

No. 19-2112

In The
United States Court of Appeals
For The Fourth Circuit

RIGHT REVEREND CHARLES G. VONROSENBERG, *et al.*,

Plaintiffs-Appellees,

v.

RIGHT REVEREND MARK J. LAWRENCE, *et al.*,

Defendants-Appellants.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF SOUTH CAROLINA

**DEFENDANTS-APPELLANTS’
MOTION TO STAY INJUNCTION AND TO STAY CASE**

The Defendants-Appellants, pursuant to Federal Rule of Appellate Procedure 8 and this Court's inherent power, move to (1) stay this case pending the United States Supreme Court's decision in *U.S. Patent & Trademark Office v. Booking.com B.V.*, No. 19-46 (U.S.), which the Supreme Court will decide this Term, and (2) stay the injunction pending appeal.

Introduction

This dispute arises from the Diocese of South Carolina's disassociation from The Episcopal Church, and it is back in this Court for a third time. After coming here the first two times on abstention questions, the case is now here on the merits.

But rather than delve into the merits immediately, this Court should stay both the injunction and the entire case. A central issue is whether "The Episcopal Church" is generic and therefore not a protectable trademark. The district court never held that "episcopal" or "church" was not generic, but it concluded that the phrase "The Episcopal Church" was nevertheless protected. In other words, the district court held that adding "the" to two generic words gave rise to a protected mark.

Whether adding such a common word to a generic word or phrase can create a protected mark is a question the United States Supreme Court is taking up this Term. In *Booking.com*, the Court is asked to answer whether adding “.com” to a generic word gives rise to a protected mark. The reasoning of that decision will impact—if not control—the analysis in this case.

Staying the case, however, is not enough. The Court should also stay the injunction while this appeal is pending. A stay of an injunction seeks to preserve the status quo, which is a particularly worthwhile aim here. Many parishes in the Diocese of South Carolina are older than our Republic. Disputes over the legal effects of the departure of the Diocese of South Carolina and its parishes from The Episcopal Church (“TEC”) have been—and continue to be—playing out in both state and federal courts for seven years now. The back-and-forth of all of this litigation counsels for preserving the status quo until a final resolution is reached. Moreover, this stay of the injunction will not harm TEC, its now-associated diocese The Episcopal Church in South Carolina, or Bishops vonRosenberg or Adams (collectively “TEC/TECSC parties”). Instead, it

will maintain the status quo that has been in place since 2013 and based on a consent injunction in the state-court litigation that remains pending.

Staying this case pending the Supreme Court's decision in *Booking.com* and the injunction pending appeal is therefore a wise use of judicial resources that will not harm any of the parties.

Factual Background

This dispute has a long history, both in federal and state courts. Yet the dispute can be recounted succinctly enough.

The origins of the Diocese of South Carolina and its withdrawal from the national church

During the century before the U.S. Constitution was ratified, South Carolinians throughout the Lowcountry established churches under the Church of England. (ECF 667 at 3.) After the Revolution, these churches joined together to form the Diocese of South Carolina in 1785. (ECF 667 at 3–4.) Four years later, this diocese joined with six others in the new country to create The Protestant Episcopal Church in the United States of America, which began to call itself The Episcopal Church nearly 200 years later in the late 1960s. (ECF 667 at 4.) Since TEC's beginning, it has existed as an unincorporated association with dioceses being its members, and with the parishes being members of the diocese, but not of

TEC. See *Protestant Episcopal Church in the Diocese of S.C. v. Episcopal Church*, 421 S.C. 211, 217, 806 S.E.2d 82, 85 (2017) (discussing this structure).

About a century and a half after the Diocese of South Carolina was formed, it split into two separate dioceses—an upper and lower one. *Id.* In 2012, the Diocese of South Carolina (which covered the eastern, or lower, part of the State) eliminated its corporate allegiance to TEC by withdrawing from that unincorporated association. (ECF 667 at 3.) At least fifty-five parishes also corporately decided to remain associated with the Diocese of South Carolina, rather than be part of a diocese which was a member of TEC. (ECF 667 at 4.) TEC denied that the Diocese could withdraw, and it recognized a new unincorporated association that sought to be a diocese associated with TEC which named itself The Episcopal Church in South Carolina (“TECSC”). (ECF 595-1 at 12.) TEC appointed Bishop Charles G. vonRosenberg as TECSC’s leader. (ECF 667 at 3.)

