.'s Mem. in Supp. of Mot. to Dismiss 2, ECF No. 13-1). Bishop vonRosenberg, individually and in his capacity as Provisional Bishop of the Protestant Episcopal Church in the Diocese of South Carolina (the "Diocese"), claims that Bishop Lawrence has unlawfully used the aforementioned service marks and has made false representations through and in conjunction with those marks. (Compl. ¶ 1). Both Bishop vonRosenberg and Bishop Lawrence, and their respective factions, claim to control the Diocese's property, as well as its modern personal effects, such as the intellectual property disputed here.[4] (Compl. ¶¶ 47, 51).

Allegedly, during his tenure as bishop of the Diocese, Bishop Lawrence encouraged and participated in actions that violated The Protestant Episcopal Church in the United States of America's ("TEC's") Constitution and Canons, and, therefore, he warranted counteraction and review by TEC's Disciplinary Board in September 2012. (Compl. ¶ 38; Pl.'s Resp. to Def.'s Mot. to Dismiss 2, ECF No. 24). In October 2012, Bishop Lawrence informed TEC's highest episcopal authority that the Diocese had "disassociated" from TEC. (Compl. ¶¶ 15, 41). Shortly thereafter, purportedly acting under Bishop Lawrence's direction or control, the Diocese's website announced that the Diocese "is disassociated from TEC[]" and that its membership to TEC is "withdrawn." (Compl. ¶ 42). In November 2012, Bishop Lawrence issued his own,

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[3] The Diocese-owned service marks include: "The Diocese of South Carolina"; "The Episcopal Diocese of South Carolina"; "The Protestant Episcopal Church in the Diocese of South Carolina"; and The Seal of the Diocese of South Carolina. (Compl. ¶ 29(a)-(d)).

[4] The Diocese's Seal has been in use since the late 1800's, while the other marks were registered with the South Carolina Secretary of State in 2010. (Compl. ¶ 53(a); Def.'s Mem. in Supp. of Mot. to Dismiss 26).

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similarly postured, public statement renouncing his ordained ministry with TEC. (Compl. ¶¶ 1, 43). In December 2012, pursuant to Church Canon, TEC removed Bishop Lawrence as bishop of the Diocese. (Compl. ¶ 44). Though renounced and removed, Bishop Lawrence and his faction claim exclusive control over all Diocesan property in their possession, including the Diocese's marks. (Compl. ¶ 51).

To replace Bishop Lawrence, Bishop vonRosenberg was elected and installed as provisional bishop of the Diocese on January 26, 2013. (Pl.'s Resp. to Def.'s Mot. to Dismiss 1). This is a point of contention between the parties; Bishop Lawrence asserts that Bishop vonRosenberg heads The Episcopal Church in South Carolina ("ECSC"), an unincorporated association established to supplant Bishop Lawrence's disaffiliated diocese. (Def.'s Mem. in Supp. of Mot. to Dismiss 5 n.11). In opposition, TEC, as a hierarchical religious organization,[5] or one comprised of subordinate units and governed by a common authority, recognizes Bishop vonRosenberg "as the sole representative [and director] of the Diocese . . ." and its property. (Compl. ¶¶ 11-12, 48).

Consequently, Bishop vonRosenberg claims that Bishop Lawrence's continued use of the marks, names, and symbols "falsely suggests to consumers of religious services and charitable donors that Bishop Lawrence is an Episcopal [b]ishop, that he [remains] affiliated with the Diocese, that he is the true [b]ishop and ecclesiastical authority of the Diocese, and that the Diocese authorizes and sponsors his activities[,]" despite his renunciation(s) of TEC and subsequent removal. (Compl. ¶¶ 1, 5). In addition, Bishop vonRosenberg alleges Bishop Lawrence's conscious, unauthorized service mark use and misappropriation impedes the exercise

[5] "[T]he Canons of the Episcopal Church clearly establish that it is a hierarchy." Dixon v. Edwards, 290 F.3d 699, 716 (4th Cir. 2002) (citing Hiles v. Episcopal Diocese of Mass., 744 N.E.2d 1116, 1121 (Mass. App. Ct. 2001) ("It is undisputed that the Episcopal Church is hierarchical in structure; there are no judicial holdings to the contrary.")).

of his ecclesiastical duties, both spiritual and temporal, and has substantially restricted his ability to control, and receive the benefits of, the goodwill and reputation of the Diocese. (Compl. ¶ 54). Ultimately, both factions view their respective bishop as the Diocese's veritable head, and, thus, the rightful user of its service marks. (Compl. ¶¶ 48, 50, 53(c); Def.'s Mem. in Supp. of Mot. to Dismiss 5).

