

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

**Daniel R. Castro**  
**Plaintiff**

v.

**ENTREPRENEUR MEDIA, INC.**  
**Defendant**

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**CIVIL ACTION NO: 10CA695**

**SECOND AMENDED ORIGINAL COMPLAINT**

Pursuant to FRCP 15, Daniel R. Castro, comes forth and files this First Amended Original Complaint against entrepreneur Media, Inc., and for cause of action, would show unto the Court as follows:

**I. SUBJECT MATTER JURISDICTION AND VENUE**

1.1 Plaintiff is seeking a declaration of rights with respect to federal trademark laws, the First Amendment of the United States Constitution and the Anticybersquatting Consumer Protection Act.

1.2 This Court's jurisdiction over this matter is proper pursuant to 28 USC §§ 1331, 1332 and 1338(a)(b), and pursuant to 15 U.S.C. § 1121(a)(Trademarks), 28 U.S.C. 2201 (Declaratory Judgment Act).

1.3 Venue is proper in this judicial district pursuant to 28 USC §1391 (b)(c), and 28 U.S.C. § 1392, in that Defendant is a corporation that is subject to personal jurisdiction in this district, and because a substantial part of the events or omissions giving rise to the claims occurred in this district, and the property that is the subject of this action is located in this district.

## **II. PERSONAL JURISDICTION**

2.1 This Court has personal jurisdiction over the defendant because: (a) the defendant's contacts with the State of Texas are continuous and systematic; and (b) the defendant purposefully directs its activities to the residents of the State of Texas and plaintiff's cause of action arises out of, or is related to the defendant's contacts with the State of Texas.

2.2 Defendant markets and sells magazines in bookstores and news stands throughout Texas, including this District.

2.3 Defendant does business over the internet by entering into contracts with Texas residents, which contracts involve the knowing and repeated transmission of computer files over the internet.

2.4 Moreover, defendant's website is sufficiently interactive and commercial in nature to justify personal jurisdiction in that it processes credit cards, sells monthly subscriptions to its Texas users, allows subscribers to download articles, and provides e-mail addresses and links for customer service problems.

## **III. THE PARTIES**

3.1 Plaintiff is Daniel R. Castro, is an award-winning author, and professional keynote speaker/trainer residing in Travis County, Texas.

3.2 Defendant is Entrepreneur Media, Inc. a California corporation, doing business all over the world via the internet, and selling magazines throughout the United States, including Texas, and may be served with process by serving its registered agent, Ronald L. Young at his office address at: 2445 McCabe Way Suite 400, Irvine, California 92614.

## **IV. PROCEDURAL POSTURE**

4.1 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.

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

4.3 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.

4.4 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.

4.5 Third, Castro’s right to use that word as a domain name:

[www.entrepreneurology.com](http://www.entrepreneurology.com), which he properly acquired AFTER receiving his trademark certificate from the USPTO.

4.6 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.

4.7 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.

## V. FACTS

5.1 Castro is an award-winning author, a professional keynote speaker/trainer and seminar leader, as well as a small business owner in Austin, Texas. He is currently

working on his second book<sup>1</sup>, which has a working title of “Anatomy of the Entrepreneur’s Brain.” Castro has conducted approximately five years of research into the lives of legendary entrepreneurs throughout history, and is currently interviewing modern day, currently living entrepreneurs in support of his book.

5.2 Castro also writes articles on the subject of entrepreneurs and entrepreneurship for free distribution in print magazines, business journals and online distribution through Ezines.<sup>2</sup>

5.3 Castro often gives keynote presentations and conducts seminars and workshops for Fortune 500 companies on the topic of entrepreneurs, innovation and entrepreneurship. Some of Castro’s clients include IBM, Dell, Inc., Northwestern Mutual Insurance, the American Red Cross, The City of Austin, The State of Texas Comptroller, the U.T. School of Law, and the U.S. Military (“Wounded Warriors Transition Unit”).

5.4 As of the time of this writing, the sole and exclusive use of the registered trademark “EntrepreNeurology” is for a private, by invitation only, online discussion group between lawyers and entrepreneurs. Membership is free. Therefore, there are no profits to disgorge.

5.6 Before Castro obtained a registration of his trademark, he began using the word “entrepreneurology” as a descriptor to describe what he was doing. For example, before his second book even had a working title, when people asked what the second book was about, Castro’s response was, “The book is about entrepreneurology. It’s about the anatomy of the entrepreneur’s brain.” In August 2009, the USPTO granted Castro the Registered Trademark No. 3,663,282 for the mark “EntrepreNeurology.” See Exhibit 1.

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<sup>1</sup> Castro’s first book, CRITICAL CHOICES THAT CHANGE LIVES, won a few awards and is now selling all over the world.

<sup>2</sup> An “Ezine” is an online magazine usually distributed via email or via websites.

- 5.7 According to the USPTO Trademark Manual of Examining Procedure 1209.01, Fanciful, arbitrary, and suggestive marks, often referred to as “inherently distinctive” marks, are registrable on the Principal Register without proof of acquired distinctiveness. See TMEP §1209.01(a).
- 5.8 The TMEP 1209.01(a) also provides:
- “Fanciful marks comprise terms that have been invented for the sole purpose of functioning as a trademark or service mark. Such marks comprise words that are either unknown in the language (e.g., PEPSI, KODAK, and EXXON) or are completely out of common usage (e.g., FLIVVER).”
- 5.9 This puts the word “EntrepreNeurology” in the same category of other such “inherently distinct” words as EXXON, KODK, PEPSI, and NIKE.
- 5.10 When Castro applied for the trademark, he made no claim of exclusive use of any particular font, style, size, color, capitalization or punctuation.
- 5.11 Accordingly, the United States Patent and Trademark Office (USPTO) granted this mark as a “word mark,” not as a “design mark” in accordance with Trademark Manual of Examining Procedure (TMEP) 807.03; and 37 C.F.R. 2.52(a).
- 5.12 If the USPTO had issued Castro’s trademark as a “design mark,” the Examining Attorney would have been required to ask Castro for a description of the colors, design, size, fonts, etc. in accordance with TMEP 808; and 37 C.F.R. 2.37; and 37 C.F.R. 2.52 (b)(5).
- 5.13 The Examining Attorney never made any such request.
- 5.14 Instead, the USPTO statement on the Registration Certificate attached as Exhibit 1, states “The mark consists of standard characters without claim to any particular font, style, or color.” See Exhibit 1.
- 5.15 The USPTO Trademark Manual of Examining Procedure 807.03(e) states, “When the applicant submits a standard character, the mark shown in the drawing does not

necessarily have to appear in the same font style, size or color as the mark shown in the specimen of use.”

5.16 Because the USPTO granted him a “word mark” and not a “design mark,” Castro is entitled to use any font, style, size, capitalization, or lower case, or color the letters that spell the word, “entrepreneurology” in the promotion of his goods and services.

5.17 The graphical version of that mark that Castro has used in his printed materials is as follows:



[NOTE: the first half of the word “entrepre” is in green; the word “neurology” is in bright orange; the name “Dan Castro” is in sky blue]

5.18 In addition, the USPTO’s grant of Castro’s trademark registration as a standard character word mark means that it granted him the right to capitalize the “O” in the word, as follows: “EntrepreneurOlogy.”

5.19 In addition, the USPTO’s grant of Castro’s trademark registration as a standard character word mark means that it granted him the right to add punctuation within the word without significantly altering the commercial impression of the mark. See Trademark Policy of Examining Procedure 807.14(c).

5.20 Therefore, Castro was lawfully within his trademark rights to add the “dot” before the letter “O” in the word as follows: “Entrepreneur.Ology.” See Trademark Policy of Examining Procedure 807.14(c).

5.21 The Trademark Examining Attorney, Nicholas A. Coleman, who was assigned to review Castro’s trademark application was required by law to make a determination as to whether Castro’s proposed trademark was “confusingly similar” to any registered other marks.

5.22 If Coleman had found that Castro’s proposed trademark was “confusingly similar” to any other registered trademarks, he would have been required to reject Castro’s application.

5.23 Because Coleman found that Castro’s mark was not “confusingly similar” to any other registered trademark, he issued a statement that said, **“The examining attorney has searched the Office’s database of registered and pending marks and has found no conflicting marks that would bar registration under Trademark Act Section 2(d). 15 USC 1052(d); TMEP 704.02.”** A true and correct copy of this statement issued by the Examining Attorney is attached as Exhibit 3.