The state court litigation over the schism

The Diocese’s corporate action lead to multiple lawsuits. The first was by the Diocese and its parishes against TEC and its new diocese over

real and personal property, along with two state trademark claims. *See generally Protestant Episcopal Church in the Diocese of S.C.*, 421 S.C. 211, 806 S.E.2d 82. The state circuit court issued a temporary restraining order on January 23, 2013, restraining TEC, TECSC, and anyone affiliated with them from using certain state marks. (ECF 13-19 at 2, 6.) These 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 Diocese seal, in color and in black and white:



(ECF 13-19 at 4.)

The state court then issued a consent temporary injunction, which lasted until that court issued a permanent injunction on February 3, 2015 enjoining TEC and TECSC, along with anyone affiliated with them, from using “the Diocese of South Carolina” name and the state trademarks. (ECF 610-2.) TEC and TECSC appealed the February 3, 2015 order, but they appealed only one of the two grounds on which the trial court issued

in its injunction. (ECF 690-1.) The second, independent ground for the injunction TEC and TECSC failed to appeal was under a different state statute involving the misuse of an incorporated entity's registered names. (ECF 610-2 at 37–39 (discussing S.C. Code § 16-17-310, 320).)

When the S.C. Supreme Court decided TEC and TECSC's appeal, that court issued five opinions, one from each Justice, that the parties along with the state trial court have spent more than two years attempting to decipher. *See Protestant Episcopal Church in the Diocese of S.C.*, 421 S.C. 211, 806 S.E.2d 82. On the injunction regarding the registered names and marks, the S.C. Supreme Court was evenly divided 2-2, with the fifth justice expressing no opinion. *See id.* at 249 n.28, 806 S.E.2d at 102 n.28 (Beatty, C.J., concurring in part and dissenting in part). Even TECSC acknowledges that the state court injunction is still in place: its Rule 30(b)(6) designee, Bishop Adams, when being deposed more than a year after the S.C. Supreme Court's decision, recognized they "are presently blocked from using" the names of the Diocese of South Carolina and have been "since the split in 2012" even after the collective opinions. (ECF 690-3 at 3.) Indeed, the original state court case remains pending in state court, which includes all property-related issues.

After the S.C. Supreme Court's collective opinions, a second state court lawsuit, a betterment action, arose between the same parties. *See Protestant Episcopal Church in the Diocese of S.C. v. Episcopal Church*, 2017-CP-18-01909 (S.C. Ct. Comm. Pls.). In that betterment action, the Diocese and its parishes seek compensation from TEC for improvements to real property, if the state trial court determines the S.C. Supreme Court opinions recognized a trust in favor of TEC. That action is still pending.

The federal litigation

The third lawsuit is this one. Here, the original complaint was filed in 2013 by Bishop vonRosenberg against Bishop Lawrence for using the registered state marks of the Diocese of South Carolina. (ECF 1.) In addition to filing this lawsuit, TEC and TECSC removed the first state case to federal court and attempted to join it to this one, but Judge Houck remanded the state case. *See Protestant Episcopal Church in the Diocese of S.C. v. Episcopal Church*, No. CV 2:13-00893-CWH, 2013 WL 12148371, at *8 (D.S.C. June 10, 2013).

In this case, Bishop vonRosenberg sought a preliminary injunction to enjoin Bishop Lawrence's use of the Diocese of South Carolina's names

and marks, (ECF 6), but that motion was denied, and the case was dismissed, (ECF 30). Judge Houck reasoned that “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.” (ECF 30 at 22.) This Court reversed, holding that *Colorado River*, rather than *Brillhart* and *Wilton*, should guide the abstention inquiry. *vonRosenberg v. Lawrence*, 781 F.3d 731 (4th Cir. 2015).

On remand, Judge Houck found “that this case presents ‘exceptional circumstances’ that warrant abstention” under *Colorado River* and “stay[ed] the action until the final resolution of the parallel state court action.” (ECF 55 at 21.) This Court again disagreed, holding the federal and state actions were not parallel and the exceptional circumstances required under *Colorado River* to abstain were absent. *vonRosenberg v. Lawrence*, 849 F.3d 163 (4th Cir. 2017).

