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**No. 20-8038**

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

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THE TRIAL LAWYERS COLLEGE,

Plaintiff-Appellee,

vs.

GERRY SPENCE TRIAL LAWYERS COLLEGE AT THUNDERHEAD  
RANCH, ET AL

Defendants-Appellants.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF  
WYOMING, HONORABLE JOEL CARSON, PRESIDING, 20-CV-00080

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**APPELLANTS' OPENING BRIEF**

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**STATEMENT CONCERNING ORAL ARGUMENT**

Defendants-Appellants request the Court to hear oral argument.

### **CORPORATE DISCLOSURE STATEMENT**

In accordance with Fed. R. App. P. 26.1, Defendants-Appellants state that none of them is a stock-issuing corporation, and therefore, none of them has a parent corporation or other corporate stockholder.

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- 1. Memorandum Opinion and Order Denying Defendants’ Motion to Stay Proceedings, filed June 16, 2020; and
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## **I. Jurisdiction Statement**

The district court has subject-matter jurisdiction over the underlying case pursuant to 28 U.S.C. §§ 1331, 1367. The Plaintiff in the underlying action brought claims under the Lanham Act (15 U.S.C. § 1051 et. seq.), the Computer Fraud and Abuse Act (18 U.S.C. § 1030), and the Defend Trade Secrets Act (15 U.S.C. § 1836), all of which invoke federal question jurisdiction. 28 U.S.C. § 1331. The Plaintiff also asserted state law trade secret claims, allowing the district court to exercise supplemental jurisdiction. 28 U.S.C. § 1367.

This Court has jurisdiction pursuant to 28 U.S.C. § 1292(a)(1), which provides the court of appeals jurisdiction over “interlocutory orders of district courts of the United States....” Here, Appellants appeal from two interlocutory orders: 1) the order denying Appellants’ Motion to Stay; and 2) the order Partially Granting Appellee’s Motion for a Preliminary Injunction.<sup>1</sup> (Aplt. App. Vol. 2 at 286-312.)

The district court entered these orders on June 16, 2020. (*Id.*) Appellants timely filed their Notice of Appeal on July 16, 2020, exactly 30 days from entry of the orders. Fed. R. App. P. 4(a)(1).

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<sup>1</sup> While an order denying a stay may not normally qualify for interlocutory review, the issues involved in the stay were incorporated and integral to the issues and decision on the Motion for Preliminary Injunction. (Aplt. App. Vol. 1 at 206-45; Vol. 2 at 294-312.)

## **II. Issues Presented for Review**

1. Did the district court err in denying Defendants' Motion to Stay the Case pursuant to the *Colorado River* and related doctrines?
2. Did the district court err in finding evidence of irreparable harm to justify partially granting Plaintiff's Motion for a Preliminary Injunction?
3. Did the district court err in allowing Plaintiff to present new evidence after explicitly closing the evidence on Plaintiff's Motion for a Preliminary Injunction and denying Defendants' request for rebuttal?
4. Did the district court abuse its discretion in imposing affirmative duties on Appellants' unrelated to the claims involved in this case in its order partially granting Plaintiff's Motion for a Preliminary Injunction?

## **III. Statement of the Case**

### **A. Statement of the Facts**

#### **1. The Trial Lawyer's College has a divided and deadlocked board of directors**

Formed in 1993 by Gerald L. ("Gerry") Spence, The Trial Lawyers College (TLC) is a Wyoming nonprofit corporation that seeks "to develop and administer educational programs and experiences for people's trial lawyers." (Aplt. App. Vol. 1 at 110.) Gerry Spence's vision for TLC was to train trial lawyers to litigate cases for ordinary people. (*Id.*) TLC's base of operations was the Thunderhead Ranch,

located on East Fork Road, east of Dubois, Wyoming. (*Id.*) The Thunderhead Ranch is owned by the Spence Foundation and leased to TLC. (*Id.* at 013-63.)

Over the last few years, and especially by late 2019 and early 2020, the board of directors of TLC had, in effect, divided into two factions that become known as the Spence Group and the Sloan Group. (*Id.* at 099-101.) The idea and mission of what TLC should be and how it should be run became a point of disagreement between the two factions. (*Id.*) The Spence Group believed that TLC was no longer abiding by its mission statement, and the split expanded to the point that some of the Spence Group asked the Sloan Group to conduct a forensic audit of the books and raised concerns over potential conflict of interests among board members. (*Id.* at 101-03.)

In late April 2020, The Spence Foundation evicted TLC from the Thunderhead Ranch, and concluded the only way to resolve the divide was to file a Complaint for Judicial Dissolution, Audit and Appointment of Receiver in Wyoming state district court (the State Court Action). (*Id.* at 108-17.) Filed on April 28, 2020, in Laramie County District Court, the State Court Action seeks, in the alternative, to remove all directors other than the Spence Group. (*Id.*) The State Court Action further seeks an audit of TLC's books and records and the appointment of an independent receiver to oversee management of funds and assets of TLC. (*Id.*)

**2. The board factions vote to expel each other and create new boards for TLC.**

At least up until May 6, 2020, the Spence Group were duly elected members of the TLC Board, serving alongside the Sloan Group. (*Id.* at 100.) But at a board meeting on May 6, the Sloan group sought to expel the Spence group. (*Id.*) Lacking the 2/3 votes necessary to expel a director<sup>2</sup>, the Sloan Group voted over the Spence Group's objection to reduce the size of the Board to a maximum of eleven persons. (*Id.*) Although the total number of directors from both groups did not exceed eleven, the Sloan Group claimed the effect of the vote was to remove the Spence Group from the Board. (*Id.*) The Sloan Group then voted themselves back onto the Board and dismissed the Spence Group from the Board meeting by terminating their Zoom connections. (*Id.*) The Spence Group immediately reconvened the meeting and elected themselves as the Board of Directors of TLC. As a result, both board factions contend they are the legitimate Board of TLC.

**B. Relevant Procedural History**

On May 13, 2020, after the State Court Action was underway and the competing Board elections from May 6, the Sloan group filed this action against

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<sup>2</sup> Under Wyoming law, no member of the Board may be removed except by a two-thirds vote of the other Board members. Wyo. Stat. Ann. § 17-19-808(h). While a Board may vote to amend its bylaws to change the size of the Board by majority vote, existing Board Members are entitled to serve out their term notwithstanding any reduction in Board size. Wyo. Stat. Ann. §§ 17-19-803(b), 17-19-1002(b), 17-19-805(b).

the Spence group. Using TLC as the named Plaintiff, the Sloan Group asserted claims against the Spence Group under the Lanham Act, the Computer Fraud and Abuse Act, the Defend Trade Secrets Act, and several Wyoming state statutes, complaining that the Spence group was still using TLC trademarks in emails, listserv postings, and a YouTube video. (Aplt. App. Vol. 1 at 013-63.) TLC alleged the Spence Group (*Id.*) TLC also alleged the name of a new non-profit entity that Gerry Spence recently formed, GSTLC, infringed on its trademarks. (*Id.*) Finally, TLC alleged the Spence Group accessed a TLC database without permission and used the information to create a separate listserv for GSTLC in order to communicate with the TLC alumni.<sup>3</sup> (*Id.*)

Despite knowing the Spence Group had counsel because of the State Court Action, TLC filed an emergency motion for an *ex parte* temporary restraining order (TRO) to enjoin the Spence Group from using TLC trademarks and TLC information and property. (*Id.* at 064-93.) The Spence Group received notice of the motion and opposed same. (*Id.* at 132-42.)

As part of its opposition to the motions for TRO and later-filed preliminary injunction, the Spence Group moved to stay the case pursuant to the *Colorado River* doctrine, the prior jurisdiction doctrine, and the rule against claim-splitting.

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<sup>3</sup> GSTLC formally changed its name to Gerry Spence Trial Institute (GSTI). This brief will hereafter use GSTI because it is the current name of the entity.

(Aplt. App. Vol. 1 at 094-131.) The Spence Group argued the earlier-filed State Court Action and this case involved nearly identical parties litigating the same underlying issue, i.e., which faction of the board of directors has the right to control TLC and its assets. (*Id.* at 100-03.) As the State Court Action already was considering which faction possessed lawful authority over TLC assets, the Sloan Group filed this action in a different forum, seeking to enforce a subset of TLC's assets (its trademark rights) against the Spence Group before the State Court Action decided the global issue of which faction controlled TLC. (*Id.*) That issue is the heart of the State Court Action and a pre-requisite issue for the district court in this case to decide whether the Spence Group wrongfully used TLC trademarks and information or, rather, used them pursuant to their authority as the rightful board of TLC. (*Id.*) As a result, if the district court allowed the case to proceed, it ran the risk of repetitive and inconsistent litigation with the pending State Court Action, as well as interfering with the state court's exercise of jurisdiction over TLC assets. (*Id.*)

The district court granted TLC's motion for TRO and set the matter for a preliminary injunction hearing at TLC's request. (*Id.* at 143-47.) TLC's Motion for a Preliminary Injunction sought to enjoin the Spence Group from:

- i) infringing on either of the TLC Marks, including but not limited to, using TLC's Marks in their communications and publications and/or operating under the directly-infringing name "Gerry Spences Trial Lawyers College at the Thunderhead Ranch" or close

iterations thereof; and (ii) engaging in any false designations of origin, passing off, false and misleading statements, false advertising, and/or unfair competition related to the TLC Marks and TLC's services, including but not limited to taking any actions which suggest that "Gerry Spences Trial Lawyers College at the Thunderhead Ranch" is affiliated with TLC and/or that the Defendants represent TLC in any capacity, and/or from taking any actions that mislead or confuse the public regarding the same.

(*Id.* at 148-205.)

Given that the Spence Group believes they are the rightful board of directors, they had no wish "to deplete or diminish TLC's assets." (*Id.* at 207.) So the Spence Group offered to stipulate to injunctive relief "to the extent it conforms to the complained-of acts in the Complaint as ordered in the TRO: precluding use of the TLC trademarks to promote or refer to any competing college or entity other than TLC." (*Id.*) The Spence Group opposed TLC's attempt to obtain further injunctive relief that would: 1) prohibit Gerry Spence from using his own name or the name Thunderhead Ranch; and 2) prevent the Spence Group from using TLC in any manner or claiming its affiliation with TLC. (*Id.* at 211-226.) The Spence Group argued both requests exceeded the allowable scope of injunctive relief and sought to silence the Spence Group's position in the State Court Action that they are the rightful board of TLC. (*Id.*)

The Spence Group also argued TLC failed to show it could succeed on the merits of those claims because TLC had no legal basis to prevent Gerry Spence from using his own name or the name of his foundation's ranch, or from



expressing their legal positions or opinions on the parties' disputes. (*Id.* at 219-22.) Specifically, the Spence Group argued TLC sought to enjoin speech that is not commercial speech as a means of silencing the Spence Group about its position in the State Court Action. (*Id.*) The Spence Group argued TLC failed to show any irreparable harm because it had not presented evidence of such harm, instead relying solely on the incorrect legal position the district court should presume irreparable harm. (*Id.* at 214-16, 222-24.)

TLC's testimony at the preliminary injunction hearing showed that alumni voiced multiple questions about the status of TLC and its board, i.e., the reasons for the split or the potential motivations or justifications for each faction. (*Id.* at Vol. 2 at 413-16.) But there was no evidence of *actual confusion* caused by Defendants' purported commercial use of any TLC trademarks. (*Id.*) Specifically, one member of the Sloan Group, James Clary, testified "he was confused" when he received an email from GSTLC. (*Id.* at 413.) He also said, "the Alumni Tribe asked for meetings with the board of directors who were still affiliated with the actual, real Trial Lawyers College because they had questions" about GSTLC. (*Id.*) According to Mr. Clary the TLC alumni and staff requested meetings, which the Sloan Group conducted "sometimes two a day." (*Id.*) According to Mr. Clary, the Sloan Group all appeared "before various groups of alumni to talk about what had happened, to explain what had happened, and to answer their questions." (*Id.* at

414.) Mr. Clary conceded that the issue “still continues to come up to this day on occasion, but not as much as initially.” (*Id.*) Mr. Clary failed to identify a single individual (apart from himself) who was supposedly confused. (*Id.* at 413-14.)

Mr. Clary conceded that the people who were confused were “people who already understood what the Trial Lawyers College was about” and not people who had never attended TLC. (*Id.* at 415.) Even though the Sloan Group argued that the inquiries from TLC alumni constituted “confusion,” the undisputed testimony was that neither faction has been offering conferences or training during the relevant time period as a result of both the Board split and the impact of the COVID-19 pandemic. (*Id.* at 417-18.)

Once both sides concluded their presentation of evidence, the district court noted there was no evidence of trademark infringement against three members of the Spence Group: Mr. Zelbst, Mr. Kent Spence, and Mr. Parris. (*Id.* at 419.) In response, TLC attempted to offer additional evidence against Mr. Parris. (*Id.* at 419-420.) The district court responded, “Evidence is closed. We’re not going to – we’re not going to have any additional exhibits coming in.” (*Id.* at 421.) But the district court did allow the parties to submit supplemental briefs in support of their arguments. (*Id.* at Vol. 1 at 246-47.)

