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 8 EYGN LIMITED and ERNST & YOUNG LLP

9 **THE UNITED STATES DISTRICT COURT**
 10 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

11
 12 ENTREPRENEUR MEDIA, INC.,
 13 Plaintiff,

14 vs.

15 EYGN Limited, ERNST & YOUNG
 16 LLP and ERNST & YOUNG
 ADVISORY INC.,
 17 Defendants.

Case No. SACV08-0608 DOC
 (MLGx)

**ANSWER & COUNTERCLAIMS
 OF EYGN LIMITED and ERNST
 & YOUNG LLP**

18 EYGN Limited and ERNST &
 19 YOUNG LLP,

20 Counterclaimants,

21 vs.

22 ENTREPRENEUR MEDIA, INC., a
 23 New York corporation,

24 Counter-Defendant.

1 Defendants EYGN Limited (“EYGN”) and Ernst & Young LLP (“Ernst &
2 Young”) answer the Complaint of Plaintiff Entrepreneur Media Inc. (“EMI”) as
3 follows:

4 **ANSWER**

5 1. Deny the allegations of paragraph 1 of the Complaint, except admit that
6 EMI has instituted this action and purports to seek a declaration of rights, admit that
7 counsel for Defendant EYGN communicated with EMI concerning EMI’s
8 unauthorized use of EYGN’s ENTREPRENEUR OF THE YEAR mark, refer to
9 Exhibits A and B to the Complaint for the content of such communications, admit
10 that Defendant EYGN owns the trademark registrations referred to in footnote 1 to
11 the Complaint, and admit that there is a dispute as between EYGN and Ernst &
12 Young on the one hand, and EMI, on the other hand, concerning EMI’s
13 unauthorized use of the ENTREPRENEUR OF THE YEAR mark.

14 2. Lack knowledge or information sufficient to form a belief as to the
15 truth of the allegations of paragraph 2 of the Complaint, and on that basis deny the
16 same, except admit that Defendants object to EMI’s advertising depicted in
17 paragraph 2 of the Complaint, among other unauthorized uses by EMI of the
18 ENTREPRENEUR OF THE YEAR mark.

19 3. Deny the allegations of paragraph 3 of the Complaint, except admit that
20 EYGN owns the ENTREPRENEUR OF THE YEAR trademark, admit that counsel
21 for Defendant EYGN communicated with EMI concerning EMI’s unauthorized use
22 of the ENTREPRENEUR OF THE YEAR mark, refer to Exhibits A and B to the
23 Complaint for the content of such communications, and state that EYGN is
24 incorporated in the Bahamas.

25 4. Deny the allegations of paragraph 4 of the Complaint, except admit that
26 Ernst & Young Advisory Inc. (“EYAI”) is registered to do business in California,
27 and state that the allegations contain conclusions of law to which no answer is
28 required.

1 5. Deny the allegations of paragraph 5 of the Complaint, and state that the
2 allegations contain conclusions of law to which no answer is required.

3 6. Deny the allegations of paragraph 6 of the Complaint, except admit that
4 Plaintiff purports to seek a declaration of rights and state that the second sentence of
5 paragraph 6 contains conclusions of law to which no answer is required.

6 7. Deny the allegations of paragraph 7 of the Complaint and specifically
7 deny that this Court has personal jurisdiction over Defendant EYGN.

8 8. Deny the allegations of paragraph 8 of the Complaint.

9 9. Deny the allegations of paragraph 9 of the Complaint.

10 10. Lack knowledge or information sufficient to form a belief as to the
11 truth of the allegations of paragraph 10 of the Complaint, and on that basis denies
12 the same, except admit that EMI is making infringing use of the mark
13 ENTREPRENEUR OF THE YEAR.

14 11. Admit that counsel for Defendant EYGN communicated with EMI
15 concerning EMI's unauthorized use of the ENTREPRENEUR OF THE YEAR mark
16 and refer to Exhibits A and B to the Complaint for the content of such
17 communications.

18 12. Admit that counsel for Defendant EYGN communicated with EMI in
19 writings dated May 1, 2008 and May 16, 2008 concerning EMI's unauthorized use
20 of the ENTREPRENEUR OF THE YEAR mark and refer to Exhibits A and B to the
21 Complaint for the content of such communications, and admit that Plaintiff's
22 attorneys sent a communication in response to the May 1, 2008 letter referred to in
23 paragraph 12.

24 13. Lack knowledge or information sufficient to form a belief as to the
25 truth of the allegations of paragraph 13 of the Complaint, and on that basis deny the
26 same.

27 14. Deny the allegations of paragraph 14 of the Complaint.

28 15. Deny the allegations of paragraph 15 of the Complaint.

