

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

DANIEL R. CASTRO,)	
Plaintiff,)	Civil Action No. 10CA695
)	Hon. Lee Yeakel
v.)	
)	
ENTREPRENEUR MEDIA, INC.,)	
Defendant.)	
)	

DEFENDANT ENTREPRENEUR MEDIA, INC.’S REPLY IN SUPPORT OF
PARTIAL MOTION TO DISMISS
UNDER FEDERAL RULE OF CIVIL PROCEDURE 12(B)(6)

TABLE OF CONTENTS

	<u>PAGE(S)</u>
I. INTRODUCTION	1
II. ARGUMENT	2
A. EMI Did Not Deceive the USPTO or This Court About Its Registrations and Castro Misstates the Facts About EMI’s Efforts to Prove Secondary Meaning	2
B. Castro’s Unconstitutionality Argument Fails Because His Trademark Is Commercial Speech and the Lanham Act Provisions Do Not Violate Any First Amendment Rights	4
C. Castro’s Arguments Raise No Valid Basis to Support a Declaration that EMI’s Registrations Are Not Incontestable	7
D. Castro Has Not Pleaded Attempted Monopolization and Cannot Plead It	7
1. Castro Is Not Legally Excused from Having to Plead the Facts Adequately	8
2. The FAC Does Not State a Claim for Attempted Monopolization.....	10
E. Castro’s Request for Declaratory Relief of Non-Infringement Must Be Dismissed Because Castro Has Not Alleged a Cognizable Claim	12
F. Castro’s Arguments Confirm That His Request for a Declaration of No Unfair Competition Does Not Sufficiently State a Claim	13
G. Castro’s Claim for Unclean Hands Fails Because EMI Has Not Acted in Bad Faith.....	14
H. Castro’s Reverse Domain Name Hijacking Fails By His Own Admission and Because EMI Has Not Violated the Antitrust Laws	14
III. CONCLUSION.....	15

TABLE OF AUTHORITIES

	<u>PAGE(S)</u>
CASES	
<i>Bell Atlantic Corp. v. Twombly</i> , 550 U.S. 544 (2007)	8
<i>Bolger v. Youngs Drug Products Corp.</i> , 463 U.S. 60 (1983)	5
<i>Central Hudson Gas & Electric Corp. v. Public Service Comm’n of New York</i> , 447 U.S. 557 (1980)	5, 6
<i>Clark v. Amoco Prod. Co.</i> , 794 F.2d 967 (5th Cir. 1986)	9
<i>Gaines v. Strayhorn</i> , No. A-06-CA-673 LY, 2007 WL 593584 (W.D. Tex. Feb. 21, 2007).....	9
<i>Homemakers Home & Health Care Serv. v. Chicago Home for the Friendless</i> , 484 F.2d 625 (7th Cir. 1973)	10
<i>Jones v. Greninger</i> , 188 F.3d 322 (5th Cir. 1999)	12
<i>Kaiser Aluminum & Chem. Sales, Inc. v. Avondale Shipyards, Inc.</i> , 677 F.2d 1045 (5th Cir. 1982)	9
<i>Love Terminal Partners, L.P. v. City of Dallas</i> , 527 F. Supp. 2d 538 (N.D. Tex. 2007)	9
<i>Peaceable Planet, Inc. v. Ty, Inc.</i> , 362 F.3d 986 (7th Cir. 2004)	10
<i>Prof’l Real Estate Investors v. Columbia Pictures Indus.</i> , 508 U.S. 49 (1993)	8
<i>Spectrum Sports, Inc. v. McQuillan</i> , 506 U.S. 447 (1993)	10
<i>Standard Oil Co. v. Humble Oil & Refining Co.</i> , 363 F.2d 945 (5th Cir. 1966)	11
<i>Teleflora, Inc. v. Florists Transworld Delivery Ass’n</i> , 217 U.S.P.Q. (BNA) 1081 (TTAB 1981).....	10
<i>United Drug Co. v. Theodore Rectanus Co.</i> , 248 U.S. 90 (1918)	11

