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11 Attorneys for Defendants
 12 RIEVA LESONSKY d/b/a SMB
 13 CONNECTS, MARIA ANTON, and
 14 ALLBUSINESS.COM, INC

15 UNITED STATES DISTRICT COURT
 16 CENTRAL DISTRICT OF CALIFORNIA
 17 SOUTHERN DIVISION

18 ENTREPRENEUR MEDIA, INC., a
 19 California corporation,

20 Plaintiff,

21 vs.

22 RIEVA LESONSKY d/b/a SMB
 23 CONNECTS, an individual, MARIA
 24 ANTON, an individual,
 25 ALLBUSINESS.COM, INC., a
 26 California corporation, and DOES 1
 27 through 10, inclusive,

28 Defendants.

CASE NO. SACV 08-1066 DOC (ANx)

DEFENDANTS RIEVA LESONSKY'S
 d/b/a SMB CONNECTS, MARIA
 ANTON'S, AND ALLBUSINESS.COM,
 INC.'S ANSWERS TO ENTREPRENEUR
 MEDIA, INC'S COMPLAINT

1 Defendants RIEVA LESONSKY d/b/a SMB CONNECTS (“Lesonsky”),
2 MARIA ANTON CONLEY (“Anton”), and ALLBUSINESS.COM, INC.
3 (“AllBusiness”), (collectively, “Defendants”) by and through their counsel of
4 record, hereby answer and assert their affirmative defenses to Plaintiff’s Complaint
5 as follows:

6 **JURISDICTION AND VENUE**

7 1. The Defendants admit that the Complaint purports to bring an action
8 for injunctive relief and damages for federal trademark infringement and false
9 designation of origin, as well as breach of contract, misappropriation of trade
10 secrets, intentional interference with prospective business advantage and unfair
11 competition under California law. Except as expressly admitted, the Defendants
12 are without sufficient knowledge or information to form a belief as to the truth of
13 the remaining allegations in Paragraph 1 of the Complaint, and on that basis deny
14 each and every allegation.

15 2. The Defendants are without sufficient knowledge or information to
16 form a belief as to the truth of the remaining allegations in Paragraph 2 of the
17 Complaint, and on that basis deny each and every allegation.

18 3. Defendants Lesonsky and Anton admit that they reside in this District.
19 Except as expressly admitted, the Defendants are without sufficient knowledge or
20 information to form a belief as to the truth of the remaining allegations in
21 Paragraph 3 of the Complaint, and on that basis deny each and every allegation.

22 **THE PARTIES**

23 4. The Defendants are without sufficient knowledge or information to
24 form a belief as to the truth of the remaining allegations in Paragraph 4 of the
25 Complaint, and on that basis deny each and every allegation.

26 5. Defendant Lesonsky admits that she resides in Orange County,
27 California and that she is doing business as SMB Connects with an office located
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1 at 17526 Von Karman Ave, Suite A, Irvine California 92614. Except as expressly
2 admitted, the Defendants are without sufficient knowledge or information to form
3 a belief as to the truth of the remaining allegations in Paragraph 5 of the
4 Complaint, and on that basis deny each and every allegation.

5 6. Defendant Maria Anton Conley, misidentified in Plaintiff's Complaint
6 as Maria Anton, admits that she resides in Orange County, California and that she
7 works with Lesonsky at SMB Connects. Except as expressly admitted, The
8 Defendants are without sufficient knowledge or information to form a belief as to
9 the truth of the remaining allegations in Paragraph 6 of the Complaint, and on that
10 basis deny each and every allegation.

11 7. Defendant AllBusiness admits that it is a California corporation with a
12 principle place of business at 650 Townsend St., Suite 675, San Francisco,
13 California 94103. AllBusiness further admits that, according to its website,
14 AllBusiness is an online media and e-commerce company. Except as expressly
15 admitted, the Defendants are without sufficient knowledge or information to form
16 a belief as to the truth of the remaining allegations in Paragraph 7 of the
17 Complaint, and on that basis deny each and every allegation.

18 8. The Defendants are without sufficient knowledge or information to
19 form a belief as to the truth of the remaining allegations in Paragraph 8 of the
20 Complaint, and on that basis deny each and every allegation.

21 9. The Defendants are without sufficient knowledge or information to
22 form a belief as to the truth of the remaining allegations in Paragraph 9 of the
23 Complaint, and on that basis deny each and every allegation.

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

25 **EMI and Its Business**

26 10. The Defendants are without sufficient knowledge or information to
27 form a belief as to the truth of the remaining allegations in Paragraph 10 of the
28 Complaint, and on that basis deny each and every allegation.

1 predecessor companies for a continuous period of over 22 years, eventually
2 becoming Senior Vice President and Editorial Director. Lesonsky admits that she
3 resigned from EMI effective April 7, 2008. Except as expressly admitted, the
4 Defendants are without sufficient knowledge or information to form a belief as to
5 the truth of the remaining allegations in Paragraph 19 of the Complaint, and on that
6 basis deny each and every allegation.