5.24 After the Examining Attorney published Castro’s mark in the Official Gazette for opposition, EMI did not challenge the mark as “confusingly similar,” or claiming to have “priority of use” of that mark.

5.25 Castro’s Registration Certificate was officially issued on August 4, 2009 for the word “entrepreneurology” as a “word mark” without limitation as to design, font, size of letters, or color. See Exhibit 1.

5.26 The class under which the USPTO granted Castro's original registration number 3,663,282 is Class 41, "For conducting workshops and seminars in innovation and strategic planning."

5.27 Although the USPTO granted Castro a "word mark" with no restrictions as to design, out of an abundance of caution, on March 20, 2010, Castro applied for a separate trademark for a second presentation of *the exact same word*, this time with the "O" capitalized and a "dot" in the middle, as follows: "Entrepreneur.Ology." This application was pending as Serial No. Serial No. 77964153 (for Entrepreneur.Ology)

5.28 In addition, on September 29, 2010, Castro also submitted his application for trademark registration of *the exact same word* without the "dot" in the middle, as follows: "EntrepreneurOlogy to the U.S. Patent and Trademark Office. This application was pending as Serial No. 85141548 (for Entrepreneur.Ology).

5.29 However, on June 29, 2011, Castro submitted to the Trademark Trial and Appeal Board (TTAB) a notice of Express Abandonment of application serial number 77964153 and serial number 85141548. Therefore, all claims (both those filed by EMI and those filed by Castro) related to those two applications are now moot.

5.30 The Defendant, EMI, does not claim ownership of the marks EntrepreneurOlogy, Entrepreneur.Ology, or EntrepreNeurology. Indeed, it never has.

5.31 Castro is the "senior user" of the three marks: (1) EntrepreNeurology; (2) EntrepreneurOlogy; and (3) Entrepreneur.Ology.

5.32 After acquiring Registration No. 3,663,282, Castro purchased the domain name [www.entrepreneurology.com](http://www.entrepreneurology.com), created a website.

5.33 In his printed materials, Castro gave the word "entrepreneurology" the following meaning:



“The study of HOW entrepreneurs think; WHY they can make money in any economy; HOW they assess risk; HOW they survive and prosper with very little resources; WHY they can see opportunities that are invisible to others; HOW they bounce back from financial crisis; HOW they make millions during severe recession and depression; HOW they foster innovation and creativity in themselves and their teams.”

5.34 As previously stated, there are three different uses of that one word which require a ruling by this court: (1) as a trademark; (2) as a descriptor; and (3) as a domain name.

5.35 EMI claims ownership of the noun ‘entrepreneur’ and operates a magazine under that mark.

5.37 However, the Ninth Circuit has already ruled that, “EMI cannot have the exclusive right to use the word ‘entrepreneur’ in any mark identifying a printed publication addressing subjects related to entrepreneurship.” *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1143 (9<sup>th</sup> Cir. 2002). Therefore, the Ninth Circuit has already blessed the USPTO’ issuance of a trademark to Castro for the word “entrepreneurology.”

5.38 The word “entrepreneur” is a word of French origin.

5.39 The word “entrepreneur” is a word which has existed in the public domain for hundreds of years before EMI, or its founders, even existed.

5.40 The Oxford English Dictionary defines “entrepreneur” as “one who undertakes an enterprise; one who owns and managers a business; a person who takes the risk of profit or loss.” The Compact Oxford English Dictionary 522 (2d ed. 1991).

5.41 EMI does not claim that it coined the word “entrepreneur.”

5.42 EMI’s mark “entrepreneur” is a “word mark” not a “design mark.”

5.43 As such, EMI’s trademark does not grant it protection of any specific color scheme, stylized lettering, a logo or any graphic images at all. It merely *allegedly* protects the common everyday noun “entrepreneur.”

5.44 EMI does not claim that the word “entrepreneur” qualifies as “fanciful” or “inherently distinct” or “arbitrary” under the Lanham Act.

5.45 Unlike Castro’s mark, which is “inherently distinct,” the attached Registration No. 1,453,968 shows very clearly that EMI’s word “entrepreneur” was granted protection under Section 2(f) as a mark that was “merely descriptive,” but that has obtained “acquired distinction” over time. See Exhibit 4.

5.46 An application under Section 2(f) is an admission that the mark is NOT “inherently distinct.” See *In re Reed, Elsevier Properties, Inc.*, 77 U.S.P.Q.2D 1649, 1651 (TTAB 2005); *Yamaha International Corp. v. Hoshino Gakki Co.*, 840 F.2d 1571 (Fed. Cir. 1988).

5.47 EMI has never produced evidence to the U.S. Patent and Trademark Office that consumers automatically associate the word “entrepreneur” exclusively with the provider of ANY specific goods or services as required by the Lanham Act. The facts below explain why.

5.48. A quick search in the USPTO’s database of registered trademarks yields 152 currently registered trademarks with some version of the word “entrepreneur” in them.

5.49 This means that 152 separate Examining Attorneys found “no likelihood of confusion” 152 separate times for a variety of uses of the word “entrepreneur.”

5.50 This makes it legally impossible for EMI to prove that the consuming public automatically associates the word “entrepreneur” exclusively with ONE single provider of any product or service.

5.51 Despite this overwhelming evidence of NON-exclusivity, EMI claims (without any supporting evidence) that the relevant consuming public automatically associates the word “entrepreneur” exclusively with any ONE provider of goods and services.

5.52 Recently, EMI filed a Complaint For Declaratory Judgment to a federal district court in California explaining that evidence of NON-exclusive use of the phrase “entrepreneur of the year” deprived Ernst & Young, LLP of the claim that the consuming public associated that phrase with one single provider. See para. 17, 20 and 26 of Exhibit 5.

5.53 This undercuts any argument EMI may make in this case that the consuming public associates the word “entrepreneur” with EMI or its magazine or website.

5.54 In fact, the original Examining Attorney rejected EMI’s application for the word “entrepreneur” because it was a common noun and was “merely descriptive” of EMI’s products and services in violation of 15 U.S.C. 1052 (e). See Exhibit 6 (Notifying EMI that, “Registration is refused on the Principal Register because the mark, when applied to the goods, is considered to be merely descriptive thereof”).

5.55 The Examining Attorney suggested that EMI attempt to prove that the mark had obtained “acquired distinction” or “secondary meaning” under Section 2 (f). *Id.* Because this was legally impossible, EMI took advantage of a loophole provided by Trademark Rule 2.41(b), which allows the owner of a previously registered “same mark” to piggy back on that previous mark. 37 CFR 2.41(b). *Id.*

5.56 Under Rule 2.41(b), all EMI had to do was show that it had acquired the rights to the previously issued Registration No. Registration No. 1,187,239, which had been issued to a convicted felon named John Leonard Burke.

5.57 Because he was a convicted felon, Mr. Burke went under the following aliases: Chase Revel, Chase Ricardo Revel, Chase R. Revel, John c. Revel, Jaques Victor Baron, Marcus Wellburn, James Welburn, Martin Wellner, John Megenhorn.

5.58 The United States District Court for the Western District of California has issued a Final Order in which it noted that the alias “Chase Revel” is not John Leonard Burke’s real name, and that Burke has gone under the above aliases. A true and correct copy of the Final Order is attached as Exhibit 7. Mr. Burke also signed his name on this Final Order above each of these aliases as an admission that he had used each of these names. Id.

5.59 According to the PTO website archives, the entire history of how Mr. Burke obtained the original registration for the trademark “entrepreneur” *has been destroyed* and is no longer available for review or analysis. See Exhibit 8.

5.60 In fact, the entire record in the U.S. Patent and Trademark office is devoid of any evidence that the relevant consuming public automatically associates the word “entrepreneur” exclusively with one, single provider of any goods or services.

5.61 Years later, EMI acquired the rights to that first trademark (Registration No. 1,187,239) from Mr. Burke.

5.62 Rule 2.41(b) allowed EMI to submit nothing more than an affidavit claiming ownership of that previous mark and a statement of continued and exclusive use for five years. EMI submitted that affidavit on January 13, 1986.

5.63 The Examining Attorney approved the publication of the mark and allowed the official registration of the mark, giving it the Registration No. 1,453,968, without any evidence that the relevant consuming public associates the word “entrepreneur” exclusively with any one, single provider of goods or services.

5.64 As a result, EMI has never been required to submit any evidence to the USPTO that the consuming public had come to associate the word “entrepreneur” with the publisher of a

magazine because, by EMI's own admission, it was not required to do so. See page 3,4 of EMI's Reply to Castro's Response to Rule 12(b)(6) Motion.