Wal-Mart Stores, Inc. v. Samara Brothers, Inc.,
529 U.S. 205 (2000)9, 10

Westchester Media v. PRL USA Holdings,
214 F.3d 658 (5th Cir. 2000)6

STATUTES

15 U.S.C. § 10913
15 U.S.C. § 1115(b)(4)13
15 U.S.C. § 112514
15 U.S.C. § 11276
28 U.S.C. § 220113

RULES

Federal Rule of Evidence 201(b)(2)3

TREATISES

21B Wright & Miller: Fed. Prac. & Proc. Evid. (2d ed. 2010)3

REGULATIONS

37 C.F.R. § 2.413, 4
37 C.F.R. § 2.41(a)4
37 C.F.R. § 2.473, 4

I. INTRODUCTION

Castro's Complaint, as well as his opposition briefs, try to obscure the very basic facts of this case. EMI owns and has long used the trademark ENTREPRENEUR for a variety of goods and services, including magazines, books, publications, websites, seminars, expos and conferences. EMI owns multiple longstanding federal registrations for the mark ENTREPRENEUR and various related marks, several of which are incontestable. As a trademark owner, EMI has the right and obligation to police and enforce its trademark rights, or risk diminishing or altogether losing those rights. EMI therefore monitors trademark filings and use in the marketplace and challenges infringing trademarks used by others without its consent.

In September 2010, EMI learned of Castro's use of, and application for, the mark ENTREPRENEUROLOGY (and variations thereof) on services similar to those offered by EMI. EMI then sent Castro a demand letter asking that Castro stop using this confusingly similar mark.

The issue in this case is straightforward: Does Castro's use of the mark ENTREPRENEUROLOGY infringe EMI's trademarks? That is the only real issue in the case. There are no First Amendment issues here. Castro's trademark represents commercial speech. If Castro's trademark infringes any of EMI's trademarks, then it is misleading in that it causes or is likely to cause confusion as to the source of goods/services offered under that mark. The Lanham Act appropriately regulates misleading or deceptive commercial speech, which is not entitled to any First Amendment protection.

There are no antitrust issues here. EMI's conduct is not anticompetitive, and no facts exist to support any specific intent to monopolize, or dangerous possibility of achieving a monopoly. In addition, EMI has not acted in bad faith, so its hands are clean.

Castro argues at some length to attempt to manufacture these more involved claims, but to no avail. He also misstates the facts of EMI's prosecution history for its federal registration,

basing most of his arguments on the false premise that EMI has never shown that its mark has secondary meaning. His allegations do not, and cannot, rise to the level of a cognizable claim, and accordingly his claims challenged in EMI's Motion should be dismissed.

II. ARGUMENT

A. EMI Did Not Deceive the USPTO or This Court About Its Registrations and Castro Misstates the Facts About EMI's Efforts to Prove Secondary Meaning

Castro accuses EMI of "failing to inform the court," "[t]aking] advantage of a loophole," and "pulling the wool over this court's eyes" as to its federal registrations and trademark rights. Constitutionality Claims Opp. at 16-20 ("Con. Opp.") (Dkt. 19). These accusations are without merit and are premised on a misstatement of the facts and the law.

First, Castro repeatedly claims that EMI "has never been required to prove to the [USPTO] or any federal court" that its trademarks have acquired secondary meaning and "there is no evidence *anywhere* that EMI . . . has ever proved that [the ENTREPRENEUR mark] . . . has ever obtained 'acquired distinctiveness' or 'secondary meaning,'" and thus is a valid and protectable mark. *Id.* at 16, 18. This is inaccurate. Upon remand from the Ninth Circuit in the *Smith* case, a bench trial was held in the District Court of the Central District of California in 2004, during which EMI presented evidence of secondary meaning. The Court accepted that evidence and expressly held that "[t]he extensive advertising and public recognition over the past 25 years have established [EMI's] mark as a strong mark in the industry," and that "the mark ENTREPRENEUR is a strong distinctive mark, deserving of significant protection." *Entrepreneur Media, Inc. v. Smith*, No. CV 98-3607 FMC (CTx), 2004 U.S. Dist. LEXIS 24078,

at *9-10, 13 (C.D. Cal. June 23, 2004).¹ Thus, EMI has presented evidence, and secured a federal court ruling, that its mark has developed secondary meaning.