After this second remand, the operative pleadings were finally filed. Bishop vonRosenberg and Bishop Adams (Bishop vonRosenberg’s successor), along with TECSC, which had intervened, sued Bishop Lawrence, the Diocese of South Carolina, its trustees, and its parishes

for false and misleading advertising and trademark infringement under the Lanham Act, as well as for trademark infringement and cancellation of state marks under state law. (ECF 146.) TEC also intervened, and it asserted claims under the Lanham Act for trademark infringement and dilution against these same defendants. (ECF 150.) Meanwhile, Bishop Lawrence asserted counterclaims against the TEC/TECSC parties for a declaration that he had not infringed any mark or engaged in any false advertising, for a declaration that “The Episcopal Church” was generic and thus invalid, and for cancellation of the marks TEC had registered. (ECF 152, 153.) The parishes also denied liability to any of the TEC/TECSC parties. (*E.g.*, ECF 201, 215.)

The district court granted the summary judgment motions of the TEC/TECSC parties and denied those of Lawrence, the Diocese of South Carolina, and the parishes (collectively “DSC”). (ECF 667.) Based on that decision, the court permanently enjoined the DSC from using five marks related to TEC and the four state-registered marks. (ECF 667.) In a separate order, the district court ruled that the parishes could continue using their parish names, including those with “Episcopal Church” in their names. (ECF 668.)

The DSC appealed those orders. (ECF 673 and 680.) Since then, the TEC/TECSC parties filed a petition claiming that the DSC were violating the injunction. (ECF 686.) The district court found that some actions by the DSC referencing its history, such as saying the Diocese was founded in 1785 and was holding its 229th convention, violated the injunction, but that other actions did not. (ECF 693 at 19.)

The district court's refusal to stay the injunction

The DSC asked the district court to stay the injunction pending the appeal. (ECF 690.) The district court refused to do so. (ECF 693 at 16–19.)

Legal Standard

This Court, like all courts, has the inherent power to stay proceedings “to control the disposition of the causes on its docket.” *Dominion Energy, Inc. v. City of Warren Police & Fire Ret. Sys.*, 928 F.3d 325, 335 n.8 (4th Cir. 2019) (quoting *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936)).

This Court may also stay an injunction pending appeal. *See* Fed. R. App. P. 8(a). Four factors are relevant to deciding whether to stay an injunction: “(1) whether the stay applicant has made a strong showing

that he is likely to succeed on the merits; (2) whether the applicant will be irreparably injured absent a stay; (3) whether issuance of the stay will substantially injure the other parties interested in the proceeding; and (4) where the public interest lies.” *Hilton v. Braunskill*, 481 U.S. 770, 776 (1987); *see also Scotts Co. v. United Indus. Corp.*, 315 F.3d 264, 269 (4th Cir. 2002) (noting this Court stayed an injunction pending appeal in a Lanham Act case).

Reasons for Granting the Stays

I. Judicial economy favors staying the case until the Supreme Court decides *Booking.com*.

The Supreme Court has consistently shown concern for using the federal judiciary’s limited resources wisely. *See, e.g., B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1302 (2015); *Allen v. McCurry*, 449 U.S. 90, 94 (1980); *Kerotest Mfg. Co. v. C-O-Two Fire Equip. Co.*, 342 U.S. 180, 183 (1952). Here, that consideration supports staying this case.

This Term, the U.S. Supreme Court will decide *U.S. Patent & Trademark Office v. Booking.com B.V.* That case—like this one—focuses on whether generic additions to generic words can create a protectable trademark. In *Booking.com*, a divided panel of this Court answered that question in the affirmative. *See Booking.com B.V. v. United States Patent*

& Trademark Office, 915 F.3d 171 (4th Cir. 2019). Judge Duncan, joined by Judge King, held that combining two generic terms could, in the right circumstances, create a protected mark. *Id.* at 186. In so doing, the Court dismissed the Supreme Court’s decision in *Goodyear’s Rubber Manufacturing Co. v. Goodyear Rubber Co.*, in which the Supreme Court held that adding “company” to a generic term was not protected under trademark law. 128 U.S. 598, 602–03 (1888). The majority reasoned that *Goodyear* did not apply because it was decided sixty years before the Lanham Act was adopted. *Booking.com B.V.*, 915 F.3d at 184.