On January 4, 2013, in a separate action, a faction of parishes and parishioners representing the disaffiliated Diocese filed an action for a declaratory judgment and for injunctive relief in South Carolina state court against TEC concerning (in part) the same service marks disputed here. (Def.'s Mem. in Supp. of Mot. to Dismiss 1); Protestant Episcopal Church In The Diocese Of S.C. v. The Episcopal Church, No. 2013-CP-18-00013.[6] The state court action against TEC, later amended to include ECSC as a defendant, asserts violations arising exclusively under South Carolina law—service mark infringement and improper use of names, styles, and emblems. (Def.'s Mem. in Supp. of Mot. to Dismiss 4). On January 23, 2013, a Temporary Restraining Order ("TRO") was issued by Circuit Court Judge Diane S. Goodstein, and with TEC's consent, a preliminary injunction was then issued on January 31, 2013. (Def.'s Mem. in Supp. of Mot. to Dismiss 2). The TRO and preliminary injunction prevent all those except Bishop Lawrence and those under his direction or in concert with him from using the Diocese's names or marks. (Pl.'s Resp. to Def.'s Mot. to Dismiss 3). On March 28, 2013, TEC and ECSC filed answers and counterclaims. In addition to other counterclaims, TEC specifically counterclaimed that the plaintiffs' "unauthorized use of the Episcopal Church Marks constitutes trademark infringement under two provisions of the Lanham Act, 15 U.S.C. §§ 1114 and 1125(a)(1)(A)." (State Ct., TEC Answer & Countercls. 51-53, ¶¶ 1-7). On April 3, 2013, state

[6] Henceforth, citations to relevant documents submitted by the parties in the state court action will be preceded by "State Ct.".

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court defendant ECSC removed the action to federal court pursuant to 28 U.S.C. § 1441(a). No. 02:13-cv-893-CWH. On June 10, 2013, this Court remanded the case to the Court of Common Pleas for the First Judicial Circuit in Dorchester County, South Carolina. Id.

B. PROCEDURAL HISTORY

On March 5, 2013, Bishop vonRosenberg filed this action advancing two causes of action under the Lanham Act: (1) Trademark Infringement (Compl. ¶¶ 56-66); and (2) False Advertising (Compl. ¶¶ 67-78). On March 7, 2013, Bishop vonRosenberg filed a motion for preliminary injunction. (ECF No. 6). On April 11, 2013, Bishop Lawrence filed a response in opposition. (ECF No. 20). On April 22, 2013, Bishop vonRosenberg filed a reply. (ECF No. 25). On March 28, 2013, Bishop Lawrence filed a motion to dismiss or in the alternative to abstain or stay proceedings pursuant to Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6), the Anti-Injunction Act (28 U.S.C. § 2283), the Federal Declaratory Judgment Act (28 U.S.C. § 2201), and the Younger and Colorado River abstention doctrines. (ECF No. 13). On April 15, 2013, Bishop vonRosenberg filed a response in opposition. (ECF No. 24). On April 25, 2013, Bishop Lawrence filed a reply. (ECF No. 26). Currently, two motions are pending before the Court—Bishop vonRosenberg's motion for a preliminary injunction (ECF No. 6) and Bishop Lawrence's motion to dismiss or in the alternative to abstain or stay proceedings (ECF No. 13).

II. MOTION TO DISMISS OR IN THE ALTERNATIVE TO ABSTAIN OR STAY PROCEEDINGS

As stated above, Bishop Lawrence moves to dismiss or in the alternative to abstain or stay this action on the following grounds: the Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6), the Anti-Injunction Act (28 U.S.C. § 2283), the Federal Declaratory Judgment Act (28 U.S.C. § 2201), and the Younger and Colorado River abstention doctrines. The Court finds that

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the arguments germane to this dispute are Bishop vonRosenberg's standing and the Court's discretionary authority to issue a federal declaratory judgment.

A. STANDING

"No principle is more fundamental to the judiciary's proper role in our system of government than the constitutional limitation of federal-court jurisdiction to actual cases or controversies." Simon v. E. Ky. Welfare Rights Org., 426 U.S. 26, 37 (1976) (citation omitted). Under Article III, Section 2, of the Constitution, one element of this "bedrock requirement" is that the claimant, based on his complaint, establish his standing to sue. Raines v. Byrd, 521 U.S. 811, 818 (1997) (citations omitted). The standing doctrine is two-dimensional: Article III standing (or constitutional standing) ensures, as noted, the existence of an actual case or controversy, while prudential standing encompasses "judicially self-imposed limits on the exercise of federal jurisdiction." Doe v. Va. Dep't of State Police, 713 F.3d 745, 753 (4th Cir. 2013) (quoting Allen v. Wright, 468 U.S. 737, 751 (1984)). Altogether, the standing doctrine's focus is not on the potential success of the merits of a claim, White Tail Park, Inc. v. Stroube, 413 F.3d 451, 460 (4th Cir. 2005) (citing Warth v. Seldin, 422 U.S. 490, 500 (1975)), but rather "whether the plaintiff is the proper party to bring [the] suit." Id. (alteration in original) (quoting Raines, 521 U.S. at 818).

1. CONSTITUTIONAL STANDING

In David v. Alphin, the Fourth Circuit reiterated the "irreducible minimum requirements" of constitutional standing:

> (1) an injury in fact (i.e., a "concrete and particularized" invasion of a "legally protected interest"); (2) causation (i.e., a "fairly . . . trace[able]" connection between the alleged injury in fact and the alleged conduct of the defendant); and (3) redressability (i.e., it is "likely" and not merely "speculative" that the plaintiff's injury will be remedied by the relief plaintiff seeks in bringing suit).