Second, Castro misstates the prosecution history of EMI's registration for the mark ENTREPRENEUR (No. 1,453,968, or the "'968 registration"). Castro claims that EMI took advantage of a "loophole" suggested by the Examining Attorney which would allow EMI to "piggyback" on a prior registration. Castro has the facts completely wrong. The Examining Attorney, in his Office Action, stated as follows: "In the absence of any Sec. 2(f) prima facie claim of secondary meaning or acquired distinctiveness pursuant to Rule of Practice 2.41 [i.e., 37 C.F.R. § 2.41], see Sec. 23 of Act (15 U.S.C. § 1091); Rule of Practice 2.47 [i.e., 37 C.F.R. § 2.47] as a possible remedy." Con. Opp. Exh. 3 at 10. Parsing this statement out, the Examining Attorney made two suggestions. First, EMI could have attempted to make a prima facie claim of secondary meaning under § 2(f) and 37 C.F.R. § 2.41, *or* EMI could have sought registration on the Supplemental Register, which is governed by Section 23 of the Lanham Act (15 U.S.C. § 1091) and 37 C.F.R. § 2.47. According to Rule of Practice 2.41(b), which Castro claims EMI "took advantage of" to create a "loophole," one way to show secondary meaning is to present evidence of "ownership of one or more prior registrations *on the Principal Register* . . . of the same mark," which "may be accepted as prima facie evidence of distinctiveness." (Emphasis added). The registration that Castro claims EMI used to "piggyback" under that Rule of Practice, namely Registration No. 1,187,239, was registered on the *Supplemental Register*, not the Principal Register, *see* Con. Opp. Exh. 3 at 13, so it could not have served as the basis for EMI to secure the '968 registration. Thus, the "mysterious" destruction of the underlying file for

¹ For purposes of this Motion to Dismiss, EMI respectfully requests that the Court take judicial notice of the Central District of California's opinion. Federal Rule of Evidence 201(b)(2); *see also* 21B Wright & Miller: Fed. Prac. & Proc. Evid. § 5106.4 (2d ed. 2010) (judicial records "are a source of 'reasonably indisputable accuracy' when they record some judicial action such as dismissing an action, granting a motion, or finding a fact.>").

the '239 registration is completely irrelevant, as that registration was not the basis for EMI's current '968 registration. Instead, the '968 registration was based on EMI's response pursuant to 37 C.F.R. § 2.41(a), which provides that an applicant "may in support of registrability, submit . . . in response to a request for evidence or to a refusal to register, affidavits . . . showing duration, extent and nature of use in commerce." EMI submitted such an affidavit, *see* Con. Opp. Exh. 6 at 27-28, and that affidavit was the basis for the '968 registration. There was no loophole. EMI simply complied with the rules and provided the proper evidentiary support for its claim of secondary meaning, and, as a result, succeeded in securing a proper trademark registration. Castro's entire premise that EMI has never shown secondary meaning is thus false, and cannot support any of his arguments.

B. Castro's Unconstitutionality Argument Fails Because His Trademark Is Commercial Speech and the Lanham Act Provisions Do Not Violate Any First Amendment Rights

As he did in his FAC, Castro's arguments conflate the narrow purpose of the Lanham Act, which regulates trademarks, and general principles of speech and fair use of words that also serve as trademarks. EMI's demand letter to Castro is very clear (despite Castro's argument to the contrary): EMI objects to Castro's use of the mark ENTREPRENEUROLOGY as a source identifier for his services. Nowhere in that letter does EMI state that Castro cannot use the word "entrepreneur" in a non-trademark manner. Castro ignores this reality, however, and argues at length that EMI is attempting to be the "gatekeeper" of this word and to "dictate" how others can and cannot use the word. Con. Opp. at 22. This argument is baseless. EMI has the right and obligation to protect its rights against people who are using a confusingly similar *trademark* in a manner that infringes EMI's rights. EMI cannot dictate this use; it can simply challenge it where appropriate. It is then up to a federal court or the USPTO to decide whether such use constitutes trademark infringement based on the provisions of the Lanham Act. The Lanham Act does not

prohibit or limit the use of words in a non-trademark sense, and only regulates commercial speech that is misleading or deceptive, which is not entitled to First Amendment protection. *See Central Hudson Gas & Electric Corp. v. Public Service Comm'n of New York*, 447 U.S. 557, 566, 65 L. Ed. 2d 341, 100 S. Ct. 2343 (1980) (“For commercial speech to come within [the First Amendment], it at least must concern lawful activity and not be misleading.”)