Despite the district court closing the evidence, TLC used the supplemental briefing to submit new evidence against Mr. Parris. (*Id.* at Vol. 2 at 260-82.)

Specifically, TLC submitted a recording and transcript from a CLE seminar occurring in late April, which TLC argued showed that Mr. Parris was working hard to make GSTI a competing entity. (*Id.* at 261-64.) The Spence Group objected to the admission and use of that evidence. (*Id.* at 283-85.) Without argument, the district court overruled the Spence Group's objection, denied the Spence Group's request to submit a rebuttal, and expressly relied on the new evidence in ruling that Mr. Parris would be subject to the preliminary injunction. (*Id.* at 310.)

Ultimately, the district court denied the Spence Group's motion to stay and partially granted TLC's motion for preliminary injunction. (*Id.* at 286-312.) The district court denied the motion to stay because it found the State Court Action and this case were not parallel. (*Id.* at 290-91.) The district court noted that GSTLC was not a party in the State Court Action, and thus the parties were not identical. (*Id.*) The district court also found the cases did not involve the same issue because the State Court Action involved claims about control over TLC while this case decided claims about federal statutes, making the State Court Action "not determinative of the federal court issues." (*Id.* at 291.)

In partially granting TLC's motion for a preliminary injunction, the district court found TLC satisfied all required elements. (*Id.* at 294-312.) The district court purported to find irreparable harm because: 1) TLC customers were allegedly confused by the Spence Group's use of TLC trademarks; and 2) TLC "also

provided evidence of monetary loss.” (*Id.* at 305-06.) Aside from these bases, the district court cited no other evidence of irreparable harm. The district court also used the new evidence from TLC to find that Mr. Parris would also be subject to the preliminary injunction. (*Id.* at 310, Fn 3.)

Based on these findings, the district court enjoined the Spence Group from:

(1) infringing on either of Plaintiff’s Marks and (2) engaging in any false designations of origin, passing off, false and misleading statements, false advertising, and/or unfair competition related to Plaintiff’s Marks and Plaintiff’s services. Specifically, this means Defendants shall not: (1) use Plaintiff’s Marks to market or promote itself as if it is in fact “The Trial Lawyers College,” (2) use Plaintiff’s Marks to market its faculty as faculty of “The Trial Lawyers College,” (3) purport definitively to be Plaintiff’s true Board unless and until such time as the state court makes a ruling to that effect or (4) use linguistic plays on words or various terms associated with The Trial Lawyers College to create or cause confusion as to whether Defendants are acting as The Trial Lawyers College.

(*Id.* at 311-12.) In addition to these specific items, the district court ruled the Spence Group could not display artwork at the Thunderhead Ranch depicting one of TLC’s trademarks, consisting of two large sculptures permanently affixed to a barn and archway. (*Id.* at 308-09.) In addition to the TLC trademark, those sculptures depicted a longstanding cattle brand tied to the Thunderhead Ranch.

(*Id.*) In essence, the district court precluded display of the sculptures at the ranch.

(*Id.*) The district court, however, stated the order did not prohibit the Spence Group from:

(1) referencing “The Trial Lawyers College” itself; (2) using the name “Gerry Spence” or “Thunderhead Ranch”; (3) referencing the fact that Defendants are alumni of Plaintiff and have a historical association with Plaintiff; (4) referencing or describing their claimed, but not judicially recognized, status as set forth in the ongoing state court litigation to challenge the control of the Board; and (5) making commentary regarding or fair use of Plaintiff’s Marks.

(*Id.* at 312.)

Within weeks of this order, TLC filed a motion for contempt and two additional supplemental memorandums alleging additional alleged instances of contempt. (*Id.* at 313-67, 394-411.) Most of the factual allegations in TLC’s filings focused on instances where the Spence Group stated its position in the State Court Action that it was the board of TLC, while noting the Sloan Group disputed that position. (*Id.*) For example, Rex Parris on behalf of Gerry Spence called a board of directors meeting to nominate and vote on new directors for the board of TLC. (*Id.* at 347-67.) TLC alleged this violated the preliminary injunction despite explicit language in the meeting notice that the Spence Group’s status as directors was a disputed issue. (*Id.*) The contempt motion is pending as of the filing of this brief.<sup>4</sup>

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<sup>4</sup> The magistrate judge who conducted the show cause hearing has filed a report and recommended decision. The magistrate judge has recommended a finding of contempt on several issues raised in this brief, including that the Spence Group stating their position as the disputed board of TLC violates the preliminary injunction. The Spence Group has objected to the recommended findings.

#### IV. Summary of the Argument

This case is a subset of a battle between two factions of TLC's board of directors, which first began and continues in Wyoming state district court. Although TLC split this case off from the State Court Action and styled it as a trademark action, it is still a battle over who controls TLC's board, as the Sloan group cannot maintain this action on behalf of TLC unless the district court implicitly concludes that the Sloan Group's rights to TLC are superior to the Spence Group. This federal action is still a dispute based on the same evidence to determine which faction possesses the lawful control over TLC assets, in this case TLC's trademarks. As such, the State Court Action and this case represent parallel cases that risk inconsistent results. It is the type of case that represents an exceptional circumstance justifying a federal court abstaining from exercising jurisdiction under the *Colorado River* doctrine. *Fox v. Maulding*, 16 F.3d 1079, 1080 (10th Cir. 1994) (noting the doctrine applies to exceptional circumstances).

The district court, however, found otherwise. It determined this case and the State Court Action were not parallel because they did not have identical parties and identical legal claims. (Aplt. App. Vol. 2 at 290-91.) While the parties and claims are not identical, the district court misapplied the *Colorado River* doctrine, which only requires the parties and issues be "substantially" similar—not identical. *Fox v. Maulding*, 16 F.3d 1079, 1081 (10th Cir. 1994). Here, the parties in this case and

the State Court Action are identical save for one party. As noted above, the underlying issue in both cases is who controls TLC. Therefore, the cases are parallel, justifying a stay under the applicable factors the district court did not consider.

Despite finding this case and the State Court Action are not parallel, the district court partially granted TLC's request for a preliminary injunction based on evidence and arguments about who controls TLC, which tacitly acknowledges the parallel nature of the cases. Beyond this inconsistency, the district court's decision to partially grant the preliminary injunction is reversible on the merits. The district court found irreparable harm from evidence that showed: 1) the alleged harm was not actionable under TLC's claims; 2) the alleged harm was not irreparable because the Sloan Group remedied the alleged harm; and 3) the alleged harm was compensable by money damages. Under the well-settled standard for irreparable harm, TLC failed to present evidence to support the district court's finding.

Moreover, as part of its irreparable harm finding, the district court relied on evidence TLC submitted after the close of evidence and after the district court rejected TLC's request for new evidence. To compound this problem, the district court precluded the Spence Group from offering any rebuttal based on the district court's assumption about what the Spence Group would say.

Further, the district court imposed a mandatory injunction enjoining the Spence Group from stating it was the true board of TLC or acting consistent with their position in the State Court Action. (Aplt. App. Vol. 2 at 311-12.) In doing so, the district court enjoined conduct that went beyond commercial use of the TLC trademarks and did not narrowly tailor that mandatory injunction as the law requires. *Garrison v. Baker Hughes Oilfield Operations, Inc.*, 287 F.3d 955, 962 (10th Cir. 2002). Instead, the district court enjoined statements by the Spence Group that are not actionable under any of TLC’s claims. Worse still, the district court enjoined the Spence Group from stating its position that it constitutes TLC’s true board yet allowed the Sloan Group—who is functionally the Plaintiff in this case—to claim it is the true board of TLC. The Spence Group respectfully request this Court reverse.

## **V. Argument**

### **A. The District Court erred in denying the Spence Group’s Motion to Stay because it incorrectly applied the *Colorado River* doctrine.**

Although a federal court has a “virtually unflagging obligation” to exercise its jurisdiction, a court may defer to a “concurrent state proceeding.” *Colorado River Water District v. United States*, 424 U.S. 800, 817-18 (1976). The *Colorado River* abstention doctrine applies in “situations involving the contemporaneous exercise of concurrent jurisdiction . . . by state and federal courts.” *Id.* at 817. This doctrine exists because duplicative federal and state suits threaten “efficient



adjudication” and “[t]he legitimacy of the court system in the eyes of the public and fairness to the individual litigants” *Lumen Const., Inc. v. Brant Const. Co.*, 780 F.2d 691, 693–94 (7th Cir. 1985). “The doctrine permits a federal court to dismiss or stay a federal action in deference to pending parallel state court proceedings, based on ‘considerations of [w]ise judicial administration, giving regard to conservation of judicial resources and comprehensive disposition of litigation.’” *Fox v. Maulding*, 16 F.3d 1079, 1080 (10th Cir. 1994) (quoting *Colorado River*, 424 U.S. at 817).

Under the *Colorado River* doctrine, the Court “must first determine whether the state and federal proceedings are parallel.” *Fox*, 16 F.3d at 1081. “Suits are parallel if substantially the same parties litigate substantially the same issues in different forums” thereby allowing the parallel state-court litigation to be an “adequate vehicle for the complete and prompt resolution of the issue between the parties...” *Id.* at 1081-82. If the Court finds the proceedings are parallel, then it considers several factors to decide if it should stay the case. *Id.* at 1082.

The district court, however, never analyzed these factors because it concluded the State Court Action and this case were not parallel because: 1) GSTLC was not a named party in the State Court Action; and 2) the issues involved in this case are different from those in the State Court Action. The Court reviews this decision for an abuse of discretion. *Id.* at 1081. The district court

abused its discretion because it misapplied the law on whether the parties and the issues involved in the cases are parallel.

**1. The *Colorado River* doctrine does not require identity between the parties.**

Under the *Colorado River* doctrine, parties do not have to be the same for a case to be parallel. The doctrine requires “substantially the same parties.” *Id.* Other circuits and lower courts in this circuit have repeatedly said the parties do not have to be identical. *Preferred Care of Delaware, Inc. v. VanArsdale*, 676 F. App’x 388, 393–94 (6th Cir. 2017) (stating perfect symmetry or even near symmetry is not required between the parties); *Caminiti & Iatarola, Ltd. v. Behnke Warehousing, Inc.*, 962 F.2d 698, 700 (7th Cir.1992) (applying the *Colorado River* doctrine even when parties were not exactly the same because their interests aligned); *Lumen Constr.*, 780 F.2d at 695 (where interests of parties in both suits are congruent, abstention may be appropriate notwithstanding fact that parties are not identical); *Health Care & Ret. Corp. of Am. v. Heartland Home Care, Inc.*, 324 F.Supp.2d 1202, 1204 (D. Kan. 2004) (finding the absence of a federal party in the state action is immaterial where the parties are corporate affiliates and share identical interests).

Here, the parties are identical save one. The State Court Action involves the Spence Group as the Plaintiffs and TLC as the Defendant. (Aplt. App. Vol. 1 at 108-17.) In this case, TLC chose to name one additional party as a defendant,

GSTLC k/n/a GSTI, which TLC alleges is an entity formed and controlled by the individual Defendants. (*Id.* at 013-63.) The only difference is the State Court Action does not involve GSTI, which has no directors, board, or operations and is essentially a shell entity. (*Id.* at Vol. 2, 417-18.) Under the 10th Circuit, 6th Circuit, and 7th Circuit case law, the near identity of parties makes this case and the State Court Action parallel. Otherwise, “the *Colorado River* doctrine could be entirely avoided by the simple expedient of naming additional parties.” *Healthcare Co. Ltd. v. Upward Mobility, Inc.*, 784 F. App’x 390, 395 (6th Cir. 2019) (citations omitted).

**2. Both cases must resolve the same issue—which faction of the board controls TLC.**

The *Colorado River* doctrine also does not require the issues to be identical. Instead, the issues must be substantially the same. *Fox*, 16 F.3d at 1081. While this Court does not have extensive law clarifying “substantially the same,” the 6th Circuit has explained that the standard does not require “exact symmetry.” *Healthcare Co. Ltd.*, 784 F. App’x at 394. If a federal case was “predicated on the same allegations as to the same material facts...the actions must be considered parallel for the purpose of the *Colorado River* doctrine.” *Id.* As a result, if the “proceedings in both courts are therefore ‘predicated on the same allegations as to the same material facts,’ that the two parties pursue separate legal theories is of no consequence.” *Id.*

In applying this factor, the district court looked solely to the claims the parties asserted in the respective cases. *Fox*, 16 F.3d at 1081. While the legal causes of action are different in each case, the cases turn on the same material facts and allegations to decide who is the proper board of TLC. The State Court Action presents this question directly by: 1) challenging the authority of the Sloan Group to act on TLC's behalf;<sup>5</sup> 2) asking the state court to declare the Spence Group the rightful board of directors; and 3) seeking to dissolve TLC and to appoint a receiver to oversee and manage TLC's property including the trademarks and purported trade secrets at issue in this case.