5.65 The issue of whether the word "entrepreneur" has attained "secondary meaning" was not before the trial court in *EMI v. Smith*, or before the Ninth Circuit in *Smith v. EMI*. See *Entrepreneur Media, Inc. v. Smith*, 2004 U.S. Dist. LEXIS 2408 (June 23, 2004, U.S. District Court Central District of California); and *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135 (9<sup>th</sup> Cir. 2002).

5.66 In fact, the Ninth Circuit ruled that the issue of "secondary meaning" was irrelevant on the facts of the case, stating:

This distinction has little relevance here, however, because the incontestable status of EMI's mark serves as conclusive proof that the mark has "secondary meaning." ***Smith cannot, therefore, defend on the ground that EMI's mark is descriptive and without secondary meaning,*** and thus entitled to no trademark protection at al. *EMI v. Smith*, 279 F.3d 1135, 1142, n. 3 (9<sup>th</sup> Cir. 2002)(emphasis added).

5.67 No evidence was presented to the trial court in *EMI v. Smith*, or to the Ninth Circuit in *Smith v. EMI*, on the issue of "acquired distinctiveness" or "secondary meaning" because EMI used the "incontestable" provisions of the Lanham Act to keep it out.

5.68 It is therefore, disingenuous for EMI to now claim that any such evidence was admissible, or that the trial court issued a specific ruling that the consuming public associates the word "entrepreneur" exclusively with one, single provider of goods or services. Yet, EMI has already made this representation to the Court. See page 2 of EMI's Reply to Castro's Response to Rule 12(b)(6) Motion.

5.69 In its Reply to Castro's Response to Rule 12(b)(6) Motion, EMI argued that the Ninth Circuit's ruling on the relative weakness or strength of its mark was actually a

ruling on the issue of “secondary meaning.” But the Ninth Circuit actually ruled that the issue of “secondary meaning” was irrelevant. See first line of the above quote.

5.70 The quote from the Ninth Circuit above makes it clear that, because EMI’s mark had “incontestable” status, the court was required to presume that the mark had “secondary meaning.” *Id.* But the Ninth Circuit did not have before it, evidence of the fact that EMI only obtained this status by taking advantage of a loophole in the Lanham Act, and not by proving that the consuming public associates the word “entrepreneur” exclusively with one, single provider of any particular goods or services.

5.71 At the trial court level, Smith did make a cursory mention of the fact that the noun “entrepreneur” was generic. However, this pleading does not contain any request that the court cancel EMI’s trademark on that basis. Attached to this motion is Smith’s last live pleading for the court’s convenience. See Exhibit 9.

5.72 Ultimately, EMI moved for summary judgment on its infringement claims against Smith and prevailed. In Smiths’ appeal of the summary judgment to the Ninth Circuit, he abandoned his “genericness” defense by not raising it as one of the appeal points and by not presenting any argument on the issue or identifying any evidence in the trial court record on the issue of genericness of the noun “entrepreneur.”

5.73 It is elementary law that any issues not raised on appeal are waived. See Fed. R. App. P. 28(a)(4) *Zuccarello v. EXXON*, 756 F.2d 402, 407-408 (5<sup>th</sup> Cir. 1985)(issues not presented to the court of appeals in the appellate briefs are waived for failure to comply with Rule 28(a)(4)); and *McGruder v. Necaise*, 733 F.2d 1146, 1148 (5<sup>th</sup> Cir. 1984 (“We will not consider issues not briefed.”)).

5.74 Smith's appellate brief attached hereto as Exhibit 10 demonstrates that he never provided any briefing on the issue of "genericness" issue on appeal<sup>3</sup> and never identified any evidence in the trial court's record below in support of "genericness." Therefore, the Ninth Circuit did not have pending before it any arguments or evidence from the record below to support an opinion (either way) on the issue of genericness.

5.75 Nevertheless, in defiance of these elementary principles of law, ("We will not consider issues not briefed"), the Ninth Circuit opined on an issue that was not before it. In a footnote, the Ninth Circuit rendered an illegal advisory opinion stating that it thought the noun "entrepreneur" was not generic. *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135 (9<sup>th</sup> Cir. 2002). The Ninth Circuit did not have any facts upon which to render this opinion.

5.76 For example, the Ninth Circuit did not consider the fact that the noun "entrepreneur" was generic long before EMI started using it. It did not consider that the noun "entrepreneur" is a word of French origin that is several hundred years old. It did not consider that EMI has never presented any evidence to the USPTO that the relevant market of consumers does not automatically associate the word "entrepreneur" exclusively with the provider of any specific product or service as required by the Lanham Act.

5.77 In creating the Lanham Act, Congress determined that the only "marks" that would receive protection in the Lanham Act were marks that were capable of effectively identifying the maker of a specific good or service as the *single, exclusive source* of that good or service.

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<sup>3</sup> Smith's appellate brief briefly mentions in the "summary of argument" that the trial court ignored his generic argument, but he never goes on to provide any briefing explaining why the noun "entrepreneur" is generic, or why the court erred in ignoring it. He also did not identify any evidence in the trial court's record showing that the word was generic. According to the Fifth Circuit precedent cited above, this constitutes waiver.

*See Aloe Cream Labs v. Milson, Inc.*, 423 F.2d 845, 849 (5<sup>th</sup> Cir. 1970)(requiring proof that the consuming public associates the mark “with a single thing coming from a single source”); *Department of Parks & Recreation v. Bazaar Del Mundo, Inc.*, 448 F.3d 1118, 1128 (9<sup>th</sup> Cir. 2006)(holding that “the chief inquiry [for secondary meaning] is directed towards the consumer’s attitude about the mark in question: does it denote to him a single thing coming from a single source”). In order for a mark to receive the protection of the Lanham Act, there must be an automatic, instinctive association in the minds of the consuming public that the mark designates a single, exclusive provider of the product or service (even if they can’t identify the maker by name). *Id*; see also *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 380 (7<sup>th</sup> Cir. 1976); *General Motors Corp. v. Lanard Toys, Inc.*, 468 F.3d 405, 418 (6<sup>th</sup> Cir. 2006). *Two Pesos v. Taco Cabana*, 505 U.S. 763, 768 (1992). If the mark in question is not capable of distinguishing a particular good or service as being provided by a single, exclusive source, it is illegal to grant the owner of that mark a monopoly on the use of the word. *See Teflora, Inc. v. Florists Transworld Delivery Ass’n*, 217 U.S.P.Q.2d 1081, 1083 (TTAB 1981)(“Because the term Easter basket is the common descriptive name for a bouquet in a basket for Easter, it cannot be a trademark subject to monopolization by FTD under the federal trademark laws or at common law.”)

5.78 In its Reply to Castro’s Response to EMI’s Rule 12(b)(6) Motion, EMI has admitted that it submitted nothing more than an affidavit of “continued use” to the USPTO - without any evidence that the relevant consuming public associates the word “entrepreneur” with the publisher of a magazine. See pages 3, 4 of EMI’s Reply to Castro’s Response to Rule 12(b)(6) Motion. As it stands now, there is still no evidence anywhere in the USPTO’s archives that the relevant consuming public associates the



word “entrepreneur” exclusively with a single provider of any specific good or service. EMI is incapable of denying this fact.

5.79 Indeed, it is legally impossible for EMI to prove that the relevant consuming public associates the word “entrepreneur” exclusively with a single provider of any specific good or service because the USPTO has issued at least 152 separate trademarks to various owners of trademarks using some variation of the word “entrepreneur” in the trademark. The Ninth Circuit did not consider that the USPTO has issued 152 separate trademarks to various owners with some variation of the word “entrepreneur” in them.

5.80 EMI has a habit of representing to this court and the public that the Ninth Circuit actually ruled that the consuming public associates the “entrepreneur” exclusively with one single provider of a specific good or service. See page 2 of EMI’s Reply to Castro’s Response to Rule 129b)(6) Motion. However, the Ninth Circuit itself ruled that the issue of “secondary meaning” was irrelevant on the facts of the Smith case, stating:

This distinction *has little relevance here*, however, because the incontestable status of EMI’s mark serves as conclusive proof that the mark has “secondary meaning.” Smith cannot, therefore, defend on the ground that EMI’s mark is descriptive and without secondary meaning, and thus entitled to no trademark protection at al. *EMI v. Smith*, 279 F.3d 1135, 1142, n. 3 (9<sup>th</sup> Cir. 2002)(emphasis added).