Judge Wynn dissented, pointing out the tension that under *Goodyear*, “Booking Company” was not protected, yet now “booking.com” was. *Id.* at 194 (Wynn, J. dissenting). In explaining its misapplication of law, Judge Wynn also noted how the majority’s decision conflicted with every other circuits’ approach to combining two generic terms and threatened to freeze competitors out of the market. *Id.* at 190–91, 195.

The Supreme Court granted the Solicitor General’s petition for a writ of certiorari on November 8, 2019. A decision should be issued by June 2020.

The decision in *Booking.com* will likely impact this case. Here, the district court's reasoning was similar to the reasoning in that case. The district court acknowledged (at least implicitly) that "church" is generic. (ECF 667 at 19.) Similarly, the court recognized that "episcopal" is derived from the Greek word *episkopos*, which simply refers to church government by bishops. (ECF 667 at 21–22.) (On this point, the Diocese submitted evidence from more than a dozen other denominations that use "episcopal church" or "episcopal" and "church" generically in their name. (ECF 610-1, 626, 626-1, and 649.) Rather than focus on the question of whether combining these two generic words with another common word ("the"), the district court asked whether the combination of these three words was generic. (ECF 667 at 22.)

If the Supreme Court reverses this Court's decision in *Booking.com* and holds that adding the common ".com" top-level domain does not make a generic term a protectable trademark, the Supreme Court's logic will likely control whether the similarly common article "the" can make generic words (like "episcopal" and "church") a protectable trademark. Indeed, courts have repeatedly held that adding "the" to generic terms does *not* convert them into a protectable mark. *See, e.g., The Universal*

Church v Toellner, 752 F. App'x 67, 69 (2d Cir. 2018) (“The Universal Church” is generic); *Hunt Masters, Inc. v. Landry’s Seafood Restaurant, Inc.*, 240 F.3d 251, 255 (4th Cir. 2001) (“The Crab House” is not protectable); *In re G. D. Searle & Co.*, 360 F.2d 650, 656 (U.S. Ct. Customs and Patent Appeals 1966) (“the pill” is not protectable); *Maine Avenue Seafood Inc. v. The Crab House*, 1998 U.S. Dist. LEXIS 23144, at *14 (D. Md. Mar. 30, 1998) (“The Crab House” not protectable).

With a Supreme Court decision on this question imminent, there is no reason to push forward with briefing and oral argument in this case, only potentially to have to do it all over again after the Supreme Court’s decision. The case should therefore be stayed for this short period to preserve judicial resources. *See, e.g., Ganim v. Frank E. Basil, Inc.*, 852 F.2d 565 (4th Cir. 1988) (per curiam) (table) (noting that the Fourth Circuit had stayed the case “until the Supreme Court decided” a similar case in which a writ of certiorari had been granted); *cf. Maryland v. King*, 567 U.S. 1301 (Roberts, Circuit Justice 2012) (staying a case in which the Court was likely to grant a writ of certiorari).

II. The injunction should be stayed.

In addition to staying the case, the Court should also stay the injunction the district court entered. As one district court in this Circuit has put it,

[t]he purpose behind a court granting a stay pending appeal is generally preventative or protective because the stay “*seeks to maintain the status quo pending a final determination of the merits* of the suit. An order maintaining the status quo is appropriate when a serious legal question is presented, when little if any harm will befall other interested persons or the public and when denial of the order would inflict irreparable injury on the movant. *There is substantial equity, and need for judicial protection, whether or not movant has shown a mathematical probability of success.*”

MicroStrategy, Inc. v. Business Objects, S.A., 661 F. Supp. 2d 548, 559 (E.D. Va. 2009) (emphases added) (quoting *Washington Metro., Area Transit Comm’n v. Holiday Tours*, 559 F.2d 841, 844 (D.C. Cir. 1977)).

This rationale is captured by the four-factor test from the Supreme Court in *Hilton*. Each of those factors favors staying the injunction while this appeal is pending.