1 16. Deny the allegations of paragraph 15 of the Complaint, except state that
2 paragraph 16 of the Complaint contains statements of law to which no response is
3 required and refer to the section of the Lanham Act recited in paragraph 16 of the
4 Complaint for its contents.

5 17. Deny that ENTREPRENEUR OF THE YEAR does not identify Ernst
6 & Young's awards program uniquely to the relevant consumers, deny that there are
7 countless other awards programs under such mark, and otherwise lack knowledge or
8 information sufficient to form a belief as to the truth of the allegations of paragraph
9 17 of the Complaint, and on that basis deny the same.

10 18. Deny the allegations of paragraph 18 of the Complaint.

11 19. Deny the allegations of paragraph 19 of the Complaint.

12 20. Deny the allegations of paragraph 20 of the Complaint.

13 21. Deny the allegations of paragraph 21 of the Complaint.

14 22. Deny the allegations of paragraph 22 of the Complaint.

15 23. Deny the allegations of paragraph 23 of the Complaint.

16 24. Repeat and incorporate by reference their responses in the preceding
17 paragraphs of this answer.

18 25. Admit that there exists an actual, justiciable and substantial controversy
19 as between EYGN and Ernst & Young on the one hand, and EMI, on the other hand,
20 with respect to EMI's unauthorized use of the ENTREPRENEUR OF THE YEAR
21 mark, but deny that EMI is entitled to declaratory relief.

22 26. Deny the allegations of paragraph 26 of the Complaint.

23 27. Deny the allegations of paragraph 27 of the Complaint.

24 28. Lack knowledge or information sufficient to form a belief as to the
25 truth of the allegations of paragraph 28 of the Complaint, and on that basis deny the
26 same, except admit that Plaintiff is currently using the ENTREPRENEUR OF THE
27 YEAR mark without authorization.

28 29. Deny the allegations of paragraph 29 of the Complaint.

1 **First Affirmative Defense**

2 (Failure to State a Claim)

3 30. The Complaint fails to state a claim upon which relief may be granted
4 under Federal Rule of Civil Procedure 12(b)(6).

5 **Second Affirmative Defense**

6 (Lack of Personal Jurisdiction)

7 31. As against EYGN, the Complaint and each cause of action and count
8 therein are barred because EYGN is not subject to personal jurisdiction before this
9 Court under Federal Rule of Civil Procedure 12(b)(2).

10 **Third Affirmative Defense**

11 (Failure to Effect Proper Service)

12 32. As against EYGN, the Complaint and each cause of action and count
13 therein are barred under Federal Rules of Civil Procedure 12(b)(4) and (5) because,
14 upon information and belief, Plaintiff failed to effect proper service of process on
15 EYGN.

16 **Fourth Affirmative Defense**

17 (Improper Anticipatory Filing)

18 33. The Complaint and each cause of action and count therein constitute an
19 improper “anticipatory filing” and should be dismissed or transferred to the United
20 States District Court for the Southern District of New York.

21 **Fifth Affirmative Defense**

22 (Waiver)

23 34. The Complaint and each cause of action and count therein are barred by
24 the doctrine of waiver, acquiescence, estoppel and/or laches.

25 **Sixth Affirmative Defense**

26 (Unclean Hands)

27 35. The Complaint and each cause of action and count therein are barred by
28 Plaintiff’s own improper conduct and unclean hands.

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Seventh Affirmative Defense

(Improper Pleading)

36. Plaintiff’s Complaint violates Federal Rules of Civil Procedure 8(a)(2) and 8(d)(1), which respectively require a “short and plain statement of the claim showing that the pleader is entitled to relief” and that “[e]ach allegation must be simple, concise, and direct.” Accordingly, Defendants are not obligated to separately admit or deny each of the multiple allegations of the numerous sentences and clauses of Plaintiff’s Complaint.

PRAYER FOR RELIEF

WHEREFORE, Defendants pray for judgment as follows:

- A. Dismissing the Complaint with prejudice;
- B. Awarding Defendants their attorneys’ fees and costs in this civil action pursuant to 15 U.S.C. § 1117; and

1 C. Granting Defendants such other and further relief as the Court may
2 deem just and proper.

3 DATED: July 28, 2008

Respectfully submitted,

4 BERRY & PERKINS
5 A Professional Corporation

6
7 By Kevin R. Lussier
8 Kevin R. Lussier
9 Attorneys for Defendants
EYGN Limited and ERNST &
10 YOUNG LLP

11 And

12 FROSS ZELNICK LEHRMAN
13 & ZISSU
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21 Of Counsel for Defendants EYGN
22 Limited and ERNST & YOUNG LLP
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1 **COUNTERCLAIMS¹**

2 Counterclaimants EYGN Limited (“EYGN”) and Ernst & Young LLP (“Ernst
3 & Young”) (collectively, “Counterclaimants”), for their Counterclaims against
4 Counter-Defendant Entrepreneur Media, Inc. (“EMI”), allege as follows:

5 **NATURE OF THE ACTION**

6 1. For more than twenty years, Counterclaimants and their predecessors in
7 interest have used the ENTREPRENEUR OF THE YEAR trademark in connection
8 with an annual contest for the most successful and innovative business leaders in the
9 United States and throughout the world. Counterclaimants’ ENTREPRENEUR OF
10 THE YEAR mark is registered with the United States Patent & Trademark Office
11 and is incontestable under Section 15 of the Lanham Act, 15 U.S.C. § 1065.

