

No. 19-2112

**UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT**

RIGHT REVEREND CHARLES G. VONROSENBERG,
individually and in his capacity as Provisional
Bishop of the Protestant Episcopal Church
in the Diocese of South Carolina, *et al.*,

Plaintiffs-Appellees,

THE EPISCOPAL CHURCH,

Intervenor/Plaintiff-Appellee,

v.

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

Defendants-Appellants.

On Appeal From The United States District Court
For The District Of South Carolina

**APPELLEES' RESPONSE IN OPPOSITION TO APPELLANTS'
MOTION TO STAY INJUNCTION AND TO STAY CASE**

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INTRODUCTION

Appellants do not dispute that the district court found “overwhelming,” “substantial,” and “uncontroverted” evidence that they unlawfully infringed several different marks for many years, causing irreparable harm to the mark owners (The Episcopal Church and its South Carolina diocese, Appellees here); caused substantial actual confusion; and engaged in false advertising. The district court entered an injunction to prevent further irreparable harm to Appellees.

Appellants waited more than two months after that injunction was entered to ask for a stay. In the meantime, they changed many of their practices and even their name, as the injunction required. In an about-face, Appellants now belatedly ask this Court for a stay to let them change *back*, for the time being. That request does not come close to meeting the standard for the extraordinary relief of a stay pending appeal.

Appellants conspicuously avoid the merits of their appeal, arguing only that *one* of the nine marks at issue should be invalidated as generic. That argument presents no reason to stay the injunction as to the eight other marks. And in any event, their argument as to the one mark disregards this Court’s precedent. Appellants make much about a grant of certiorari by the Supreme Court in *USPTO v. Booking.com*, but that case pertains specifically to the use of “.com” in a trademark for e-commerce services and thus has no bearing on this appeal. Appellants’ failure

to make the requisite “strong showing” that they are likely to succeed on appeal on its own warrants denying their motion. The lack of harm to Appellants from continuing to abide by the injunction pending appeal, the irreparable harm to Appellees if a stay is granted, and the public interest in preventing trademark infringement and consumer confusion further doom Appellants’ motion.

Finally—and quite at odds with their request for a stay—Appellants ask this Court to halt the briefing schedule and freeze this appeal for up to six months, until the Supreme Court decides *Booking.com*. But, as noted, that case has no bearing on this appeal. If, after the Supreme Court renders its decision, Appellants believe differently, they can submit a letter under Fed. R. App. P. 28(j) or otherwise request supplemental briefing. The pendency of *Booking.com* is no reason to stay briefing of this appeal.

COUNTER-STATEMENT OF FACTUAL BACKGROUND

This case is on its third trip to this Court. The origins of the case are succinctly described in this Court’s last decision, *VonRosenberg v. Lawrence*, 849 F.3d 165, 166-67 (4th Cir. 2017). The case arises from a schism within the Diocese of South Carolina, a regional sub-unit of The Episcopal Church (a hierarchical religious denomination). In 2012, Appellant Right Reverend Mark Lawrence—the Diocese’s Bishop at the time—purported to withdraw the Diocese from The Episcopal Church. While individuals are free to leave the Church, under the governing documents and

traditions of The Episcopal Church, the attempt to withdraw the Diocese was ineffective. For his actions, Bishop Lawrence was removed from his position by The Episcopal Church, and the Church then installed Appellee Bishop Charles VonRosenberg as the Provisional Bishop of the continuing, historic Diocese, which remains affiliated with the denomination (the “Associated Diocese”). (Bishop VonRosenberg since has been succeeded by Bishop Gladstone Adams.) Bishop Lawrence, however, refused to cede control of the Diocese’s corporation or its property; he contended that he remained the leader of the historic Diocese, withdrawn from and independent of The Episcopal Church (the “Disassociated Diocese”).

The Disassociated Diocese and 36 parishes loyal to Bishop Lawrence filed suit in state court in South Carolina against The Episcopal Church, seeking declarations that they were the proper owners of the property of the historic Diocese and that The Episcopal Church had no title or interest in the property of the historic Diocese or the 36 parishes. They also sought injunctive relief against interference with their use and enjoyment of that property, including the historic Diocese’s service marks. The state trial court preliminarily enjoined the Associated Diocese from using the historic Diocese’s service marks; to comply, the Associated Diocese provisionally adopted the name “The Episcopal Church in South Carolina” (“TECSC”). TECSC then became a defendant in the state-court litigation.