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704 F.3d 327, 333 (4th Cir. 2013) (quoting Sprint Commc'ns Co. v. APCC Servs., Inc., 554 U.S. 269, 273-74 (2008)). An injury in fact differentiates someone "with a direct stake in the outcome of a litigation . . . from a person with a mere interest in the problem." Diamond v. Charles, 476 U.S. 54, 66-67 (1986) (quoting United States v. SCRAP, 412 U.S. 669, 689 n.14 (1973)). The party attempting to establish an injury in fact must demonstrate that its "claim rests upon 'a distinct and palpable injury' to a legally protected interest." Lane v. Holder, 703 F.3d 668, 671-72 (4th Cir. 2012) (quoting Warth, 422 U.S. at 501). In other words, the "injury must affect the [party] in a personal and individual way." Lane, 703 F.3d at 672 (quoting Lujan v. Defenders of Wildlife, 504 U.S. 555, 560 n.1 (1992) (internal quotation marks omitted)). The prospect of an imminent injury is sufficient to constitute injury in fact. Lott v. Scottsdale Ins. Co., 811 F. Supp. 2d 1224, 1229 (E.D. Va. 2011) (citation omitted).

Here, Bishop vonRosenberg's installment as provisional bishop through an ecclesiastical election process requires the Court to recognize the rights and interests held by virtue of that office, though elements of his office related to diocesan identity are outstanding in state court.[7] See All Saints Parish Waccamaw v. Protestant Episcopal Church in the Diocese of S.C., 685 S.E.2d 163, 172 (S.C. 2009). Primarily alleged, Bishop vonRosenberg holds the right to communicate to the public, consumers of religious services, and charitable donors as the "Bishop of the Diocese." More generally, Bishop vonRosenberg holds ecclesiastical rights and interests attendant to the spiritual mission and temporal duties with which he has been charged to fulfill as provisional bishop. Bishop vonRosenberg alleges that Bishop Lawrence's use of the Diocese-owned service marks and Seal has invaded these rights and interests, frustrating his ability to

[7] Bishop vonRosenberg's pleadings in this action do not contend that his installation automatically conferred rights and interests recognized by the South Carolina Secretary of State or that Bishop Lawrence's removal altered his own corporate executive status.

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exercise the duties and authority he possesses and diverting potential charitable donors away from the Diocese. (Compl. ¶ 1). In Dixon, the Fourth Circuit held that "when a claimant asserts the rights to an office, or if an officeholder asserts rights held by virtue of his office, he possesses the standing to sue for denial of those rights."[8] 290 F.3d at 713 (citations omitted). Thus, Bishop vonRosenberg, through the allegations contained in his complaint, sufficiently alleges a cognizable injury individual to him as an ecclesiastical authority within TEC's hierarchal organization to satisfy the injury in fact prong of constitutional standing.

Constitutional standing's second element—causation—"examines the causal connection between the assertedly unlawful conduct and the alleged injury . . . ." Allen, 468 U.S. at 753 n.19. Bishop vonRosenberg alleges that his ability to exercise the spiritual and temporal duties of his office has been compromised due to Bishop Lawrence retaining the title and service mark use associated with the same office. As alleged, a traceable connection between the alleged conduct and the alleged injury can be fairly drawn. Thus, the connection between Bishop Lawrence's alleged conduct and the injuries alleged by Bishop vonRosenberg satisfies the "fairly traceable" causation requirement.

Constitutional standing's third element—redressability—"examines the causal connection between the alleged injury and the judicial relief requested." Id. To redress his alleged injuries, Bishop vonRosenberg seeks a declaratory judgment stating that Bishop

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[8] However, the present dispute is factually distinguishable from Dixon. Bishop vonRosenberg alleges interference with his ability to exercise the authority and duties of his office. (Compl. ¶ 1). In Dixon, the plaintiff bishop alleged particular instances in which a parish vestry expressly denied specific rights she held exclusively as bishop. 290 F.3d at 711-13. The Fourth Circuit unequivocally stated that the rights denied to the plaintiff bishop were ones to which the diocese could not have asserted claims. Id. Here, the alleged injuries that fall within the Lanham Act's "zone of interests" (i.e., competitive, commercial interests) are not exclusive to vonRosenberg, but jointly shared with the Diocese. It is a finer point of distinction, but illustrates the particularly nuanced character of this claim.

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Lawrence violated the Lanham Act and a permanent injunction enjoining Bishop Lawrence and the entirety of his faction from using the Diocese-owned marks in any way, shape, or form. (Compl. 19-20, ¶¶ 1-2). To satisfy this prong of the analysis, the plaintiff must allege an injury that is "fully capable" of being redressed with a decision in his favor. Dixon, 290 F.3d at 713 (citation omitted). The redressability of Bishop vonRosenberg's injuries and, thus, this element of constitutional standing appear to be uncontested. Even so, the Court is "fully capable" of redressing Bishop vonRosenberg's alleged injuries and it appears "likely" that a full halt to Bishop Lawrence's faction's use of the marks will afford a remedy to those alleged injuries by allowing Bishop vonRosenberg to communicate as the "sole Bishop of the Diocese." In sum, Bishop vonRosenberg adequately alleges constitutional standing's "irreducible minimum requirements."