12 2. In 2008, long after Counterclaimants registered the ENTREPRENEUR
13 OF THE YEAR mark, and long after the ENTREPRENEUR OF THE YEAR mark
14 achieved prominence in the business world as signifying Counterclaimants’ contest
15 services, EMI launched a similar contest under an identical mark without
16 Counterclaimants’ knowledge or authorization.

17 3. This is not the first time EMI has infringed Counterclaimants’ mark: in
18 1994, when Counterclaimants learned of EMI’s adoption of the ENTREPRENEUR
19 OF THE YEAR mark in connection with a similar contest at that time,
20 Counterclaimants objected in writing and EMI stopped. This time, however, EMI

21
22
23 1. EYGN denies that it is subject to personal jurisdiction in this Court. Further,
24 EYGN and Ernst & Young intend to move promptly to dismiss this action and/or to
25 transfer and consolidate with an action filed against EMI in the United States
26 District Court for the Southern District of New York (the “New York Action”).
27 However, out of an abundance of caution, and solely to avoid any possible waiver of
28 rights, the claims asserted against EMI in the New York Action are included here as
well. EYGN does not thereby intend to waive its denial of personal jurisdiction
herein. *See Dragor Shipping Corp. v. Union Tank Car Co.*, 378 F.2d 241, 244 (9th
Cir. 1967) (assertion of compulsory counterclaim does not constitute waiver of any
jurisdictional defense previously or concurrently asserted); *Gates Learjet Corp. v.*
Jensen, 743 F.2d 1325, 1330 n.1 (9th Cir. 1984) (filing of permissive counterclaim
does not constitute waiver of personal jurisdiction defense asserted in same
pleading)

1 has rejected Counterclaimants' demand and is pressing forward with its infringing
2 use of the mark.

3 4. Accordingly, to protect their substantial investment and the resultant
4 goodwill they have established in the ENTREPRENEUR OF THE YEAR mark,
5 Counterclaimants bring these Counterclaims for trademark infringement and unfair
6 competition under Sections 32(1) and 43(a) of the Lanham Act. Counterclaimants
7 seek an injunction, an accounting of EMI's profits flowing from its use of the
8 ENTREPRENEUR OF THE YEAR mark, damages, attorneys' fees and such other
9 relief as the Court deems just and proper.

10 **THE PARTIES**

11 5. Counterclaimant EYGN Limited ("EYGN") is a company incorporated
12 in the Bahamas with a registered office at One Montague Place, East Bay Street,
13 Nassau, Bahamas. EYGN owns the ENTREPRENEUR OF THE YEAR mark and
14 registration.

15 6. Counterclaimant Ernst & Young LLP ("Ernst & Young") is a limited
16 liability partnership registered under the laws of the State of Delaware with its
17 principal place of business at 5 Times Square, 37th Floor, New York, NY 10036.
18 Ernst & Young is one of the largest professional services organizations in the United
19 States and uses the ENTREPRENEUR OF THE YEAR mark under license from
20 EYGN. (References to "Counterclaimants" are to EYGN and/or Ernst & Young
21 LLP.)

22 7. Upon information and belief, Counterclaim-Defendant EMI is a
23 corporation organized and existing under the laws of the State of California, with an
24 office and principal place of business at 2445 McCabe Way, Suite 400, Irvine, CA
25 92614.

26 **JURISDICTION AND VENUE**

27 8. This Court has jurisdiction over the subject matter of this action
28 pursuant to Section 39 of the Trademark Act of 1946 (the "Lanham Act"), 15 U.S.C.

1 § 1121, and under Sections 1331, 1338(a) and 1338(b) of the Judicial Code, 28
2 U.S.C. §§ 1331, 1338(a) and 1338(b).

3 9. Upon information and belief, EMI resides in this district and is subject
4 to personal jurisdiction in this Court.

5 10. Venue in this judicial district is proper pursuant to Sections 1391(b)
6 and (c) of the Judicial Code, 28 U.S.C. § 1391(b) and (c).

