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VI Carnival Committee Lawsuit Against GVI Could Capsize Plans for Carnival in St. Thomas This Year

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Governor Albert Bryan poses for a picture with a masquerader during the 2019 VI Carnival (St. Thomas Carnival). By. KAREEM ALEXANDER FOR VI CONSORTIUM

ST. THOMAS — The Virgin Islands Carnival Committee (V.I.C.C.) has mounted a strong case against the Government of the Virgin Islands for the trademarks and other intellectual property rights for the production of carnival in Charlotte Amalie, the capital of the U.S. Virgin Islands where the V.I.C.C. has hosted VI Carnival for 68 years. With planning for the 2020 grand event — as per a bill signed into law by former Governor Kenneth Mapp creating the Division of Festivals — well underway by the Dept. of Tourism, the department where the Div. of Festivals is housed, the V.I.C.C. is moving forward with a lawsuit in the District Court of the Virgin Islands that has the potential to stop the planning of this year's carnival in its tracks through a temporary

injunction as the matter is battled out in court.

This would spell disaster for this year's event, [which is only two months away](#).

The VI Carnival Committee's arguments, articulated powerfully by law firm Belzer PC, which specializes in intellectual property, technology and commercial transactions, was relayed to Governor Albert Bryan and Dept. of Tourism Commissioner Joseph Boschulte in a letter dated February 11, and provided to the Consortium on Friday. Friday was the deadline for the government to respond to the letter, but a response was not received and the matter is destined for the courts.

The Division of Festivals was created based on senators' in the 32nd Legislature displeasure with the management of public funds used to put on carnival, and the V.I. Carnival Committee's clandestine attitude related to how public dollars were being spent. The bill, sponsored by Senators Janelle Sarauw and Myron Jackson, was signed into law [in January 2019](#) by Mr. Mapp before he left office, and listed a number of functions that must be met as part of the law.

The Division of Festivals got its first go at organizing a carnival during the 2019-2020 Crucian Christmas Festival, which many have said was a success. But while there was no fight waged by the festival committee on St. Croix, in part because it lacked the U.S. trademarks now held by the V.I.C.C., the battle for St. Thomas promises to be historic with far-reaching consequences.

So what, exactly, is the dispute? The V.I. Carnival Committee owns two powerful trademarks: "St. Thomas Carnival" and "VI Carnival". See trademarks [here](#) and [here](#). These trademarks are not just mere names. Registration No. 3,190,500 covers the mark "ST. THOMAS CARNIVAL", issued to registration on January 2, 2007, and claims a first use date of 1992. "The registration is incontestable under Section 15 of the Lanham Act of 1946, and constitutes our client's incontestable and conclusive right to exclusively use the mark "ST. THOMAS CARNIVAL" for the services stated therein, and for any product or service "closely related" thereto," wrote Belzer PC in the letter.

Registration No. 3,204,836, which covers the mark "VIRGIN ISLANDS CARNIVAL" was issued to registration on February 6, 2007, and claims a first use date of 1952. "The registration is incontestable under Section 15 of the Lanham Act of 1946, and constitutes our client's incontestable and conclusive right to exclusively use the mark "VIRGIN ISLANDS CARNIVAL" for the services stated therein, and for any product or service "closely related" thereto," the law firm wrote.

"The purpose of this letter is to formally demand that the Government of the U.S. Virgin Islands, and all persons, departments and businesses in active concert with it, immediately cease and desist all use of the "ST. THOMAS CARNIVAL" and the "VIRGIN ISLANDS CARNIVAL" marks and names in any manner, including all variations and juxtapositions thereof, and to fully account for all revenues received in connection with the use of such marks and names," the law firm demanded in the letter.

The letter added: "It is also our client's demand, that the Government immediately cease and desist all efforts to communicate with known vendors and sponsors who have had an ongoing working relationship with the V.I. Carnival Committee, and to cease all use of the Committee's property. It also is our client's demand that the Government recall all applications that have been forwarded to various vendors and potential exhibitors and participants.

"In our view, the un-authorized use of the "ST. THOMAS CARNIVAL" and the "VIRGIN ISLANDS CARNIVAL" marks and names constitute federal trademark and tradename infringement in violation of 15 U.S.C Section 1114, federal unfair competition in violation of 15 U.S.C. Section 1125(a), and common law trademark infringement.

"To the extent the Government and the Department of Tourism, and its various representatives are charged with constructive notice of our client's longstanding rights to the "ST. THOMAS CARNIVAL" and "VIRGIN ISLANDS CARNIVAL" marks and name, and fact of the parties' prior working relationship, there is the strong inference that the deliberate decision to commence use of confusingly similar marks and names was done with full and actual knowledge of our client's prior rights, and with a callous and wanton disregard of our client's long standing rights, Act No. 8153 notwithstanding.