This case presents the same issue. TLC is the Plaintiff below because TLC owns the trademarks. But the Sloan Group is the set of directors who allegedly authorized TLC to file the lawsuit. The Defendants below are the Spence Group, the faction of TLC's board that brought the State Court Action. Pulling back the curtain, this case is the Sloan Group versus the Spence Group. The State Court Action is the Spence Group versus the Sloan Group. In other words, this case is

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<sup>5</sup> The district court disputed the similarity of the issues by taking judicial notice that, in the State Court Action, the Spence Group did not question the Sloan Group's authority to bring this case. (Aplt. App. Vol. 2 at 297-98, Fn 1.) This is illogical, since this case did not exist when the State Court Action complaint was filed. Even so, the State Court Action expressly asserts the Sloan Group are not directors of TLC, which if accepted would necessarily eliminate their authority to file this case.

merely an offshoot of the larger battle between the two sets of directors.<sup>6</sup> Instead of the overall fight about who controls TLC generally, this case is about who controls a specific subset of TLC assets. The district court still will have to resolve which faction controls TLC before it can address the claims before it because (1) only the lawful directors of TLC can authorize this action and (2) the Spence Group's use of the TLC trademarks is unauthorized (a required element for the trademark infringement claim) only if they are not the true Board. Put another way, one of the Spence Group's defenses in this case is that they have the authority under Wyoming state law and the bylaws of TLC to control TLC and its assets, and thus any use by the Spence Group of TLC assets is authorized and not actionable.

To determine who controls TLC, both cases will rely on the same material facts. Those facts include events at board of director meetings, the corporate governance documents of TLC, and the various board elections each faction has held since May 6, 2020. These issues are directly before the previously filed State Court Action. (*Id.* at Vol. 1 at 108-17.)

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<sup>6</sup> In effect, TLC has engaged in improper claim splitting. A party must present all claims or legal theories of recovery that arise from a common set of facts in one suit or be barred from subsequent litigation, a form of claim preclusion. *Katz v. Gerardi*, 655 F.3d 1212, 1217 (10th Cir. 2011). As explained above, both actions involve functionally the same parties and arise from the same transactional nucleus of facts about control of TLC. Those common facts will resolve whether TLC should get dissolved, a receiver is appointed, directors should get removed, and which group of directors should control TLC and its property, including its trademarks and trade secrets.

As a result, both cases will resolve the same underlying issue regarding which of the two competing board factions has the lawful authority to act on behalf of TLC. If the Spence Group prevails in the State Court Action, this case will become instantly moot and dismissible. *See Day v. Union Mines, Inc.*, 862 F.2d 652, 655-57 (7th Cir. 1988) (affirming a stay under the *Colorado River* doctrine because the parallel state court litigation would resolve the federal parties' rights and duties toward each other and thus dictate the outcome of a separate claim before the federal court).

Although the district court rejected the above arguments, the rest of the case proves otherwise. As part of the preliminary injunction order at issue in this appeal, the district court enjoined the Spence Group from referring to themselves as the true board of TLC until the state court decides the action. (Appt. App. Vol. 2 at 311-12.) If the district court's *Colorado River* analysis was correct, it did not need to enter that order because which faction controls TLC purportedly was not at issue. But the entry of that order concedes that who controls the board of TLC matters for purposes of this case because it decides who controls TLC's trademarks.

Later events related to the preliminary injunction confirm this point. After the Court entered the preliminary injunction, the Sloan Group filed three motions for contempt, mostly aimed at statements or actions by the Spence Group as TLC

directors.<sup>7</sup> (Aplt. App. Vol. 2 at 313-67, 394-411.) In doing so, the Sloan Group has used the district court's order to stop the Spence Group from taking positions or making statements consistent with their stance in the State Court Action. Again, that order and TLC's motions should be unnecessary if this case and the State Court Action do not involve the same issue of who controls TLC's board. The only reason either exists in this case is because of the inexorable link between the main issue in the State Court Action and this case.

### **3. The *Colorado River* factors weigh heavily in favor of a stay.**

If this Court finds the proceedings are parallel, as it should, then the following factors determine whether to stay the suit: (1) “simultaneous jurisdiction over a single res; (2) the relative convenience of the fora; (3) order in which proceedings were initiated; and (4) the need to avoid piecemeal litigation.” *Fox*, 16 F.3d at 1082. Other relevant factors include “vexatious or reactive nature of either the federal or state action,” “whether federal law provides the rule of decision,” “the adequacy of the state court action to protect the federal plaintiff's rights,” and

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<sup>7</sup> The Spence Group acknowledge this Court does not consider post-decision events that were not before the district court. *Verlo v. Martinez*, 820 F.3d 1113, 1126 (10th Cir. 2016). The Spence Group does not discuss the contempt motions as a basis to reverse the district court because the district court erred at the time it made its decision. Rather, this Court need not bury its head in the sand and ignore the real-world consequences of not staying this case.

“whether the party opposing abstention has engaged in impermissible forum-shopping.” *Id.* at 1082.

**a) A stay is the only way to avoid piecemeal litigation.**

While no factor alone is determinative, the “the danger of piecemeal litigation” weighs most heavily on the Court’s analysis. *D.A. Osguthorpe Family P’ship v. ASC Utah, Inc.*, 705 F.3d 1223, 1234 (10th Cir. 2013). “‘Piecemeal litigation occurs when different tribunals consider the same issue, thereby duplicating efforts and possibly reaching different results.’” *LaDuke v. Burlington Northern R.R. Co.*, 879 F.2d 1556, 1560 (7th Cir. 1989) (quoting *American Int’l Underwriters (Philippines), Inc. v. Continental Ins. Co.*, 843 F.2d 1253, 1258 (9th Cir. 1988)). If piecemeal litigation occurs, “identical issues will be litigated simultaneously in two different forums, and, under the principles of issue preclusion, an earlier decision in one court may bind the parties in the other court.” *LaDuke*, 879 F.2d at 1560. This causes at least two problems. First, “a party may try to accelerate or stall proceedings in one of the forums in order to ensure that the court most likely to rule in its favor will decide a particular issue first.” *Id.* Second, “one court, unaware that the other court has already ruled, will resolve an issue differently and create a conflict between the two forums.” *Id.* The result of these conflicting decisions “may be both ‘unseemly’ and a ‘grand waste’ of the efforts of the parties and the courts.” *Id.*



Allowing this action and the State Court Action to proceed poses a significant risk of inconsistent or duplicative rulings. As explained above, both this Court and the State Court will have to resolve the same allegations about whether the Spence Group or Sloan Group controls TLC. That will require duplicating the discovery efforts in both cases to present the same evidence. The Court will need to interpret the same bylaws, emails, board minutes and other evidence related to corporate governance that the parties will present in both cases and apply the same Wyoming Nonprofit Corporation Act. A real risk exists of different conclusions about who controls TLC. By extension that can lead to different results about who controls the trademarks, logos, and trade secrets involved in this case.

This Court, however, can prevent that result by staying this case. Allowing the State Court Action to proceed will resolve who controls TLC or whether TLC will still exist. Once the State Court decides those questions, this Court will know whether this case will need to move forward at all. *Fox*, 16 F.3d at 1083 (“In the event the state court proceedings do not resolve all the federal claims, a stay preserves an available federal forum in which to litigate the remaining claims, without the plaintiff having to file a new federal action.”)

**b) The State Court’s prior assertion of jurisdiction over TLC’s property weighs in favor of abstention.**

The U.S. Supreme Court has recognized that abstention is proper when a state court has exercised its jurisdiction over disputed property. *Princess Lida of*

*Thurn and Taxis v. Thompson*, 305 U.S. 456, 466 (1939). As summarized by the Tenth Circuit, *Princess Lida* holds:

When parallel state and federal “suits are in rem, or quasi in rem, so that the court, or its officer, has possession or must have control of the property which is the subject of the litigation” because only one tribunal can exercise control over the subject property, the rule, “applicable to both federal and state courts,” is that “the court first assuming jurisdiction over property may maintain and exercise that jurisdiction to the exclusion of the other.”

*Elna Sefcovic, LLC v. TEP Rocky Mountain, LLC*, 953 F.3d 660, 667 n. 5 (10th Cir., 2020) (quoting *Princess Lida*, 305 U.S. at 466). The *Colorado River* doctrine also recognizes this issue. The State Court’s authority to empower a receiver to control and manage the trademark and trade secrets of TLC will be subject to interference if this subsequent federal case adjudicates who owns and controls those assets.

**c) Other factors weigh in favor of a stay.**

While most of the other factors in *Colorado River* are inapplicable in this case, two are and favor a stay. First, the Court must weigh the applicability of federal law. *Fox*, 16 F.3d at 1082. Here, federal law has no applicability to the underlying ownership and control issues that dictate the future of this case.

Wyoming’s Non-Profit Corporation Act and related common law control the legality of board actions and board elections. *See* Wyo. Stat. Ann. §§ 17-19-101 *et.*

*seq.* As a result, the parallel issues in this case and the State Court Action rely exclusively on state law.

Second, the order in which the proceedings began also weighs in favor of a stay. Defendants filed the State Court Action on April 28, 2020. Plaintiff filed the federal action on May 13, 2020, in an apparent retaliation to the State Court Action.

When combined with the real risk of inconsistent results from this Court exercising concurrent jurisdiction, these factors show this case is one of the exceptional situations where the Court should stay the exercise of its jurisdiction.

**B. The district court erred in finding irreparable harm to justify a preliminary injunction.**

In order to obtain preliminary relief, TLC had to prove: (1) it is likely to succeed on the merits; (2) it will suffer irreparable harm without a preliminary injunction; (3) the balance of the equities favors preliminary injunctive relief; and (4) preliminary injunctive relief is in the public interest. *Derma Pen, LLC v. 4EverYoung Ltd.*, 773 F. 3d 1117, 1119 (10th Cir. 2014). “A party seeking a preliminary injunction must prove that *all four* of the equitable factors weigh in its favor,” and absence of proof on any factor is fatal to the request for preliminary injunctive relief. *Sierra Club, Inc. v. Bostick*, 539 F. App’x 885, 888 (10th Cir. 2013) (collecting cases; emphasis in original).

“[A] showing of probable irreparable harm is the single most important prerequisite for the issuance of a preliminary injunction, the moving party must first demonstrate that such injury is likely before the other requirements will be considered.” *First W. Cap. Mgmt. Co. v. Malamed*, 874 F.3d 1136, 1141 (10th Cir. 2017) (internal quotation and citation omitted). The irreparable injury absent an injunction “must be both certain and great, . . . not . . . merely serious and substantial.” *Dominion Video Satellite, Inc. v. Echostar Satellite Corp.*, 356 F.3d 1256, 1262 (10th Cir. 2004) (quotation and citation omitted). “In other words, speculation or unsubstantiated fear of harm that may occur in the future cannot provide the basis for a preliminary injunction.” *Intelligent Office Sys., LLC v. Virtualink Canada, Ltd.*, No. 15-CV-02724-CMA-MEH, 2016 WL 687348, at \*5 (D. Colo. Feb. 18, 2016) (citing authorities).

Here, the district court found TLC proved irreparable harm for two reasons. First, TLC claimed “its customers were confused about whether Defendants’ new entity was Plaintiff.” (Aplt. App. Vol. 2 at 304.) Second, TLC showed “evidence of monetary loss” in the form of donations. (*Id.* at 304-05.) This Court reviews that decision for an abuse of discretion, reviewing the factual decisions for clear error and the legal conclusions *de novo*. *Free the Nipple-Fort Collins v. City of Fort Collins, Colorado*, 916 F.3d 792, 796–97 (10th Cir. 2019).

**1. The district court’s finding of confusion as irreparable harm is wrong on the facts and the law.**

Confusion as it relates to TLC’s claims in this case can be of several sorts. Consumers may experience “direct confusion of source when they develop the mistaken belief that the plaintiff is the origin of the defendant's goods or services—so that the defendant capitalizes on the plaintiff's good name.” *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1238–39 (10th Cir. 2013). Consumers may experience reverse confusion of source when they “mistakenly believe that the defendant is the origin of the plaintiff's goods or services.” *Id.* (citations omitted) This Court also recognizes initial-interest confusion when “a consumer seeks a particular trademark holder's product and instead is lured to the product of a competitor by the competitor's use of the same or a similar mark.” *Id.* (citations omitted). Each type of confusion has a common denominator—a consumer.

But Plaintiff’s burden to show irreparable harm through actual confusion is not satisfied by merely citing instances where persons asked questions. *See Jordache Enterprises, Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1487 (10th Cir. 1987) (noting “[t]he better view would seem to be that while [customer] enquiry evidence is admissible and relevant [i.e., not hearsay], standing alone with no other evidence it is insufficient proof of actual confusion.”) (citations omitted); *Duluth News-Tribune v. Mesabi Publ’ing Co.*, 84 F.3d 1093, 1098 (8th Cir. 1996) (question asking reporter to specify which news tribune he worked for indicated

distinction in the mind of questioner rather than confusion); *Medi-Flex v. Nice-Pak Products, Inc.*, 422 F.Supp.2d 1242, 1251 (D. Kan. 2006) (finding evidence of customers inquiring about different products does not prove actual confusion) (citations omitted). This Court has even gone so far as to say “[w]e hold that even when combined with other evidence inquiries to the plaintiff about the source of a product are of comparatively little value.” *Jordache Enterprises, Inc.*, 828 F.2d at 1487.

