

affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. §1125(a)(1)(A).

“To establish standing to sue for trademark infringement under the Lanham Act, a plaintiff must show that he or she is either (1) the owner of a federal mark registration, (2) the owner of an unregistered mark, or (3) a nonowner with a cognizable interest in the allegedly infringed trademark.” *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1225-26 (9th Cir. 2008) (citing 15 U.S.C. §1125(a)(1)(A) and 15 U.S.C. §1114 and 5 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition §§ 27:20-21, 32:3, 32:12 (4th ed.2008)).

It should be noted that Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a)(1)(A), provides broader standing to sue for trademark infringement than does Section 32 of the Lanham Act, 15 U.S.C. §1114, which provides standing only to the registrant of a federally registered trademark.

II.

ARGUMENT

1. Standing Has Already Been Determined By This Court

This Court already found that Bishop vonRosenberg has standing to assert his Lanham Act claims for trademark infringement and false advertising – back in 2013 soon after this action was commenced.

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) . . .

. . . In sum, Bishop vonRosenberg adequately alleges constitutional standing’s ‘irreducible minimum requirements.’ . . .

. . . 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.

Order dated August 23, 2013 (ECF No. 30).

The Fourth Circuit Court of Appeals recited this finding as the law of the case when it considered an interlocutory appeal of this Court’s initial abstention ruling.

The district court held that Bishop vonRosenberg had constitutional and prudential standing to assert individual injuries against Bishop Lawrence for trademark infringement and false advertising.

vonRosenberg v. Lawrence, 781 F.3d 731, 733 (4th Cir. 2015).

Although the complaint has since been amended to join Bishop Adams as Bishop vonRosenberg’s successor, the basic allegations supporting standing remain the same. If not foreclosed based on the law of the case, Bishop Lawrence’s motion can easily be disposed of based on the same legal analysis this Court undertook nearly five years ago.

2. Standing Does Not Require Ownership

Bishop Lawrence’s argument that standing requires trademark ownership is wrong. *Murphy v. Provident Mutual Life Ins. Co.*, 756 F. Supp. 83, 86 (D. Conn. 1990) (“[T]he question of ownership is immaterial to standing under § 43(a), since standing may lie with mere users of trademarks.”), *aff’d*, 923 F.2d 923 (2d Cir. 1990). As set forth above, any person, including a nonowner, who has a cognizable interest in a mark, and is being damaged by its use, has standing. 15 U.S.C. §1125(a)(1)(A) (“Any person... damaged by such act.”); *Halicki*, 547 F.3d at 1225-26 (“a nonowner with a cognizable interest”).

Bishops vonRosenberg and Adams have such a cognizable interest by virtue of their offices in The Episcopal Church and its associated diocese, The Episcopal Church in South Carolina,¹ which own the marks at issue in this action,² and authorize or license Bishops vonRosenberg and Adams to use them. *See Dixon v. Edwards*, 290 F.3d 699, 711 (4th Cir. 2002) (“Bishop Dixon plainly possesses, consistent with the first prong of *Lujan*, a legally

¹ The Episcopal Church in South Carolina is the associated diocese of The Episcopal Church in this region of South Carolina. It was founded in the eighteenth century. It is the beneficiary of a trust that holds title to all of the diocesan property. It also owns the diocesan marks at issue in Bishops vonRosenberg and Adams’ trademark infringement claims, including: “The Protestant Episcopal Church in the Diocese of South Carolina,” the “Diocese of South Carolina,” “The Episcopal Diocese of South Carolina,” and the seal of the diocese. It temporarily adopted the name The Episcopal Church in South Carolina in compliance with a consent order in state court entered in 2013 during the pendency of the state case and prior to the recent decision of the South Carolina Supreme Court. The South Carolina Supreme Court’s August 2, 2017 order holds, *inter alia*, that “title is in the trustee corporation for the benefit of the associated diocese”; and that “the twenty-eight church organizations which acceded to the Dennis Canon” – a rule set out in the Church’s governing documents – their property in “trust in favor of the national church.” *Protestant Episcopal Church in the Diocese of South Carolina*, 421 S.C. at 291, n.72, 806 S.E.2d at 125, n.72 (Toal, J., dissenting). The South Carolina Supreme Court left the “ultimate resolution of the parties’ conflicting [trademark] claims to the pending federal case.” *Id.*

² The marks at issue in this action include The Episcopal Church’s marks, some of which are federally registered with the United States Patent & Trademark Office, and the associated diocese’s marks, some of which are registered with the South Carolina Secretary of State. Count II of the Second Amended Complaint focuses primarily on the associated diocese’s marks, but it also incorporates by reference allegations relating to The Episcopal Church’s marks. Bishops vonRosenberg and Adams, by virtue of their offices in The Episcopal Church and its associated diocese, have standing to assert trademark infringement claims under Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a)(1)(A), relating to the marks owned by The Episcopal Church, as well as the marks owned by the associated diocese. For practical purposes, the permitted intervention of The Episcopal Church in this case may make Bishop vonRosenberg and Adams’ claims relating to its marks duplicative in some respects, particularly given that the primary relief sought in this action is an injunction. Nonetheless, Bishops vonRosenberg and Adams have standing to assert them. Likewise, The Episcopal Church in South Carolina’s pending motion to intervene, if granted, may make Bishop vonRosenberg and Adams’ claims relating to the diocesan marks duplicative in some respects. But again, Bishops vonRosenberg and Adams have standing to assert their own claims as well. All of these claims are closely related and intertwined and the relief sought is generally the same: to stop Bishop Lawrence and his followers from using “Episcopal”-based marks, indicia, and buildings to confuse the public.