2. PRUDENTIAL STANDING

In addition to constitutional standing, "[f]ederal courts also face judicially imposed prudential limits on their jurisdiction . . . ." Va. Dep't of State Police, 713 F.3d at 753 (citing Warth, 422 U.S. at 498). "Standing doctrine's prudential dimensions are not as definite as its constitutional dimensions," id., but it is well established that prudential standing encompasses "[1] the general prohibition on a litigant's raising another person's legal rights[;] [2] the rule barring adjudication of generalized grievances more appropriately addressed in the representative branches[;] and [3] the requirement that a plaintiff's complaint fall within the zone of interests protected by the law invoked." Allen, 468 U.S. at 751 (citation omitted).

"There is a split among the Circuits as to the proper approach to utilize when determining prudential standing in the context of the Lanham Act." Nemet Chevrolet, Ltd. v. Consumeraffairs.com, Inc., 564 F. Supp. 2d 544, 551 (E.D. Va. 2008), aff'd, 591 F.3d 250 (4th

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Cir. 2009) (Lanham Act claims were not at issue on appeal). The Fourth Circuit has not adopted any of the various standards employed by other circuits to determine prudential standing. Id. at 551 n.1. However, the Fourth Circuit "is consistent with the basic approach of other circuits that requires the Lanham Act plaintiff to be engaged in commercial activity." Made in the USA Found. v. Phillips Foods, Inc., 365 F.3d 278, 281 (4th Cir. 2004).

With respect to the first and second elements of prudential standing, Bishop vonRosenberg is not asserting the legal rights of a third party, nor is he seeking adjudication of "abstract questions of wide public significance" that would qualify as "generalized grievances." See Warth, 422 U.S. at 499 (citations omitted) (stating that a generalized grievance is harm "shared in substantially equal measure by all or a large class of citizens . . ."). In his complaint, Bishop vonRosenberg alleges harm to his own interests as provisional bishop, the adjudication of which concerns definitive questions under the Lanham Act that are specific to him, Bishop Lawrence, and the Diocese.

Bishop vonRosenberg's complaint also satisfies the third element of prudential standing—the purview, or "zone of interests," of Section 43(a) of the Lanham Act, which has been outlined by Section 45 of the Lanham Act, and states that "[t]he intent of [the Act] is . . . to protect persons engaged in [congressionally regulated] commerce against unfair competition." Made in the USA, 365 F.3d at 279-80 (alteration in original) (quoting 15 U.S.C. § 1127). As noted, though the Fourth Circuit has yet to expressly adopt a specific approach when determining prudential standing, Nemet Chevrolet, 564 F. Supp. 2d at 551, it is resolute that "the Lanham Act is a private remedy [for a] commercial plaintiff who meets the burden of proving that its commercial interests have been harmed by a competitor's false advertising." Made in the USA, 365 F.3d at 281 (alteration in original) (citation omitted) (internal quotation marks omitted);

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Foster v. Wintergreen, 363 F. App'x 269, 275 (4th Cir. 2010) (per curiam) (quoting Mylan Lab., Inc. v. Matkari, 7 F.3d 1130, 1139 (4th Cir. 1993)). In addition to the requisite existence of an impaired commercial interest, the Fourth Circuit has "expressed at least some belief that claims under the Lanham Act must be brought by a [p]laintiff against its competitor." Nemet Chevrolet, 564 F. Supp. 2d at 553.

Bishop vonRosenberg alleges harm to both the expressed and inferred Lanham Act interests recognized by the Fourth Circuit. In his complaint, Bishop vonRosenberg alleges the existence of an injury to his commercial interests in as much as Bishop Lawrence, a competitor who offers similar services to a similar class of consumers, has diverted existing members, potential members, and charitable donors from Bishop vonRosenberg's mission and the Diocese through false advertising made in conjunction with the marks.[9] (Compl. ¶¶ 53-54). Accordingly, Bishop vonRosenberg, in addition to satisfying the first and second elements of prudential standing, satisfies the third. Thus, this action may not be dismissed for lack of standing.

B. DECLARATORY JUDGMENT ACT

"[D]istrict courts have great latitude in determining whether to assert jurisdiction over declaratory judgment actions."[10] United Capitol Ins. Co. v. Kapiloff, 155 F.3d 488, 493 (4th Cir.

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[9] "[P]rinciples ordinarily applied in the case of business and trading corporations are equally applicable in the case of churches . . . . Purcell v. Summers, 145 F.2d 979, 985 (4th Cir. 1944). [A]nything which tends to divert membership or gifts of members from [churches] injures them . . . the same way that a business corporation is injured by diversion of trade . . . ." Id.

