

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 98-2102-CIV-KING

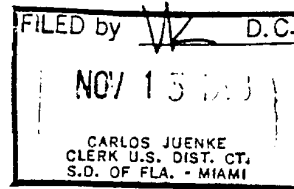
SIGMA CHI FRATERNITY,
an unincorporated association, and
SIGMA CHI CORPORATION,
a corporation,

Plaintiffs,

v.

SETHSCOT COLLECTION,
an entity of unknown form formerly
d/b/a GREEK LIFESTYLES, and
TAYLOR CORPORATION,
a Minnesota corporation d/b/a
GREEK LIFESTYLES,

Defendants.



ORDER DENYING DEFENDANT TAYLOR CORPORATION'S MOTION TO DISMISS

THIS CAUSE comes before the Court on Defendant Taylor Corporation's Motion To Dismiss, filed October 5, 1998. Plaintiffs filed a response on October 23, 1998, to which Defendant replied on October 30, 1998.

I. Factual and Procedural Background

Plaintiffs allege that Defendants were advertising and selling in interstate commerce products bearing one or more of their various trademarks and service marks, registered in the United States and Canada. See Pl.'s Am. Compl., at ¶¶ 11-13, 15. Plaintiffs claim that, on or about November 2, 1995, they advised Defendants that Plaintiffs owned such marks, suggested that Defendants apply to become licensed vendors of merchandise bearing the marks, and demanded that Defendants cease and desist from manufacturing and/or selling such merchandise until a licensing agreement between

the parties could be agreed upon. See id. at ¶ 16. Having failed to receive a response from Defendants, Plaintiffs allegedly sent another, similar letter to Defendants on or about July 23, 1996. See id. at ¶ 17. After becoming aware that Defendants allegedly had published and distributed a catalog advertising merchandise bearing the marks, Plaintiffs aver that they sent a third such letter on or about September 27, 1997. See id. at ¶¶ 18-19. Defendant responded to Plaintiffs' demand by a letter, in which Defendant allegedly denied that its sale of "custom goods" bearing Plaintiffs' registered marks constituted trademark infringement. See id. at ¶ 20. Although Defendants allegedly have never entered into a licensing agreement with Plaintiffs to manufacture, advertise, or sell goods bearing the marks, they allegedly have not ceased advertising and selling merchandise bearing the marks. See id. at ¶ 21-22.

Seeking injunctive relief and damages, Plaintiffs bring the following four causes of action against Defendants: (1) trademark infringement, in violation of Section 32(1)(a) of the Lanham Act, 15 U.S.C. § 1114(1)(a); (2) unfair competition, in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); (3) trademark dilution, in violation of Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c); and (4) unfair competition, in violation of the common law of the State of Florida. See id. at ¶ 25-39.

In its Motion To Dismiss, Defendant Taylor Corporation argues that Plaintiffs are bound by a 1969 consent decree entered by the Western District of Missouri permanently enjoining Plaintiffs from bringing a lawsuit such as this one. See Def.'s Mot., at ¶ 2. Since Plaintiffs allegedly have violated the provisions of that consent decree, Defendants argue that this Court must dismiss the above-styled action for lack of jurisdiction. See id. at ¶ 4.

In their memorandum in opposition to Defendant's Motion To Dismiss, Plaintiffs argue that this Court has the authority to review the 1969 consent decree, vacating its terms if necessary. See Pls.'Mem., at 2-6. Plaintiffs argue the merits of this case further, suggesting that this Court should indeed vacate the consent decree. See id. at 6-14. Plaintiffs' final argument is that the consent decree by its terms does not apply to their action, which raises a dilution claim that did not exist in 1969. See id. at 14-17.

III. Analysis

Defendant Taylor Corporation misreads the consent decree in Phi Delta Theta Fraternity v. J.A. Buchroeder & Co., Case No. 684 (W.D. Mo. 1969). In the two-page consent decree, the court explicitly provides that it applies only to the parties involved in that particular litigation. The introductory paragraph reads as follows: "Pursuant to agreement between plaintiffs Phi Delta Theta Fraternity, Sigma Chi Fraternity, and Sigma Chi Corporation and defendant J.A. Buchroeder & Co. *and them only* . . . it is hereby ordered and decreed" See Ex. A of Def.'s Mot. To Dismiss, at 1 (emphasis added). Admittedly, the provision Defendant cite for the proposition that Plaintiffs are barred from bringing the present case strokes broadly, providing the following:

Phi Delta Theta Fraternity, Sigma Chi Fraternity and Sigma Chi Corporation agree that, except as to actions against other fraternal groups, they, nor any of them, will not bring or threaten or aid in bringing any suit or action against any jewelry or insignia goods manufacturer, distributor, retailer, or salesman based on any claim of infringement of any purported trademark claimed by said fraternities, or upon any claim of unfair competition based on use of any purported trademark. . . .

See id. at ¶ 1. However, two paragraphs later, the court clarifies the scope of its order, narrowing the scope to bind only the parties before it. See id. at ¶ 3 ("This Decree and Order of Dismissal shall apply to Phi Delta Theta Fraternity, Sigma Chi Fraternity and Sigma Chi Corporation and J.A.

Buchroeder & Co. and to their respective successors, assigns, officers, directors, agents, attorneys, employees and members, *but to them only.*") (emphasis added). It is clear that, by its very terms, the 1969 consent decree does not prevent Plaintiffs from bringing this action against Defendant Taylor. As such, this Court does have jurisdiction over the above-styled matter.

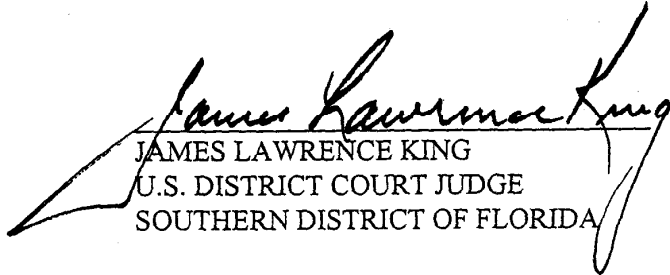
Plaintiffs inappropriately employ their memorandum in opposition to Defendant's Motion To Dismiss to request that this Court vacate the consent decree entered by the Western District of Missouri. Not only is it unnecessary for this Court to vacate the consent decree in order to rule on Defendant's Motion, but, given that the 1969 dispute involved different parties than the present one, it also would be improper for this Court to do so.

III. Conclusion

Accordingly, after a careful review of the record and the Court being otherwise fully advised, it is

ORDERED and ADJUDGED that Defendant Taylor Corporation's Motion To Dismiss be, and the same is hereby, DENIED. Defendant shall have ten (10) days from the date of this Order in which to respond to the Complaint.

DONE and ORDERED in chambers at the James Lawrence King Federal Justice Building and United States District Courthouse, this 5th day of November, 1998.


JAMES LAWRENCE KING
U.S. DISTRICT COURT JUDGE
SOUTHERN DISTRICT OF FLORIDA

cc: Scott L. Rogers, Esq.
Leslie J. Lott, Esq.
Jack A. Wheat, Esq.