protectable interest in the authority of her office.”). That authorization or license is subject to the hierarchical governance of The Episcopal Church, as set forth in its Constitution and Canons, as supplemented but not contravened by the Constitution and Canons of the associated diocese, and to the declarations that both Bishop Adams and vonRosenberg made at their ordination services to “solemnly engage to conform to the Doctrine, Discipline, and Worship of The Episcopal Church.”³ That authorization or license is exclusive in an important respect: since this action was filed in 2013, only one person at a time, formerly Bishop vonRosenberg and currently Bishop Adams – not Bishop Lawrence – has been authorized or licensed to represent himself to the public to be the bishop of the associated diocese and use the marks at issue in that capacity. That exclusivity, which is a cognizable interest in the marks, bestows standing on Bishops vonRosenberg and Adams to assert their claims for trademark infringement against Bishop Lawrence, who is unlawfully using the marks to confuse the public and causing damage to Bishops vonRosenberg and Adams, in exercising their duties and mission as bishops. *See Shell Co., Ltd. v. Los Frailes Service Station*, 596 F.Supp.2d 193, 203 (D.P.R. 2008), *aff’d sub nom. The Shell Co. (Puerto Rico) v. Los Frailes Serv. Station, Inc.*, 605 F.3d 10 (1st Cir. 2010) (“Courts have allowed licensees (exclusive or nonexclusive), associations (acting on behalf of their members), and distributors to bring claims pursuant to section 1125(1).”) (collecting cases); *see also Purcell v. Summers*, 145 F.2d 979, 981 (4th Cir. 1944) (pre-Lanham Act declaratory judgment action brought by bishops against dissident former members of their church for using church names).

³ Bishop Lawrence made the same declaration at his ordination service in 2008. He was accordingly authorized to serve as the bishop of the associated diocese and use its marks from 2008 to 2012, up until he renounced his declaration, was removed from his office, and purported to disassociate the diocese from The Episcopal Church.

3. Standing Does Not Require A Federal Registration

Bishop Lawrence argues in his motion that the fact that the diocesan marks at issue are not federally registered makes the claim akin to a common law claim and has some consequence on the question of standing. It does not. As noted above, the Lanham Act provides one cause of action that can be brought by registrants of federally registered marks, Section 32, 15 U.S.C. §1114; and another cause of action that can be brought by any person for any marks, including unregistered marks, Section 43(a), 15 U.S.C. §1125(a)(1)(A), which is the cause of action asserted by Bishops vonRosenberg and Adams. *See Halicki*, 547 F.3d at 1225-26 (citing 15 U.S.C. §1125(a)(1)(A) and 15 U.S.C. §1114 and 5 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition §§ 27:20-21, 32:3, 32:12 (4th ed.2008)).

4. Section 43(a) Does Provide A Claim For Trademark Infringement

Bishop Lawrence argues that Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a)(1)(A), provides a claim for “false association,” not “trademark infringement.” He is correct that the statute provides a broad claim for false association that does not necessarily require the existence of a trademark. He is wrong that the statute does not also provide a claim for trademark infringement. It does. As explained recently by a district court in this circuit:

The plain language of § 43(a) creates unfair competition causes of action for false association and false advertising. *Belmora LLC v. Bayer Consumer Care AG*, 819 F.3d 697, 706 (4th Cir. 2016). In addition, § 43(a) has been interpreted to create a cause of action for “traditional trademark infringement of unregistered marks,” *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 30 (2003), which is “a part of the broader law of unfair competition,” *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 428 (2003).

...

Of note, the Fourth Circuit in a false association and false advertising case recently held that “§ 43(a) does not require that a [party] possess or have used a trademark in U.S. commerce as an

element of [its] cause of action.” *Belmora LLC v. Bayer Consumer Care AG*, 819 F.3d 697, 706 (4th Cir. 2016). *Belmora*, however, involved § 43(a) claims for false association and false advertising, and the court found it “important to emphasize” that *Belmora* was “not a trademark infringement case.” *Id.* at 708; see *Seat Sack, Inc. v. Childcraft Educ. Corp.*, 417 F. App'x 931, 933 (Fed. Cir. 2011) (stating that a plaintiff claiming false advertising under § 43(a) “need not demonstrate that it has protectable trademark rights,” unlike a party claiming trademark infringement of an unregistered mark).

BNC Bancorp v. BNCCorp, Inc., Case No. 1:15-cv-793 (M.D.N.C. June 16, 2016).

Bishops vonRosenberg and Adams have alleged all of the elements required by Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a)(1)(A). They have styled their claim as a trademark infringement claim because it includes allegations based on the use of trademarks. Notwithstanding their allegations regarding the use of trademarks, their allegations also support a broader claim for false association. See *Chanel, Inc. v. Italian Activewear of Florida, Inc.*, 931 F.2d 1472, 1477 n. 7 (11th Cir. 1991) (“[T]he same facts support a cause of action for unfair competition as for trademark infringement.”). Regardless of how it is styled, they have standing to assert their claim under 43(a) of the Lanham Act, 15 U.S.C. §1125(a)(1)(A), and it should not be dismissed.

5. Bishops vonRosenberg and Adams’ Pending Motion To Amend Their Complaint

On March 1, 2018, Bishops vonRosenberg and Adams moved to amend their complaint to join the associated diocese, The Episcopal Church in South Carolina, as an intervening party plaintiff to their Lanham Act claims. If that motion to amend were to be granted, as a procedural matter, Bishop Lawrence’s instant motion to dismiss would be moot.

Furthermore, any concern regarding Bishop vonRosenberg and Adams' lack of ownership of the marks would be cured by the inclusion of The Episcopal Church in South Carolina, which owns the diocesan marks at issue.

WHEREFORE, for the foregoing reasons, Bishop Lawrence's motion to dismiss should be denied.

Dated: March 6, 2018

Respectfully submitted,

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