[10] Unlike the Colorado River exceptional circumstances standard, the Declaratory Judgment Act affords district courts "substantial discretion" in determining whether to exercise jurisdiction over a declaratory judgment action. Wilton v. Seven Falls Co., 515 U.S. 277, 286 (1995) (citations omitted); see also Great Am. Ins. Co. v. Gross, 468 F.3d 199, 211 n.7 (4th Cir. 2006) (stating "[t]he broad discretionary Brillhart/Wilton standard governing a district court's determination whether to exercise jurisdiction over a declaratory judgment action in which there are parallel state court proceedings differs from the Colorado River exceptional circumstances

1998) (quoting Aetna Cas. & Sur. Co. v. Ind-Com Elec. Co., 139 F.3d 419, 422 (4th Cir. 1998); Centennial Life Ins. Co. v. Poston, 88 F.3d 255, 256 (4th Cir. 1996); Aenta Cas. & Sur. Co. v. Quarles, 92 F.2d 321, 324 (4th Cir. 1937)); see also Wilton, 515 U.S. at 281 (citation omitted) (stating "[a] district court has broad discretion to grant (or decline to grant) declaratory judgment . . ."); Brillhart v. Excess Ins. Co. of Am., 316 U.S. 491, 494 (1942) (holding that district courts are "under no compulsion" to exercise jurisdiction over a declaratory judgment action). This discretion is founded in the Declaratory Judgment Act:

> In a case of actual controversy within its jurisdiction, . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.

28 U.S.C. § 2201(a) (emphasis added). The United States Supreme Court has held that through this Act, "Congress . . . created an opportunity, rather than a duty, to grant a new form of relief to qualifying litigants." Wilton, 515 U.S. at 288. Therefore, "[c]ourts have long interpreted the Act's permissive language 'to provide discretionary authority to district courts to hear declaratory judgment cases.'" Auto Owners Ins. Co. v. Personal Touch Med Spa, L.L.C., 763 F. Supp. 2d 769, 774 (D.S.C. 2011) (quoting Kapiloff, 155 F.3d at 493). "[I]n the declaratory judgment context, the normal principle that federal courts should adjudicate claims within their jurisdiction yields to considerations of practicality and wise judicial administration[,]" Riley v. Dozier Internet Law, PC, 371 F. App'x 399, 401 (4th Cir. 2010) (unpublished opinion) (quoting Wilton, 515 U.S. at 288), and a district court may only refuse to entertain a declaratory judgment action for "good reason." Nautilus Ins. Co. v. Winchester Homes, Inc., 15 F.3d 371, 375 (4th Cir. 1994) (citation omitted).

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standard because '[d]istinct features of the Declaratory Judgment Act . . . justify a standard vesting district courts with greater discretion in declaratory judgment actions'") (alterations in original) (quoting Wilton, 515 U.S. at 286).

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The United States Supreme Court and the Fourth Circuit have provided guidelines to help district courts with the exercise of their discretion. Riley, 371 F. App'x at 402. District courts must first consider the two Quarles factors: "(1) [whether] the judgment will serve a useful purpose in clarifying and settling the legal relations in issue, and (2) [whether] it will terminate and afford relief from the uncertainty, insecurity, and controversy giving rise to the proceeding." Auto Owners Ins. Co., 763 F. Supp. 2d at 774 (alterations in original) (quoting Quarles, 92 F.2d at 325). In addition to the Quarles factors, if a related proceeding is pending in state court, "the decision of a district court over whether to exercise jurisdiction over a declaratory judgment action should also be governed by 'considerations of federalism, efficiency, and comity.'" Id. (quoting Penn-Am. Ins. Co. v. Coffey, 368 F.3d 409, 412 (4th Cir. 2004)). When a parallel or related state court action exists, the Fourth Circuit has provided the following four factors for the Court to consider—the Nautilus factors:

> (1) whether the state has a strong interest in having the issues decided in its courts; (2) whether the state courts could resolve the issues more efficiently than the federal courts; (3) whether the presence of "overlapping issues of fact or law" might create unnecessary "entanglement" between the state and federal courts; and (4) whether the federal action is mere "procedural fencing," in the sense that the action is merely the product of forum-shopping.

Id. (quoting Kapiloff, 155 F.3d at 493-94).

With respect to the prefatory Quarles factors, it appears clear that a judgment by this Court declaring the parties' respective rights and relations—when both claim to derive their ecclesiastical and executive authority from a single diocese with an unsettled legal identity of its own—will not clarify, but further perplex and amplify, the fundamental controversy giving rise to this proceeding. Although Bishop vonRosenberg's Lanham Act claims can allegedly be construed as exclusive to him, they are not discrete from those issues involving greater Diocese ownership, control, and identity that are currently before the state court. See Poston, 88 F.3d at

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256-57 (quoting Quarles, 92 F.2d at 325) (A declaratory judgment action "should not be used 'to try a controversy by piecemeal, or to try particular issues without settling the entire controversy, or to interfere with an action which has already been instituted.'").

Before the Court addresses the Nautilus factors, it must first determine whether a parallel or related case exists. The Fourth Circuit posits that "[s]uits are parallel if substantially the same parties litigate substantially the same issues in different forums." Chase Brexton Health Servs., Inc. v. Maryland., 411 F.3d 457, 464 (4th Cir. 2005) (citation omitted). "However, 'suits need not be identical to be parallel, . . . and the mere presence of additional parties or issues in one of the cases will not necessarily preclude a finding that they are parallel.'" Carman v. Bayer Corp., No. 5:08-cv-148, 2010 WL 1960846, at *2 (N.D.W. Va. May 14, 2010) (citation omitted). "The question is not whether the suits are formally symmetrical, but whether there is a substantial likelihood that the [state litigation] will dispose of all claims presented in the federal case." Id. (alteration in original) (citation omitted).