7 20. Lesonsky admits that during her employment with EMI and its
8 predecessors, she was involved in the Franchise 500®, including the use of a
9 formula for the evaluation and compilation of that information, and publication of
10 the results thereof. Except as expressly admitted, the Defendants are without
11 sufficient knowledge or information to form a belief as to the truth of the
12 remaining allegations in Paragraph 20 of the Complaint, and on that basis deny
13 each and every allegation.

14 21. Lesonsky admits that after leaving EMI, Lesonsky formed SMB
15 Connects, and that she is the registered owner of the domain name
16 smbconnects.com. Except as expressly admitted, the Defendants are without
17 sufficient knowledge or information to form a belief as to the truth of the
18 remaining allegations in Paragraph 21 of the Complaint, and on that basis deny
19 each and every allegation.

20 22. Lesonsky and AllBusiness admit that Lesonsky works with
21 AllBusiness as an editor-at-large, where she writes weekly columns and hosts
22 weekly podcasts. Lesonsky and AllBusiness admit that SMB Connects also
23 provides services to AllBusiness. Except as expressly admitted, the Defendants are
24 without sufficient knowledge or information to form a belief as to the truth of the
25 remaining allegations in Paragraph 22 of the Complaint, and on that basis deny
26 each and every allegation.

27 23. Lesonsky admits that SMB Connects contacted franchises asking
28 them if they would like to participate in a ranking of the top 300 franchise

1 companies by AllBusiness, and to fill out an application if they were. Except as
2 expressly admitted, the Defendants deny the allegations of Paragraph 23 of the
3 Complaint.

4 24. Lesonsky admits that she has contacted the certified public accountant
5 which EMI has used in the past to evaluate the financial data provided by the
6 franchisors wishing to be ranked in the Franchise 500®. Except as expressly
7 admitted, the Defendants deny the allegations of Paragraph 24 of the Complaint.

8 25. AllBusiness admits it has registered to attend the International
9 Franchise Expo which is scheduled to take place on November 7, 2008.

10 AllBusiness admits it has not attended this Expo before. Except as expressly
11 admitted, the Defendants deny the allegations of Paragraph 25 of the Complaint.

12 **Maria Anton**

13 26. Anton admits that in or about January 1985, she commenced
14 employment with Chase Revel. Except as expressly admitted, the Defendants are
15 without sufficient knowledge or information to form a belief as to the truth of the
16 remaining allegations in Paragraph 26 of the Complaint, and on that basis deny
17 each and every allegation.

18 27. Anton admits that she was involved with producing and maintaining a
19 database of franchises for her employer, in evaluating information received from
20 franchises wishing to be involved in the Franchise 500®, and developing a formula
21 for ranking those franchises. Except as expressly admitted, the Defendants are
22 without sufficient knowledge or information to form a belief as to the truth of the
23 remaining allegations in Paragraph 27 of the Complaint, and on that basis deny
24 each and every allegation.

25 28. Anton admits that she resigned from EMI on or about March 7, 2008
26 and that she now works with Lesonsky at SMB Connects. Except as expressly
27 admitted, the Defendants deny each and every allegation of Paragraph 28 of the
28 Complaint.

1 **FIRST CLAIM FOR RELIEF**

2 **(Lanham Act – False Designation of Origin – 15 U.S.C. § 1125(a); Against All**
3 **Defendants)**

4 29. The Defendants incorporate and reallege their responses to Paragraphs
5 1 through 28, as set forth above, as though fully set forth herein.

6 30. The Defendants are without sufficient knowledge or information to
7 form a belief as to the truth of the allegations in Paragraph 30 of the Complaint,
8 and on that basis deny each and every allegation.

9 31. The Defendants deny the allegations of Paragraph 31 of the
10 Complaint.

11 32. The Defendants admit that there is no connection or association or
12 licensing relationship between EMI and the Defendants, nor has EMI ever
13 authorized, licensed or given permission to Defendants to use the Franchise 500®
14 Marks or any marks similar thereto in any manner whatsoever.

15 33. The Defendants deny the allegations of Paragraph 33 of the
16 Complaint.

17 34. The Defendants deny the allegations of Paragraph 34 of the
18 Complaint.

19 35. The Defendants deny the allegations of Paragraph 35 of the
20 Complaint.

21 36. The Defendants deny the allegations of Paragraph 36 of the
22 Complaint.

23 37. The Defendants deny the allegations of Paragraph 37 of the
24 Complaint.

25 38. The Defendants deny the allegations of Paragraph 38 of the
26 Complaint.

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1 **SECOND CLAIM FOR RELIEF**

2 **(Lanham Act – Federal Trademark Infringement – 15 U.S.C. § 1114; Against**
3 **All Defendants)**

4 39. The Defendants incorporate and reallege their responses to Paragraphs
5 1-38, as set forth above, as though fully set forth herein.

