

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

**Daniel R. Castro  
Plaintiff**

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v.

**CIVIL ACTION NO: 10CA695**

**ENTREPRENEUR MEDIA, INC.  
Defendant**

**CASTRO’S MOTION FOR LEAVE TO AMEND COMPLAINT**

Now Comes Plaintiff, Daniel R. Castro (“Castro”) and files this Motion To Leave Amend Complaint to dismiss, and would show unto the Court as follows.

**I. NATURE OF THE CASE**

1.1 This is a declaratory judgment action only. Castro does not seek damages, but merely a declaration of his right to use ONE single word, “entrepreneurology.” There are three different presentations of this word. (1) EntrepreNeurology; (2) EntrepreneurOlogy; and (3) Entrepreneur.Ology. This word is spelled exactly the same in each of those three different instances. Only the capitalization and punctuation differs.

1.2 There are three different legal uses of that word that require a resolution from this Court.

1.3 First, Castro’s right to use of that word (in all three presentations) as a trademark, *which has already been granted to him* by the United States Patent and Trademark Office (USPTO) Registration No. 3,663,282.

1.4 Second, Castro’s right to use that word (in all three presentations) as descriptor solely to describe Castro’s books, articles, keynote speeches, workshops and seminars.

1.5 Third, Castro's right to use that word as a domain name:

www.entrepreneurology.com, which he properly acquired AFTER receiving his trademark certificate from the USPTO.

1.6 In his First Amended Complaint, Castro did not make it clear that all three of these uses were at issue before the Court and that he needed resolution of all three.

1.7 Therefore, Castro has submitted this Second Amended Complaint for the purpose of clarifying and expanding upon the facts and the law under which he seeks relief.

1.8 Castro also seeks leave to add new, never before pled, claims.

1.9 Castro also seeks leave to add new, never before pled, facts in support of those new claims.

1.10 Castro also seeks leave to add the new, never before pled, facts, the very facts which were missing from the claims this Court dismissed, in its order granting EMI's Rule 12(b)(6) Motion.

## II. LEAVE TO AMEND IS TO BE "FREELY GRANTED"

2.1 Rule 15(a) is unequivocal – "leave shall be freely given when justice so requires." For this reason, the Fifth Circuit's standard for dealing with motions for leave to amend is that there is a "strong bias in favor of granting leave to amend." *See Hernandez v. IKON Office Solutions, Inc.*, 306 Fed. Appx. 180, 182 (5<sup>th</sup> Cir. 2009). The Fifth Circuit has also held that "prejudice is the touchstone of the inquiry under Rule 15(a)." *Lone Star Ladies Investment Club v. Schlotzsky's, Inc.*, 238 F.3d 363, 368 (5<sup>th</sup> Cir. 2001). This motion for leave to amend is early enough in the process that it will not prejudice EMI in any way. EMI has not yet filed its answer. No discovery has taken place. There is not even a scheduling order in place. If the opposing party cannot show how it would be prejudiced, it is an abuse of discretion to deny leave

to amend. *Id.*; see also *United States of America ex rel. v. Cardinal Health, Inc.*, 2010 U.S. App. LEXIS 22656, at \*19, 20 (5<sup>th</sup> Cir. 2010).

2.2 Leave can also be denied if the opponent can show that the amendment is being attempted “for undue delay or dilatory motive on the part of the movant, repeated failure to cure deficiencies, undue prejudice to the opposing party, or the futility of a proposed amendment.” See *Rosenblatt v. United Way of Greater Houston*, 607 D.3d 413, 419 (5<sup>th</sup> Cir. 2010).

2.3 Here, EMI cannot show that any of these reasons exist for denying leave to amend. This is not a case where the plaintiff has had multiple opportunities to amend as in *Price v. Pinnacle Brands, Inc.*, 138 F.3d 602, 607-08 (5<sup>th</sup> Cir. 1998). Although this will be the second time Castro amends, the first time was as a matter of right, without leave of court under Rule 15(a). Moreover, the First Amended Complaint did not have the benefit of a Rule 12(b)(6) motion by EMI or an order from this court pointing out deficiencies.

2.4 EMI has undoubtedly pointed out a few weaknesses in the existing complaint, which Castro intends to correct, not on every claim that was dismissed, but only as to a few specific claims, which are discussed below.

### **III. THE NEW CLAIMS THAT HAVE NEVER BEFORE BEEN PLED**

3.1 The new, never before filed, claims are at pages 21 through 36 and at pages 67 through 70 of the attached Second Amended Complaint. Again, there is no prejudice to the Defendant because EMI has not yet filed an answer or counterclaims, there is no scheduling order in place, no discovery has occurred, and no deadlines have passed.

3.2 The new facts are found in the Statement of Facts, and may be found at pages 3 through 20 of the attached Second Amended Complaint. These new facts are also repeated and sprinkled throughout the Second Amended Complaint. There are also many new and very

specific facts alleged in support of several previously filed claims. Those facts may be found at pages 37 through 67. The newly alleged facts do not prejudice EMI in any way.

#### IV. CLAIMS THAT ARE STILL “LIVE”

4.1 Castro has also added a substantial amount of detailed and specific facts to “shore up” his still active claims which have not yet been challenged by EMI, and which have not been dismissed by this Court. In light of this Court’s ruling granting EMI’s Rule 12(b)(6) motion, Castro found it necessary to add a substantial amount of factual detail to these claims out of an abundance of caution.

4.2 Those “still active” claims that have newly supporting facts can be found at pages 37 through 48 of the attached Second Amended Complaint.