To demonstrate that this case and the aforementioned state action are parallel, Bishop Lawrence squarely asserts that the issues presented here concerning the use of the Diocese's names and marks—legitimate representation, affiliation, and entitlement to trade on reputation and goodwill—are already before the state court. (Def.'s Mem. in Supp. of Mot. to Dismiss 6). Further, it is Bishop Lawrence's position that the outcome of the state proceeding is binding on the parties here, as evidenced by the state court's TRO and preliminary injunction, which includes the corporate and religious entities from which both parties here derive their authority. (Def.'s Mem. in Supp. of Mot. to Dismiss 6-7). Setting aside that argument, it appears clear that Bishop Lawrence's rights and interests are accounted for and align with named parties in the state action; Bishop Lawrence is specified as the Chief Operating Officer of the "Diocese of

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South Carolina," as recognized by the South Carolina Secretary of State, and is named as the President of the "Trustees" in the state action. (State Ct. Temp. Inj. (Consent) 3).

In response, Bishop vonRosenberg disputes the existence of a parallel or related proceeding by asserting that: (1) "the [state] action complaint does not allege that [he] is a member of [TEC or ECSC]"; (2) "[n]or is [he] in privity with [TEC] or [ECSC], since he is asserting rights he possesses as [b]ishop of the Diocese[]"; and that (3) "[he] is a stranger to the removed action . . . ." (Pl.'s Resp. to Def.'s Mot. to Dismiss 21).

Despite Bishop vonRosenberg's argument to the contrary, the state action complaint plainly alleges that "Charles vonRosenberg is an agent of ECSC," (State Ct., Second Am. Compl. ¶ 482), and that "ECSC through its agent, Charles vonRosenberg, improperly used the name of the Diocese of South Carolina, or a name so similar in nature to the other service marks to cause confusion with the public . . . ." (State Ct., Second Am. Compl. ¶ 489(ix)). Further, after ECSC was added as a party to the state action—with TEC's consent—by way of the Second Amended Complaint, ECSC stated in its Answer, Affirmative Defenses, and Counterclaims that "the Right Reverend Charles vonRosenberg is an agent of [ECSC] . . . ." (State Ct., ECSC's Answer, Affirmative Defenses & Countercls. ¶ 482). Though Bishop vonRosenberg is not a named party in the state action, the rights he possesses with regard to control of the Diocese's property and his office are already at stake in the state action. Bishop vonRosenberg claims to lack privity with the named associations in the state action for the purpose of destroying the existence of parallel actions. (Pl.'s Resp. to Def.'s Mot. to Dismiss 21).

No matter the designation assigned to his portrayal of the Diocese, Bishop vonRosenberg's commercial interests in connection with the control of its marks are "aligned" with, and therefore are in privity to, the named parties in the state action. See Jones v. SEC, 115

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F.3d 1173, 1181 (4th Cir. 1997) (citing Comite de Apoyo a los Trabajadores Agricolas v. U.S. Dep't of Labor, 995 F.2d 510, 514 (4th Cir. 1993) (stating "privity attaches only to those parties whose interests in a given lawsuit are deemed to be 'aligned'")). In addition to being an agent of ECSC, Bishop vonRosenberg's interests are aligned with TEC. In its state action counterclaims, TEC prays for the same declaratory and injunctive relief under the Lanham Act that is sought here by Bishop vonRosenberg. (State Ct., TEC Answer & Countercls. 97-98, ¶ 149(a)-(n)). TEC further requests the relinquishment of property under Bishop Lawrence's faction's control "to the persons whom the Church recognizes as the proper directors . . ." (i.e., Bishop vonRosenberg and his faction). (State Ct., TEC Answer & Countercls. 97-98, ¶ (e)). Moreover, TEC's requested relief in state court not only encompasses the claims before this Court, but also includes issues that will provide for a complete resolution of the controversy giving rise to this proceeding. Cf. Extra Storage Space, LLC v. Maisel-Hollins Dev., Co., 527 F. Supp. 2d 462, 467 (D. Md. 2007) (citing McLaughlin v. United Va. Bank, 955 F.2d 930, 935 (4th Cir. 1992) (holding "[b]ecause the Circuit Court for Montgomery County will not address many of the claims alleged in this Court, it cannot provide a complete resolution to the issues between the parties")).

Moreover, Bishop vonRosenberg is not a stranger to the state action. Indeed, he twice received notice that he was precluded from employing the disputed marks due to a TRO and preliminary injunction issued in that proceeding. Thus, the Court concludes that at the time he filed this federal action, Bishop vonRosenberg was aware that the rights and interests associated with his installation as provisional bishop—central to his dispute here—were pending in state court.