"In the event it proves necessary to initiate any type of legal action, be assured that we will seek not only injunctive relief together with an award for our client's actual damages but a disgorgement of the revenues generated by use of our client's marks. We also will seek that any such award be trebled due to the willful nature of your actions, and your total wanton and careless disregard of our client's prior rights to the "ST. THOMAS CARNIVAL" and "VIRGIN ISLANDS CARNIVAL" marks and names."

Trying to steer clear of problems, the Division of Festivals within the Department of Tourism has been promoting this year's festivities as "Carnival VI" and "Carnival St. Thomas". But those titles are too similar to the trademarks held by the V.I.C.C., contends Belzer PC in the letter.

"Under the Lanham Act of 1946, 15 U.S.C. et. seq., these federal registrations constitute conclusive evidence of our client's right to exclusively use the "ST. THOMAS CARNIVAL" and the "VIRGIN ISLANDS CARNIVAL" marks and names in commerce throughout the United States for the stated products and services, and of our client's ownership of the registered mark, validity of the registered mark, and its right to exclusively use the mark against all subsequent users of confusingly similar marks as used in connection with "closely related" goods and services. For the purposes of the law, a mark is deemed "confusingly similar" when the subsequently used mark is similar in terms of sight, sound, meaning or commercial impression. The juxtaposition of individual elements of the mark like "CARNIVAL VIRGIN ISLANDS" and/or "CARINIVAL ST. THOMAS" as depicted by many of the posters and other promotions produced by the Department of Tourism for this coming year's Carnival, is insufficient to obviate a likelihood of confusion as to source, sponsorship and affiliation. Such juxtapositions in many instances have been found to actually exacerbate confusion rather than to mitigate it. Indeed, it is our understanding that the Department's recent activities have created all sorts of confusion among the public and community stake holders," reads the letter.

"As owner of the federal registrations for the "ST. THOMAS CARNIVAL" and "VIRGIN ISLANDS CARNIVAL" marks and names, the Lanham Act of 1946 affords our client the right to enjoin any such infringements, and also to collect its actual damages and lost profits, or where applicable, to a disgorgement of "revenues" attributed to such infringements if profits and damages are not readily ascertainable. In the event the court finds the infringement to be intentional or willful, or that the infringement was done with a callous and wanton disregard of our client's rights, those damages may be trebled and the court has the discretion to award attorney fees and costs for the action," the letter reads.

The Consortium [first reported on the issue back on Dec. 12](#), after a board member laid bare to the publication rising tension between the government of the Virgin Islands and the V.I.C.C.

following a meeting held in Oct. where Mr. Bryan had agreed that the V.I. Carnival Committee could move forward with carnival because the committee had done it for over 60 years.

"He said he believes that we can work together. He asked for a merger of both entities. He asked for us to amend our bylaws. We have seven members in the executive board, he asked us to amend the bylaws to add three members of whom he was going to appoint to be on the board of directors. He asked that the proposal be sent to him by the 15th of November. The proposal was sent to him by the 15th of November, and we are now waiting for an answer; he has yet to answer. We even went ahead and created a memorandum of understanding. We also sent the amended bylaws," the V.I.C.C. board member said.

According to this board member, the three positions that were given for the three additional board members to be appointed by the governor, were marketing director, financial director, and ex officio, "because since the Legislature says that we have a problem with accountability and transparency, the board decided that the three appointed members by the governor would control the money," said the V.I.C.C. board member.

"Up to this day he (Governor Bryan) hasn't answered, and we're giving him until Dec. 15, and if it doesn't happen, we're filing a temporary restraining order in federal court, because what they don't understand is that the law is the law," this board member said.

The Feb. 11 letter gave Mr. Bryan until this past Friday to respond, at which point the V.I.C.C. said it would file suit in federal court.

Regarding the ability to challenge the government for actions the government may have taken that contravenes law, Belzer PC, citing United States Code, made it clear that the government can be challenged for its actions.

"The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, shall not be immune from suit in Federal or State court by any person, including any governmental or nongovernmental entity, for any violation under this chapter," reads 15 U.S.C. Section 1122 (a). And under 15 U.S.C. Section 1127, the United States "includes and embraces all territory which is under its jurisdiction and control."

The law firm also took issue with the government's hiring of Halvor Hart as assistant director for St. Thomas within the Div. of Festivals. "In addition to infringing the Committee's trademarks, Mr. Hart to our understanding has also appropriated property of the Committee, including but not limited to vendor applications, contracts, waivers, indemnity agreements, and the judging criteria used for various competitions, not to mention use of the Committee's format for the structure and subcommittee organization used to implement the Carnival," reads the letter.