5.81 In its Reply to Castro’s Response to Rule 12(b)(6) Motion, EMI argued that the Ninth Circuit’s ruling on the relative weakness or strength of its mark was actually a ruling on the issue of “secondary meaning.” But the Ninth Circuit actually ruled that the issue of “secondary meaning” was irrelevant. See first line of the above quote. EMI is very well aware that the relative weakness or strength of a mark is a totally separate and distinct legal issue from the issue of whether the consuming public associates the mark exclusively with a single provider of a specific good or service. *Miss World, Ltd. v. Miss*

*America Pageants, Inc.*, 856 F.2d 1445, 1449 (9<sup>th</sup> Cir. 1988)(“incontestable status does not alone establish a strong mark”).

5.82 The quote from the Ninth Circuit in the *Smith* case above makes it clear that, because EMI’s mark had “incontestable” status, the court was required to presume that the mark had “secondary meaning.” *Id.* But if Scott Smith had preserved the issue of genericness and presented the Ninth Circuit with a trial record that thoroughly fleshed out the facts on genericness, the Ninth Circuit could have cancelled the trademark regardless of its presumed “secondary meaning” and “incontestable” status. An “incontestable” mark that becomes generic may be cancelled at any time pursuant to 15 U.S.C. §1064(3).

5.83 But the Ninth Circuit did not have before it any briefing or any evidence on the issue of genericness. The Ninth Circuit also did not have any evidence of the fact that EMI only obtained its trademark by taking advantage of a loophole in the Lanham Act, and not by proving that the consuming public associates the word “entrepreneur” exclusively with one, single provider of any particular goods or services.

5.84 In its footnote, the Ninth Circuit also did not analyze any of the well-known six factors for determining whether a word is “generic.” See McCarthy on Trademarks and Unfair Competition, 12:1 (4<sup>th</sup> ed. 1997)(and cases cited therein).

5.85 The Ninth Circuit also did not consider the fact that EMI constantly uses the term “entrepreneur” in its ordinary, generic sense multiple times in its own magazine (and has done so for 30 years), and that this fact alone is grounds for cancelling the trademark. See *Ty, Inc. v. Jones Group, Inc.*, 98 F.Supp.2d 988, 994(N.D. Ill. 2000)(trademark owner’s own use of the word was “generic”); *Loglan Institute v. The Logical Language Group, Inc.*, 98 F. 2d 1038, 1041 (Fed. Cir. 1992)(trademark owner’s own use of the word was “generic”); *Self Realization Fellowship Church v. Ananada Church of Self-*

*Realization*, 59 F.3d 902, 906-07 (9<sup>th</sup> Cir. 1995)(trademark owner’s own use of the word was “generic”).

5.86 It also did not consider Justice Stevens well-known dissent in *Park-N-Fly* expounding on the absurd result of enforcing a trademark that did not qualify for trademark protection to begin with. See *Park ‘N Fly v. Dollar Park and Fly*, 469 U.S. 189, 210, 213, 214 (1985)(J. Stevens, dissenting).

5.87 It also did not consider the well-known Supreme Court holding in *Kellogg v. NABISCO*, explaining that 30 years of marketing and advertising and \$17 million dollars spent cannot save a common noun from being declared “generic.” See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 119 (1938)(“Shredded wheat” will always be “shredded wheat” despite the fact that the trademark owner unwisely spent \$17 million and thirty years trying to market, advertise and brand the generic term.)

5.88 Scott Smith also did not present the Ninth Circuit with Judge Learned Hand’s very well-known opinion in the *Bayer Aspirin* case, in which he stated:

The single question, as I view it, in all these cases, is merely one of fact: What do the buyers understand by the word for whose use the parties are contending? If they understand by it only the kinds of goods sold, then, I take it, it makes no difference whatever what efforts the plaintiff has made to get them to understand different. He has failed.  
*Bayer Co. v. United Drug Co.*, 272 F. 404, 509 (D.C.N.Y. 1921).

5.89 Despite the above very elementary law, EMI has been trying to impress this court with the amount of time and money it spent marketing its brand – under the mistaken belief that time and money can save a word that started out generic from being declared generic once again.

5.90 More significantly, EMI has been improperly using the Ninth Circuit’s opinion as a sword, and sending out hundreds of letters to entrepreneurs throughout the country

falsely representing that the Ninth Circuit has already ruled that the word “entrepreneur” is a valid trademark. Indeed, it sent one of these “cease and desist” letters to Castro in September of 2011. It is only because Castro is an experienced litigation attorney that he was able to spot EMI’s deception and bring it to this court’s attention.

5.91 Again, EMI has never produced any evidence to the U.S. Patent and Trademark Office that consumers automatically associate the word “entrepreneur” exclusively with the publisher of a magazine because by EMI’s own admission, it was not required to do so. See pages 3, 4 of EMI’s Reply to Castro’s Response to Rule 12(b)(6) Motion.

5.92. In contrast to EMI’s mark, Castro’s mark “EntrepreNeurology” has the privilege of being “inherently distinct” in accordance with TAMP 1209.01, and 1209.01(a), and *Test Masters Educational Services, Inc. v. Test Masters Educational Services, Inc.*, 428 F.3d 559, 566 (5<sup>th</sup> Cir. 2005).

5.93 After the Examining Attorney published Castro’s mark for opposition, EMI never challenged Castro’s application for the trademark “EntrepreNeurology” because even EMI did not think there was any “likelihood of confusion.”

5.94 There is no likelihood of confusion between the word “EntrepreNeurology” and “entrepreneur” because the word “EntrepreNeurology” emphasizes the word “Neurology” and the average consumer does not even see the word “entrepreneur.”

See graphic below:



5.95 The word “Neurology” is designed to highlight the neurological aspects of Castro’s soon to be published book called “Anatomy of the Entrepreneur’s Brain.”

5.96 Moreover, the above graphic clearly displays the name “Dan Castro” above the mark to emphasize its point of origin. This is “Dan Castro’s Entrepreneurology.” A true and correct copy of the printed material bearing this graphic, which Castro has used to market his goods and services is attached as Exhibit 2.

5.97 Castro has never made any reference to Defendant’s magazine, and has never done anything to imply that his products or services have any affiliation with Entrepreneur magazine, or are sponsored by Entrepreneur magazine.

5.98 No person or entity has ever given Castro money for any product or service because they thought he was endorsed by or affiliated with Entrepreneur Magazine.

5.99 Moreover, Castro does not market or sell a print or online magazine of any kind. He simply writes books and articles on the subject of entrepreneurs and entrepreneurship for free distribution in print magazines, business journals, websites and online Ezines, and provides keynote presentations on the topic of entrepreneurship.

5.100 Castro does not make a dime (nor does he attempt to) from the publication of these articles. Castro's first book, CRITICAL CHOICES THAT CHANGE LIVES, has is not even about entrepreneurship.

5.101 On September 7, 2010, counsel for EMI faxed Castro a "cease and desist" letter claiming that it owns a trademark on the mark "entrepreneur." See Exhibit 11.

5.102 In the same letter, EMI threatened to sue Castro if he did not give up rights to the mark "Entrepreneur.Ology" and the domain name: [www.entrepreneurology.com](http://www.entrepreneurology.com). EMI gave Castro a deadline of September 21, 2010 to give up these valuable property rights. See Exhibit 11.

5.103 EMI knew, when it sent the letter that the USPTO had already granted him a permission to use the word "entrepreneurology" in any way, shape or form he chose, as Registration No. 3,663,282. See Exhibit 1.

5.104 EMI's letter to Castro misrepresented the law in the Anticybersquatting Consumer Protection Act 15 U.S.C. 1125(d) in an illegal attempt to coerce Castro into turning over his valuable property interest in the domain name: [www.entrepreneurology.com](http://www.entrepreneurology.com).

5.105 Specifically, EMI told Castro that he had no right to own the above referenced domain – despite the fact that the U.S. Patent and Trademark Office had already granted Castro a trademark in the mark "entrepreneurology" and granted him Registration Number 3,663,282.

5.106 EMI also completely ignored the fact that the Ninth Circuit had already blessed the USPTO's grant of Castro's trademark. The Ninth Circuit held, "EMI cannot have the exclusive right to use the word 'entrepreneur' in any mark identifying a printed publication addressing subjects related to entrepreneurship." *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1143 (9<sup>th</sup> Cir. 2002).

5.107 EMI also was on constructive notice that the USPTO's grant of Registration No. 3,663,282 was granted as a "word mark" with "standard characters" and was not limited by any font, size, color, design, capitalization or punctuation.