Here, TLC presented only evidence of inquiries. TLC’s witness testified TLC alumni called to ask questions about items like “whether two boards existed.” (Aplt. App. Vol. 2 at 305-06.) Alumni also asked questions about emails and listservs. (*Id.* at 413-15.) But beyond these inquiries, TLC presented no other evidence. (*Id.* at 419-21.) In short, TLC failed to meet its burden to prove confusion. *Jordache Enterprises, Inc.*, 828 F.2d at 1487.

Moreover, TLC’s inquiries did not even relate to consumers. The district court found TLC presented evidence that alumni of TLC were “confused” about who was sending emails to the listserv, “whether two boards existed,” and “which ‘iteration of the trial lawyers college’ was promoting a seminar.”<sup>8</sup> (Aplt. App. Vol. 2 at 305-06.) TLC, however, presented no evidence that those alumni had

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<sup>8</sup> It is unclear from the evidence what seminar the alumni referred to because TLC presented no evidence that it or the Spence Group was offering a seminar.

expressed interest as consumers of either TLC or any other continuing education program. Further, TLC's witnesses also testified TLC did not plan to hold any classes until 2021 at the earliest because of the COVID pandemic. (*Id.* at 418.) Likewise, the Spence Group explained they had no plans to offer any commercial services for the same reason. (*Id.* at 417-18.) In short, TLC presented no evidence of consumers or that anyone involved in the case had commercial services available. Inquiries from unidentified TLC alumni regarding the fact and reasons for the Board split does not constitute actual consumer confusion over TLC's trademarks.

Even if the district court assumed TLC alumni were *potential* consumers, TLC still did not present evidence that the confusion was irreparable. Instead, TLC's witness testified the Sloan Group held meetings with alumni to answer their questions. (*Id.* at 413-15.) TLC did not present any evidence that these meetings left any alumni confused. In other words, the alleged harm, to the extent it was even occurring, was repairable. The evidence before the district court did not support its irreparable harm finding, and thus the district court abused its discretion.

**2. The district court's finding of monetary loss as irreparable is wrong as a matter of law.**

Proving irreparable harm requires the movant to "demonstrate a significant risk that he or she will experience harm that cannot be compensated after the fact

by money damages.” *Malamed*, 874 F.3d at 1141 (internal quotation and citation omitted). Put another way, a showing that a party has lost or will lose a specific amount of money can never serve as irreparable harm. That means the district court’s finding of harm because TLC submitted “evidence of monetary loss” is legally incorrect and unsustainable.

**C. The district court abused its discretion in allowing TLC to present new evidence to support its Motion for a Preliminary Injunction.**

District courts have broad discretion to accept additional evidence, which this Court reviews for an abuse of that discretion. *Smith v. Rogers Galvanizing Co.*, 148 F.3d 1196, 1197–98 (10th Cir. 1998). In deciding whether to reopen closed evidence and accept something new, the court “should consider the time the motion [if any] is made, the character of additional testimony and the potential prejudicial effect in granting or denying the motion.” *Id.* Ultimately, “fairness is the key criterion” for deciding to allow new evidence. *Id.*

Here, the district court allowed TLC to present additional evidence to support its Motion for a Preliminary Injunction despite the Spence Group’s objection and the court stating “[e]vidence is closed. We’re not going to – we’re not going to have any additional exhibits coming in.” (Aplt. App. Vol. 2 at 421.) Although the district court can change its mind, it did not allow the Spence Group an opportunity to respond to this new evidence. Curiously, it denied the Spence Group’s request to do so not on procedural grounds but because “any



rebuttal would seemingly be nothing more than argument about its relevance, which the Court has considered and weighed in exercising its discretion to admit it.” (*Id.* at 310.)

This decision was an abuse of discretion. The new evidence the district court considered was an audio recording of a CLE with Mr. Parris, which occurred on April 30, 2020, before the May 6 board meeting.<sup>9</sup> In the recording, Mr. Parris briefly discusses his *potential future* role with GSTI in general terms, and does so in halting, unsure terms (“Well ... yeah.”). (*Id.*) TLC excerpted a snippet from the longer recording to argue Mr. Parris had in fact been recently working to make GSTI a competing entity, despite Mr. Parris’ express denials at the preliminary injunction hearing. (Aplt. App. Vol. 2 at 280-81.) Mr. Parris and the Spence Group should have had the ability to rebut TLC’s interpretation of the recording with evidence from Mr. Parris—the best person to explain the meaning of his comments. But the district court prejudged the nature of the Spence Group’s disallowed rebuttal as limited to relevance.<sup>10</sup> If permitted, Mr. Parris would have

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<sup>9</sup> The audio recording was attached manually and therefore cannot be included with the appendix. But this Court can take judicial notice of the recording because it is included in the record.

<sup>10</sup> The district court did allow the Spence Group to submit the entire audio of the interview, but that was not the issue because the longer recording already was in evidence. Rather, the problem was not allowing the Spence Group the chance to provide evidence to show why the April recording was entirely consistent with his testimony at the preliminary injunction hearing.

explained his earlier comments in the context of what transpired over the last several months since that time, which would have directly refuted the inferences drawn by the district court.

The Spence Group's inability to do so led the district court to surmise "Mr. Parris apparently misunderstood the Court's direct and probing questions about his involvement with Defendant Gerry Spence's Trial Lawyers College at Thunderhead Ranch when he stated he had no involvement with the entity." (*Id.* at 310.) There was, however, no such misunderstanding of the district court's questions. This led the district court to conclude Mr. Parris and likely the Spence Group was working to position GSTI as a competing entity with TLC. (*Id.*) That conclusion is factually incorrect. But the district court did not give the Spence Group any opportunity to put on evidence to prove it. In the analogous context of a reply brief that raises a new issue, this Court has clearly held a party should "be given an opportunity to respond to new material raised for the first time in the movant's reply." *Green v. New Mexico*, 420 F.3d 1189, 1196 (10th Cir. 2005).

If the ultimate criterion is fairness, then the district court's admitting and relying on TLC's new evidence—after closing the evidence and denying Mr. Parris any opportunity of a rebuttal—cannot stand. Fairness requires equity, equal opportunity, and predictable procedure. TLC violated the district court's admonition that the evidence was closed, the district court allowed and relied on

the new evidence, and it summarily rejected the Spence Group’s request to rebut that evidence. Such a one-sided approach cannot be a proper exercise of discretion.

**D. The district court abused its discretion in imposing broad mandatory injunctions.**

Rule 65(d) requires that an injunction “state its terms specifically; and . . . describe in reasonable detail—and not by referring to the complaint or other document—the act or acts restrained or required.” Fed. R. Civ. P. 65(d)(1). Moreover, injunctions “must be narrowly tailored to remedy the harm shown.” *Garrison v. Baker Hughes Oilfield Operations, Inc.*, 287 F.3d 955, 962 (10th Cir. 2002). This is especially true when an injunction restricts speech. See *Madsen v. Women’s Health Center, Inc.*, 512 U.S. 753, 765 (1994).

If a court chooses to impose a mandatory injunction, it must be “more closely scrutinized to assure that the exigencies of the case support the granting of a remedy that is extraordinary even in the normal course.” *Schrier v. Univ. of Co.*, 427 F.3d 1253, 1258–59 (10th Cir. 2005). A mandatory injunction is one that “affirmatively require[s] the nonmovant to act in a particular way, and as a result ... place [s] the issuing court in a position where it may have to provide ongoing supervision to assure the nonmovant is abiding by the injunction.” *Id.* at 1260-61.

Here, the district court imposed two mandatory injunctions, neither of which were narrowly tailored to the alleged harm and evidence presented.

**1. The district court abused its discretion in imposing the equivalent of a gag order on the Spence Group.**

The district court enjoined the Spence Group from purporting “definitively to be Plaintiff’s true Board unless and until such time as the state court makes a ruling to that effect” and using “linguistic plays on words or various terms associated with The Trial Lawyers College to create or cause confusion as to whether Defendants are acting as The Trial Lawyers College.” (Aplt. App. Vol. 2 at 311-12.) Both functionally preclude the Spence Group from publicly stating the very position they have asserted in the State Court Action. This created a mandatory injunction subject to closer scrutiny because it requires the district court to supervise the Spence Group’s statements from the time of the injunction until the end of the case.<sup>11</sup> This mandatory injunction is not narrowly tailored for three reasons.

**a) The injunction restricts statements that would not give rise to a cause of action for TLC.**

The Lanham Act is “not [intended] to prevent all unauthorized uses. . . [and] trademark rights cannot be used to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view.” *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045,

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<sup>11</sup> As discussed above, TLC’s contempt motions prove this point because they asked the district court to police the Spence Group’s statements and actions related to the board of TLC. (Aplt. App. Vol. 2 at 313-67, 394-411.)

1052–53 (10th Cir. 2008) (internal quotations and citations omitted). To be actionable, “the defendant in a trademark infringement and unfair competition case must use the mark in connection with the goods or services of a competing producer, not merely to make a comment on the trademark owner’s goods or services.” *Id.* at 1053. There can be no trademark infringement or passing off for using a mark to refer to the mark’s owner, as opposed to using it to promote a new, competing entity. *Id.* at 1052–53. Thus, only “commercial speech,” as defined under First Amendment jurisprudence, can ever be actionable under the Lanham Act. *See, e.g., Proctor & Gamble Co. v. Haugen*, 222 F.3d 1262, 1273–74 (10th Cir. 2000). And even then, “the language of the [Lanham] Act cannot be stretched so broadly as to encompass all commercial speech.” *Wilson v. AdvisorLaw LLC*, 780 F. App’x 649, 653 (10th Cir. 2019).

The Spence Group’s statements regarding TLC or their relationship thereto is not “commercial speech.” It expresses their honestly held opinions about their status as being the true Board of TLC, as reflected in their filings in the State Court Action and this case. And until the state court rules otherwise it is not false. *See, e.g., Vitamins Online, Inc. v. HeartWise, Inc.*, No. 2:13-CV-00982-DAK, 2019 WL 6682313, at \*9 (D. Utah Sept. 24, 2019) (“statements purely of opinion . . . are not actionable for false advertising under the Lanham Act. . . [F]or a statement of fact to be actionable, it must be a specific and measurable claim, capable of being

proved false or of being reasonably interpreted as a statement of objective fact.” (internal quotations and citations omitted)). Further, the Spence Group’s opinion about its status on the TLC board is not in furtherance of a competing entity.

Apart from being in violation of Defendants’ First Amendment rights to speak out on an issue that Plaintiff itself has publicized, it is simply not trademark infringement to use TLC’s marks in reference to (1) TLC itself, (2) Defendants’ status with TLC, (3) commentary regarding TLC, or (4) any other use that is not commercial use in furtherance of a competing entity. *See Strauss v. Angie’s List, Inc.*, 951 F.3d 1263, 1267 (10th Cir. 2020); *Utah Lighthouse Ministry*, 527 F.3d at 1052–53. This part of the district court’s preliminary injunction far exceeded the scope of this case and imposed an impermissible gag order on the Spence Group.

**b) The injunction is underinclusive and fails to protect TLC’s assets using the district court’s logic.**

The district court cited confusion as a basis for several parts of its findings in granting the preliminary injunction. (Aplt. App. Vol. 2 at 300-05.) This confusion allegedly threatened TLC’s trademarks because potential customers may not know what voice speaks for TLC or who really controls TLC. (*Id.*) According to the district court, this justified restricting the Spence Group’s comments about being TLC’s true board and requiring them to note the issue is in dispute. (*Id.* at 311-12.) Presumably, this would put potential consumers on alert about TLC’s disputed status and protect the trademarks from confusion. To be fair, the district court did

not articulate its decision this way; but that is the only logical way to relate the Spence Group's commentary about their status as TLC directors to the trademark claims in this case.

This leads to a problematic, underinclusive result in applying the district court's decision. If it is important for consumers to understand the Spence Group's position as directors is disputed, consumers also should know the Sloan Group's position as the true board of TLC is disputed. But the district court did not apply that part of its injunction to the Sloan Group. The Sloan Group has seized the opportunity and continue to publicize *their side* of the dispute with the Spence Group. (*Id.* at Vol. 1, 220.) On the TLC website, the Sloan Group added a hypertext link "Board Update" to its home page, which links to new webpages created by the Sloan Group that explain their one-sided characterization of the State Court Action and this action. (*Id.*) In other words, the Sloan Group continues to advertise its position as the true board of TLC—the same conduct the district court prevented the Spence Group from doing.

This cannot be the right result under a narrowly tailored injunction. The correct result would be to preserve the status quo by forcing all sides to note their disputed status as TLC board members. The district court's failure to craft the injunction in this way has allowed the Sloan Group to weaponize the injunction into a gag order and attempt to silence the Spence Group's attempts to: 1) state

their legal position; and 2) carry out the practical reality of that position. The Court needs no more proof than the contempt motions discussed above.

**c) The injunction affects an allegedly unrelated set of issues to the claims in this case.**

A narrowly tailored injunction must apply to the “harm shown.” *Garrison*, 287 F.3d at 962. Here, the district court rejected that this case and the State Court Action address substantially the same issue in its *Colorado River* analysis. (Aplt. App. Vol. 2 at 286-93.) As a result, the harm in this case should not relate to who controls TLC, which is the subject of the State Court Action. But its restriction on the Spence Group’s statements about being TLC’s true board go to the heart of the State Court Action.