It goes on to say that "there is little doubt that the Department's subsequent and intentional use of the "ST. THOMAS CARNIVAL" and the "VIRGIN ISLANDS CARNIVAL" marks and names, and variations thereof, for services that are otherwise identical to the various services long offered by our client, is creating actual confusion as to source, sponsorship and affiliation, all to the irreparable harm and detriment to our client and its longstanding use of the "ST. THOMAS CARNIVAL" and "VIRGIN ISLANDS CARNIVAL" marks and names."

As for the law that guides the Department of Tourism's decisions, Belzer PC deemed it unconstitutional.

"We understand that the Department of Tourism has taken these recent actions under the guise of a legislative directive, namely, Act No. 8153, enacted into law on January 6, 2019. To the extent this legislative Act appropriates by name our client's trademark, VIRGIN ISLANDS CARNIVAL, the Act is, in our view, unconstitutional since it has appropriated the intellectual property of our client without just compensation in violation of the taking clause of 5th Amendment of the U.S. Constitution as applied to the U.S. Virgin Islands through the 14th Amendment. Further, Act No. 8153 when considered in its entirety has created the "conditions" that constitute no less than a per se and a regulatory taking of our client's property without just compensation.

"Additionally, to the extent Act No. 8153 enjoys any constitutional viability, the recent actions by the Department of Tourism are in clear violation of the Act. The Act is quite clear in mandating that the Department of Tourism has a clear "duty" to work with community "stake holders," not to their contravention or to their detriment. The Government's failure to respond to our client's letter of November 11, 2019, and its issuance of its "cease and desist" letter of November 8, 2019 demanding that the Committee cease all activities in connection with its historical role, are not only in violation of this mandated provision, but is reflective of the Government's clear intent to appropriate our client's intellectual property, to interfere with its well-established business, and to drive our client out of business – again, all in violation of the 5th Amendment of the U.S. Constitution," reads the [letter](#).

Mr. Bryan has given mixed signals relative to his stance on who should conduct carnival. During an interview with the Consortium in June, Mr. Bryan said he was "absolutely not" in support of the Division of Festivals law. ([Watch interview here. Jump to 55:00.](#))

"Just think about this, Ernice. Just quantify the dollar amount of all the volunteers that support carnival. If the government was (running carnival) you think they were going to work for free? I do not want to be the governor that ruins carnival. What we're doing is we're going back and we're looking at the funds and saying, 'Okay, what do we want out of these funds? What are the stipulations? The Senate expressed a concern that they don't get to see the books. Well, we're going to introduce something that says, listen, if our money consists of 40 percent or more of your budget, we need to see all your money. That's clear. If it is in the law there's no 'I'm not coming' (to face senators at hearings) and other requirements of what we'd like to see. But I really believe that carnival belongs in the hand of the people," Mr. Bryan said.

He added, "At the end of the day, right now we don't really do anything well... As a government I want to be able to do things well. We don't need to add on to all the things that are already not working. Let carnival stay (with the committee)... I had a fantastic carnival."

During the June interview, Mr. Bryan said his administration would be sending legislation to the Senate specific to leaving carnivals and festivals with the committees, but that never happened.

Then in December, following his speech at the opening of Festival Village on St. Croix, Mr. Bryan told the Consortium [he was trying to get to an amicable place with the Carnival Committees](#) that would see the committees continuing to play an integral role in the organization of the territory's festivities.

"I think the best-case scenario is just like how we have the Agricultural Fair. We have a board, the government gets the majority position on the board, and the rest are randomly selected out by the people, and we come together and run the carnival. The same carnival committee but now we have the transparency and we have the accountability for the money and the funds that we put

out," said the governor.

Mr. Bryan said his administration was reworking the V.I. Carnival Committee's bylaws to reach to an amicable solution that would see both sides working together. "A lot of people on my team weren't too happy about it, but I don't think it's really fair to say no, so we're doing a counter proposal, and we should have something for them," the governor said.

Then, during his State of the Territory Address in January, Mr. Bryan flatly said carnival in St. Thomas will be put on by the Division of Festivals, making no mention of the compromise he spoke of between the government and the V.I. Carnival Committee.

"Promotions for Carnival on St. Thomas have begun, and I am excited about what this new energy can bring to our traditional celebrations. There will only be one carnival in St. Thomas in April, and the Division of Festivals will run it. Kudos to the Department of Tourism and the Division of Festivals and Cultural Heritage for their creativity and initiative," Mr. Bryan said.