A. The TEC/TECSC parties will not suffer substantial harm with a stay.

Injunctions are equitable, *see Weinberger v. Romero-Barcelo*, 456 U.S. 305, 311 (1982), so weighing the harms to both sides is critical whenever a court is faced with any issue regarding injunctive relief. Starting with the TEC/TECSC parties, they will not be harmed by a stay of the injunction, for at least three reasons.

First, the TEC/TECSC parties were enjoined—by consent, no less—from using the names and the marks of the Diocese of South Carolina since January 2013. (ECF 13-19, 610-2.) Even after the S.C. Supreme Court’s collective opinions, TECSC is still bound by that injunction. (ECF 690-3 at 3.)

TECSC understands this, but the district court did not. The district court insisted that the state court injunction was no longer in place after the 2017 S.C. Supreme Court decision because, the district court said, the decision on the state marks was reversed. The district court was incorrect. The S.C. Supreme Court was evenly divided 2-2 on the issue of the state marks, which were the subject of the injunction. *See Protestant Episcopal Church in the Diocese of S.C.*, 421 S.C. at 231, 806 S.E.2d at 92 (opinion of Pleicones, J.) (“I would therefore reverse the injunctive relief

granted by trial court.”); *id.* at 248, 806 S.E.2d at 101–02 (opinion of Hearn, J.) (“Based on our doctrine of deference to ecclesiastical authority, the Appellants . . . are therefore entitled to . . . the emblems, seals, and trademarks associated with the National Church”); *id.* at 249 n.28, 806 S.E.2d at 102 n.28 (2017) (opinion of Beatty, C.J.) (“I express no opinion concerning the rights to the service marks as I believe this determination should remain with the federal court.”); *id.* at 251, 806 S.E.2d at 103 (opinion of Kittredge, J.) (“I would affirm the trial court in result.”); *id.* at 261, 806 S.E.2d at 108–09 (opinion of Toal, Acting J.) (“With regard to the question of whether the defendants infringed on the plaintiffs’ service marks, I would narrowly affirm the trial court under state law and defer to the federal court to answer any issues in this matter in which federal copyright and trademark law may be applicable.”). An evenly divided court means the lower court is affirmed. *See, e.g., Peoples Life Ins. Co. of S.C. v. Cmty. Bank*, 278 S.C. 70, 292 S.E.2d 188 (1982). Thus, the state court injunction remains in place. Because it wrongly believed this injunction was no longer in effect, the district court did not consider its impact on this case.

To prohibit the TEC/TECSC parties from using the names and marks of the Diocese of South Carolina pending this appeal will maintain the status quo that has existed since 2013—a status to which the TEC/TECSC parties willingly agreed. No matter what the district court found about the merits (a decision, of course, with which the DSC disagree), the TEC/TECSC parties cannot logically suffer any substantial harm from continuing to do what they have consented to do for so many years while these cases have been pending.

Second, a party who seeks equity “must do equity.” *Pan-Am. Petroleum & Transp. Co. v. United States*, 273 U.S. 456, 505 (1927). In other words, a party cannot obtain equitable relief if it has done something like what it accuses the other side of doing. *See McKennon v. Nashville Banner Pub. Co.*, 513 U.S. 352, 360 (1995) (discussing the unclean-hands doctrine).

Although the context here is slightly different, the equitable considerations are just as strong, and the TEC/TECSC parties’ unclean hands cannot be ignored. Since 2013 in the first state court lawsuit (which resulted in the S.C. Supreme Court’s 2017 collective opinions), the trial court enjoined TEC and its local diocese (as well as their members

and officials) from using the marks that the Diocese had registered with the State of South Carolina. (ECF 13-19, 610-2.) Yet throughout the more than three-and-a-half years before the S.C. Supreme Court issued its ruling, TEC and TECSC continued to assert their connection to the historical diocese publicly even though they were enjoined from using the marks of the historical diocese. Even if the TEC and TECSC complied with the literal requirements of the state court injunction by not using the marks themselves, their continued invocation of the historical diocese means they cannot now fairly insist that the DSC stop sharing their connection to the historic diocese while this litigation is still unresolved. That the DSC never sought to have the TEC/TECSC parties held in contempt in state court does not wash their hands of their misconduct.