This presents a Catch-22 in applying the narrowly tailored requirement to the injunction. If this case and the State Court Action do not raise substantially the same issue, then no harm can come from the Spence Group’s statements about being TLC’s true board, requiring reversal of that part of the injunction as too broad. If, however, harm in this case can occur from the Spence Group stating its position in the State Court Action, then the cases must involve substantially the same issue, requiring reversal of the district court’s denial of the Spence Group’s motion to stay.



**2. The district court abused its discretion in imposing a duty to remove sculptures at the Thunderhead Ranch.**

Although not included among the specifics of its preliminary injunction order, the district court found the Spence Group could not continue to “display the artwork” depicting a cattle brand logo that is also one of TLC’s trademark. (*Id.* at 308-09.) This artwork included two sculptures installed at Thunderhead Ranch, one attached to the barn and another affixed to the entrance arch at the ranch. (*Id.*) The two sculptures are large, heavy pieces, mounted high off the ground, and permanently attached to their respective locations. (*Id.* at 251-52.) The Spence Group cannot remove them on their own without damaging the sign, artwork, archway, or barn. (*Id.* at 382-93.) Contrary to preserving the status quo, affirmative removal of the sculptures is a mandatory injunction subject to close scrutiny.

Under that closer scrutiny, this part of the injunction fails the narrowly tailored requirement because the injunction has no relation to the harm alleged in this case. As discussed above, the district court’s injunction purports to protect TLC trademarks by eliminating confusion among consumers of TLC products. But there was no evidence the sculptures were causing any confusion. While both sculptures use the TLC trademark depicting a thunderhead and lighting bolt, they appear on a remote, private ranch away from public view. (*Id.* at 252.) They represent a registered cattle brand tied to the Thunderhead Ranch. (*Id.*) And importantly, since COVID-19 and the TLC board split, Thunderhead Ranch is not

hosting commercial activity of any kind. (*Id.* at 251, 417-18.) In other words, the continued display of the sculptures at the ranch does not present any immediate, irreparable harm of confusion necessitating the extraordinary relief of a mandatory preliminary injunction. As a result, the district court's injunction simply placed an affirmative mandate on the Spence Group that is unrelated to the specific harm alleged in this case.

## **VI. Conclusion**

For the reasons stated above, the Spence Group requests this Court reverse the district court's decision denying their Motion to Stay. If not, the Spence Group requests this Court reverse the district court's order partially granting TLC's Motion for a Preliminary Injunction in its entirety or at a minimum reverse restrictions on the Spence Group's ability to comment on their status as board members of TLC and the requirement to remove permanent fixtures at Thunderhead Ranch.

### **STATEMENT CONCERNING ORAL ARGUMENT**

This case involves complex procedural and factual issues, including overlap with the State Court Action. The Spence Group submit that oral argument would be helpful to the Court in sorting out these issues.

### **CERTIFICATE OF COMPLIANCE**

1. In accordance with Rule 32(a)(7)(B) of the Federal Rules of Appellate Procedure, undersigned counsel certifies that this brief complies with the type-volume limitation set forth in Rule 32(a)(7)(B), and that this brief, exclusive of the items listed in Rule 32(a)(7)(B)(iii), contains 9,629 words.

2. Appellants certify that all required privacy redactions have been made; the electronic copy of the required hard copy is exactly same.

3. This ECF submission was scanned for viruses with the most recent version of Windows Defender Antivirus, version 1.323.1194.0, and, according to the program is free of viruses; and the Appendix, Volume 1 complies with applicable volume limits pursuant to Fed. R. App. P. 32(g)(1).

Dated September 16, 2020.

Respectfully submitted,

/s/ Timothy Getzoff

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**CERTIFICATE OF SERVICE**

I certify that on September 16, 2020, I served copies of the foregoing **APPELLANTS' OPENING BRIEF** to the following via CM/ECF:

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# Attachment 1

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF WYOMING

THE TRIAL LAWYERS COLLEGE,  
a nonprofit corporation,

Plaintiff,

v.

Case No. 1:20-cv-80-JMC

GERRY SPENCES TRIAL LAWYERS  
COLLEGE AT THUNDERHEAD RANCH,  
a nonprofit corporation,  
GERALD L. SPENCE,  
JOHN ZELBST,  
REX PARRIS,  
JOSEPH H. LOW,  
KENT SPENCE, and  
JOHN DOE individuals,

Defendants.

**MEMORANDUM OPINION AND ORDER DENYING  
DEFENDANTS' MOTION TO STAY PROCEEDINGS**

On May 25, 2020, Defendants Gerry Spence's Trial Lawyers College at Thunderhead Ranch, Gerald L. Spence, John Zelbst, Rex Parris, Joseph H. Low, Kent Spence, and John Doe filed a Motion to Stay Proceedings. In that motion, Defendants request that the Court stay proceedings in the above-styled civil action pursuant to the *Colorado River* Doctrine. For the reasons stated below, the Court denies Defendants' motion.

I. Background

On April 28, 2020, Defendants Gerald L. Spence, John Zelbst, Rex Parris, Joseph H. Low, and Kent Spence filed a Complaint in Wyoming state district court against Plaintiff The Trial Lawyers College. In that state court action, Defendants seek to dissolve Plaintiff, audit Plaintiff, and have the court appoint a receiver to oversee and manage Plaintiff's funds until the court is able to decide whether it should dissolve Plaintiff. Fifteen days later, Plaintiff filed this action in federal

district court alleging Defendants violated the Lanham Act, 15 U.S.C. §§ 1114, *et. seq.*, and 15 U.S.C. § 1125(a) by infringing Plaintiff's federally-registered trademarks and engaging in unfair competition, false designation of origin, passing off, and false advertising related to Plaintiff's federally-registered trademarks. Plaintiff also alleges Defendants violated the Computer Fraud and Abuse Act, 18 U.S.C. § 1030, the Defend Trade Secrets Act, 18 U.S.C. § 1836 and Wyo. Stat. Ann. § 40-24-101, *et. seq.*, through Defendants' unauthorized access and misuse of Plaintiff's confidential and proprietary computer files.

The same day it filed its Complaint, Plaintiff filed an Emergency Application for Ex Parte Temporary Restraining Order. Prior to the hearing on the application for a temporary restraining order, Defendants appeared, filed a response to the application, and filed this motion to stay proceedings pursuant to the *Colorado River* doctrine. Defendants argue that this federal action is an extension of the state court case and that Plaintiff's directors filed it in violation of the bylaws' procedures. They contend that the Plaintiff is forcing the Court to resolve identical questions of fact and law as the state court before reaching the issues of trademark and trade secret protection. Defendants reason that the state court will decide who has control over Plaintiff and that will determine whether this lawsuit will proceed.

On May 26, 2020, the parties, by counsel, appeared before the Court for a hearing on Plaintiff's application for a temporary restraining order. At that same hearing, the Court allowed the parties to argue the merits of Defendants' Motion to Stay Proceedings.

## II. Applicable Law

### A. Colorado River Doctrine

"The *Colorado River* doctrine applies to situations involving the contemporaneous exercise of concurrent jurisdictions by state and federal courts." *Fox v. Maulding*, 16 F.3d 1079, 1080 (10th



Cir. 1994) (quoting *Colorado River Water Conservation District v. United States*, 424 U.S. 800, 817 (1976)). Although not truly a form of abstention, courts treat the doctrine as a variety of abstention. *Id.* Both the Tenth Circuit and the Supreme Court have made clear that abstention from the exercise of federal jurisdiction is “the exception, not the rule.” *Id.* “The doctrine permits a federal court to dismiss or stay a federal action in deference to pending parallel state court proceedings, based on considerations of wise judicial administration, giving regard to conservation of judicial resources and comprehensive disposition of litigation.” *Id.* (internal quotation marks and brackets omitted).

“[T]he decision whether to defer to the state courts is necessarily left to the discretion of the district court in the first instance.” *Id.* at 1081 (quoting *Moses H. Cone Memorial Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 19 (1983)). In exercising this discretion, a district court must first determine whether the state and federal proceedings are parallel—substantially the same parties litigating substantially the same issues in different forums. *Id.* Unlike some circuits, the Tenth Circuit examines the state proceedings as they actually exist to determine whether they are parallel to the federal proceedings rather than considering how a litigant could have brought the state court proceedings in theory. *Id.* This comports with the rationale that the grant of stay would be “a serious abuse of discretion” unless “the parallel state-court litigation will be an adequate vehicle for the complete and prompt resolution of the issue between the parties.” *Moses H. Cone Memorial Hosp.*, 460 U.S. at 28. Indeed, the “decision to invoke *Colorado River* necessarily contemplates that the federal court will have nothing further to do in resolving any substantive part of the case, whether it stays or dismisses.” *Id.*

If a district court determines that a state court and federal court action are parallel, the Supreme Court set forth nonexclusive factors for a district court to consider in determining whether

“exceptional circumstances” exist to exercise the discretion to stay the federal court action. *Fox*, 16 F.3d at 1082. These factors include: (1) whether either court has assumed jurisdiction over property; (2) the inconvenience of the federal forum; (3) the desirability of avoiding piecemeal litigation; and (4) the order in which the courts obtained jurisdiction. *Id.* The Supreme Court subsequently discussed several other factors in *Moses H. Cone*, such as the vexatious or reactive nature of either the federal or the state action; whether federal law provides the rule of decision; and the adequacy of the state court action to protect the federal plaintiff’s rights. *Id.* Other courts additionally have considered whether the party opposing abstention has engaged in impermissible forum-shopping. *Id.* No single factor is dispositive. *Id.* To be clear, these factors are not a “mechanical checklist.” *Id.* Rather, a district court should engage in “a careful balancing of the important factors as they apply in a given case, with the balance heavily weighted in favor of the exercise of jurisdiction.” *Moses H. Cone Memorial Hosp.*, 460 U.S. at 16. Finally, a court should resolve any doubt in favor of exercising federal jurisdiction. *Fox*, 16 F.3d at 1082.

B. Prior Exclusive Jurisdiction Doctrine

“When the same parties are involved in litigation that is *in rem* or *quasi in rem*, the court where the last suit was filed must yield jurisdiction.” *Cassity v. Pitts*, 995 F.2d 1009, 1012 (10th Cir. 1993) (citing *Princess Lida of Thurn & Taxis v. Thompson*, 305 U.S. 456, 466 (1939)).

III. Analysis

Defendants first argue that the Court should stay this matter because of the *Colorado River* doctrine. They further assert that the Court cannot exercise jurisdiction because of the Prior Exclusive Jurisdiction Doctrine.

A. Colorado River Doctrine

Defendants' motion fails because the state action and the federal court action are not parallel. First, Defendant Gerry Spence's Trial Lawyer College at Thunderhead Ranch is not a party to the state court action. Second, the state court action—consisting of claims to dissolve and to audit Plaintiff and to appoint a receiver—contain different issues from this federal court action—alleging violation of the Lanham act and other federal statutes.

The two actions are not parallel because Defendant Gerry Spence's Trial Lawyer College at Thunderhead Ranch is not a party to the state court action. According to Plaintiff's federal court Complaint, this newly-formed nonprofit entity is falsely suggesting that it constitutes Plaintiff. It uses Plaintiffs marks in mailings and a video—evident from the YouTube video it posted and Plaintiff referenced in its complaint.

True, case law does not require that the parties to each action be the same. But case law requires that they be substantially the same. *Fox*, 16 F.3d at 1081. Defendant Gerry Spence's Trial Lawyer College at Thunderhead Ranch is not a party to the state court litigation. And why should it be? Unlike the other Defendants in the federal court action, Defendant Gerry Spence's Trial Lawyer College at Thunderhead Ranch is not a former board member of Plaintiff. It does not seek Plaintiff's dissolution. It does not care whether an auditor examines Plaintiff's books. It further does not seek the appointment of a receiver for Plaintiff. In the federal case however, Plaintiff accuses Defendant Gerry Spence's Trial Lawyer College at Thunderhead Ranch of using its marks in violation of the Lanham Act. Thus, any decision in the state court action finding in Plaintiff's favor would not actually impose liability on Defendant Gerry Spence's Trial Lawyer College at Thunderhead Ranch. Plaintiff would be unable to obtain a judgment on its claims in state court. Because of the additional defendant in this federal court action, Defendants have failed

to convince the Court that in this case, the state court action will necessarily dispose of *all* claims presently before this Court.

Second, the state court and federal court are not parallel because they involve different issues. The Court examines the claims as they actually exist in state court. As mentioned previously in this Order, Defendants' state court action focuses on dissolving and auditing Plaintiff and appointing a receiver. This federal court action seeks to hold Defendants liable for violations of the Lanham Act and other federal statutes. The state court action does not set forth any intellectual property claims alleging that Defendants or the new entity, Defendant Gerry Spence's Trial Lawyer College at Thunderhead Ranch, are the true owners of the marks.