Ultimately, the state trial court entered final judgment in favor of the Disassociated Diocese, and permanently enjoined The Episcopal Church and TECSC from using the historic Diocese's service marks. *See The Protestant Episcopal Church in the Diocese of South Carolina v. The Episcopal Church*, No. 2013-CP-18-00013 (S.C. Cir Ct., County of Dorchester).¹

Shortly after the Disassociated Diocese initiated its state-court litigation, Bishop VonRosenberg sued Bishop Lawrence in federal court alleging violations of the Lanham Act, 15 U.S.C. § 1051 *et seq.* *See* Dkt. 1. Bishop VonRosenberg claimed that Bishop Lawrence's assertions that he was the Bishop of the historic Diocese (despite his removal by The Episcopal Church) amounted to false advertising. The district court twice dismissed the case on abstention grounds, and this Court twice vacated and remanded. *See VonRosenberg*, 849 F.3d at 168-169; *VonRosenberg v. Lawrence*, 781 F.3d 731, 736 (4th Cir. 2015).

Then, in August 2017, the Supreme Court of South Carolina reversed most of the state trial court's judgment. *See The Protestant Episcopal Church in the Diocese of South Carolina v. The Episcopal Church*, 806 S.E.2d 82 (S.C. 2017), *reh'g denied* (Nov. 17, 2017), *cert. denied*, 138 S. Ct. 2623 (2018). Two Justices, Acting Justice

¹ Appellants misleadingly refer to the state court's injunctive orders as a "consent injunction," "to which the TEC/TECSC parties willingly agreed." Mot. 3, 18. In reality, The Episcopal Church consented only to a temporary restraining order at the outset of the litigation. Neither the Church nor TECSC consented to the subsequent orders of longer-lasting injunctive relief.

Pleicones and Justice Hearn, would have reversed the trial court completely and ruled for the Associated Diocese on all issues. Chief Justice Beatty, however, thought only parts of the trial court's judgment warranted outright reversal. Because his vote was necessary for a majority, his opinion provided the disposition of the appeal. Together, this three-Justice majority held that Bishop Lawrence's faction, having left The Episcopal Church, could not claim to be the historic Diocese (or its successor) and thus was not entitled to maintain control over the historic Diocese's property; moreover, the parishes that had acceded to the Church's rules governing property held that property in trust for the Church and TECSC. *Id.* at 92 (Pleicones, J.) ("I would ... reverse the circuit court's decision ... to the extent it held that the Disassociated Diocese, the Trustees, and parishes controlled or owned the disputed real and personal property"); *id.* at 93, 102 n.27 (Hearn, J.) ("I concur with [Justice Pleicones] and would confirm title to the property at issue in [The Episcopal Church] and reverse"); *id.* at 103 & n.29 (Beatty, C.J.) ("I agree with the majority as to the disposition of the remaining parishes because their express accession to the Dennis Canon was sufficient to create an irrevocable trust ... [and] the [D]isassociated [D]iocese can make no claim to being the successor to the Protestant Episcopal Church in the Diocese of South Carolina."). As for the issues relating to "rights to the service marks" which the state trial court had purported to decide, Chief Justice

Beatty held that they “should remain with the federal court.” *Id.* at 103 & n.28 (Beatty, C.J.).²

The decision of the South Carolina Supreme Court substantially reshaped the federal litigation. The parties amended their pleadings to add new parties and claims, including, relevant here, claims for trademark infringement brought against Appellants by The Episcopal Church, which owns several federally registered trademarks, including “The Protestant Episcopal Church in the United States of America,” “The Episcopal Church,” “The Episcopal Church Welcomes You,” “La Iglesia Episcopal,” and The Episcopal Shield. *See* Dkt. 65 at 8-9.

After allowing extensive discovery and briefing, the district court awarded summary judgment to The Episcopal Church and TECSC in a 73-page opinion entered September 19, 2019. Dkt. 667. The district court held that under the state Supreme Court’s decision (and under the First Amendment), TECSC is the “lawful successor of the Historic Diocese” and therefore the rightful owner of the historic Diocese’s service marks. Dkt. 667 at 11; *see id.* at 8-13.