#### V. THE CLAIMS THAT ARE BEING RE-URGED

5.1 **Constitutional Claim:** Castro recognizes that the Court did not give him credit for the extensive and detailed facts and exhibits set forth in his Response to EMI’s Rule 12(b)(6) motion because they were not set forth in Castro’s Complaint itself. Nor was the Court required to do so.

5.2 However, because the Court found that Castro pled insufficient facts to support claim that the two subsections of the Lanham are unconstitutional as applied, Castro has pled several pages of very detailed and specific facts, supported by exhibits, that will thoroughly support his constitutional claim. Those facts are found both in the Statement of Facts (pages 3-20) and at pages 51-67 of the attached Second Amended Complaint.

5.4 More specifically, Castro wishes to amend for the purpose of setting forth more specific factual and legal reasons why the “incontestable” provisions of the Lanham Act are unconstitutional as applied. The Second Amended Complaint sets forth both the “strict scrutiny”

and “intermediate scrutiny” tests and show factually and specifically WHY the “incontestable” provisions of the Lanham Act fail both. This is what was missing from the First Amended Complaint.

5.2 Castro wishes to amend his Complaint to make it more clear that he is not seeking a judicial declaration that the entire Lanham Act is unconstitutional as applied, but only two very specific subsections of the Lanham Act.

5.4 This is the first time Castro has had to correct his Complaint in light of the deficiencies pointed out by EMI and this Court. Therefore, this is not a situation where Castro has already had multiple “bites at the apple” and has still failed to state sufficient facts. Therefore, there is no legal reason why Castro should not be allowed to amend.

5.5 Because Castro’s constitutional claim is a case of first impression and will have precedential effect on trademark law forever, it would be a tragedy for the Court not to at least hear this claim and issue a ruling on the merits.

5.5 **Unenforceability of EMI’s Trademarks.** In its Rule 12(b)(6) motion, EMI pointed out that Castro’s “unclean hands” defense was merely a restatement of his Antitrust claims. Castro has now abandoned his Antitrust claims. In its place, Castro wishes to provide the Court with very specific and detailed facts that support a more traditional “unclean hands” defense.

5.6 Therefore, Castro has pled several pages of new facts that will thoroughly support a traditional “unclean hands defense” as found by the U.S. Supreme Court in the following three Supreme Court cases. *Pyrodyne Corp. v. Pyrotronics*, 847 F.2d 13198, 1402 (9<sup>th</sup> Cir. 1988)(equitable defenses can be used to stop the enforcement of so called “incontestable” trademarks); and *Precision Instrument Mfg. v. Automotive Maintenance Machinery*, 324 U.S. 806, 814 (1945); and *Morton Salt v. G.S. Suppiger*, 314 U.S. 488, 494 (1942). Those facts can

be found in the Statement of Facts (pages 3-20) and at pages 48 through 51 of the Second Amended Complaint.

5.7 Again, this is the first time Castro has had to correct the deficiencies in his Complaint – in light of the Court’s ruling.

5.8 It would be a tragedy for this court to dismiss Castro’s equitable defenses to the enforceability of EMI’s trademarks when discovery has not yet occurred and no evidence has yet been presented to the court.

5.9 Once the Court has read the egregious facts alleged in the Statement of Facts and at the above referenced pages, it is Castro’s hope that the Court will at least allow discovery to proceed on the two above-referenced claims.

**VI. EMI WILL NOT BE PREJUDICED**

EMI will not be prejudiced by the amendment because it this case is just now getting started. EMI has not filed its answer. No discovery had been conducted. There is not even a scheduling order in place.

WHEREFORE, Castro respectfully requests that the Court grant his Motion For Leave to Amend.

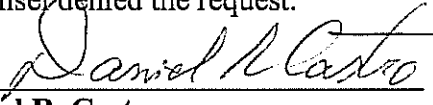
Respectfully Submitted,  
**CASTRO & BAKER, LLP**

By: 

Daniel R. Castro  
State Bar No. 03997390  
7800 Shoal Creek Blvd.  
Suite 100N  
Austin, Texas 78757  
phone: (512) 732-0111  
fax: (512) 732-0115

**CERTIFICATE OF CONFERENCE**

The undersigned hereby certifies that he attempted to obtain the agreement of opposing counsel to this motion, but opposing counsel denied the request.

  
\_\_\_\_\_  
**Daniel R. Castro**

**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of this pleading was filed with the Clerk of the Court using CM/ECF system, which will send a notification of a Notice of Electronic Filing to the following counsel of record on May 25, 2010:

	William G. Barber Pirkey Barber, LLP 600 Congress Avenue, Suite 2120 Austin, Texas 78701
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**Daniel R. Castro**

**IN THE UNITED STATES DISTRICT COURT  
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**Defendant**

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**CIVIL ACTION NO:  
A:10-CA-695-LY**

**ORDER GRANTING MOTION FOR LEAVE TO  
FILE SECOND AMENDED COMPLAINT**

Before the Court is Plaintiff's Motion For Leave to File Second Amended Complaint. The Court having considered the motion, and all responsive pleadings, is of the opinion that the Motion should be granted.

ACCORDINGLY, IT IS ORDERED that the clerk of the court shall file stamp the Second Amended Complaint and include this item as one of the live pleadings in the docket sheet for this case.

Plaintiff shall have up to and including May \_\_\_\_, 2011 to file its response to the Second Amended Complaint.

Signed and executed this \_\_\_\_ day of May 2011.

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The Honorable Lee Yeakel