7 **FACTS COMMON TO ALL CLAIMS FOR RELIEF**

8 **A. Counterclaimants' ENTREPRENEUR OF THE YEAR Mark**

9 11. For more than two decades, Ernst & Young has conducted an annual
10 contest and awards program under the ENTREPRENEUR OF THE YEAR mark to
11 commemorate the exceptional achievement of business leaders and to make the
12 general public more aware of the benefits these leaders provide to the world
13 economy.

14 12. Ernst & Young's ENTREPRENEUR OF THE YEAR award is highly
15 sought-after and is the most prestigious business award of its kind.

16 13. Past ENTREPERNEUR OF THE YEAR award honorees have included
17 some of the most influential business leaders in the world, including Michael Dell of
18 Dell Computer Corp. (1989), Howard Schultz of Starbucks Corp. (1991), Steve
19 Case of America Online (1994), Jeff Bezos of Amazon.com (1997), John P. Mackey
20 of Whole Foods Market, Inc. (2003) and Wayne Huizenga of Blockbuster
21 Entertainment (2004).

22 14. Ernst & Young recognizes its honorees at a series of
23 ENTREPRENEUR OF THE YEAR regional awards banquets, at the national
24 ENTREPENEUR OF THE YEAR gala, and at the WORLD ENTREPRENEUR OF
25 THE YEAR award ceremony.

26 15. Ernst & Young maintains an ENTREPENEUR OF THE YEAR Hall of
27 Fame at the company's United States Headquarters at 5 Time Square in New York,
28 which is open to the public, and operates an ENTREPRENEUR OF THE YEAR

1 Hall of Fame website at <http://eoyhof.ey.com> with a searchable database of past
2 ENTREPRENEUR OF THE YEAR award winners. See
3 <http://eoyhof.ey.com/SearchHallofFame.aspx>.

4 16. The ENTREPRENEUR OF THE YEAR mark has also been publicized
5 in numerous Ernst & Young authorized books and other publications, including:
6 *The Ernst & Young Entrepreneur of the Year Award Insights from the Winners'*
7 *Circle* published in 2002 by Kaplan Business; *Women Entrepreneurs Only: 12*
8 *Women Entrepreneurs Tell the Stories of Their Success* published in 1999 by Wiley;
9 *Net Entrepreneurs Only: 10 Entrepreneurs Tell the Stories of Their Success*
10 published in 2000 by Wiley, and *What's Luck Got to Do With It?: Twelve*
11 *Entrepreneurs Reveal the Secrets Behind Their Success* published in 1996 by Wiley.

12 17. Ernst & Young's ENTREPRENEUR OF THE YEAR program also
13 garners a tremendous amount of third-party press coverage. A recent search of
14 Westlaw's ALLNEWS database returned more than 1,500 news articles in United
15 States publications referencing Ernst & Young's ENTREPERNEUR OF THE
16 YEAR awards in the last three years alone.

17 18. As a result of Ernst & Young's extensive use of the ENTREPRENEUR
18 OF THE YEAR mark, the mark has acquired tremendous value and has become
19 extremely well known to the consuming public and trade as identifying and
20 distinguishing Counterclaimants exclusively and uniquely as the source of services
21 available under the mark. The mark has thus come to represent an enormous
22 goodwill of Counterclaimants.

23 19. In addition to its common law rights in the ENTREPRENEUR OF
24 THE YEAR trademark, EYGN owns United States Trademark Registration No.
25 1,587,164 issued by the United States Patent and Trademark Office (the "USPTO")
26 for ENTREPRENEUR OF THE YEAR in connection with "Conducting an annual
27 awards ceremony commemorating the recipient's exceptional achievement in
28 entrepreneurial business achievements" in International Class 41 (the

1 “ENTREPRENEUR OF THE YEAR Registration”). A true and correct printout
2 from the USPTO’s database reflecting the ENTREPRENEUR OF THE YEAR
3 Registration is attached hereto as **Exhibit 1**.

4 20. The ENTREPRENEUR OF THE YEAR Registration is valid,
5 subsisting, and in full force and effect. The Registration also is incontestable under
6 Section 15 of the Lanham Act, 15 U.S.C. § 1065, and therefore constitutes
7 conclusive evidence of EYGN’s ownership of the mark and of its exclusive right to
8 use the mark in commerce on or in connection with the identified services pursuant
9 to Section 33(b) of the Lanham Act, 15 U.S.C. § 1115(b).

10 **B. EMI’s Infringing Conduct**

11 21. EMI has no connection to Counterclaimants.

12 22. Upon information and belief, EMI publishes *Entrepreneur Magazine*, a
13 monthly magazine for and about entrepreneurs.