6 40. The Defendants are without sufficient knowledge or information to
7 form a belief as to the truth of the allegations in Paragraph 40 of the Complaint,
8 and on that basis deny each and every allegation.

9 41. The Defendants are without sufficient knowledge or information to
10 form a belief as to the truth of the allegations in Paragraph 41 of the Complaint,
11 and on that basis deny each and every allegation.

12 42. The Defendants admit that EMI has not authorized, licensed, or given
13 permission to the Defendants to use the “Franchise 300” name. Except as
14 expressly admitted, the Defendants deny the allegations of Paragraph 42 of the
15 Complaint.

16 43. The Defendants deny the allegations of Paragraph 43 of the
17 Complaint.

18 44. The Defendants deny the allegations of Paragraph 44 of the
19 Complaint.

20 45. The Defendants deny the allegations of Paragraph 45 of the
21 Complaint.

22 46. The Defendants deny the allegations of Paragraph 46 of the
23 Complaint.

24 47. The Defendants deny the allegations of Paragraph 47 of the
25 Complaint.

26 48. The Defendants deny the allegations of Paragraph 48 of the
27 Complaint.

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THIRD CLAIM FOR RELIEF

(Misappropriation of Trade Secrets – Cal. Civ. Code § 3426 et seq.; Against All Defendants)

49. The Defendants incorporate and reallege their responses to Paragraphs 1- 48, as set forth above, as though fully set forth herein.

50. The Defendants deny the allegations of Paragraph 50 of the Complaint.

51. The Defendants deny the allegations of Paragraph 51 of the Complaint.

52. The Defendants deny the allegations of Paragraph 52 of the Complaint.

53. The Defendants deny the allegations of Paragraph 53 of the Complaint.

FOURTH CLAIM FOR RELIEF

(Unfair Competition – California Business & Professions Code § 17200 et seq.; Against All Defendants)

54. The Defendants incorporate and reallege their responses to Paragraphs 1- 53, as set forth above, as though fully set forth herein.

55. The Defendants deny the allegations of Paragraph 55 of the Complaint.

56. The Defendants deny the allegations of Paragraph 56 of the Complaint.

57. The Defendants deny the allegations of Paragraph 57 of the Complaint.

FOURTH CLAIM FOR RELIEF

(Intentional Interference with Prospective Economic Advantage; Against All Defendants)

58. The Defendants incorporate and reallege their responses to Paragraphs

1 1- 57, as set forth above, as though fully set forth herein.

2 59. The Defendants are without sufficient knowledge or information to
3 form a belief as to the truth of the allegations in Paragraph 59 of the Complaint,
4 and on that basis deny each and every allegation.

5 60. The Defendants are without sufficient knowledge or information to
6 form a belief as to the truth of the allegations in Paragraph 60 of the Complaint,
7 and on that basis deny each and every allegation.

8 61. The Defendants deny the allegations of Paragraph 61 of the
9 Complaint.

10 62. The Defendants deny the allegations of Paragraph 62 of the
11 Complaint.

12 63. The Defendants deny the allegations of Paragraph 63 of the
13 Complaint.

14 64. The Defendants deny the allegations of Paragraph 64 of the
15 Complaint.

16 **SIXTH CLAIM FOR RELIEF**

17 **(Breach of Contract; Against Lesonsky and Anton)**

18 65. The Defendants incorporate and reallege their responses to Paragraphs
19 1- 64, as set forth above, as though fully set forth herein.

20 66. The Defendants are without sufficient knowledge or information to
21 form a belief as to the truth of the allegations in Paragraph 66 of the Complaint,
22 and on that basis deny each and every allegation.

23 67. The Defendants deny the allegations of Paragraph 67 of the
24 Complaint.

25 68. The Defendants deny the allegations of Paragraph 68 of the
26 Complaint.

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AFFIRMATIVE AND OTHER DEFENSES

The Defendants allege the following affirmative and other defenses to the allegations contained in the Complaint.

FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim)

69. The Complaint, and each and every purported cause of action alleged therein, fails to state a cause of action for which relief may be obtained against the Defendants

SECOND AFFIRMATIVE DEFENSE

(Contracts Violate Public Policy)

70. The alleged contracts between Plaintiff and Lesonsky and Anton violate public policy.

THIRD AFFIRMATIVE DEFENSE

(Contracts Void for Lack of Consideration)

71. The alleged contracts between Plaintiff and Lesonsky and Anton are void for lack of consideration.

Dated: October 15, 2008

RICHARD H. ZAITLEN
STEPHEN BYERS
PILLSBURY WINTHROP SHAW
PITTMAN LLP

By: /s/ Richard H. Zaitlen

Attorneys for Defendants
Rieva Lesonsky d/b/a SMB Connects,
Maria Anton, and AllBusiness.com