Castro premises his entire constitutional argument on the faulty premise that his trademark is “literary” use rather than commercial speech, because he uses it to market “*literary* goods and *literary* services.” Con. Opp. at 23 (emphasis in original). If Castro were using “EntrepreneurOlogy” solely as a book title, this argument might have some traction, but he is not. He uses ENTREPRENEUROLOGY as a mark for “conduct[ing] workshops and seminars for Fortune 500 companies” and selling “Boot Camp” training sessions. FAC ¶¶ 5.3-5.4. These are decidedly commercial enterprises for commercial gain, and do not involve literary endeavors. In addition, Castro filed his trademark applications in Class 41, which covers education and training, not Class 16, which covers books and printed materials. *See* FAC Exh. 1. Thus, Castro’s claim that his trademark is somehow literary use fails.

Castro’s use of his mark is also clearly commercial speech under Supreme Court precedent, which provides three factors indicating that speech is commercial: (1) the speech is an advertisement; (2) the speech relates to a specific product or service; and (3) the speaker has an economic motive for the speech. *Bolger v. Youngs Drug Products Corp.*, 463 U.S. 60, 66-67, 77 L. Ed. 2d 469, 103 S. Ct. 2875 (1983). By its very nature, a trademark is an advertisement, as its purpose is to communicate to consumers the source of a product being offered in commerce. 15 U.S.C. § 1127 (“The term “trademark” includes any word . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate

the source of the goods”). Moreover, Castro’s trademark is, by his own admission, related to the specific products of workshops, seminars and “boot camp” training sessions. Castro markets and sells these products to “Fortune 500 Companies” and others, so he indisputably has an economic motive for his trademark use. Thus, Castro’s ENTREPRENEUROLOGY mark is quintessential commercial speech, which is not subject to heightened First Amendment protection. *Central Hudson*, 447 U.S. at 562-63 (“The Constitution . . . accords a lesser protection to commercial speech than to other constitutionally guaranteed expression.”).

The Fifth Circuit’s decision in *Westchester Media v. PRL USA Holdings, Inc.*, is instructive. 214 F.3d 658 (5th Cir. 2000). That case involved the alleged infringer’s use of the mark POLO as a magazine title. The Fifth Circuit observed that:

In the usual Lanham Act case, the presence of a likelihood of confusion disposes of the issue of infringement. But this case is not so simple. PRL is not trying to enjoin a purely commercial use of the “Polo” mark. Rather, it is trying to prevent Westchester from using “Polo” as a title for a magazine. In so doing, PRL’s infringement claim implicates the First Amendment right to choose an appropriate title for literary works.

Id. at 664. Castro admits that he is not using the ENTREPRENEUROLOGY mark as a book or magazine title. Con. Opp. at 1, 23. Thus, he is not choosing a title for his literary works; he is selling workshop services for profit, a purely commercial use.

Commercial speech that is misleading receives no First Amendment protection. *Central Hudson*, 447 U.S. at 566. The purpose of the Lanham Act is to stop the misleading use of trademarks, namely, the use of those marks in such a way as to cause confusion as to the source of the goods/services offered under that mark. Because the use of trademarks is necessarily commercial speech, misleading use of those marks in violation of the Lanham Act is not protected speech under the First Amendment. Thus, Castro has no basis for asserting a First Amendment violation here. If use of his mark is likely to cause confusion with EMI’s mark, then Castro’s mark is entitled to no First Amendment protection. Castro’s constitutional

challenge accordingly fails.