Defendants posit that the state court action will resolve critical issues that underlie both cases—i.e., the authority of Plaintiff's directors to file the federal court action. Defendants also assert that if they prevail in state court, the state court will appoint a receiver who will oversee and manage Plaintiff's property, which would include the trademarks and purported trade secrets in this case. And if they prevail, they claim they will have control of Plaintiff and its assets and thus any of Defendants' use of Plaintiff's assets would be authorized and not actionable. Yet whether Defendants prevail on their state court claim does not affect Plaintiff's claims in the instant case. The state court will not be deciding whether Defendants violated the Lanham Act and the other federal statutes. Determination of the state court issues simply are not determinative of the federal court issues.

Because Defendants failed to make the threshold showing that the state court and federal court actions are parallel, the Court need not review the Supreme Court's factors. Indeed, the Court must exercise its jurisdiction.

B. Prior Exclusive Jurisdiction Doctrine

The prior exclusive jurisdiction doctrine applies “when a state or federal court of competent jurisdiction has obtained possession, custody, or control of particular property.” 13F Charles Alan Wright & Arthur R. Miller, *Federal Practice & Procedure*, § 3631 (3d ed.). In that case, “authority and power over the property may not be disturbed by any other court.” *Id.* But the doctrine applies only if “the proceedings in both the state and federal courts . . . are determined to be in rem as to the same property.” *1st Nat’l Credit Corp. v. Von Hake*, 511 F. Supp. 634, 639 (D. Utah 1981). Thus, the Court’s first inquiry “is whether the two actions are of such nature that both are essentially in rem, demanding control and disposition of the res; for if one action is in personam, even though adjudicating, without physically controlling, a right in the res, this conflict does not exist.” 1A Moore’s *Federal Practice* P 0.214 at 2502 (2d ed.).

Defendants attempt to cast this case as a quasi in rem proceeding because it contends the Court’s resolution in this case will determine who controls Plaintiff’s property. But Defendants’ argument fails because the present federal court proceeding is not in rem or quasi in rem. “A judgement quasi in rem . . . affects interests in a thing . . . . It differs from a personal judgment in that it does not impose a personal liability or obligation upon anyone.” Restatement (Second) of Conflict of Laws, ch. 3, intro. note (1971). The “very nature of trademark rights does not lend itself to any sort of definitive *in rem* declaration.” *Sterling Consulting Corp., Inc. v. Indian Motorcycle Trademark*, 1997 WL 827450, at \*1 (D. Colo. Sept. 5, 1997) (unpublished). And Defendants’ attempt to characterize the federal court action as an in rem jurisdiction case involving ownership rights to Plaintiff’s trademarks is unpersuasive. The issue in this case is not ownership of Plaintiff’s marks. Plaintiff undisputedly owns the marks at issue. Rather, the issue before the Court is whether Defendants’ use of the marks infringe Plaintiff’s trademarks—which could result

in a judgment that will impose a personal liability or obligation upon Defendants. Moreover, 15 U.S.C. § 1125 provides for in rem jurisdiction in one limited situation not at issue here, dealing with domain names and cybersquatting. 15 U.S.C. § 1125(d). And courts analyzing that portion of the statute have concluded that in order to proceed in rem, a plaintiff “must convince the court that in personam jurisdiction over a person is unavailable before an . . . in rem action may proceed.” *Porsche Cars N. Am., Inc. v. Porsche.net*, 302 F.3d 248, 255 (4th Cir. 2002).

#### IV. Conclusion

For the reasons set forth above, the Court DENIES Defendants’ Motion to Stay Proceedings (Doc. 21).

IT IS SO ORDERED.

Entered for the Court  
this the 16th day of June, 2020

/s/ Joel M. Carson III  
Joel M. Carson III  
United States Circuit Judge  
Sitting by Designation

# Attachment 2

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF WYOMING

THE TRIAL LAWYERS COLLEGE,  
a nonprofit corporation,

Plaintiff,

v.

Case No. 1:20-cv-80-JMC

GERRY SPENCES TRIAL LAWYERS  
COLLEGE AT THUNDERHEAD RANCH,  
a nonprofit corporation,  
GERALD L. SPENCE,  
JOHN ZELBST,  
REX PARRIS,  
JOSEPH H. LOW,  
KENT SPENCE, and  
JOHN DOE individuals,

Defendants.

**MEMORANDUM OPINION AND ORDER GRANTING IN PART AND  
DENYING IN PART PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION**

On June 9, 2020, the parties appeared before the Court for a hearing on Plaintiff The Trial Lawyer College's Motion for Preliminary Injunction. The Court previously granted Plaintiff a Temporary Restraining Order on May 26, 2020 and entered the Order on May 27, 2020. Also on May 27, 2020, Plaintiff requested a preliminary injunction on its Lanham Act claims. For the reasons stated below, the Court grants in part and denies in part Plaintiff's motion.

I. Background

Plaintiff is a nonprofit corporation that provides training programs to lawyers. Defendant Gerald L. Spence founded Plaintiff in 1993 and has been affiliated with it since that time. The other individual Defendants have also been affiliated with Plaintiff since the 1990s. Plaintiff began operating in 1994 at the Thunderhead Ranch in Dubois, Wyoming. In 2012, Plaintiff applied for and received two federally-registered trademarks. The first, Registration Number 4,197,908 (the



‘908 Mark) is a trademark for “TRIAL LAWYERS COLLEGE” in standard characters, without claim to any particular font, style, size, or color. The second, Registration Number 4,198,054 (the ‘054 Mark) is a trademark for a stylized design of a cloud with a bolt of lightning. Plaintiff has maintained and used these trademarks in interstate commerce. Plaintiff further has policed the use of the trademarks.

Until May 6, 2020, Defendants undisputedly served on Plaintiff’s Board. Plaintiff alleges that the individual Defendants sought to expend Plaintiff’s funds to build a library in Gerry Spence’s honor on the land Plaintiff leased. In December 2019 the Board declined to support the proposal to build the library on land it did not own. Defendant Spence, through the Spence Foundation, terminated Plaintiff’s lease. Plaintiff vacated the premises.

On April 28, 2020, Defendants Gerald L. Spence, John Zelbst, Rex Parris, Joseph H. Low, and Kent Spence filed a Complaint in Wyoming state district court against Plaintiff The Trial Lawyers College. In that state court action, Defendants seek to dissolve Plaintiff, audit Plaintiff, and have the court appoint a receiver to oversee and manage Plaintiff’s funds until the court is able to decide whether it should dissolve Plaintiff. Two days later, Defendants registered Defendant “Gerry Spences Trial Lawyers College at the Thunderhead Ranch” as a Wyoming nonprofit corporation. Defendants accessed Plaintiff’s listservs and used that information to create a new listserv to send mass emails to recipients whose information they obtained from Plaintiff’s listservs. Defendants sent the new listserv recipients an email from “Gerry Spence’s Trial Lawyer College” stating that the old listserv was experiencing difficulties and that Gerry Spence authorized a new listserv. Defendants also posted a video on YouTube which used both the ‘908 and the ‘054 Marks. The video displays the ‘054 Mark in the left corner. In the video, Spence says, “my vision,

my friends, for this college, is you. And it will stay alive and beautiful and ringing across the land, as long as you're there." He continues:

Some people think that Trial Lawyers College is over. Well, I'd like you to know a marvelous secret. It's a secret for some, but now, you know it too. Trial Lawyers College is going to continue. It's going to continue with marvelous new leadership. We're going to continue forwarding the message of our great institution, that we are an organization dedicated to teaching our trial lawyers how to fight the good battle for ordinary people who need our support and our help. And, we're going to have classes next year where we teach trial lawyers to represent ordinary people.

On May 6, 2020, the Board split. Defendant Rex Parris testified that this occurred because of half the Board's treatment of Gerry Spence. Plaintiff claims that Defendants were not elected to the Board as of May 6. Defendants dispute the validity of Plaintiff's actions and claim to be the rightful Board—or at least still members of the full Board. Defendants sent an email to the new listserv on that date stating that the individual Defendants were Plaintiff's new Board. Notably, at least according to Defendant Parris's testimony, this position has evolved. Defendant Parris testified that Defendants and Plaintiffs were still board members as of this time. So Defendants appear to have abandoned the idea that they are the "new" board—at least for the time being. On May 12, 2020, Defendants sent an email on the new listserv advertising a speaker in which Plaintiff contends Defendants were attempting to pass off Defendant Gerry Spence's Trial Lawyers College as Plaintiff.

Fifteen days after Defendants filed the state court action, Plaintiff filed this action in federal district court alleging Defendants violated the Lanham Act, 15 U.S.C. §§ 1114, *et. seq.*, and 15 U.S.C. § 1125(a) by infringing Plaintiff's federally-registered trademarks and engaging in unfair competition, false designation of origin, passing off, and false advertising related to Plaintiff's federally-registered trademarks. Plaintiff also alleges Defendants violated the Computer Fraud and Abuse Act, 18 U.S.C. § 1030, the Defend Trade Secrets Act, 18 U.S.C. § 1836 and Wyo. Stat.

Ann. § 40-24-101, *et. seq.*, through Defendants' unauthorized access and misuse of Plaintiff's confidential and proprietary computer files.

The Court granted Plaintiff's application for a Temporary Restraining Order. Plaintiff now seeks a preliminary injunction on its Lanham Act claims, contending that Defendants have irreparably harmed it by: (1) infringing upon Plaintiff's Marks; (2) intentionally misleading Plaintiff's audience into believing that Defendant Gerry Spence's Trial Lawyers College at Thunderhead Ranch is Plaintiff; (3) intentionally misleading Plaintiff's audience into believing that the Individual Defendants represent Plaintiff; and (4) making myriad false statements in commerce regarding Gerry Spence's Trail Lawyers College at Thunderhead Ranch and Plaintiff.

On June 9, 2020, the parties, by counsel, appeared before the Court for a hearing on Plaintiff's motion for a preliminary injunction.<sup>1</sup>

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<sup>1</sup> Defendants contend that before the Court can consider the propriety of preliminary injunctive relief, it must "satisfy itself that it has jurisdiction to hear this case." Defendants first argue that the Court should abstain and stay its exercise of subject matter jurisdiction. The Court considered Defendants' requested relief and denied the request by separate order. Second, Defendants contend that this action is improper pursuant to Federal Rule of Civil Procedure 17 because the real parties in interest are not the parties pursuing this action. Defendants contend that because control of Plaintiff is in dispute and unresolved, the Board members bringing the action do not have standing to assert Plaintiff's trademark assets. "A real party in interest is the person who, under governing substantive law, is entitled to enforce the right asserted." *Cascades Dev. Of Minn., LLC v. Nat'l Specialty Ins.*, 675 F.3d 1095, 1098 (8th Cir. 2012). Here, the nonprofit corporation, The Trial Lawyers College, is the registered owner of the Marks. Thus, Plaintiff is the real party in interest. *See McRae v. Smith*, 159 F. App'x. 336 (3d Cir. 2005) (unpublished) (noting that the corporation in a trademark action, not the individual behind the corporation, is the real party in interest). Defendants' position regarding Plaintiff has not been a model of consistency. First, the Spence Foundation evicted Plaintiff from Thunderhead Ranch and Defendants created a new nonprofit entity. Second, in emails to the listserv, Defendants appear to assert that they are Plaintiff's true board and held officer elections without the other faction. Yet at the hearing, Defendant Rex Parris stated that he believed both factions remained members of Plaintiff's Board. Parris also asserted that the new entity is nothing but a shell and a back-up plan that has not taken any action. But evidence shows that is not the case. Defendants' faction of the former Board brought the state court lawsuit to dissolve the Board, created a competing entity, and allowed the new entity to use Plaintiff's registered Marks. *Someone* is sending emails on behalf of the new entity that use Plaintiff's Marks. Moreover, the very people Defendants contend have

## II. Applicable Law

As an extraordinary remedy, the district court's issuance of a preliminary injunction is "the exception rather than the rule." *Free the Nipple-Fort Collins v. City of Fort Collins, Colo.*, 916 F.3d 792, 797 (10th Cir. 2019). The party requesting the injunction needs to prove four things to succeed on its motion: (1) that it is substantially likely to succeed on the merits; (2) that it will suffer irreparable injury if the court denies the injunction; (3) that the threatened injury without the injunction outweighs the opposing party's under the injunction; and (4) that the injunction is not adverse to the public interest. *Id.* Disfavored preliminary injunctions exhibit one of three characteristics: (1) it mandates action rather than prohibiting it; (2) it changes the status quo; or (3) it grants all the relief that the moving party could expect from a trial win. *Id.*

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no ability to bring a suit on Plaintiff's behalf currently represent Plaintiff in the state court action. The Court takes judicial notice that Defendants do not assert in the state court action that the plaintiffs in their case have no standing or authority to represent The Trial Lawyers College. To allow Defendants to continue to use Plaintiff's Marks to assert that their new entity is The Trial Lawyers College while the state court sorts out who controls the Board changes the status quo. *See Timbisha Shoshone Tribe v. Kennedy*, 687 F. Supp. 2d 1171, 1189 (E.D. Cal. 2009) (disallowing a faction to govern another faction without having been elected to do so and stating that to hold otherwise would grant relief that goes beyond preservation of the status quo). Under Defendants' logic, any time a faction of a board contends that another faction of the board engaged in an unauthorized action, the corporation could never defend itself or its property from attack. In this case, that would mean allowing the faction to prevail in dismissing a trademark action where those same members allowed a new entity they created to use the corporation's trademarks. And Defendants provide the Court with no law to justify its position that Plaintiff's Board lacks the authority to bring the instant action on Plaintiff's behalf. In contrast, courts have held for a century that in the event of deadlock, someone—the president, a shareholder—may sue or defend on behalf of the corporation "where the need for action to preserve vital corporate interests was urgent." *Conlee Const. Co. v. Cay Const. Co.*, 221 So.2d 792, 795 (Fla. Dist. Ct. App. 1969); *see also Regal Cleaners & Dyers, Inc. v. Merlis*, 274 F. 915, 916 (2d Cir. 1921). And another non-profit using a corporation's registered trademarks with the blessing of a non-majority faction of the Board certainly fits that bill. Put simply, the Court need not determine which faction of the Board controls Plaintiff to enjoin Defendants from allowing a newly formed nonprofit entity to use Plaintiff's marks.