14 23. In 1994, when Ernst & Young learned that EMI was sponsoring a
15 contest under the ENTRPRENEUR OF THE YEAR trademark, Ernst & Young’s
16 counsel sent a cease-and-desist letter to the editor of *Entrepreneur Magazine*
17 demanding that EMI immediately stop using the ENTREPRENEUR OF THE
18 YEAR mark. In response, corporate counsel for the EMI thanked Ernst & Young’s
19 counsel for “bringing the matter to [EMI’s] attention” and advised that EMI had
20 chosen to discontinue the program. A true and correct copy of this correspondence
21 is attached as **Exhibit 2**.

22 24. Notwithstanding its actual notice of Counterclaimants’ exclusive rights
23 in and registration of the ENTREPRENEUR OF THE YEAR mark, and of Ernst &
24 Young’s prior objection to EMI’s use of the mark, EMI recently launched a new
25 contest under the ENTREPRENEUR OF THE YEAR mark. Upon information and
26 belief, nominations for the new EMI contest were accepted through June 30, 2008.
27 A true and correct copy of a press release concerning EMI’s new contest is attached
28 as **Exhibit 3**.

1 25. EMI’s new contest under the ENTREPRENEUR OF THE YEAR
2 mark, like the well-known contest Ernst & Young has long operated under the
3 ENTREPRENEUR OF THE YEAR mark, seeks nominations from the general
4 business community and honors successful business leaders.

5 26. EMI’s ENTREPRENEUR OF THE YEAR mark is identical in all
6 respects to Ernst & Young’s famous ENTREPRENEUR OF THE YEAR trademark.

7 27. Upon information and belief, EMI has engaged in and is continuing to
8 engage in the above conduct willfully and deliberately, with full knowledge of
9 Counterclaimants’ prior rights in the ENTREPRENEUR OF THE YEAR mark and
10 the incontestable registration for that mark, and with an intent to misappropriate
11 Counterclaimants’ goodwill in the ENTREPRENEUR OF THE YEAR mark and
12 deceive consumers into believing that EMI and/or its services are legitimately
13 connected with Counterclaimants.

14 28. EMI’s use of the ENTREPRENEUR OF THE YEAR mark unfairly
15 and unlawfully wrests from Counterclaimants control over the federally registered
16 ENTREPRENEUR OF THE YEAR mark and Counterclaimants’ reputation.
17 Counterclaimants have no control over the quality of EMI’s services, and
18 Counterclaimants’ extremely valuable reputation and the hard-earned goodwill built
19 up in Counterclaimants’ mark may be permanently damaged if EMI—an entrant in
20 the economically challenged magazine industry—offers services under the
21 ENTREPRENEUR OF THE YEAR mark that are inferior to Counterclaimants’
22 services.

23 29. Unless EMI’s conduct is enjoined, it will greatly injure the value of the
24 ENTREPRENEUR OF THE YEAR mark to Counterclaimants and the ability of that
25 mark to identify services emanating from Counterclaimants.

26 30. Counterclaimants have no adequate remedy at law.
27
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1 **FIRST CLAIM FOR RELIEF (BY EYGN) FOR**
2 **TRADEMARK INFRINGEMENT UNDER 15 U.S.C. § 1114(1)**

3 31. Counterclaimants repeat and reallege paragraphs 1 through 30 above as
4 if fully set forth herein.

5 32. EYGN is the owner of the ENTREPRENEUR OF THE YEAR mark
6 and Registration, which is valid, subsisting, and in full force and effect.

7 33. EMI's activities as described herein are likely to cause confusion, or to
8 cause mistake or to deceive consumers and the public as to the source or
9 sponsorship of EMI's goods and services. Consumers are likely to be misled into
10 believing that EMI's contest was licensed by, sponsored by or otherwise approved
11 by EYGN.

12 34. EMI was on both actual and constructive notice of EYGN's exclusive
13 rights in the ENTREPRENEUR OF THE YEAR mark at the time EMI decided to
14 use the mark. EMI's use of the ENTREPRENEUR OF THE YEAR mark is willful,
15 in bad faith, and with full knowledge of EYGN's prior use of, exclusive rights in
16 and ownership of that mark, with full knowledge of the goodwill and reputation
17 associated with that mark, and with full knowledge that EMI has no right, license or
18 authority to use that mark or any other mark confusingly similar thereto.

19 35. EMI's acts are intended to reap the benefit of the goodwill that EYGN
20 has created in the ENTREPRENEUR OF THE YEAR mark and constitute
21 infringement of EYGN's federally registered trademark in violation of Section 32(1)
22 of the Lanham Act, 15 U.S.C. § 1114(1).

23 36. EMI's conduct has caused and is causing immediate and irreparable
24 injury to EYGN and will continue both to damage EYGN and to deceive the public
25 unless enjoined by this Court. EYGN has no adequate remedy at law.