5.108 EMI knew when it sent Castro its cease and desist letter that Castro's ownership of the registered trademark EntrepreNeurology would defeat any claim it brought under the Anticybersquatting Consumer Protection Act ("ACPA"). 15 U.S.C. 1125(d) because ownership of a trademark with the same spelling gave Castro the right to register the domain name [www.entrepreneurology.com](http://www.entrepreneurology.com).

5.109 EMI also misrepresented the Ninth Circuit's opinion in *Smith v. EMI* by claiming that the Ninth Circuit had already ruled in its favor on the same facts.

5.110 The facts of the instant case are dramatically different from the facts of the *EMI v. Smith* case because Castro is only using a Registered Trademark that he actually owns, and which is "inherently distinct" under TAMP 1209.01, and 1209.01(a), and which is a "word mark" without limitation as to font, size, design, color, capitalization, or punctuation.

5.111 EMI's letter never informed Castro that he was free to use the noun "entrepreneur" and derivations thereof to describe his goods and services.

5.112 EMI's letter never informed Castro that Castro the First Amendment protected his right to use the common noun "entrepreneur" in its literary sense in his articles, books, keynote speeches and workshops.

5.113 EMI's "cease and desist" letter makes absolutely no reference to any specific instance of "confusion" in the market place caused by Castro's use of the word "entrepreneurology" (in any of its three presentations).

5.114 EMI's "cease and desist" letter makes absolutely no reference to any specific instance of deliberate, or accidental "deception" by Castro.

5.115 EMI's "cease and desist" letter makes absolutely no reference to any specific instance of "dilution" in the market place caused by Castro's use of the word "entrepreneurology."

5.116 EMI's "cease and desist" letter makes absolutely no reference to any specific attempt by Castro to imply affiliation with, endorsement by or sponsorship by Entrepreneur Magazine.

5.117 EMI's "cease and desist" letter makes absolutely no reference to any profits lost by EMI or gained by Castro due to consumer confusion.

5.118 EMI sent its "cease and desist" letter knowing that Castro was the senior user of the marks "EntrepreneurOlogy," "Entrepreneur.Ology" and "EntrepeNeurology."

5.119 EMI sent its "cease and desist" letter knowing that Castro does not publish a magazine of any kind.

5.120 EMI sent its "cease and desist" letter knowing that it had never even challenged Castro's original trademark application back in 2009 when it was published for opposition.

5.121 In fact, EMI waited until approximately nine months after Castro filed this lawsuit to challenge his already registered trademark. EMI finally filed a Petition to Cancel with the TTTAB on May 27, 2011.

5.122 As stated in the Procedural Posture section of this pleadings, Castro does not use the word "entrepreneurology" solely and exclusively as a trademark. He also uses it to describe his second book and what he teaches.



5.123 Castro wants to be able to continue using this word to describe his goods and services. For example, even without the legal ownership of a trademark, Castro seeks guidance from this court as to whether his marketing materials may lawfully state, “Dan Castro teaches entrepreneurology,” or “Dan Castro’s book is about entrepreneurology.” *See New Kids on the Block v. News America Publishing Inc.*, 971 F.2d 302, 306 (Ninth Circuit 1992)(“The ‘fair use’ defense in essence, forbids a trademark registrant to appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods.”)

5.124 When used as a descriptor or in its literary sense, this word “entrepreneurology” constitutes either “non-commercial” speech or (at most) “mixed speech” as explained by the U.S. Supreme Court in *See Riley v. National Federation of Blind, Inc.*, 487 U.S. 781, 796, (1988)(“Thus where, as here, the component parts of a single speech are ‘inextricably intertwined,’ we cannot parcel out the speech, applying one test to one phrase and another test to another phrase. Such an endeavor would be both artificial and impractical”).

5.125 EMI claims that its trademark on the word “entrepreneur” is incontestable under 15 U.S.C. § 1065, a claim which Castro challenges in this action.

5.126 It is because of EMI’s threats of litigation that an actual controversy exists between Castro and EMI over the right to use the word “entrepreneur” (in all three of its presentations) in three different ways: (1) as a trademark; (2) as a descriptor; and (3) as a domain name: [www.entrepreneurology.com](http://www.entrepreneurology.com).

## VI. STANDING

6.1 Castro has standing to bring this action because an actual, justiciable, and substantial controversy of sufficient immediacy and reality exists between the parties over Castro’s right to use the word “entrepreneurology” (in all three of its presentations),

without limitation as to a certain font, size, color, design, capitalization or punctuation; and the domain name www.entrepreneurology.com, and because EMI has threatened legal action against Castro if he does not cease and desist from using the word “entrepreneurology.”

## VII. CAUSES OF ACTION

### A. **DECLARATION THAT CASTRO’S REGISTERED TRADEMARK NO. 3,663,282 WAS PROPERLY GRANTED.**

7.1 All of the facts presented in the Statement of Facts already demonstrate why the USPTO’s grant of Castro’s Registration No. 3,663,282 was proper and are incorporated herein by reference. However, additional reasons are as follows:

7.2 The Ninth Circuit has already blessed the USPTO’s grant of Castro’s trademark by stating, “EMI cannot have the exclusive right to use the word ‘entrepreneur’ in any mark identifying a printed publication addressing subjects related to entrepreneurship.” *Smith*, 279 F.3d at 1143.

7.3 Moreover, the USPTO has already granted at least 152 other registered trademarks with some variation of the word “entrepreneur” in them. See Exhibit 12.

7.4 EMI recently argued that Ernst & Young, LLP could not selectively enforce its trademark by allowing hundreds of other to use the phrase “entrepreneur of the year” and singling out an individual competitor (in that case EMI) that it wished to prevent from competing against it. See para. 20 of EMI’s Complaint For Declaratory Judgment attached as Exhibit 5 (“Defendants cannot selectively enforce their trademark against parties they consider a competitive threat.....”).

7.5 Therefore, EMI has judicially admitted that it is improper for it to single out Castro to selectively enforce its trademark against.

7.6 In addition, the USPTO properly granted Castro's trademark for the following reasons:

7.7 The USPTO properly granted Castro's trademark because it is "inherently distinct" in accordance with TMEP 1209.01 and 1209.01(a).

7.8 The USPTO properly granted Castro's trademark because he is the single, exclusive user of the registered trademark "EntrepreNeurology" and is using that mark in commerce to market his goods and services. A quick search in the USPTO database shows not one other registered trademark using any variation of that word.

7.9 The USPTO also properly granted Castro's trademark because it found no "likelihood of confusion."

7.10 In fact, the Examining Attorney assigned to Castro's application specifically stated: **"The examining attorney has searched the Office's database of registered and pending marks and has found no conflicting marks that would bar registration under Trademark Act Section 2(d). 15 USC 1052(d); TMEP 704.02."** A true and correct copy of this statement issued by the Examining Attorney is attached as Exhibit 3.

7.11 Therefore, Castro seeks a judicial declaration that the USPTO properly granted him a trademark for the word "EntrepreNeurology" as Registration No. 3,663,282.

**B. DECLARATION THAT CASTRO'S REGISTERED TRADEMARK NO. 3,663,282 IS "INHERENTLY DISTINCT."**

7.12 Castro seeks a judicial declaration that his mark Registered as No. 3,663,282 is "inherently distinct" in accordance with TMEP 1209.01, and 1209.01(a).

7.13 If Castro's mark were not "inherently distinct," the Examining Attorney would have been required to ask Castro for proof of its "acquired distinction" in accordance with 15 U.S.C. 1052(f).

7.14 No such request was ever made, and Castro provided no such proof.

7.15 Yet the Examining Attorney issued the Registered Trademark anyway. It is elementary that an “inherently distinct” trademark may be registered without proof of “secondary meaning.” See 15 U.S.C 1052, 1053; and *Fuddrucker, Inc. v. Doc’s B.R. Other’s, Inc*, 826 F.2d 837, 843 (9<sup>th</sup> Cir. 1987).

7.16 This mark is graphically presented in Castro’s printed materials as follows:



7.17 This mark is designed to highlight the word “neurology” in keeping with Castro’s soon to be published book, “Anatomy of the Entrepreneur’s Brain.”

7.18 When the reasonably prudent consumer sees this mark, they don’t even see the word “entrepreneur.” See Exhibit 2.

7.19 Moreover, this mark clearly displays the name “Dan Castro” above the mark to emphasize it’s point of origin. This is “Dan Castro’s Entrepreneurology.” It is elementary that when determining “distinctness” the Court must examine the mark in its entirety – as it appears in the marketplace,” not as it is registered. *Filipino Yellow Pages, Inc. v. Asian Journal Publications, Inc.* 198 F.3d 1143, 1150 (9<sup>th</sup> Cir. 1999).