### III. Analysis

After the Court issued the Temporary Restraining Order, Defendants claim that they removed Gerry Spence's YouTube video, although Plaintiff asserts the video is still privately available. They also recorded a name change for Defendant Gerry Spence's Trial Lawyers College at Thunderhead Ranch to "Gerry Spence's Trial Institute at Thunderhead Ranch." In their response to Plaintiff's motion, and confirmed at the hearing, Defendants stipulate that they will agree to the requested relief to the extent it conforms to the Temporary Restraining Order and not use Plaintiff's trademarks in connection with any new or competing entity to Plaintiff. Defendants also said they would limit their use to "Gerry Spence's Trial Institute," a name the Court allows them to use for the time being. Defendants expressed concern, however, that this stipulation would still not resolve the matter because it believed: (1) that Plaintiff sought to prohibit Defendants from using the name "Gerry Spence"; and (2) that Plaintiff sought to enjoin Defendants from stating that they are still affiliated with Plaintiff or using "The Trial Lawyers College" in any context whatsoever. Plaintiff responded that it does not seek to enjoin Gerry Spence from using his own name. It also stated it does not seek to limit Defendants from referring to "The Trial Lawyers College." That leaves as the only disputed issues before the Court the extent to which Defendants can use the Marks to give the public the impression that Defendants' new entity is actually "The Trial Lawyers College" and the use of the geographic location "Thunderhead Ranch." For the reasons discussed below, the Court will preserve the status quo while the state proceeding is ongoing. Accordingly, Defendants shall not use Plaintiff's Marks to market itself as if it is in fact "The Trial Lawyers College" or its faculty as faculty of "The Trial Lawyers College" unless and until such time as the state court makes a ruling to that effect. This preliminary injunction does not prohibit Defendants from referencing "The Trial Lawyers College" in explaining that they have sued Plaintiff in state

court to challenge the control of the Board, but it does enjoin them from saying that they definitively are the Board of “The Trial Lawyers College” or to use Plaintiff’s Marks to promote their new nonprofit entity. *Utah Lighthouse Ministry v. Foundation for Apologetic Information & Research*, 527 F.3d 1045, 1054 (10th Cir. 2008). Furthermore it does not prohibit Defendants from using the name “Gerry Spence” or the geographic location “Thunderhead Ranch.”

A. Likelihood of Success on the Merits

The owner of a registered mark may bring an action for infringement pursuant to § 32 of the Lanham Act against any person who:

use[s] in commerce any reproduction, counterfeit, copy, or colorable imitation of [the] registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . .

15 U.S.C. § 1114(1)(a). Similarly, the owner of a valid mark may sue any person pursuant to § 43(a) of the Lanham Act who:

uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, which . . . is likely to cause confusion, or to cause mistake, or to deceive as to the 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 . . . .

15 U.S.C. § 1125(a).

“The elements of an infringement claim under § 43(a) are (1) that the plaintiff has a protectable interest in the mark; (2) that the defendant has used an identical or similar mark in commerce; and (3) that the defendant’s use is likely to confuse consumers.” *I-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1238 (10th Cir. 2013) (internal citation and quotation marks omitted). With the exception that “the registration of a mark serves as prima facie evidence of both the mark’s validity and the registrant’s exclusive right to use it in commerce,” an infringement

claim under § 32 has nearly identical elements. *Id.* “The central question in a typical infringement action under either § 32 or § 43(a) is whether the defendant’s use of the plaintiff’s mark is likely to cause consumer confusion.” *Id.* For its false advertising claim, Plaintiff must prove:

“(1) that defendant made material false or misleading representations of fact in connection with the commercial advertising or promotion of its product; (2) in commerce; (3) that are either likely to cause confusion or mistake as to (a) the origin, association or approval of the product with or by another, or (b) the characteristics of the goods or services; and (4) injure the plaintiff.”

*Cottrell, Ltd. v. Biotrol Int’l Inc.*, 191 F.3d 1248, 1252 (10th Cir. 1999).

Confusion can take many forms. *1-800 Contacts*, 722 F.3d at 1238. Direct confusion may result when consumers mistakenly believe that the plaintiff is the origin of the defendant’s services, which allows the defendant to capitalize on the plaintiff’s good name. *Id.* The “classic case” of direct confusion occurs when a customer seeking to buy the plaintiff’s product mistakenly buys the defendant’s product because of the similarity of the marks. *Id.* Another type of confusion is reverse confusion, which occurs when a consumer mistakenly believes that the defendant is the origin of the plaintiff’s services. *Id.* at 1239. In that situation, the defendant does not try “to take a free ride on the plaintiff’s reputation,” but instead would “drown out the value of the plaintiff’s mark.” *Id.* Confusion may also arise from a mistaken belief in common sponsorship or affiliation. *Id.* Finally, the Tenth Circuit has also recognized “initial-interest confusion,” a distinct theory that “results when a consumer seeks a particular trademark holder’s product and instead is lured to the product of a competitor by the competitor’s use of the same or similar mark.” *Id.* In this scenario, the improper confusion occurs even if the consumer becomes aware of the defendant’s actual identity before purchasing the product. *Id.*

The Tenth Circuit has identified six non-exhaustive factors—known as the *King of the Mountain* factors—as relevant to whether a likelihood of confusion exists:

- (a) the degree of similarity between the marks;
- (b) the intent of the alleged infringer in adopting its mark;
- (c) evidence of actual confusion;
- (d) the relation in use and the manner of marketing between the goods or services marketed by the competing parties;
- (e) the degree of care likely to be exercised by purchasers; and
- (f) the strength or weakness of the marks.

*Id.* (quoting *King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084, 1089–90 (10th Cir. 1999)). A court should not apply these factors mechanically. *Id.*

In this case, Plaintiff undisputedly has a protectable interest in its Marks. Likewise, no party disputes that Defendants have used Plaintiff’s Marks in commerce. And Defendants’ intent in using Plaintiff’s Marks appears to be advertising that Gerry Spence’s Trial Lawyer’s College at Thunderhead Ranch *is* The Trial Lawyers College and will be offering services in the future as The Trial Lawyers College. This is evident from the video Defendants posted on YouTube where Gerry Spence, speaking with the ‘054 Mark in the background and on the screen, said that “Trial Lawyers College is going to continue. It’s going to continue with marvelous new leadership. We’re going to continue forwarding the message of our great institution.” The video further referenced classes in the future. And emails Defendants sent on the listserv refer to the entity’s directors as “The TLC Board of Directors” and reference a speaker as “a leading faculty member of Gerry Spence’s Trial Lawyer’s College.” Defendants further sent emails that implied that Gerry Spence authorized a new listserv on behalf of Plaintiff. The first two factors weigh in Plaintiff’s favor. *See Central Bancorp, Inc. v. Central Bancompany, Inc.*, 385 F. Supp. 3d 1122, 1140 (D. Colo. 2019) (stating that an “inquiry into the defendant’s intent is deemed relevant under the presumption that some alleged infringers adopt a similar mark *hoping* that consumers will be confused and thereby mistakenly give their business to the defendant”).



The Court believes the confusion Defendant created is self-evident. Defendants are using Plaintiff's Mark while referring to their new entity as Plaintiff. Defendants used Plaintiff's customer email list—the exact same marketing platform that Plaintiff uses—to inform those consumers that their new entity was Plaintiff and that they were Plaintiff's Board. Plaintiff presented evidence both in its motion and at the hearing that Plaintiff's alumni are confused about whether Defendant's new entity is Plaintiff. At the hearing, Plaintiff's witness, James Clary, testified that he experienced confusion when he received emails from Gerry Spence's Trial Lawyers College at Thunderhead Ranch. This was particularly so because he was unaware of any problems with the listserv and the need to create a new listserv as stated in the email. Clary also testified that he and other members of the Board have spent the vast majority of May appearing before alumni groups to explain what has happened. He stated that he and the other members of the Board receive numerous questions from a confused alumni base. Plaintiff also provided the declaration of its Director of Communications, Melissa Butcher. Butcher provided exhibits of email and Facebook posts from Plaintiff's alumni who expressed confusion about whether two Boards existed and which "iteration of trial lawyers college" was promoting a seminar.<sup>2</sup> Defendants argue that these fail to show actual confusion because no proof exists these alumni saw Defendants use Plaintiff's Marks. But the Facebook posts and the email demonstrate the alumni's awareness of more than one Board and Plaintiff provided evidence that Gerry Spence's Trial Lawyers College at Thunderhead Ranch emailed its alumni.

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<sup>2</sup> Defendants argue that these Facebook posts and emails are "unauthenticated, out of court statements by third parties, and as such are inadmissible as hearsay and for lack of foundation and authentication." But a district court may consider hearsay in determining whether to grant a preliminary injunction. *Mullins v. City of N.Y.*, 626 F.3d 47, 52 (2d Cir. 2010). "The admissibility of hearsay under the Federal Rules of Evidence goes to weight, not preclusion, at the preliminary injunction stage." *Id.*

Additionally, Defendants' use of names similar in sound or appearance to Plaintiff's Mark has created confusion. Defendants' listserv has contained names such as "Trial Lawyers" and "Trial Warriors" (which has a similar sound to "lawyers" if pronounced "lōi-ərs"). The Court concludes that this has created further confusion to listserv recipients. The third and fourth factors weigh in Plaintiff's favor. *See King of the Mountain*, 185 F.3d at 1089 ("Typically the greater the similarity between the products and services, the greater the likelihood of confusion.").

No matter the degree of care consumers are likely to exercise, they are likely to experience confusion. Let's consider the average attorney who had a colleague recommend a seminar from the Trial Lawyers College. That attorney would likely not expect to find two entities with the same name in the same market advertising to the same clientele. Accordingly, whatever amount of care an attorney seeking a continuing legal education seminar would normally exercise, "it is thwarted to degree the Court cannot ignore in circumstances such as these." *Central Bancorp, Inc.*, 385 F. Supp. 3d at 1143 (comparing two banks with identical names). This factor weighs in Plaintiff's favor.

Finally, the Court considers the strength of the Marks. The Supreme Court has created five categories of increasing distinctiveness and strength: "(1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful." *Heartsprings, Inc. v. Heartspring, Inc.*, 143 F.3d 550, 555 (10th Cir. 1998) (citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992)). "A strong trademark is one that is rarely used by parties other than the owner of the trademark, while a weak trademark is one that is often used by other parties." *First Savings Bank, F.S.B. v. First Bank Sys., Inc.*, 101 F.3d 645, 653 (10th Cir. 1996). The '054 Mark—the stylized cloud with a thunderbolt—is an arbitrary or fanciful mark. "An arbitrary mark has a common meaning unrelated to the product for which it has been assigned." *Id.* at 654–55. A fanciful mark "signifies nothing but the

product.” *Id.* The ‘908 Mark, however, is not as strong. It is either descriptive or suggestive. “A descriptive term describes a characteristic of a product or service.” *Id.* A suggestive mark “suggests rather than describes a characteristic of the product and requires the consumer to use imagination and perception to determine the product’s nature.” *Id.* The Court notes that Plaintiff was the only “trial lawyers college” in Wyoming, a fact that goes to the weight of the ‘908 Mark’s strength. The Court concludes this factor also weighs in Plaintiff’s favor.

Considering each of the non-exclusive *King of the Mountain* factors, the Court concludes Plaintiff is likely to prevail on its Lanham Act claims.

B. Irreparable Injury

“What makes an injury ‘irreparable’ is the inadequacy of, and the difficulty of calculating, a monetary remedy after a full trial.” *Free the Nipple*, 916 F.3d at 806. Courts have held that “[e]vidence of loss of control over business reputation and damage to goodwill could constitute irreparable harm.” *Central Bancorp, Inc.*, 385 F. Supp. 3d at 1144 (quoting *Reed Enterprises, LLC v. Fla. Entm’t Mgmt., Inc.*, 736 F.3d 1239, 1250 (9th Cir. 2013)). As mentioned above, Plaintiff presented evidence at the hearing that its customers were confused about whether Defendants’ new entity was Plaintiff. And this is certainly understandable. Defendant Spence stated in the YouTube video that “Trial Lawyers College is going to continue . . . with marvelous new leadership.” Because a customer intending to give its business to Plaintiff could very easily mistakenly sign up for one of Defendants’ seminars, the Court finds irreparable harm. The customer may not even know that she made the mistake because she has no reason to ask, “Did I really intend to take a class from *this* Trial Lawyers College?” *Central Bancorp, Inc.*, 385 F. Supp. 3d at 1145. Plaintiff also provided evidence of monetary loss. Clary testified at the hearing that

Plaintiff has lost approximately ten percent of its monthly donations since Defendants began using Plaintiff's Marks. For these reasons, Plaintiff has established a threat of irreparable harm.