The District Court then found for The Episcopal Church and TECSC on the merits of their Lanham Act claims, finding that the undisputed factual record

² Appellants’ assertion that the state court injunction “remains pending,” Mot. 3, is incorrect. As the district court recognized, the state Supreme Court’s decision to leave the issues surrounding rights to the Diocese’s service marks “with the federal court” means the state trial court’s resolution of those matters—including the injunctive relief—was vacated. *See* Dkt. 667 at 7-8.

established “that the Defendants infringed on TEC and TECSC’s marks, diluted TEC’s marks and engaged in false advertising regarding their affiliation with TECSC and their identity.” Dkt. 667 at 71-72. Indeed, there was “overwhelming,” “striking,” and “undisputed” evidence not just of a likelihood of confusion, but of “numerous known instances” of *actual* confusion, ranging from worshipping at the wrong church to sending contributions to the wrong diocese. *Id.* at 46-51, 62.

To remedy the Lanham Act violations, the District Court enjoined Appellants from using nine marks owned by The Episcopal Church and TECSC. Dkt. 667 at 72-73. The court noted that Appellants’ infringement was causing irreparable harm to Appellees, “[t]he hardships weigh strongly in [Appellees’] favor,” and “the public interest would be served by preventing future consumers from being misled.” *Id.* at 71.

Appellants complied with the injunction only in part. Bishop Lawrence’s faction changed its name to “Anglican Diocese of South Carolina,” but also programmed the Historic Diocese’s website (www.dioceseofsc.org) to redirect to the faction’s new webpage. *See* Dkt. 688 at 14. Bishop Lawrence’s faction also claimed in its marketing materials that it was “Founded in 1785” and that Bishop Lawrence was its “14th Bishop.” In an order entered after Appellants noticed their appeal, the district court ordered Appellants to cease “co-opt[ing] the history and goodwill of TEC and TECSC’s marks.” Dkt. 693 at 7.

On November 25, 2019, more than two months after the injunction was entered and more than six weeks after they noticed their appeal, Appellants sought a stay of the injunction pending appeal. The district court denied that motion. Dkt. 693 at 16-20. First, the district court found that Appellants had not shown they were likely to succeed on appeal. *Id.* at 16-17, 18. While Appellants argued that the appeal would be affected by the Supreme Court’s grant of certiorari on an issue of trademark genericness in *U.S. Patent & Trademark Office v. Booking.com B.V.*, No. 19-46, 2019 WL 5850636 (U.S. Nov. 8, 2019), the district court observed that the grant “d[id] not affect [its] analysis,” for multiple reasons. Dkt. 693 at 18. First, the issue in *Booking.com* is different. The district court had concluded that one mark—The Episcopal Church—“is not generic” because it “differentiates a specific denominational organization offering religious services.” Dkt. 667 at 18-19; *see also id.* at 16-26 (rejecting argument that The Episcopal Church is a generic reference to a religion). The district court noted that this case did not involve the question the Supreme Court will consider, which is specific to the addition of “.com” to a generic domain name. Dkt. 693 at 18. Second, Appellants’ argument “affected [only] one out of the nine marks at issue in this case.” *Id.*

The district court also found that Appellants had “not shown an irreparable injury absent the stay.” Dkt. 693 at 17. Appellants “waited for over two months” before seeking a stay, and during that time had adopted a new name and made other

changes, so they could not demonstrate that “a stay is necessary to maintain the status quo”; “the status quo is the Disassociated Diocese’s new name.” *Id.* And Appellants had failed to provide any “evidence of harm to [them] since the name change over two months ago,” which also “indicate[d] that there is no irreparable harm to [them] absent a stay.” *Id.* In contrast, a stay “would substantially harm” Appellees, because it would mean a “return[] to the infringement, dilution[,] and false advertising” that Bishop Lawrence’s faction perpetrated for years until finally stopped by the district court’s injunction. *Id.* at 18. Finally, the district court concluded that a stay would “disserve[]” the public interest “as it would cause more confusion by requiring additional name changes for major religious organizations.” *Id.*

ARGUMENT

A stay of a district court’s injunction is extraordinary relief, making it all the more remarkable that Appellants make this request while simultaneously asking that the appeal be put on hold for at least six months while the Supreme Court considers *Booking.com*. Appellants are not entitled to a stay of the injunction *or* a halt to the briefing schedule in this appeal, but even if they could justify either one, they plainly cannot justify both. A stay generally warrants *expediting* an appeal, not slowing it down. Staying the injunction pending appeal, and then freezing the appeal, would give Appellants a remarkable and unjustifiable windfall.