Finally, Castro's attempts to limit his constitutionality challenge to §§ 1065 and 1115(b) of the Lanham Act are unavailing. Those two sections of the statute, unlike § 1116 (which permits a court to enjoin use of a confusingly similar mark), simply provide certain protections for a registered trademark. They have no provisions that restrict others' speech. Thus his argument is misplaced and should be dismissed.

C. Castro's Arguments Raise No Valid Basis to Support a Declaration that EMI's Registrations Are Not Incontestable

As demonstrated in EMI's Motion, EMI properly complied with the statutory requirements for incontestability, and the incontestable status of its registrations has been recognized by the Ninth Circuit. Notwithstanding this conclusive evidence, which Castro cannot overcome no matter what set of facts he alleges, his opposition brief still raises no valid arguments to support his claim. Castro's only argument in support of his claim is that he is the senior user of his ENTREPRENEUROLOGY mark. Con. Opp. at 32 ("The question here is - who is the 'senior user' as to Castro's marks? EMI admits that Castro is. Therefore, EMI does not have 'incontestable' status as to Castro's marks."). This argument is incomprehensible. Castro's "senior" use of *his* mark is irrelevant to the question of whether *EMI's* marks are incontestable, and Castro fails to explain how this is applicable, or provide a legal basis for this assertion. Accordingly, Castro has failed to provide any valid basis to support his claim (VII.B) and it should therefore be dismissed.

D. Castro Has Not Pleaded Attempted Monopolization and Cannot Plead It

The facts pleaded in the FAC do not support the allegation of attempted monopolization. The relevant facts alleged in the FAC and supporting documents are simple and straightforward: (1) EMI owns trademark rights in the mark ENTREPRENEUR, and (2) EMI sent Castro a

demand letter insisting that Castro withdraw his application to register the mark ENTREPRENEUR.ولوجY and cease use of the mark and domain name *entrepreneurology.com* because of confusing similarity to EMI's ENTREPRENEUR mark. In short, Castro alleges EMI has attempted to enforce its legitimate trademark rights by sending him a demand letter, an action EMI was entitled to take and which is protected from antitrust liability under the *Noerr-Pennington* doctrine. See *Prof'l Real Estate Investors v. Columbia Pictures Indus.*, 508 U.S. 49 (1993) ("*PRE*"). Castro has not, and cannot, allege that EMI has taken any actions beyond these. And these facts do not support a claim for attempted monopolization.

Notwithstanding Castro's repeated assertions that he has pleaded "very specific facts" to support his claim, no such actual facts appear in the FAC. Moreover, Castro's own legal conclusions and generalized repetition of the elements of the claims cannot pass for facts. "A plaintiff's obligation to provide the 'grounds' of his 'entitle[ment] to relief' requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007). Castro has not met his pleading burden, and thus his antitrust claims fail on the face of the FAC.

1. Castro Is Not Legally Excused from Having to Plead the Facts Adequately

Castro's various arguments are at best creative, but they are neither founded in the case law, nor relevant to this case. For instance, Castro argues that because the *Noerr-Pennington* doctrine is an affirmative defense, EMI cannot raise it in this Motion to Dismiss. Antitrust Opp. at 4 (Dkt. 20). This is not the law. The Fifth Circuit has held that *Noerr-Pennington* is an affirmative defense, but the cases Castro cites do not forbid raising an affirmative defense in a motion under Rule 12(b)(6). To the contrary, the Fifth Circuit has held: "a claim may also be dismissed if a successful affirmative defense appears clearly on the face of the pleadings." *Clark v. Amoco Prod. Co.*, 794 F.2d 967, 970 (5th Cir. 1986) (citing *Kaiser Aluminum & Chem. Sales*,

Inc. v. Avondale Shipyards, Inc., 677 F.2d 1045, 1050 (5th Cir. 1982)). Indeed, several district courts have dismissed complaints based on the *Noerr-Pennington* doctrine. *See, e.g., Love Terminal Partners, L.P. v. City of Dallas*, 527 F. Supp. 2d 538, 552 (N.D. Tex. 2007) (dismissing plaintiff's antitrust claims where "the protection afforded by *Noerr-Pennington* appears plainly on the face of plaintiff's complaint"); *Gaines v. Strayhorn*, No. A-06-CA-673 LY, 2007 WL 593584, *8 (W.D. Tex. Feb. 21, 2007) (report and recommendation, adopted by this Court, that substantive due process claims should be dismissed based on *Noerr-Pennington*).