7.20 There is no reference or implication that “Entrepreneurology” is affiliated with or is endorsed by “Entrepreneur Magazine.”

7.21 Castro is the single, exclusive user of the registered trademark “EntrepreNeurology” and is using that mark in commerce to market his goods and services. A quick search in the USPTO database shows not one other registered trademark using any variation of that word.

7.22 In fact, the Examining Attorney assigned to Castro’s application specifically stated: **“The examining attorney has searched the Office’s database of registered and pending marks and has found no conflicting marks that would bar registration under Trademark Act Section 2(d). 15 USC 1052(d); TMEP 704.02.”** A true and correct copy of this statement issued by the Examining Attorney is attached as Exhibit 3.

7.23 In contrast, the undisputed evidence shows that the USPTO granted at least 152 people the right to use some variation of the word “entrepreneur.” See Exhibit 12.

7.24 This court is authorized to rule, as a matter of law, that Castro’s mark is “inherently distinct.” See *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 139-40 (1905)(holding that the defendant’s name and trademark “were not intended or likely to deceive” because the defendant used the hyphenated name "Remington-Sholes Company" in a way "that “clearly differentiated” its products from the plaintiff’s brand "Remington Standard Typewriter Company”); *Brown Chemical Co. v. Meyer*, 139 U.S. 540, 544-45 (“Not only do defendants' bottles differ in size and shape from those of the plaintiff, but their labels and cartons are so dissimilar in color, design and detail that no intelligent person would be likely to purchase either under the impression that he was purchasing the other”).

7.25 Therefore, Castro seeks a judicial declaration that Castro’s mark is “inherently distinct” in accordance with TMEP 1209.01, and 1209.01(a)

**C. DECLARATION THAT CASTRO IS THE SENIOR USER OF THE MARK “ENTREPRENEUROLOGY”**

7.26 The facts presented in the Statement of Facts already demonstrate that Castro is the senior user of the word “entrepreneurology”, and are incorporated herein by reference.

7.27 EMI has never challenged this fact.

7.28 Therefore, Castro seeks a judicial declaration that Castro is the senior user of the word “entrepreneurology” (in all three of its presentations).

**D. JUDICIAL DECLARATION THAT CASTRO’S OWNERSHIP OF THE TRADEMARK REGISTRATION NUMBER 3,663,282 AS A “STANDARD CHARACTER MARK” ALLOWS HIM TO USE ANY VARIATION OF THAT MARK WITHOUT REGARD TO ANY PARTICULAR FONT, STYLE, SIZE, CAPITALIZATION, COLOR, OR PUNCTUATION.**

7.29 Castro’s Registration No. 3,663,282 clearly shows verbiage that the USPTO granted Castro the right to use any variation of that word he so chose. See Exhibit 1.

7.30 The USPTO statement on the Registration Certificate attached as Exhibit 1, states “The mark consists of standard characters without claim to any particular font, style, or color.” See Exhibit 1.

7.31 The USPTO Trademark Manual of Examining Procedure 807.03(e) states, “When the applicant submits a standard character, the mark shown in the drawing does not necessarily have to appear in the same font style, size or color as the mark shown in the specimen of use.”

7.32 The Rule goes on to state: “If the examining attorney determines that the standard characters are displayed in a distinctive manner that changes the meaning or overall commercial impression of the mark, the examining attorney must process the drawing as a special form drawing, and require the applicant to delete the standard character claim.”

Id.

7.33 The Examining Attorney never required Castro to delete his “standard character” claim because the standard characters displayed did not “change the meaning or overall commercial impression of the mark.”

7.34 Because the USPTO granted him a “standard character” mark (also called a “word mark”) and not a “design mark,” Castro is entitled to use any font, style, size, capitalization, or lower case, or color the letters that spell the word, “entrepreneurology” in the promotion of his goods and services.

7.35 For example, the USPTO’s grant of Castro’s trademark registration as a standard character word mark means that it granted him the right to capitalize the “O” in the word, as follows: “EntrepreneurOlogy.

7.36 Therefore, Castro also seeks a judicial declaration that he can legally capitalize the letter “O” in the word “entrepreneurology” without the necessity of an additional trademark.

7.37 In addition, the USPTO’s grant of Castro’s trademark registration as a standard character word mark means that it granted him the right to add punctuation within the word without significantly altering the commercial impression of the mark. See Trademark Policy of Examining Procedure 807.14(c) (“**Punctuation, such as quotation marks, hyphens, periods, commas, and exclamation marks generally does not significantly alter the commercial impression of the mark.**” See, e.g., *In re Litehouse, Inc.*, 82 USPQ2d 1471 (TTAB 2007) and cases cited therein. See also *In re Promo Ink*, 78 USPQ2d 1301, 1305 (TTAB 2006)).

7.38 More importantly, the Ninth Circuit has already ruled that, “EMI cannot have the exclusive right to use the word ‘entrepreneur’ in any mark identifying a printed publication addressing subjects related to entrepreneurship.” *Smith*, 279 F.3d at 1143.

7.39 Therefore, Castro also seeks a judicial declaration that he can legally add the “dot” before the letter “O” in the word as follows: “Entrepreneur.Ology” – without the necessity of an additional trademark.

**E. DECLARATION OF “NO LIKLIHOOD OF CONFUSION”**

7.40 The facts presented in the Statement of Facts already demonstrate no “likelihood of confusion” and are incorporated herein by reference. However the additional facts also demonstrate no “likelihood of confusion.”

7.41 The Ninth Circuit has already ruled that, “EMI cannot have the exclusive right to use the word ‘entrepreneur’ in any mark identifying a printed publication addressing subjects related to entrepreneurship.” *Smith*, 279 F.3d at 1143. If the Ninth Circuit had thought that the granting of additional trademarks to third parties that incorporated the word “entrepreneur” was “likely to confuse” the public as to the source of origin for a product, it would have granted EMI exclusive rights to use the word. Instead, it did the opposite. It liberated the word for the USPTO to grant trademarks to people who properly applied for them and satisfied all the requirements to obtain registration. Castro is one such person.

7.42 In fact, the USPTO has properly granted at least 152 trademarks to other people who use some variation of the word “entrepreneur” in their mark. See Exhibit 12.

7.43 The fact that Castro’s already registered trademark No. 3,663,282 is “inherently distinct” itself is sufficient to demonstrate that there is no “likelihood of confusion” between the two marks.

7.44 The graphic below itself shows that Castro’s trademark was designed to highlight the word “neurology” in keeping with the title of Castro’s soon to be published book “Anatomy of the Entrepreneur’s Brain.”





7.45 This graphic clearly shows the name “Dan Castro” to emphasize the point of origin. This is “Dan Castro’s Entrepreneurology.” It is elementary that when determining the “likelihood of confusion” the Court must examine the two marks “in their entirety and as they appear in the marketplace,” not as they are registered. *See Goto.com, Inc. v. The Walt Disney Company*, 202 F.3d 1199, 1206 (9<sup>th</sup> Cir. 2000); *Filipino Yellow Pages, Inc. v. Asian Journal Publications, Inc.* 198 F.3d 1143, 1150 (9<sup>th</sup> Cir. 1999).

7.46 Castro is the single, exclusive user of the registered trademark “Entrepreneurology.” The sole, exclusive use that Castro is making of that trademark is for a private, by invitation only, online discussion group between attorneys and entrepreneurs. Membership is free.

7.47 Castro is also the senior user of the registered trademark “Entrepreneurology.”

7.48 Castro has never represented to the public or any single person or entity that his goods or services were affiliated with or endorsed by or sponsored by Entrepreneur Magazine.

7.49 No person or entity has ever given Castro money for any product or service because they thought he was endorsed by or affiliated with Entrepreneur Magazine.

7.50 The Examining Attorney's own published statement confirms that there is no other registered or pending mark that is confusingly similar to Castro's mark. See Exhibit 3.

7.51 As a result, this court is authorized to rule, as a matter of law, that Castro's mark is so "inherently distinct" that there is no likelihood of confusion between his mark and EMI's mark. See *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 139-40 (1905)(holding that the defendant's name and trademark "were not intended or likely to deceive" because the defendant used the hyphenated name "Remington-Sholes Company" in a way "that "clearly differentiated" its products from the plaintiff's brand "Remington Standard Typewriter Company"); *Brown Chemical Co. v. Meyer*, 139 U.S. 540, 544-45 ("Not only do defendants' bottles differ in size and shape from those of the plaintiff, but their labels and cartons are so dissimilar in color, design and detail that no intelligent person would be likely to purchase either under the impression that he was purchasing the other").