I. Appellants Are Not Entitled To A Stay Of The Injunction Pending Appeal.

Appellants' request for a stay pending appeal is governed by a four-factor test: "(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." *Nken v. Holder*, 556 U.S. 418, 434 (2009) (citation omitted). The first two factors are "the most critical." *Id.* Only "once an applicant satisfies the first two factors" does the analysis proceed to the remaining factors. *Id.* at 435.

A. Appellants Are Unlikely To Succeed On The Merits Of Their Appeal.

Appellants cannot show a likelihood of success on appeal, and despite their contrary argument, they cannot obtain a stay without such a showing.

Appellants contend that "even if the Court does not believe th[at] [Appellants] have a strong argument at this stage," "a stay is still appropriate" because: (1) their argument "may get stronger" once the Supreme Court decides *Booking.com*, and (2) "the other factors so strongly favor a stay." Mot. 23. That contention is flatly contrary to *Nken*. As the Supreme Court there explained, because it is "an intrusion into the ordinary processes of administration and judicial review," a stay "is not a matter of right, even if irreparable injury might otherwise result to the appellant."

556 U.S. at 427 (internal quotation marks and citations omitted). A stay is unavailable unless the applicant makes a “strong showing” of likelihood of success; “a mere possibility of relief” “is not enough.” *Id.* at 434 (internal quotation marks and citations omitted); *see also Real Truth About Obama v. FEC*, 575 F.3d 342, 345-347 (4th Cir. 2009), *vacated*, 559 U.S. 1089 (2010), *reinstated in pertinent part*, 607 F.3d 355 (4th Cir. 2010). Here, Appellants do not come close to making the necessary “strong showing” that they are likely to succeed on the merits. *Nken*, 556 U.S. at 434.

Appellants attempt to justify a stay of the *entire* injunction because they claim that *one* mark (“The Episcopal Church”) is generic and thus unprotectable. But they ignore that the injunction rests on multiple violations of the Lanham Act. Even as to trademark infringement, the summary-judgment “evidence focused on” two other marks that Appellants barely mention here. Dkt. 667 at 72 n.54. Appellants’ unsupported speculation that “the other marks will have to be reevaluated” if the one mark were invalidated, Mot. 23, falls well short of establishing a likelihood of success as to the other eight marks.

Even as to “The Episcopal Church,” Appellants’ argument rests on speculation about the resolution of *Booking.com*. Such speculation is categorically insufficient to establish a likelihood of success. *Nken*, 556 U.S. at 434 (a “possibility of relief” is “not enough”). And in any event, the question presented in *Booking.com*

has no bearing on the merits of this case (and, as discussed in Part II, *infra*, for that reason, it does not justify delaying briefing).

The question presented in *Booking.com* is “[w]hether the addition by an online business of a generic top-level domain (‘.com’) to an otherwise generic term can create a protectable trademark.” Pet. For a Writ of Cert. I, *Booking.com* (No. 19-46) (U.S. filed July 5, 2019) (“Pet. For Cert.”). A term is generic when it “becomes the generic name for the goods or services ... for which it is registered.” 15 U.S.C. § 1064(3). The case turns on whether the mark identifies a service (online booking) and not just the company (Booking.com B.V.). See *Booking.com B.V. v. U.S. Patent & Trademark Office*, 915 F.3d 171, 185 (4th Cir. 2019). The Supreme Court took the case to resolve what the government described as a 2-1 circuit split on that issue. See Pet. for Cert. at 23-26.

The dissent in *Booking.com* concluded that the mark was “a generic domain that describes the nature of the services [booking.com] offers.” *Booking.com*, 915 F.3d at 188-89 (Wynn, J., concurring in part and dissenting in part). That is not even arguably true of “The Episcopal Church.” The district court accordingly did not rely on this Court’s decision in *Booking.com* for any proposition related to genericness. See Dkt. 667 at 17-26; see also *id.* at 34 (citing the district-court decision in

Booking.com only in discussing likelihood of confusion).³ Indeed, unlike in *Booking.com*—which involves a trademark that the Patent and Trademark Office (PTO) *refused* to register under its approach to *.com* trademarks—the PTO did register “The Episcopal Church,” confirming that the PTO’s approach to *.com* trademarks has no relevance here.⁴

Rather than *Booking.com*, it is this Court’s decision in *Hunt Masters, Inc. v. Landry’s Seafood Restaurant, Inc.*, 240 F.3d 251 (4th Cir. 2001), that governs here, because it considered and rejected Appellants’ argument that because each word is generic, the full mark must be generic too (Mot. 22). *Hunt Masters* squarely held that “[i]n determining whether a mark is generic, courts should not parse terms to determine that they are made up of generic components.” 240 F.3d at 254 (citing *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1530 (4th Cir. 1984)); accord 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 12:39 (5th ed.) (citing cases). Appellants criticize the district court for “ask[ing] whether the combination of these three words,” “The Episcopal Church,” “was generic,” Mot.