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Having established a related or parallel proceeding, the Court shall examine the four Nautilus factors. First, South Carolina has a strong interest in having this dispute decided in its state court because the disputed marks are registered with its Secretary of State. See Riley, 371 F. App'x at 403 (finding "Virginia's interest in adjudicating claims involving a state-registered trademark is both clear and compelling . . ."). In addition, this case requires determination of the rights and interests held by two South Carolina residents asserting control over property owned by a South Carolina corporation to which both parties claim to be corporate executives and spiritual leaders. Furthermore, when considering the religious element of this dispute, the bishops' respective supporting factions are comprised of parishes located solely in South Carolina. Given the breadth of this diocesan dispute, the state court action has been designated "complex" and the primary questions at issue there, and here, are of great import to South Carolina. (Mot. to Dismiss, Ex. 4, ECF No. 13-4). Thus, "federal adjudication would be disruptive of state efforts to establish a coherent policy with respect to a matter of substantial public concern." Riley, 371 F. App'x at 403 (internal quotation marks omitted).

Further, there is "the need to uphold the state's interest in having all litigation stemming from a single controversy resolved in a single court system." Glenmont Hill Assocs. v. Montgomery Cnty., Md., 291 F. Supp. 2d 394, 399 (D. Md. 2003); Mitcheson v. Harris, 955 F.2d 235, 239 (4th Cir. 1992). This state interest also speaks directly to efficiency—the second Nautilus factor. By examining the scope of the state court action, "[e]fficiency is determined by whether the issues can best be settled in the pending state court proceedings rather than in the federal courts." NGM Ins. Co. v. Evans, 642 F. Supp. 2d 511, 516 (W.D.N.C. 2009) (citing Nautilus, 15 F.3d at 378). The state court action includes additional parties, and the plaintiff and the defendants in the instant case derive their rights from those parties. Likewise, the interests at

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issue in the present case are aligned with those parties, "suggesting that the state action would be more efficient in resolving all interested parties' rights." Kapiloff, 155 F.3d at 494. As such, the state action's ability to settle the entire diocesan controversy counsels in favor of abstention because the claims before this Court strictly focus on a singular component of that controversy. See Mitcheson, 955 F.2d at 239 (citations omitted) (internal quotation marks omitted) ("[I]t makes no sense as a matter of judicial economy for a federal court to entertain a declaratory action when the result would be . . . to try particular issues without settling the entire controversy."). The potential inefficiencies in proceeding with both actions simultaneously are not hard to imagine, and it appears clear that the state court's all-inclusive cast of parties and issues promises a more comprehensive and economical resolution of the greater controversy. See VRCompliance LLC v. HomeAway, Inc., 715 F.3d 570, 574 (4th Cir. 2013) (citation omitted) (observing that inclusion of more parties in state court "promis[es] a more comprehensive resolution").

The third Nautilus factor—unnecessary entanglement between federal and state courts due to "overlapping issues of fact or law"—weighs against this Court exercising jurisdiction. As discussed above, the controversy giving rise to this action is underway in state court. The state court action and this action involve overlapping issues, thus, presenting a clear entanglement threat. Beyond the overlapping factual and legal issues, a decision by this Court to grant Bishop vonRosenberg's desired injunctive relief concerning the use of the Diocese's service marks will be in direct contravention of a temporary injunction already issued by the state court. Again, Bishop vonRosenberg has twice been served with notice of the state court injunction, precluding him from using the marks at issue. Therefore, it would not only be, as noted, inefficient to proceed with this action, but it would also constitute unnecessary entanglement for this Court to

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declare which bishop is entitled to the Diocese's benefits when that determination is pending in state court. See VRCompliance, 715 F.3d at 574 (alteration in original) (quoting Nautilus, 15 F.3d at 379, 377) ("The risk of such entanglement is especially acute where the same issues being litigated in federal court 'are already being litigated by the same parties in the related state court action[],' since any factual determinations first made in one proceeding would likely have preclusive effect in the other, thus 'frustrat[ing] the orderly progress of [the other] proceeding[] by leaving the . . . court with some parts of [the] case foreclosed from further examination but still other parts in need of full scale resolution.'"); see also Ulmet v. United States, 888 F.2d 1028, 1031 (4th Cir. 1989) (finding "[i]t would be a serious interference with the orderly administration of justice for this court to order the Army to pay Ulmet interim back pay and benefits when the issue of his entitlement to those benefits is still pending before the Claims Court"); Glenmont Hill Assocs., 291 F. Supp. 2d at 399 (citation omitted) ("To interfere with a controversy already embroiled in state proceedings is not only inefficient and contrary to the principle of comity, it will also result in an unnecessary entanglement."). Thus, the near certainty of entanglement and principles of comity dictate declining jurisdiction over Bishop vonRosenberg's claims.

The fourth Nautilus factor concerns whether the federal action is used as a means for procedural fencing, which exists when "a party has raced to federal court in an effort to get certain issues that are already pending before the state courts resolved first in a more favorable forum . . . ." Gross, 468 F.3d at 212. Bishop vonRosenberg's claim seeks the same relief as TEC's counterclaim in the state action. In addition, the desired relief here directly conflicts with a state court ordered temporary injunction with which Bishop vonRosenberg has been twice-served with notice before filing this action. These facts alone suggest procedural fencing, given

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that Bishop vonRosenberg filed this action with full knowledge that service mark control and the Diocese's legal status as a whole were already at issue before the state court. Regardless, excepting any indication of forum shopping, considerations of federalism, efficiency, and comity weigh heavily against this Court maintaining jurisdiction over this action.