Third, the state court proceedings in the 2013 lawsuit remain pending. Issues still to be resolved include (1) the use of the names of the diocese and (2) whether any of the parishes acceded to the Dennis canon, thereby subjecting their real and personal property to a trust in favor of TEC.

B. The DSC will be harmed without a stay.

On top of the lack of harm to the TEC/TECSC parties from a stay of the injunction, the DSC will be harmed without it.

Here, the short-term need for a stay is apparent. The status quo was preserved on January 23, 2013, when the state court issued its temporary restraining order. Since that date, TECSC was bound by the injunction. And even as recently as 2018, after the S.C. Supreme Court's collective opinions, TECSC still considered itself prohibited from using the names and marks of the Diocese of South Carolina. Only after the district court entered the injunction a few months ago did the TEC/TECSC parties begin using any marks of the Diocese of South Carolina.

The district court's injunction requires the DSC to change their websites, printed materials, publications, and anything else with the marks they have been prohibited from using. And the DSC did so, trying initially to comply while this appeal was pending. Yet their reasonable efforts do not appear to be enough for the TEC/TECSC parties or the district court. The TEC/TECSC parties' eagerness in running to the district court to try to hold the DSC in contempt for not going as far as

the TEC/TECSC parties think the DSC should have demonstrates that the parties disagree about the scope of the injunction. (More the TEC/TECSC parties' quickness to seek contempt later. *See infra* Part II.D.).

The district court's decision on the contempt motion expands the injunction it originally entered. (ECF 693 at 5–12.) The parishes must now change significantly the way they tell their history. These parishes sent representatives to conventions and played a role in a diocese for centuries, but they can no longer share their full story. This is an irreparable harm.

The long-term view of this case also counsels in favor of staying the injunction. Many of the parishes in the diocese are old. Some were founded in the 1600s, and many existed before the American Revolution began in 1775. Waiting less than a year for this appeal to conclude is a small window of time given this historical context that goes back more than three centuries.

C. The DSC has a strong argument on appeal.

One of the central aims of trademark law is “to protect the ability of consumers to distinguish among competing producers.” *Park ‘N Fly*,

Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 198 (1985). Allowing one entity to take a generic word out of the public domain would effectively deprive other entities of using that word to describe its product by the product's name and thus hurts consumers. *See Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (Friendly, J.). For that reason, the Supreme Court held more than a century ago that simply adding "company" to generic words like "wine," "cotton," or "grain" "cannot be adopted as trade-marks." *Goodyear's Rubber Manufacturing Co.*, 128 U.S. at 603.

That is essentially what TEC has done. It has taken two generic words ("episcopal" and "church"), added a third generic word ("the"), and claimed it is a trademark. Combining generic words like that was not sufficient in the *Goodyear* case, nor in other Supreme Court cases. *See, e.g., Delaware & Hudson Canal Co. v. Clark*, 80 U.S. 311, 323 (1871) ("Nor can a generic name, or a name merely descriptive of an article of trade, of its qualities, ingredients, or characteristics, be employed as a trade-mark and the exclusive use of it be entitled to legal protection."). *Goodyear* remains good law, despite its age. And its logic compels the conclusion that "The Episcopal Church" is not a protected mark.

The district court's observation that "The Episcopal Church" is only one of the marks at issue is unavailing. That is the mark over which the parties argued most intensely, and other marks flow from this one. Put another way, if "The Episcopal Church" is not a protected mark, the other marks will have to be reevaluated.

Still, even if the Court does not believe the DSC have a strong argument at this stage, a stay is still appropriate for two reasons. For one, that argument may get stronger after the Court's decision in *Booking.com*. For another, the other factors so strongly favor a stay that this factor should not be controlling. *See, e.g., MicroStrategy, Inc.*, 661 F. Supp. 2d at 559–60 (granting a motion to stay dissolving injunction pending appeal even though movant did *not* have a likelihood of success on the merits but potential harm to movant was significant).