³ Nor did Appellants cite below the 1888 Supreme Court decision that is supposedly critical to their argument now, *see* Mot. 22. That decision addresses whether a general class of goods plus the word “Company” (“Wine Company, Cotton Company, or Grain Company”) can be “exclusively appropriated” as a trademark. *Goodyear’s Rubber Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598, 602 (1888). It has no bearing on the *specific* descriptive term at issue here.

⁴ The registration of the marks here also makes them presumptively valid against contentions of genericness (unlike *booking.com*, which the PTO did not register). *See Am. Online, Inc. v. AT&T Corp.*, 243 F.3d 812, 818 (4th Cir. 2001).

13, but that is precisely the approach *Hunt Masters* requires. And though they cite *Hunt Masters* elsewhere, Mot. 14, Appellants make no effort to reconcile their likelihood-of-success argument with it.

As the district court explained, The Episcopal Church is not a generic mark because the factual record and expert evidence show that it identifies a specific denominational organization, not an entire religion: it is “a descriptive term for a United States-based organization of churches that are aligned with the Anglican communion.” Dkt. 667 at 22; *see id.* at 19-20 (citing cases upholding similar church-name marks). It “does not refer to churches run by bishops in general.” *Id.* at 22. Appellants “have introduced no evidence” to the contrary. *Id.* at 21. And Appellants offer no response here—just a legal argument that contradicts this Court’s precedent. It was Appellants’ burden to demonstrate that the registered mark, “The Episcopal Church,” was generic, and nothing in Appellants’ stay motion suggests that the district court erred in concluding they failed to carry that burden as to the single mark they discuss, never mind the eight others.

B. Appellants Have Not Shown That They Will Suffer Irreparable Harm Without A Stay Of The Injunction.

Appellants also fail to demonstrate that they “will be irreparably injured absent a stay” pending appeal. *Nken*, 556 U.S. at 434 (citation omitted). The absence of irreparable harm is independently fatal to Appellants’ stay request. *See*

id. at 434-35 (“simply showing some possibility of irreparable injury fails to satisfy the second factor”) (internal quotation marks and citation omitted).

Appellants lament that the district court’s “injunction requires the [Disassociated Diocese] to change their websites, printed materials, publications, and anything else with the marks they have been prohibited from using,” but they also admit that “the [Disassociated Diocese] did so” after the injunction was entered on September 19, 2019. Mot. 20. Appellants failed to present in the district court “any evidence of harm” they have suffered because of these changes, Dkt. 693 at 17, and Appellants offer no such evidence here. This “indicates that there is no irreparable harm to [Appellants] absent a stay.” *Id.* (citing *Nat’l Grange of the Order of Patrons of Husbandry v. Cal. State Grange*, No. 2:14-cv-676, 2016 WL 10807691, at *2 (E.D. Cal. Jan. 12, 2016) (finding no irreparable harm and denying stay where defendant had already changed name to comply with injunction); *SunAmerica Corp. v. Sun Life Assur. Co. of Canada*, 890 F. Supp. 1559, 1584 (N.D. Ga. 1994) (finding no irreparable injury because “a name change would not be

irrevocable” and “Plaintiff could reverse the process should Plaintiff succeed on appeal”).⁵

The fact that Appellants already have complied with the injunction also shatters Appellants’ myth that a stay is necessary to “preserve[]” the “status quo” they had obtained when the state trial court entered an injunction that perpetuated their usurpation of Church property. As Appellants concede, it was a “few months ago” when “the TEC/TECSC parties” once again “beg[an] using [the] marks of the Diocese of South Carolina.” Mot. 20. *That* is the status quo; Appellants ask this Court to *alter* the status quo and restore the state of affairs as they existed under the state trial court’s judgment. But the Supreme Court of South Carolina *reversed* that judgment in relevant part in 2017, holding “TECSC is the lawful successor to the Historic Diocese.” Dkt. 667 at 11 (citing *Protestant Episcopal Church*, 806 S.E.2d at 91-94, 103 n.29). Appellants suggest no legal or factual basis for this Court to revive the state trial court’s erroneous conclusions.