Furthermore, Bishop vonRosenberg's requests for injunctive relief and costs based on alleged violations of the Lanham Act do not limit this Court's discretion to abstain from exercising jurisdiction over the entire action under the standards set forth in Brillhart, 316 U.S. 491, and reaffirmed in Wilton, 515 U.S. 277. See Riley, 371 F. App'x at 401, 405 (stating that the existence of federal jurisdiction does not nullify or diminish a district court's discretion to abstain). The Court notes that the analysis applied in Riley concerning the relationship between a declaratory claim and desired relief is particularly instructive here because the federal plaintiff there likewise sought an injunction, costs, and damages, in addition to a declaratory judgment based on federal question jurisdiction. Id. at 400-01. In Riley, the Fourth Circuit stated that "the perfunctory inclusion of nondeclaratory requests for relief does not suffice to remove a plaintiff from the ambit of the Brillhart/Wilton rule." Id. at 404 n.2. Moreover, "[a] declaratory judgment plaintiff may not convert a district court's discretionary jurisdiction under Brillhart/Wilton into nearly mandatory jurisdiction under [the Colorado River doctrine] simply by tossing in dependent or boilerplate nondeclaratory requests." Id. (internal citation omitted); see also VRCompliance, LLC v. Homeaway, Inc., No. 1:11-cv-1088, 2011 WL 6779320, at *3 (E.D.Va. Dec. 27, 2011), aff'd, 715 F.3d 570 (4th Cir. 2013) (stating "[t]hough the complaint mixes requests for declaratory and nondeclaratory relief, stay of this matter in its entirety is appropriate because the nondeclaratory counts are dependent on the Court's adjudication of the [p]laintiffs' declaratory requests"); Alfa Laval, Inc. v. Travelers Cas. & Sur. Co., No. 3:09-cv-

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733-HEH, 2010 WL 2293195, at *5 (E.D. Va. June 3, 2010) (holding "[t]he presence of non-declaratory claims in this case does not change the Court's conclusion that a stay is appropriate").

Here, Bishop vonRosenberg's requests for injunctive relief and attorney's fees are not wholly independent of his declaratory claim. See Beaufort Dedicated No. 5 Ltd. ex rel. Syndicate 1318 at Lloyd's v. Bradley, No. 1:11-cv-673, 2012 WL 3260325, at *7-8 (M.D.N.C. Aug. 8, 2012) (stating the Riley analysis is applicable when additional claims are dependent on the declaratory claim). Bishop vonRosenberg's requested relief exists in a close relationship with his claims that arise solely under the Lanham Act. To be entitled to all of his requested relief, Bishop vonRosenberg must demonstrate a violation of the Lanham Act. Because Bishop vonRosenberg lacks an independent claim on which to base his requested nondeclaratory relief, this Court's discretionary decision to forgo entertaining jurisdiction over the declaratory Lanham Act claim and its corresponding relief embraces the additional nondeclaratory requests that are wholly dependent upon the same claims. Cf., e.g., Beaufort Dedicated, 2012 WL 3260325, at *8 (stating that discretionary abstention under Riley is improper due to the existence of an independent, nondeclaratory rescission claim); Educ. Sys. Fed. Credit Union v. Cumis Ins. Soc'y, Inc., No. 09-cv-3217-DKC, 2010 WL 1930582, at *3 (D. Md. May 12, 2010) (stating that discretionary abstention under Riley is improper due to the existence of an independent, nondeclaratory breach of contract claim). Without the Court's declaration that Bishop Lawrence's service mark use violates the Lanham Act, the remaining relief is unwarranted as it necessarily relies on that declaration.

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III. CONCLUSION

Diametrically opposed concepts of the Diocese underlie the parties' arguments. Bishop vonRosenberg presents the Diocese as the regional representative within a hierarchically structured religious association, which is governed by national church polity. In contrast, Bishop Lawrence fashions a more secular representation of the Diocese as a South Carolina corporation whose business happens to be religious but is independently regulated and organized through its corporate charter and internal bylaws. The presence of a state court action endeavoring to clarify these competing constructs "animates the issues of federalism and comity," Kapiloff, 155 F.3d at 494, and this Court finds it judicially impractical to retain jurisdiction over a fragmented claim that has been separated from the larger controversy. Ultimately, the sum of all disputes and conflicts arising in the wake of the Diocese's estrangement from TEC are more appropriately before, and will more comprehensively be resolved, in South Carolina state court. Therefore, Bishop Lawrence's motion to abstain (ECF No. 13) is granted, thereby, dismissing this case without prejudice,[11] and Bishop vonRosenberg's motion for a preliminary injunction (ECF No. 6) is denied without prejudice.

AND IT IS SO ORDERED.

C. WESTON HOUCK
UNITED STATES DISTRICT JUDGE

August 23, 2013
Charleston, South Carolina

[11] The Court dismisses Bishop vonRosenberg's claim without prejudice in favor of the related state court proceeding pursuant to Wilton/Brillhart abstention to enable the parties to fully litigate all issues pertaining to this dispute, including those presented in this action, in the state court action. To avoid thwarting Bishop vonRosenberg's access to a federal forum, this Court will entertain a motion to reinstate this case if it appears during the period of limitations that all issues pertaining to this action will not be disposed of in state court.

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