7.52 Therefore, Castro seeks a judicial declaration that there is no "likelihood of confusion" between his Registered Trademark No. 3,663,282 for "EntrepreNeurology" and EMI's mark "entrepreneur."

**F. DECLARATION THAT CASTRO IS NOT USING THE WORD "ENTREPRENEUROLOGY" WITH THE INTENT TO CONFUSE OR INTENT TO DECEIVE**

7.53 The facts presented in the Statement of Facts already demonstrate that the word "entrepreneurology" (in all three of its presentations) is not inherently deceptive and that Castro has never used that word with intent to confuse or deceive, and are incorporated herein by reference.

7.54 The Ninth Circuit already absolved Castro of any "intent to confuse or deceive" when it stated, "EMI cannot have the exclusive right to use the word 'entrepreneur' in

any mark identifying a printed publication addressing subjects related to entrepreneurship.” *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1143 (9<sup>th</sup> Cir. 2002).

7.56 The USPTO has also already absolved Castro of any “intent to confuse or deceive” by granting him Registered Trademark No. 3,663,282, and by telling him he could use present the word “entrepreneurology” in any design, color, capitalization or punctuation he desires.

7.57 Moreover, there is no evidence of subjective intent to deceive. In his application for trademark registration, Castro submitted the following statement to the USPTO – under penalty of perjury:

The undersigned, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both under 18 U.S.C. 1001, and that such willful false statements, and the like, may jeopardize the validity of the application or any resulting registration, declares that he/she is properly authorized to execute this application on behalf of the applicant; **he/she believes the applicant to be the owner of the trademark/service mark** sought to be registered, or, if the application is being filed under 15 U.S.C. 1051(b), he/she believes applicant to be entitled to use such mark in commerce; **to the best of his/her knowledge and belief**, no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof, or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, **to cause confusion, or to cause mistake, or to deceive**; and that all statements made of his/her own knowledge are true; and that all statements made on information are believed to be true.

See Exhibit 13.

7.58 Castro has never represented to the public or any single person or entity that his goods or services were affiliated with or endorsed by or sponsored by Entrepreneur Magazine.

7.59 No person or entity has ever given Castro money for any product or service because they thought he was endorsed by or affiliated with Entrepreneur Magazine.

7.60 Therefore, there is no evidence of subjective intent to confuse or deceive.

7.61 Nor is there any extrinsic evidence shows no objective evidence of intent to confuse or deceive.

7.62 In his application for trademark registration, the Examining Attorneys searched for and could not find any registered or pending trademarks that were “confusingly similar” to Castro’s mark. See Exhibit 3.

7.63 Therefore, Castro seeks a judicial declaration that he has never used the word “entrepreneurology” (in all three of its presentations) with the intent to confuse or deceive.

**G. DECLARATION THAT EMI’S PETITION TO CANCEL CASTRO’S REGISTERED TRADEMARK LACKS MERIT AND SHOULD BE DISMISSED WITH PREJUDICE.**

7.64 Castro has already explained in detail why his registered trademark number 3,663,282 is inherently distinct and is not likely to cause confusion with EMI’s trademark, and is not being used to deceive, and incorporates all facts previously pled herein by reference.

7.65 Therefore, Castro also seeks a judicial declaration that EMI’s Petition to Cancel registered trademark number 3,663,282 lacks merit and should be dismissed with prejudice.

7.66 The Lanham Act gives this Court authority to issue orders to the TTAB requiring it to dismiss EMI’s Petition To Cancel with prejudice.

**H. JUDICIAL DECLARATION THAT CASTRO IS ALLOWED TO USE THE NOUN “ENTREPRENEUR” AND “ENTREPRENEUROLOGY” TO DESCRIBE HIS GOODS AND SERVICES**

7.67 In the unlikely event that Castro’s trademark is invalidated, Castro seeks a judicial declaration that he may continue using the words “entrepreneur” and “entrepreneurology”

merely to describe his goods and services. For example, Castro has been saying and would like to continue saying such things as: (a) “Dan Castro teaches “entrepreneurology;” or (b) “Dan Castro’s book is about entrepreneurology;” (c) Dan Castro’s workshop is about “entrepreneurology.” The suffix “ology” adds meaning to an already existing word. The suffix “ology” is derived from a Greek word, and simply means “the study of.” Therefore, the word can be used as a descriptor as well as in its literary sense.

7.68 Castro, therefore, seeks a judicial declaration that he is entitled to use the words “entrepreneur” and “entrepreneurology” to merely describe his goods and services in accordance with the “fair use” and “nominative fair use” doctrines. See Section 33(b)(4) of the Lanham Act; *see also New Kids on the Block v. News America Publishing Inc.*, 971 F.2d 302, 306 (Ninth Circuit 1992)(“The ‘fair use’ defense in essence, forbids a trademark registrant to appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods.”)

7.69 There is no other single word that describes people who start and run businesses as succinctly or precisely as the word “entrepreneur.” Therefore, Castro cannot effectively market keynotes, seminars, workshops, books, articles, and a website dedicated to the study of entrepreneurs and entrepreneurship without use of some derivative of the word “entrepreneur.”

7.70 Castro seeks only to use only so much of the word “entrepreneur” as is reasonably necessary to identify his keynotes, seminars, workshops, books, articles, and website.

7.71 The fact that that the word “entrepreneur” is subsumed within the word “entrepreneurology” makes it necessary for Castro to use only so much of the word “entrepreneur” as is necessary for Castro to describe his goods and services.

7.72 Castro has used the words “entrepreneur” and “entrepreneurology” only in good faith, and has not used the words “entrepreneur” or “entrepreneurology” to imply sponsorship or endorsement by EMI, and is not using these words in a way that is false or misleading.

7.73 The U.S. Supreme Court has already recognized that EMI invited the “likelihood of confusion” when it chose to use a common noun that is several hundred years old as its trademark. *K.P. Permanent Make-Up, Inc.* 543 U.S. 111 (2004). As such, even if some consumers are confused, “fair use” and “nominative fair use” bar the enforcement of EMI’s trademark rights against Castro’s use of the words “entrepreneur” and “entrepreneurology” when he uses them to merely describe his goods and services. *Id.*

7.74 Therefore, seeks a declaration that he may legally use the noun “entrepreneur” and all of its derivations (including but not limited to “entrepreneurship” and “entrepreneurology”) in his promotional materials to describe his goods and services on the basis that such use is protected under the fair use and nominative fair use doctrines. *See New Kids on the Block v. News America Publishing Inc.*, 971 F.2d 302, 306 (Ninth Circuit 1992)(“The ‘fair use’ defense in essence, forbids a trademark registrant to appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods.”)

7.75 Under the “fair use doctrine,” Castro is entitled to use the word “entrepreneur” and any derivative thereof, to describe his keynotes, seminars, workshops, books, articles, and websites (as well in the content of the same) regardless of whether Defendant’s claimed trademark is registered. See Section 33(b)(4) of the Lanham Act.

7.76 Therefore, Castro seeks a judicial declaration that he is legally entitled to use the words “entrepreneur” and “entrepreneurology” merely as a descriptor to describe his goods and services.

**I. DECLARATION OF RIGHTS UNDER THE ANTICYBERSQUATTING ACT**

7.77 Plaintiff incorporates all preceding and proceeding paragraphs herein by reference.

7.78 EMI has threatened to sue Castro under the Anticybersquatting Consumer Protection Act if he does not turn over to them his right, title and interest in the domain name: [www.entrepreneurology.com](http://www.entrepreneurology.com). See Exhibit 11 (Cease & Desist letter demanding that Castro turn over ownership of this domain name).

7.79 A domain name is a valuable property right with a fair market value just like a valuable piece of real estate.

7.80 Because a domain name is a valuable property right, it is subject to the protections of the U.S. Constitution.

7.81 EMI never offered to pay Castro the fair market value of his domain name.

7.82 The following facts demonstrate that EMI’s cease and desist letter was sent in bad faith and with unclean hands.

7.83 EMI demanded that Castro turn over this valuable property right knowing that Castro was the lawful owner of the trademark “EntrepreNeurology” Registration Number Registration No: 3,663,282.

7.84 EMI demanded that Castro turn over this valuable property right knowing that his ownership of that trademark would defeat their claim under the Anticybersquatting Consumer Protection Act.