⁵ Appellants claim that, under the injunction, unspecified parishes “must now change significantly the way they tell their history,” and they assert, without any citation to legal authority, that “[t]his is an irreparable harm.” Mot. 20. That *ipse dixit* should be rejected. Even if it were true that the injunction, by restraining certain parishes from co-opting the historic Diocese’s goodwill, somehow requires those Appellants to alter their descriptions of parish history, Appellants fail to demonstrate why their asserted injury could not be remedied if they prevail on appeal by reverting to the prior versions of such histories.

C. A Stay Of The District Court's Injunctive Relief Would Inflict Substantial Harm On Appellees.

In contrast, a stay of the injunction would “substantially injure the other parties interested in the proceeding.” *Nken*, 556 U.S. at 434 (citation mentioned). As this Court recognizes, “irreparable injury regularly follows from trademark infringement.” *Lone Star Steakhouse & Saloon v. Alpha of Va., Inc.*, 43 F.3d 922, 939 (4th Cir. 1995). Indeed, the “injury and damage” from “[t]he use by one organization of the name of another for the purpose of appropriating the standing and good will which the other has built up” is “so clear ... as hardly to admit of argument.” *Purcell v. Summers*, 145 F.2d 979, 983, 984 (4th Cir. 1944). Here, TEC and TECSC have submitted substantial evidence that their marks were being infringed and diluted, their goodwill appropriated, and the public actually deceived by the Lawrence faction’s unauthorized use of their marks. Dkt. 667 at 53-55, 57-59, 63, 65. Appellants’ motion does not even challenge that evidence of confusion, dilution, or false advertising. As the district court correctly concluded, staying the injunction thus would “substantially harm” Appellees by allowing Appellants to

return to the “infringement, dilution and false advertising” they had engaged in for years. Dkt. 693 at 18.⁶

Appellants’ contention that Appellees will not be harmed by a stay is based on the flatly false premise that, notwithstanding the South Carolina Supreme Court’s reversal of the state court judgment, “the state court injunction remains in place.” Mot. 17. The district court correctly concluded that this attempt to rely on “the findings of fact of the reversed state lower court decision” holdings and an injunction from a reversed lower court decision” is “plainly without merit.” *See* Dkt. 667 at 8-9; *see also supra* at 6 n.2.

Appellants’ related argument—that because Appellees were enjoined by the state court for a long time, a return to that state of affairs “logically” cannot cause “any substantial harm” to Appellees—also lacks merit. Mot. 18. It blithely ignores that Appellees were *wrongly* enjoined by the state court. The summary judgment record is replete with evidence of harm flowing from Appellants’ myriad acts of infringement. *See* Dkt. 667 at 57-59, 66-67, 70-71. And this Court’s precedent

⁶ In arguing the public-interest factor, Appellants claim that “the public is unlikely to be confused if the injunction is stayed” because the dispute and legal proceedings “have been well publicized.” Mot. 25-26. But the district court found “striking” evidence of consumer confusion, including a confusion survey yielding results that “far exceed percentages that the Fourth Circuit has previously held to be ‘clear evidence’ of actual confusion.” Dkt. 667 at 50. The suit Appellees had to bring to remedy that confusion did not by itself dispel that confusion; indeed, Appellants’ argument would let any high-profile infringer off the hook.

recognizes that a seceding group's misappropriation of an organization's goodwill inflicts substantial and irreparable harm. *Purcell*, 145 F.2d at 984.⁷

In short, a stay of the district court's injunctive relief would result in serious, irreparable harm to TEC and TECSC by permitting Appellants to continue infringing and diluting their marks, creating and perpetuating consumer confusion, and engaging in false advertising.