1 **SECOND CLAIM FOR RELIEF (BY EYGN and ERNST & YOUNG)**
2 **FOR FEDERAL UNFAIR COMPETITION UNDER 15 U.S.C. § 1125(a)**

3 37. Counterclaimants repeat and reallege paragraphs 1 through 36 above as
4 if fully set forth herein.

5 38. EMI's activities as described herein are likely to cause confusion,
6 mistake, or deception as to the source of EMI's goods and services and are likely to
7 create the false impression that EMI is affiliated with Counterclaimants or that its
8 goods and services are authorized, sponsored, endorsed, licensed, or authorized by
9 Counterclaimants. EMI's actions constitute unfair competition, false designation of
10 origin and use of a false description in violation of Section 43(a) of the Lanham Act,
11 15 U.S.C. § 1125(a).

12 39. EMI's conduct has caused and is causing immediate and irreparable
13 injury to Counterclaimants and will continue both to damage Counterclaimants and
14 to deceive the public unless enjoined by this Court. Counterclaimants have no
15 adequate remedy at law.

16 **THIRD CLAIM FOR RELIEF (BY EYGN and ERNST & YOUNG)**
17 **FOR UNFAIR COMPETITION UNDER NEW YORK COMMON LAW**

18 40. Counterclaimants repeat and reallege the allegations set forth in
19 paragraphs 1 through 39 above as if fully set forth herein.

20 41. EMI's conduct complained of herein is likely to confuse the public as
21 to the origin, source or sponsorship of EMI's goods and services, or to cause
22 mistake or to deceive the public into believing that EMI is affiliated with or that its
23 goods and services authorized, sponsored, endorsed, licensed, or authorized by
24 Counterclaimants, in violation of Counterclaimants' rights in the ENTREPRENEUR
25 OF THE YEAR mark under New York State common law.

26 42. EMI chose to use the ENTREPRENEUR OF THE YEAR mark with
27 constructive and/or actual knowledge of Counterclaimants' prior use of and rights in
28 the ENTREPRENEUR OF THE YEAR mark.

1 43. By adopting and using a colorable imitation of the valuable and
2 distinctive ENTREPRENEUR OF THE YEAR mark, EMI has been unjustly
3 enriched and Counterclaimants have been damaged.

4
5 **FOURTH CLAIM FOR RELIEF (BY EYGN and ERNST & YOUNG)**
6 **FOR VIOLATION OF THE NEW YORK DECEPTIVE**
7 **AND UNFAIR TRADE PRACTICES ACT**
8 **UNDER NEW YORK GENERAL BUSINESS LAW § 349**

9 44. Counterclaimants repeat and reallege the allegations set forth in
10 paragraphs 1 through 43 above as if fully set forth herein.

11 45. EMI's use of the ENTREPRENEUR OF THE YEAR mark has the
12 capacity to deceive and is deceiving the public as to the source or sponsorship of
13 EMI's goods and services. As a result, the public will be damaged.

14 46. EMI's conduct is willful and in knowing disregard of
15 Counterclaimants' rights.

16 47. EMI has been and is engaged in deceptive acts or practices in the
17 conduct of a business, trade or commerce in violation of Section 349 of the New
18 York General Business Law.

19 48. EMI's conduct has caused and is causing immediate and irreparable
20 injury to Counterclaimants.

21
22 **FIFTH CLAIM FOR RELIEF (BY EYGN and ERNST & YOUNG) FOR**
23 **CANCELLATION OF EMI'S U.S. TRADEMARK REGISTRATIONS**
24 **UNDER 15 U.S.C. §§ 1052, 1065(4), 1092**

25 49. Counterclaimants repeat and reallege paragraphs 1 through 48 above as
26 if fully set forth herein.

27 50. In response to Counterclaimants' recent demand that EMI stop using
28 the ENTREPRENEUR OF THE YEAR mark, EMI asserted that confusion was not

1 likely because of the strength of EMI's purported "family" of ENTREPRENEUR-
2 formative marks for which EMI owns trademark registrations issued by the USPTO.

3 51. The following registrations (collectively, "EMI's Registrations") in
4 EMI's purported family of marks are for terms that, when used on or in connection
5 with EMI's goods or services, are generic and/or merely descriptive without a
6 showing of secondary meaning:

7 (a) Registration No. 2,391,145 of ENTREPRENEUR EXPO in connection
8 with "Arranging and Conducting Trade Show Exhibitions in the Field
9 of Entrepreneurial Activities, Namely the Start-Up and Operation of
10 Small Business Enterprises";

11 (b) Registration No. 3,315,154 of ENTREPRENEURIAL WOMAN in
12 connection with "Publications, Namely, Magazines, Magazine Inserts,
13 Booklets, Books, and Published Reports, Featuring Information of
14 Interest to Women in the field of Business";