Similarly, Castro asserts as a legal conclusion that EMI's trademark is "illegal" (and presumptively harmful to competition), because EMI was never required to show secondary meaning for its ENTREPRENEUR trademark. Antitrust Opp. at 2-3. This entire argument is baseless because Castro's premise is false. As explained above, EMI properly and legitimately secured its federal registration, and has, in fact, presented evidence of the mark's secondary meaning, evidence that was accepted by both the USPTO and a federal district court. *See* Section A above.

Furthermore, Castro's repeated citations to *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000), for the proposition that the Supreme Court "has already ruled that 'competition is deterred' by *threats of a lawsuit* that seeks to exclude others from using a common ordinary noun where there is no evidence that this noun has acquired a 'secondary meaning,'" is misplaced. Antitrust Opp. at 5 (original emphasis), 3, 9-10. *Wal-Mart* did not involve an incontestable mark such as EMI's, nor even a trademark in a "common ordinary noun," as Castro asserts. Rather, *Wal-Mart* involved a trade dress claim for a product design, and therefore the Supreme Court's holding is not applicable here.²

² Other cases cited by Castro for this proposition are similarly distinguishable because they do not involve incontestable marks. *See, e.g., Homemakers Home & Health Care Serv. v. Chicago Home for the*

Many of Castro's other arguments are likewise irrelevant, and unsupported in the law. In particular, Castro's brief includes sections asserting that "'Sham Litigation' is a Question of Fact," "Definition of 'the Market' is a Question of Fact," and "Intent Can Be Proven by Circumstantial Evidence." Antitrust Opp. at 8, 10. Even if true, these arguments are beside the point and not disputed in EMI's Motion to Dismiss. Castro has presented no specific facts to support his assertions that EMI's efforts to protect its incontestable mark constitute sham litigation, that EMI and Castro compete in the same alleged relevant market, or that EMI has specific intent to monopolize that market. Thus, without supporting facts, Castro's antitrust claims cannot survive a 12(b)(6) motion.

2. The FAC Does Not State a Claim for Attempted Monopolization

To overcome the Motion to Dismiss, Castro's antitrust claims must adequately plead the elements of a claim for attempted monopolization under § 2 of the Sherman Act, namely: "(1) that the defendant has engaged in predatory or anticompetitive conduct with (2) a specific intent to monopolize and (3) a dangerous probability of achieving monopoly power." *Spectrum Sports, Inc. v. McQuillan*, 506 U.S. 447, 456 (1993). Castro has not satisfied any of these requirements in the FAC, and his opposition arguments do not change that fact.

First, EMI's alleged "pattern of threats and lawsuits," FAC ¶ 7.51, to enforce its incontestable ENTREPRENEUR mark is immune from prosecution under the antitrust laws. *PRE*, 508 U.S. at 65-66 (finding copyright owner's suit to enforce its intellectual property rights immune from a charge of attempted monopolization under *Noerr*). Castro has not – and cannot – allege that EMI's legal actions taken to protect its trademark constitute sham litigation outside

Friendless, 484 F.2d 625 (7th Cir. 1973) (service mark lacking incontestable status); *Peaceable Planet, Inc. v. Ty, Inc.*, 362 F.3d 986 (7th Cir. 2004) (suggestive mark without incontestable status); *Teleflora, Inc. v. Florists Transworld Delivery Ass'n*, 217 U.S.P.Q. (BNA) 1081, *1 (TTAB 1981) (mark without incontestable status).

the scope of protection under *Noerr-Pennington*. Castro has pleaded no facts that might make up a “pattern,” nor facts to support a claim that EMI’s assertion of its rights is “objectively baseless,” nor facts to support an assertion that no reasonable litigant in EMI’s position could realistically expect to prevail in the alleged lawsuits. Indeed, as noted in the Motion to Dismiss, EMI has in fact prevailed in earlier suits to enforce this same mark and thus has every reason to believe it will prevail in the instant action.