C. Balance of Harms

"The third preliminary-injunction factor involves balancing the irreparable harms identified above against the harm that the preliminary injunction causes [Defendants]." *Free the Nipple*, 916 F.3d at 806. Plaintiff has invested in building awareness of itself and its mark since the 1990s. With Defendants' competing entity, Plaintiff potentially stands to lose some of that investment and to suffer the irreparable harms noted above. *Central Bancorp, Inc.*, 385 F. Supp. 3d at 1145. Against this, the Court must balance the cost to Defendants of requiring the new entity to operate under another name. Defendants have already presented evidence that they changed the name of their nonprofit entity to remove "Trial Lawyers College." Plaintiff has made a strong showing that the balance of harms tips in its favor.

Defendants contend that Plaintiff cannot obtain injunctive relief because the Board members acting on Plaintiff's behalf have unclean hands because they have violated Wyoming law. No court has made this determination as of this time.

D. Public Interest

"Public interest can be defined in a number of ways, but in a trademark case, it is most often a synonym for the right of the public not to be deceived or confused. *Big O Tires, Inc. v. Bigfoot 4X4, Inc.*, 167 F. Supp 2d 1216, 1228 (D. Colo. 2001) (quoting *Opticians Ass'n of Am. V. Independent Opticians of Am.*, 920 F.2d 187, 197 (3d Cir. 1990)). Having established Defendants created a likelihood of consumer confusion by the concurrent use of Plaintiff's Marks, it follows that if Defendants' use continues, Defendants would damage the public interest. *Id.*

E. Scope of Injunction

1. Use of “Thunderhead Ranch”

Plaintiff contends that Defendant cannot avoid infringement by adding a geographic term to a protected mark—i.e., “Trial Lawyers College at Thunderhead Ranch.” The Court agrees. To the extent that Plaintiff’s argument extends to *any* use of the location “Thunderhead Ranch,” however, the Court declines to extend the scope of the injunction that far. For one, Plaintiff has never sought to trademark “Thunderhead Ranch.” It is a place it leased from the Spence Foundation to hold its seminars. Geographically descriptive terms are not inherently distinctive and can be protected as trademarks only upon proof that through usage they have become distinctive. 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 14:1 (5th ed. 2017). “If a geographic term is used merely to indicate the location or origin of goods and services, it is purely descriptive.” *Id.* Without more, the geographic term cannot serve “the trademark function of identifying one person’s goods and distinguishing them from goods made or sold by others in the same locality.” *Id.* Geographically descriptive terms “can only achieve trademark or service mark status upon the acquisition of secondary meaning.” *Id.* Plaintiff does not appear to make this argument. Instead, it appears to only suggest that Defendants *addition* of “at the Thunderhead Ranch” to an iteration of “Trial Lawyers College” causes confusion. Thus, this preliminary injunction enjoins Defendants from using the geographic location “Thunderhead Ranch” in conjunction with “Trial Lawyers College” to market the new entity. This preliminary injunction does not enjoin or restrain Defendants from referencing or stating that classes will be held at Thunderhead Ranch—a ranch owned by the Spence Foundation.

2. Use of “Gerry Spence Trial Institute” or Other Names

Prior to the hearing, Defendants had used “Trial Lawyers,” “Trial Lawyers College,” and “Trial Warriors College” in the headings of listserv emails. In post-hearing briefing, Defendants represent that they have deactivated the prior listserv and started over with a listserv using the name “Gerry Spence’s Trial Institute.” The Court concludes that the use of the name “Gerry Spence’s Trial Institute” does not constitute infringement. Plaintiff has no protectable interest in Gerry Spence’s name and the name “Trial Institute” is sufficiently generic and distinct from “Trial Lawyers College” to avoid confusion. *Vail Assoc., Inc. v. Vend-Tel-Co., Ltd.*, 516 F.3d 853, 873 (10th Cir. 2008) (noting that an entity cannot obtain a complete monopoly on a descriptive term, such as the word “Trial”). Defendants, however, should refrain from continuing to use Plaintiff’s Marks—“Trial Lawyers College”—and names that sound similar to Plaintiff’s Marks like “Trial Warriors College.” Indeed, it appears that Defendants used such similar sounding names to minimally comply with the Court’s Temporary Restraining Order and to cause further confusion to recipients as to whether they were receiving a message from Plaintiff. Defendants shall cease further use of misleading terms that infringe upon Plaintiff’s Marks.

3. Signage at Thunderhead Ranch

Defendants represent that four signs were present leading to or on the Thunderhead Ranch that say “Trial Lawyers College.” They claim to have removed the two roadside signs as well as a sign on the side of a barn. They represent that they will remove a sign hanging from an arch as soon as they can obtain an appropriate lift or ladder.

In dispute is a commissioned piece of artwork depicting the ‘054 Mark—a stylized design of a cloud with a bolt of lightning. Defendants assert that they do not need to remove this because the ‘054 Mark is identical to Thunderhead Ranch’s cattle brand, which was registered in the

Wyoming Brand book before Plaintiff registered it. Although the court acknowledges that the proposition of branding livestock is similar to the principles underlying trademark law, the use of the cattle brand is not at issue in this case. If the Spence Institute runs cattle on the land—something it has not contended—the Court would not prohibit it from branding its cattle with the ‘054 Mark. But Defendants have plans for a competitor—Gerry Spence’s Trial Institute—to use the property as a site for continuing legal education. Testimony at the hearing indicated that the Board put much thought into what Plaintiff would trademark. According to Defendant Parris, the Board, which included Gerry Spence, decided to trademark the ranch’s cattle brand as Plaintiff’s symbol. The pictures presented to the Court show that participants in the program had their picture taken in front of the artwork at the barn. Plaintiff presented evidence that the ‘054 Mark has become associated with its goods and services. Defendants cannot continue displaying the artwork depicting the ‘054 Mark.

#### 4. The Individual Defendants

In sum, Plaintiff has satisfied all four preliminary injunction factors. Defendants assert that the Court should not enjoin the individual Defendants. They argue that Plaintiff simply has lumped all individual Defendants together “because they were the Board members that Plaintiff purported to kick off the Board.” But Plaintiff has provided the Court with evidence that some of the individual Defendants has participated in infringing Plaintiff’s Marks. Defendant Gerald Spence used Plaintiff’s Marks in the YouTube video marketing his new entity.

Defendant Joseph Low held himself out in an email as “a leading faculty member of Gerry Spence’s Trial Lawyer’s College” rather than a former faculty member of Trial Lawyer’s College. Although Defendant Parris testified at the hearing that Defendant Gerry Spence’s Trial Lawyers College at Thunderhead Ranch has not been engaging in any conduct, Plaintiff has provided

evidence squarely refuting that assertion. Plaintiff referenced an interview that Defendant Parris and Defendant Low gave to Dan Ambrose, one of Plaintiff's alumni, on April 30, 2020.<sup>3</sup> In that interview, Low states that "Rex [Parris] has been selected, hand-picked, as it is, by Gerry Spence to further on and actually be the new leadership of Gerry Spence's Trial Lawyers College at Thunderhead Ranch." Low went on to state that "as a result, Rex has been putting in an enormous

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<sup>3</sup> The Court allowed the parties to submit supplemental briefing following the preliminary injunction hearing in order to set forth their positions in more detail. Defendants filed an objection to Plaintiff attaching evidence. Specifically, Defendants argued that the Court "closed" evidence at the hearing. Defendants argue that the Court should give them the opportunity to rebut this evidence. The Court did say that it closed evidence. But it had also just listened to Defendant Parris testify that he did not think Gerry Spence's Trial Lawyers College at Thunderhead Ranch even existed "other than a name." Parris further testified that he was not a member of a board or an officer of the new nonprofit. He further testified he did not hold any position with the new nonprofit. When the Court asked Defendant to clarify that his testimony was that he has nothing to do with the new entity, Defendant Parris said, "That's correct." He continued that he "never actually thought [the new entity] was going to do anything." The Court continued: "I want the record to be clear, just because you think the entity hasn't done anything doesn't mean you haven't been aware of it and it wasn't sitting there just in case somebody needed an entity." Parris responded: "I have not had anything to do with that entity." Given Plaintiff's unequivocal and unqualified testimony under oath concerning his lack of involvement with the entity and lack of personal activity infringing upon Plaintiff's marks, the Court chose not to allow presentation of additional evidence mentioned by Plaintiff's counsel during closing arguments.

The evidence attached to Plaintiff's post-trial briefing demonstrates that Mr. Parris apparently misunderstood the Court's direct and probing questions about his involvement with Defendant Gerry Spence's Trial Lawyers College at Thunderhead Ranch when he stated he had no involvement with the entity. And Mr. Parris and the other Defendants do not contest that Defendant Low and Mr. Parris participated in the interview referenced by Plaintiffs or that the statements quoted by Plaintiff are inaccurate or misleading. For these reasons, as a matter of judicial economy and to save Mr. Parris the trouble of having to appear under oath at another hearing, the Court **OVERRULES** Defendants' objection. The Court further finds that the additional evidence submitted by Plaintiff has sufficient indicia of reliability to justify its admission at this time. The Court further **DENIES** Defendants' request to "rebut" the evidence, as any rebuttal would seemingly be nothing more than argument about its relevance, which the Court has considered and weighed in exercising its discretion to admit it. The Court notes that Defendants complain the interview excerpts with Mr. Parris are incomplete. The Court will allow Defendants to introduce a complete copy of the full interview into evidence and the Court will fully consider the statements in context. If the Court determines that Mr. Parris' interview, taken in context, demands a different result than reached in this decision, the Court will amend this Order sua sponte.



amount of time putting that together and they've asked me to help as well. So that's occupying a lot of time." Later in the interview, Parris said "if you spend three weeks at the Trial Lawyers College, we want you to walk out and be able to kick anybody's ass you run into." Plaintiff provided a post that Defendant Parris posted on the new listserv on June 5, 2020 talking about how the dissolution of a corporation is like the dissolution of the marriage, showing his use of the new listserv. The Court concludes that Defendants Low and Parris have engaged in individual acts of infringement as Plaintiff demonstrated that they used Plaintiff and the new entity interchangeably.

Plaintiff attached exhibits of Defendant John Zelbst and Kent Spence's websites. Defendant Zelbst claims to be "a graduate of and a Board and Faculty Member of the Gerry Spence Trial Lawyers College, DuBois, Wyoming." Defendant Kent Spence claims he is affiliated with the Trial Lawyers College and a Board member. Neither John Zelbst nor Kent Spence appear to be promoting or identifying a competing college or entity to Plaintiff. And the Court will not enjoin or restrain Defendants from stating their legal position in the state law action. Although the Court will not restrain or enjoin Defendants John Zelbst or Kent Spence, it notes that this preliminary injunction covers persons acting in concert or active participation with the enjoined parties. Moreover, the Court will reconsider this denial as to Defendants Zelbst and Kent Spence if Plaintiffs point to fresh evidence that Mr. Zelbst and Kent Spence are participating in acts of infringement.

#### IV. Conclusion

For the reasons set forth above, the Court GRANTS IN PART and DENIES IN PART Plaintiff's Motion for Preliminary Injunction (Doc. 29). Accordingly, Defendant Gerry Spence's Trial Lawyers College at Thunderhead Ranch, Gerald Spence, Rex Parris, and Joseph Low are RESTRAINED and ENJOINED from (1) infringing on either of Plaintiff's Marks and (2) engaging

in any false designations of origin, passing off, false and misleading statements, false advertising, and/or unfair competition related to Plaintiff's Marks and Plaintiff's services. Specifically, this means Defendants shall not: (1) use Plaintiff's Marks to market or promote itself as if it is in fact "The Trial Lawyers College," (2) use Plaintiff's Marks to market its faculty as faculty of "The Trial Lawyers College," (3) purport definitively to be Plaintiff's true Board unless and until such time as the state court makes a ruling to that effect or (4) use linguistic plays on words or various terms associated with The Trial Lawyers College to create or cause confusion as to whether Defendants are acting as The Trial Lawyers College. To make clear, this preliminary injunction does not prohibit Defendants from: (1) referencing "The Trial Lawyers College" itself; (2) using the name "Gerry Spence" or "Thunderhead Ranch"; (3) referencing the fact that Defendants are alumni of Plaintiff and have a historical association with Plaintiff; (4) referencing or describing their *claimed*, but not judicially recognized, status as set forth in the ongoing state court litigation to challenge the control of the Board; and (5) making commentary regarding or fair use of Plaintiff's Marks.

IT IS SO ORDERED.

Entered for the Court  
this the 16th day of June, 2020

/s/ Joel M. Carson III  
Joel M. Carson III  
United States Circuit Judge  
Sitting by Designation