15 (c) Registration No. 3,470,064 of ENTREPRENEURIAL PRESS for
16 "Paper goods and printed matter, namely, books, manuals, prepared
17 reports, work books, study guides, legal and business forms, and
18 newsletters concerning advice and information relating to the subjects
19 of starting, running and operating a business, and individuals who
20 succeeded in business, which subjects are of interest to entrepreneurs,
21 new and existing businesses and members of the general public" and
22 "On-line ordering services featuring printed and electronically
23 downloadable publications, namely, books, study guides, legal and
24 business forms, and newsletters, concerning advice and information
25 relating to the subjects of starting, running and operating a business and
26 individuals who succeeded in business, which subjects are of interest to
27 entrepreneurs, new and existing businesses and members of the general
28 public";

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- (d) Registration No. 2,653,302 of SOYENTREPRENEUR.COM for
“Advertising and business services, namely, advertising for others via a
global computer information network; providing computerized on-line
ordering featuring printed publications, books, magazines, reports and
printed manuals containing advice for starting and operating small
businesses; providing business information in the Spanish language in
the field of starting and operating small businesses via the Internet”;
- (e) Registration No. 3,374,476 of WOMANENTREPRENEUR.COM for
“Dissemination of advertising for others via the Internet; providing
business information about small business operations via the internet;
providing an online searchable database featuring business reports,
advice and information regarding starting and operating small
businesses” and “Providing online electronic bulletin boards for
transmission of messages among computers users concerning small
business operations”;
- (f) Registration No. 3,266,532 of
ENTEREPRENUERENESPANOL.COM for “Advertising and
business services, namely, arranging for the promotion of goods and
services of others by means of a global computer network and other
computer online service providers; providing business information for
the use of customers in the field of starting and operating businesses
and permitting customers to obtain the aforesaid information via a
global computer network and other computer online service providers;
Internet advertising services, namely, promoting the goods and services
of others by providing a web site with active links to their websites
featuring their goods and services”;

1 (g) Registration No. 3,204,899 of ENTREPRENEUR’S START-UPS for
2 “Paper goods and printed matter; namely, magazines, books, booklets
3 and published reports pertaining to business opportunities.”

4 (h) Registration No. 2,502,032 of ENTREPRENEUR for “Arranging and
5 Conducting Trade Show Exhibitions in the Field of Entrepreneurial
6 Activities, Namely the Start-Up and Operation of Small Business
7 Enterprises” and “Educational Services, Namely, Conducting Seminars
8 on the Development and Operation of Businesses, and Conducting
9 Work Shops on Computer Technology, Telecommunications,
10 Marketing, Financing Options, Real Estate Management, Tax Planning
11 and Insurance”; and

12 (i) Registration No. 2,263,883 of ENTREPRENEUR in connection with
13 “Advertising and business services, namely, arranging for the
14 promotion of the goods and services of others by means of a global
15 computer network and other computer online services providers;
16 providing business information for the use of customers in the field of
17 starting and operating small businesses and permitting customers to
18 obtain information via a global computer network and other computer
19 online service providers and; web advertising services, namely,
20 providing active links to the websites of others.”

21 52. Under Sections 2, 15(4) and 24 of the Lanham Act, 15 U.S.C. §§ 1052,
22 1065(4) and 1092, the terms registered in EMI’s Registrations should not be
23 registered as trademarks because they are generic terms when used on or in
24 connection with EMI’s products and services and/or do not serve to identify and
25 distinguish EMI’s goods or services from those of others and do not otherwise
26 function as trademarks as defined in Section 45 of the Lanham Act, 15 U.S.C. §
27 1127.

1 Counterclaimants, or is authorized, licensed, sponsored or otherwise
2 approved by Counterclaimants;

- 3 (c) purchasing Counterclaimants' ENTREPRENEUR OF THE YEAR
4 mark in connection with any sponsored advertising on the Internet or
5 using Counterclaimants' ENTREPRENEUR OF THE YEAR mark in
6 any source code or otherwise using Counterclaimants'
7 ENTREPRENEUR OF THE YEAR mark such that a search for
8 ENTREPRENEUR OF THE YEAR on the Internet will cause any
9 domain name or website of EMI to appear in search results;
- 10 (d) using or registering Counterclaimants' ENTREPRENEUR OF THE
11 YEAR mark as part of any domain name or internet address, regardless
12 of country-code top-level domain or general top-level domain;
- 13 (e) engaging in any other activity constituting unfair competition with
14 Counterclaimants, or constituting an infringement of Counterclaimants'
15 ENTREPRENEUR OF THE YEAR mark;
- 16 (f) applying to register or registering in the United States Patent and
17 Trademark Office or in any state trademark registry any mark
18 consisting of or including Counterclaimants' ENTREPRENEUR OF
19 THE YEAR mark or any simulation, reproduction, copy or colorable
20 imitation thereof; and
- 21 (g) assisting, aiding or abetting any other person or business entity in
22 engaging in or performing any of the activities referred to in
23 subparagraphs (a) through (f) above.