Second, Castro has not alleged any conduct capable of producing a monopoly, let alone suggesting a “dangerous probability” that EMI will monopolize his proposed relevant market. Both the Supreme Court and Fifth Circuit have recognized that trademarks are pro-competitive and do not confer upon the owner a monopoly. *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 99 (1918) (“[A] trademark confers no monopoly whatever in a proper sense”); *Standard Oil Co. v. Humble Oil & Refining Co.*, 363 F.2d 945, 954 (5th Cir. 1966) (“A product has not won on its own merit if the real reason the public purchases it is that the public believes it is obtaining the product of another company.”) Castro’s allegations that EMI may achieve a monopoly through enforcement of its trademark are therefore untenable.

Third, and for similar reasons, Castro has not pleaded any facts to support the assertion that EMI possesses the specific intent to monopolize any relevant market. Rather, Castro points to EMI’s legal actions taken to protect its legitimate intellectual property rights as itself conclusive evidence of specific intent to monopolize. FAC ¶ 7.52. Because trademarks do not confer monopolies, actions taken to enforce them cannot be construed as efforts to monopolize. Castro has accordingly failed to allege “enough facts to state a claim to relief that is plausible on its face,” *Twombly*, 550 U.S. at 570, and thus his antitrust claims (Claims VII.G and X) should be dismissed without leave to amend.

E. Castro's Request for Declaratory Relief of Non-Infringement Must Be Dismissed Because Castro Has Not Alleged a Cognizable Claim

In response to EMI's Motion to Dismiss his Section VII.D claim seeking a declaration of non-infringement, Castro has asserted an untenable legal position in arguing that his allegations are not subject to a 12(b)(6) motion. Castro claims that EMI cannot attack his claims "on the merits" and cites to *Jones v. Greninger*, 188 F.3d 322 (5th Cir. 1999), as support. Non-Infringement Opp. at 1 (Dkt. 21). That case involved a motion for judgment on the pleadings, not a motion to dismiss, and says nothing about a claim being decided on the merits in a 12(b)(6) motion. Castro also claims that, because fair use is an affirmative defense to an infringement claim, it is "not subject to a 12(b)(6) motion." *Id.* at 7. Castro provides no case citation to support this meritless statement. These positions, in addition to being unsupported by the law, are contrary to the purpose of a motion to dismiss. Rule 12(b)(6) is designed to weed out claims that cannot ultimately be supported by any set of facts. When Castro misconstrues the law of trademark infringement as the basis of his claim for declaratory relief, that claim can properly be dismissed under Rule 12(b)(6) because no set of facts would ever establish that claim.

Castro's Claim VII.D expressly seeks a declaration of "non-infringement." FAC at 13. It is unclear from Castro's arguments, and accompanying dismissal of some of his claims, what exactly he is still seeking, as he claims to have dismissed some portions of this claim but not others. Castro appears to still seek a declaration that his use of the *entrepreneurology.com* domain name is not infringement based on fair use. This claim fails because the fair use doctrine only applies to terms used in a descriptive, non-trademark sense. *See* 15 U.S.C. § 1115(b)(4). Castro's domain name incorporates his entire trademark, and points to a website that advertises his trademark. This domain name is just one of many ways Castro uses his trademark as a source identifier. In addition, the fair use provision of the Lanham Act only protects use of a

word to describe the alleged infringer's goods or services. Castro admits that his ENTREPRENEUROLOGY mark is a coined term that never existed before and is fanciful. FAC ¶¶ 5.8, 5.10. Thus this term cannot describe his goods and services in a fair use manner, because this word, according to Castro, is meaningless and made-up. Accordingly, the fair use doctrine does not apply to Castro's mark or domain name.