D. The public interest favors a stay.

Two considerations support staying the injunction. One is judicial resources. The TEC/TECSC parties' petition for contempt in the district court demonstrates that the TEC/TECSC parties have taken a sweeping view of the district court's order. In fact, they now claim that the use of "Anglican Diocese of South Carolina" violates the order, (ECF 686 at 2–

3), when they argued in their summary judgment briefing that “Anglican Episcopal Church” would not violate their marks, (ECF 643 at 16). Thankfully, the district court rejected the TEC/TECSC parties’ argument on this front. (ECF 693 at 15–16.) But they still made the argument, which demonstrates their view of the injunction.

Also problematic with the TEC/TECSC parties’ claim that the DSC have violated the injunction is the TEC/TECSC parties’ inconsistency with TEC’s actions in other jurisdictions. At least two other dioceses that left TEC having been using for a number of years the word Anglican in their diocesan name (the Anglican Diocese of San Joaquin and the Anglican Diocese of Pittsburgh), without (as far as the DSC are aware) any objection from TEC. In other cases, courts have recognized that a plaintiff who has not sought to exclude all others from infringing its intellectual property may not be harmed by a stay of an injunction pending appeal. *See E.I. DuPont de Nemours & Co. v. Phillips Petroleum Co.*, 835 F.2d 277, 278 (Fed. Cir. 1987) (calling a plaintiff’s willingness to license other competitors and not “excluding” them “[o]f great importance” in staying an injunction pending appeal). As Abraham Lincoln observed, “actions speak louder than words.” 3 *Collected Works of*

Abraham Lincoln 530 (Roy P. Basler, ed., 1953) (Cooper Union Address, Feb. 27, 1860). TEC's (in)action with regard to these other dioceses stands in stark contrast with its actions here and shows the aggressiveness with which the TEC/TECSC parties have approached the injunction the district court issued.

If the injunction is not stayed, there is the real possibility that the TEC/TECSC parties will continue to return to the district court (or even this one), complaining that the DSC have not done enough to comply with the injunction. This Court should prevent such a drain on judicial time by staying the injunction until the Court resolves the merits of the DSC's appeal. *Cf. Goff v. Kroger Co.*, 647 F. Supp. 87, 88 (S.D. Ohio 1986) ("Every day of trial this Court can save, even every hour of trial it can save in one case permits the Court to hear the claim of another litigant. This is of paramount importance and it is the essence of judicial economy.").

The second is that the public is unlikely to be confused if the injunction is stayed and the status quo remains. This dispute has been in both the state and federal courts for nearly seven years. Moreover, the status of these legal proceedings following the 2012 corporate

disassociation have been well publicized. *See, e.g.*, Meg Kinnard, *SC Court Rules Episcopal Diocese Can't Take Millions in Property After Split*, *Island Packet* (Hilton Head, SC), Aug. 2, 2017, <https://www.islandpacket.com/living/religion/article164991482.html>; Jennifer Berry Hawes, *Local Episcopalians Describe Starting Over After Split*, *Post & Courier* (Charleston, SC), June 25, 2013, https://www.postandcourier.com/news/local-episcopalians-describe-starting-over-after-split/article_19941031-b6b3-59ed-8db9-67978972d8e4.html. The risk of confusion among the public is therefore low, particularly given that consumers of religion tend to be sophisticated.

Particularly ironic on this point is the district court's reasoning that because a couple of months have passed, another name change "would cause more public confusion." (ECF 693 at 18.) If repeated name changes would potentially confusing, the district court should have stayed the injunction *sua sponte* until the appeal was resolved to minimize name changes.

Conclusion

The Court should stay the injunction pending appeal and stay the case pending the Supreme Court's decision in *Booking.com*.*

Respectfully submitted,

s/ Wm. Grayson Lambert

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

Henrietta U. Golding
BURR & FORMAN LLP
P.O. Box 336
Myrtle Beach, SC 29578
(843) 444-1107

Lance Lawson
BURR & FORMA LLP
101 S. Tryon Street, Suite 2610
Charlotte, NC 28280
(704) 347-1170
llawson@burr.com

* Pursuant to Local Rule 27(a), counsel for the Plaintiffs-Appellees have been notified of this motion. They do not consent and intend to file a response.