24 (2) Issuing judgment from this Court ordering the Director of the United
25 States Patent and Trademark Office to cancel EMI's Registrations.

26 (3) Ordering the destruction of all materials (including, without limitation, all
27 brochures and other promotional materials) in EMI's custody, possession or control
28

1 bearing the ENTREPRENEUR OF THE YEAR mark or any simulation,
2 reproduction, copy or colorable imitation thereof within (30) thirty days.

3 (4) Directing that EMI file with the Court and serve upon Counterclaimants'
4 counsel within thirty (30) days after entry of judgment a report in writing under
5 oath, setting forth in detail the manner and form in which they have complied with
6 the above.

7 (5) Awarding Counterclaimants EMI's profits.

8 (6) Awarding Counterclaimants their actual damages, trebled, pursuant to 15
9 U.S.C. § 1117(a).

10 (7) Awarding to Counterclaimants exemplary and punitive damages to deter
11 any further willful infringement as the Court finds appropriate.

12 (8) Awarding to Counterclaimants their costs and disbursements incurred in
13 this action, including reasonable attorneys' fees.

14 (9) Awarding to Counterclaimants interest, including pre-judgment interest on
15 the foregoing sums.

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1 (10) Awarding to Counterclaimants such other and further relief as the
2 Court may deem just and proper.

3
4 DATED: July 28, 2008

Respectfully submitted,

5 BERRY & PERKINS
6 A Professional Corporation

7
8 By *Kevin R. Lussier*
9 Kevin R. Lussier
10 Attorneys for Defendants and
11 Counterclaimants
EYGN LIMITED and ERNST &
YOUNG LLP

12 And

13 FROSS ZELNICK LEHRMAN
14 & ZISSU
A Professional Corporation
15 Craig S. Mende
cmende@frosszelnick.com
16 David A. Donahue
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17 866 United Nations Plaza
New York, New York 10017
18 Phone: (212) 813-5990
Fax: (212) 813-5901
19 Attorneys for Defendants and
20 Counterclaimants
EYGN LIMITED and ERNST & YOUNG
LLP

1 **PROOF OF SERVICE**

2 I am employed in the County of Los Angeles, State of California. I am over the age of
3 eighteen and not a party to the within action. My business address is Berry & Perkins, 2049
4 Century Park East, Suite 950, Los Angeles, California 90067.

5 On July 28, 2008, I caused the following document(s) to be served: **ANSWER &
6 COUNTERCLAIMS OF EYGN LIMITED and ERNST & YOUNG LLP** in this action by
7 placing a true and correct copy thereof enclosed in a sealed envelope addressed as follows:

8 Michael R. Adele, Esq.
9 ALLEN MATKINS LECK GAMBLE MALLOY & NATSIS LLP
10 12348 High Bluff Drive, Suite 210
11 San Diego, California 92130
12 *Attorneys for Plaintiff*

13 X **BY REGULAR U.S. MAIL:** I am readily familiar with the business' practice for
14 collection and processing of correspondence for mailing with the United States Postal
15 Service; such correspondence would be deposited with the United States Postal Service the
16 same day of deposit in the ordinary course of business. I know that the envelope was
17 sealed and, with postage thereon fully prepaid, placed for collection and mailing on this
18 date, following ordinary business practices, in the United States mail at Los Angeles,
19 California.

20 — **BY FACSIMILE TRANSMISSION:** I sent a true and complete copy of the document(s)
21 described above by facsimile transmission to the telephone number(s) set forth opposite
22 the name(s) of the person(s) set forth above.

23 — **BY FEDERAL EXPRESS OVERNIGHT DELIVERY OR OTHER EXPRESS
24 OVERNIGHT SERVICE:** I declare that the foregoing described document(s) was(were)
25 deposited on the date indicated below in a box or other facility regularly maintained by the
26 express service carrier, or delivered to an authorized courier or driver authorized by the
27 express service carrier to receive documents, in an envelope or package designated by the
28 express service carrier with delivery fees paid or provided for, addressed to the person(s)
on whom it is to be served, at the address as last given by that person on any document
filed in the cause and served on this office.

— **BY PERSONAL SERVICE:** I caused such envelope to be delivered by hand to the above
address(es).

— **(State)** I declare under penalty of perjury under the laws of the State of California that the
foregoing is true and correct.

X **(Federal)** I declare that I am employed in the office of a member of the bar of this court at
whose direction the service was made.

Executed on July 28, 2008, at Los Angeles, California.

Deborah K. Diederich
Deborah K. Diederich