Castro also seeks a declaration that he is allowed to use the term "entrepreneur" in a non-trademark manner in his articles, books, presentations, seminars and workshops. Non-Infringement Opp. at 8. This is an improper use of the Declaratory Judgment Act, which is only to be used when there is an "actual controversy" that must be resolved by the court. 28 U.S.C. § 2201. Castro has not, and cannot, allege any set of facts that raises a justiciable controversy as to his use of the word "entrepreneur" in a non-trademark manner. EMI's letter to Castro only objected to his trademark and domain name, both of which are trademark uses. There is no actual controversy about any other of Castro's uses of the word. Accordingly, Castro's claims seeking a declaration of non-infringement and allowable use (Claim VII.D) should be dismissed.

F. Castro's Arguments Confirm That His Request for a Declaration of No Unfair Competition Does Not Sufficiently State a Claim

Castro's claim in Section VII.F seeks a declaration of no unfair competition under 15 U.S.C. § 1125, but provides no allegations or information as to what type of unfair competition claim this section is supposed to cover. Section 1125 of the Lanham Act is a lengthy and comprehensive statutory provision that covers numerous different types of conduct. Subsection (a) alone addresses common law trademark infringement, false advertising, false designation of origin and false endorsement. Since Castro's claim contains no specific allegations about any of these offenses, the claim does not adequately plead a cognizable claim for relief. His opposition brief confirms this conclusion. Castro argues that § 1125 involves false advertising, and lists the

required elements of such a claim. Unfair Comp. Opp. at 2 (Dkt. 23). His FAC, however, does not allege a single one of those elements. Nor does his FAC allege any facts to support his assertion that EMI has threatened a false advertising claim against him. Because his unfair competition claim (Claim VII.F) is so inadequately pled as to be unclear as to what Castro is even referring to, it must be dismissed.

G. Castro’s Claim for Unclean Hands Fails Because EMI Has Not Acted in Bad Faith

The only conduct that Castro has alleged to support his unclean hands defense, as confirmed in his opposition brief, is that EMI sent him and others demand letters alleging trademark infringement. Unfair Comp. Opp. at 9-10. Castro asserts that sending these letters was in “bad faith” because EMI did it “knowing it has never actually proven to any federal agency that or any judicial body that the consuming public automatically associates [ENTREPRENEUR] with [EMI].” *Id.* at 10. As discussed above in Section A, this premise is false. None of EMI’s conduct alleged in the FAC was in bad faith or unconscionable, as required to establish an unclean hands defense. Accordingly, Castro’s unclean hands claim (VII.H) should be dismissed.

H. Castro’s Reverse Domain Name Hijacking Fails By His Own Admission and Because EMI Has Not Violated the Antitrust Laws

Castro argues that EMI “moved to dismiss the wrong claim” in making its arguments as to Castro’s reverse domain name hijacking claim (Section X), and then proceeds to discuss in some detail the elements of a claim for violation of the Anti-Cybersquatting Consumer Protection Act (ACPA). Castro, however, has a separate claim for relief seeking a declaration that he has not violated the ACPA (Section IX), which EMI did not challenge in its Motion to Dismiss, so his arguments appear to be misplaced. Castro’s reverse domain name hijacking claim specifically alleges that EMI “is abusing the ACPA.” FAC ¶ 10.10. The ACPA has a

remedy for such alleged abuse, found at § 1114(2)(D)(v). Castro essentially admits that he cannot adequately allege a claim under § 1114(2)(D)(v), and so his claim should be dismissed. Hijacking Opp. at 2 (“EMI makes a very persuasive argument for why the Lanham Act does not support such a cause of action.”) (Dkt. 22).

Castro then makes the confusing argument that his reverse domain name hijacking claim is, in fact, his “very unique brand of antitrust violations.” Hijacking Opp. at 2. If that is the case then his hijacking claim fails for all of the reasons discussed above as to his other antitrust claims. Castro has not, and cannot, allege predatory or anticompetitive conduct, specific intent to monopolize, or a dangerous probability of achieving monopoly power. His hijacking claim (Section X) should therefore be dismissed on this ground as well.

III. CONCLUSION

For the foregoing reasons, EMI requests that Castro’s claims addressed above be dismissed without leave to amend.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on January 18, 2011, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system which will send notification of such filing to the following:

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