D. A Stay Would Disserve The Public Interest.

Finally, a stay of the district court's injunctive relief would disserve the public interest. *See Nken*, 556 U.S. at 434. As numerous courts in this Circuit have recognized, preventing trademark infringement and the resulting consumer confusion serves the public interest. *See, e.g., George Sink, P.A. Injury Lawyers v. George Sink II Law Firm LLC*, No. 19-cv-1206, -- F. Supp. 3d --, 2019 WL 3766478, at *13 (D.S.C. Aug. 9, 2019) ("Protecting trademark rights and preventing trademark infringement is in the public interest."), *stay denied*, No. 19-1960 (4th Cir. Dec. 10,

⁷ Appellants similarly claim that "the state court proceedings in the 2013 lawsuit remain pending." Mot. 19. Appellants do not explain how the continued existence of state-court proceedings is relevant to the harm a stay of the federal court's injunction would impose on Appellees. Regardless, Appellants' claim that the "use of the names of the diocese" is an "[i]ssue[] still to be resolved" by the state court, Mot. 19, is wrong and reflects Appellants' broader unwillingness to accept the decision of the Supreme Court of South Carolina. Chief Judge Beatty's controlling opinion plainly deferred all trademark matters to the federal court. *See Protestant Episcopal Church*, 806 S.E.2d at 103 & n.28 (Beatty, C.J.). And the federal court now quite clearly has decided them. Appellants cannot relitigate these issues in state court.

2019); *see also AMP Inc. v. Foy*, 540 F.2d 1181, 1185 (4th Cir. 1976) (recognizing that “one of the purposes of trademark protection is to protect purchasers from being misled”). Granting a stay here would directly undermine that public interest.

Appellants speculate that absent a stay, Appellees might “continue to return to the district court (or even this one), complaining that [Appellants] have not done enough to comply with the injunction.” Mot. 25. But Appellants’ failure to comply fully with the injunction is hardly a reason to *lift* the injunction they violated. The public interest obviously is well-served by compliance with court orders, and is disserved when, as the district court here found, parties willfully violate those orders. *See* Dkt. 693 at 8-12. Appellants have not appealed that order and do not identify any error in it. Staying an injunction to prevent proceedings to secure compliance would be manifestly *contrary* to the public interest. A stay of the injunction is not warranted here.

II. The Court Should Not Stay This Appeal Pending The Supreme Court’s Decision In *Booking.com*.

There is no need to delay the resolution of this appeal while the Supreme Court considers *Booking.com*. As demonstrated *supra*, the issue does not directly bear on this case, and even if it did, there still would be no reason to stay the case. Under the current briefing schedule, Appellants’ reply brief will not be due until late March, too late for argument during the May 5, 2020 court week. Oral argument therefore will not be heard before September 9, 2020—whereas *Booking.com* likely will be

resolved by June 2020 at the latest (Mot. 12). After the decision, the parties can consider whether to submit or request additional briefing. *See* Fed. R. App. P. 28(j); Local R. 28(e). And even if this Court were inclined to pause the appeal, that would counsel strongly *against* staying the injunction pending appeal (in addition to Appellants' failure to meet the applicable standard).

As the district court correctly explained, this case does not involve the question presented in *Booking.com*, and the district court did not rely on the case in discussing genericness. Here, the record showed that the marks at issue identify a specific religious denomination, not a general category of goods or services being offered. For that same reason, a host of courts have upheld marks that identify a religious denomination rather than a religion or a genus of religion. Dkt. 667 at 19-20 (citing, *e.g.*, *Te-Ta-Ma Truth Found. v. World Church of the Creator*, 297 F.3d 662, 666-667 (7th Cir. 2002) (“Church of the Creator”)). Thus, there is no reason to think that a decision about the use of “.com,” or about consumers' perception of “booking.com,” will have any bearing on this case. The irrelevance of .com trademarks is confirmed by the fact that while it refused to register the “booking.com” mark, the PTO did register “The Episcopal Church.” *See supra* at 13. It was Appellants' burden to show that the mark is generic. Nothing in the Supreme Court case—however it is resolved—will relieve Appellants of their failure to do so. The grant of certiorari is no reason to freeze this appeal.

CONCLUSION

The Court should deny both the motion to stay the injunction and the motion to hold the appeal in abeyance pending *Booking.com*.

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Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Pursuant to FRAP 32(g)(1), I hereby certify that the foregoing motion complies with the type-volume limitation in FRAP 27(d)(2)(A). According to Microsoft Word, the motion contains 5,191 words and has been prepared in a proportionally spaced typeface using Times New Roman in 14 point size.

/s/ Matthew D. McGill

Matthew D. McGill

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of December, 2019, I electronically filed the foregoing Response in Opposition to Appellants' Motion to Stay Injunction and to Stay Case with the Clerk of the Court for the United States Court of Appeals for the Fourth Circuit by using the Court's appellate CM/ECF system, and service was accomplished on all counsel of record by the CM/ECF system.

/s/ Matthew D. McGill

Matthew D. McGill