Wm. Grayson Lambert
BURR & FORMAN LLP
P.O. Box 11390
Columbia, SC 29211
(803) 799-9800
glambert@burr.com

*The Right Reverend Mark J. Lawrence, The
Protestant Episcopal Church In The Diocese
of South Carolina, and The Trustees of the
Protestant Episcopal Church of South
Carolina*

John E. Cuttino
GALLIVAN, WHITE & BOYD, P.A.
1201 Main Street, Suite 1200
Post Office Box 7368 (29202)
Columbia, South Carolina 29201
(803) 724-1714

*All Saints Protestant Episcopal Church, Inc.
Ascension, Hagood
Christ Episcopal Church, Mars Bluff
Community, Florence County, South
Carolina
Christ St. Paul's Episcopal Church
Church of the Advent, Marion
Church of The Cross, Inc. and Church of the
Cross Declaration of Trust
Church of the Epiphany
Church Of The Holy Comforter
Church of the Holy Comforter
Church of the Holy Cross, Sullivan's Island
The Church of Our Saviour, of the Diocese of
South Carolina*

*The Church of St. Luke and St. Paul,
Radcliffeboro*
*The Church Of The Good Shepherd,
Charleston, SC*
*The Church of the Holy Cross
Church Of The Redeemer*
*The Church Of The Resurrection, Surfside
Grace Parish, North Myrtle Beach*
Holy Apostles, Barnwell
Holy Trinity Episcopal Church
Holy Trinity, Grahamville
*The Protestant Episcopal Church, of the
Parish of Saint Philip, in Charleston
South Carolina*
*The Protestant Episcopal Church, The
Parish of Saint Michael in
Charleston, in the State of South
Carolina and St. Michael's Church
Declaration of Trust*
St. Alban's Chapel, The Citadel
St. Andrew's Mission
St. Barnabas, Dillon
St. Bartholomews Episcopal Church
St. Davids Church
St. James Anglican, Blackville
St. James' Church, James Island, S.C.
St. John's Episcopal, Charleston;
*St. John's Episcopal Church of Florence,
S.C.*
St. Luke's Church
St. Matthews Church
St. Matthias Episcopal Church, Inc.
*St. Paul's Episcopal Church of Bennettsville,
Inc.*
St. Paul's Episcopal Church of Conway
St. Paul's Orangeburg
St. Timothy's, Cane Bay

*The Vestries and Churchwardens of the
Parish of St. Andrew, Old Saint
Andrews Parish Church*

*The Vestry and Church Wardens of the
Episcopal Church of the Parish of St.
Helena and the Parish Church of St.
Helena Trust*

*The Vestry and Church Wardens of The
Parish of St. Matthew*

*The Vestry and Wardens Of St. Paul's
Church, Summerville*

The Well Ministries

Trinity Church of Myrtle Beach

Trinity Episcopal Church, Edisto Island;

Trinity Episcopal Church, Pinopolis

*Vestry and Church Wardens of St. Jude's
Church of Walterboro*

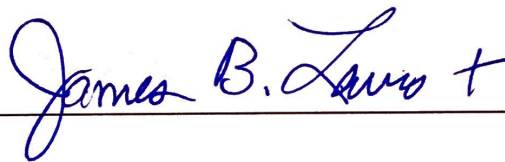
*Vestry and Church Wardens of the
Episcopal Church of the Parish of St.
John's Charleston County*

*Vestry and Church-Wardens Of The
Episcopal Church Of The Parish Of
Christ Church*

Verification

Pursuant to Federal Rule of Appellate Procedure 8(a)(2)(B)(ii) and 28 U.S.C. § 1746, I, James Barton Lewis, as the Canon to the Ordinary, hereby declaring under penalty of perjury that the factual statements in this Motion are true and correct.

This the 23rd day of December, 2019.

A handwritten signature in blue ink that reads "James B. Lewis" followed by a plus sign. The signature is written in a cursive style and is positioned above a horizontal line.

James Barton Lewis

Canon to the Ordinary

Certificate of Compliance

Pursuant to Federal Rule of Appellate Procedure 27(d)(2)(A), I certify that this motion has 5,195 words.

s/ Wm. Grayson Lambert

Certificate of Service

I hereby certify that on December 23, 2019, a copy of the foregoing has been electronically filed with the Clerk of the Court using the CM/ECF system, which will serve it on all counsel of record.

s/ Wm. Grayson Lambert