7.85 Castro seeks a judicial declaration that his registration of the domain [www.entrepreneurology.com](http://www.entrepreneurology.com) was proper, and not in violation of the Anticybersquatting Consumer Protection Act. 15 U.S.C. §1125(d) for the following reasons:

7.86 Castro is the owner of the federally registered mark, “EntrepreNeurology,” Trademark Registration No: 3,663,282, and is therefore, entitled to register a domain name using that exact spelling. This spelling of the trademark above is exactly the same as in the domain [www.entrepreneurology.com](http://www.entrepreneurology.com).

7.87 EMI has never claimed ownership of the mark “EntrepreNeurology” or the mark “EntrepreneurOlogy” or “Entrepreneur.Ology” and has no ownership interest whatsoever in those marks. Therefore, it is not entitled to protection under the Anticybersquatting Consumer Protection Act. 15 U.S.C. 1125(d).

7.88 Castro is the senior user of the marks: (1) “EntrepreNeurology;” (2) “EntrepreneurOlogy;” and (3) “Entrepreneur.Ology”

7.89 EMI has never used the word EntrepreNeurology or EntrepreneurOlogy or Entrepreneur.Ology in commerce to market its goods or services.

7.80 EMI has never contested Castro’s trademark “EntpreNeurology” Registration No. 3,663,282.

7.81 When EMI sent Castro a threatening letter demanding that he turn over his valuable property rights to them, it knew that Castro was the owner of a registered trademark in the mark “EntrepreNeurology” and therefore, was entitled to register the domain [www.entrepreneurology.com](http://www.entrepreneurology.com) because the spelling is identical.

7.82 Therefore, EMI’s threatening letter constitutes harassment, bad faith, unclean hands, and is an abuse of the Anticybersquatting Consumer Protection Act.



7.83 Castro registered that domain name in good faith, and has never tried to sell it to EMI or anyone else for profit.

7.84 Because the word “entrepreneur” is a generic word that has been in the public domain for hundreds of years, EMI does not have a mark that is “famous” or “distinct” or has any chance of being confused with the domain: [www.entrepreneurology.com](http://www.entrepreneurology.com).

7.85 EMI invited confusion when it chose to use as a trademark a common noun that has been in the public domain for several hundred years and it not associated with any one, single, exclusive provider of goods and services.

7.86 Castro is making a bona fide use of the domain [www.entrepreneurology.com](http://www.entrepreneurology.com) to market his goods and services.

7.87 Castro has not made any attempt to divert consumers away from EMI’s website or to harm EMI’s goodwill in any way.

7.88 Castro has never implied that the domain [www.entrepreneurology.com](http://www.entrepreneurology.com) has any affiliation with or sponsorship or endorsement by EMI.

7.89 The contact information associated with the registration of the domain is Castro’s own office address, and the phone number given was his office number. Therefore, there is no evidence that Castro provided any false or misleading contact information in the registration of the domain.

7.90 Castro has never engaged in a pattern of registering multiple domain names which are identical or confusingly similar to marks that belong to others.

7.91 Castro believed in good faith that his registration of the domain name was fair use and/or otherwise lawful because he is the owner of Trademark No. 3,663,282 for the mark “EntrepreNeurology,” which has the identical spelling as the domain name in question.

7.92 An objective reasonable person would believe he was acting in good faith by registering the domain www.entrepreneurology.com because he/she owned the trademark “EntrepreNeurology” Registration No. 3,663,282.

7.93 EMI is also not entitled to protection under the Anticybersquatting Consumer Protection Act because the word “entrepreneur” is generic. This is a threshold barrier to recovery according to *Retail Services v. Freebies Publishing*, 364 F.3d 535, 549 (4<sup>th</sup> Cir. 2003).

7.94 Therefore, Castro is entitled to a judicial declaration that his ownership and use of the domain www.entrepreneurology.com is legal and not in violation of the Anticybersquatting Consumer Protection Act.

**J. DECLARATION THAT THE WORD “ENTREPRENEUR” IS GENERIC AND REQUEST FOR CANCELLATION**

7.95 Even if this court rules that EMI’s mark is “incontestable,” Castro requests a judicial declaration that the mark is generic and requests that it be canceled. An “incontestable” mark that becomes generic may be cancelled at any time pursuant to 15 U.S.C. §1064(3).

7.96 Under 15 U.S.C. §§ 1052 and 1065(4), Castro seeks a judicial declaration that EMI’s trademark in the word “entrepreneur” is generic, and is therefore, invalid, unenforceable, and should be cancelled for the following reasons:

7.97 A mark that is generic is legally incapable of identifying the provider of a good or service because the consuming public simply does not associate it with a single exclusive provider of any good or service. *See Hunt Master Inc. v. Crab House*, 240 F.3d 251, 255 (4<sup>th</sup> Cir. 2001); *H. Marvin Ginn Corp., International Ass’n of Fire Chiefs*, 728 F.2d 987 (Fed. Cir. 1986)(“A generic term ... can never be registered as a trademark because such term is

“merely descriptive within the meaning of 2(e)(1) and is incapable of acquiring *de jure* distinctiveness under 2(f)”). Examples of marks that started out serving the purposes of the Lanham Act but became generic due to popular use are: (1) thermos; (2) cellophane; (3) aspirin (4) yo-yo; (5) escalator; (6) cola; (7) murphy bed; and (9) pilates. *See Murphy Door Bd Co. v. Interior Sleep Sys.*, 874 F.2d 95, 100 (2d Cir. 1989); *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655, (7<sup>th</sup> Cir. 1965); *King-Seeley Thermos Co. v. Aladdin Industries*, 321 F.2d 577 (2d Cir. 1963); *Dixi Cola Labs v. Coca Cola Co.*, 117 F.2d 352 (4<sup>th</sup> Cir. 1941); *DuPont Cellophane Co. v. Waxed Products*, 85 F.2d 75 (2d Cir. 1936); *Haughton Elevator C. v. Seeberger*, 85 U.S.P.Q. 80 (TTAB 1950); *Bayer Co. v. United Drug Co.*, 272 Fed. 505 (S.D.N.Y. 1921); *Pilates, Inc. v. Current Concepts, Inc.*, 120 F. Supp. 2d 286 (S.D. N.Y. 2000).

7.98 To determine whether a mark either *started out* as generic or became generic through common usage, courts typically look to whether there is a common dictionary definition of the term, how often the term is used in every day language - as shown by newspapers, websites, books and other print media. *See In re ReedElsevier Properties, Inc.*, 77 U.S.P.Q.2D 1649, 1653(2005)(finding LAWYER.COM to be generic). Here, the word “entrepreneur” has a standard dictionary definition. See para. 5.42 of this pleading.

7.99 The following magazine titles and website domains have been held to be generic because the title itself identified the type of information contained in the magazine or website. These are, therefore, not protected by the Lanham Act: *CES Publishing Corp. v. St. Regis Publications*, 531 F.2d 11(2d Cir. 1975)(CONSUMER ELECTRONICS, generic for magazine about consumer electronics); *Reese Publishing Co. v. Hampton Int'l Communications*, 620 F.2d 7 (2d Cir. 1980) (VIDEO BUYER'S GUIDE, generic for a magazine that was a guide for buyers of videotapes); *Walker-Davis Publications v.*

*Penton*, 509 F.Supp. 430 (E.D. Pa. 1981)(ENERGY MANAGEMENT, generic for magazine about energy management); *In re Rodale, Inc.* 80 U.S.P.Q.2d 1696 (TTAB 2006)(NUTRITION BULLETIN, generic for providing information about diet and health on a website); *In re 1800mattress.com, IP, LLC*, 586 F.3d 1359 (Fed. Cir. 2009)(MATTRESS.COM, generic for online retail store services in the field of mattresses, beds and bedding); *In re Hotels.com L.P.* 573 F3d 1300 (Fed. Cir. 2009)(HOTELS.COM, generic for providing information for others about temporary lodging, travel agency and services); *In re Reed Elsevier Properties, Inc.* 482 F. 3d 1376 (Fed. Cir. 2007)(LAWYERS.COM, generic for online interactive database information exchange in the fields of law, legal news and legal services). How much more is the word “entrepreneur” generic for a magazine providing information about entrepreneurs and entrepreneurship to entrepreneurs? How much more is the word “entrepreneur.com” generic for a website providing information about entrepreneurs and entrepreneurship to entrepreneurs?

7.100 There is a great deal of confusion and inconsistent rulings among courts over whether a mark is “generic” or “descriptive.” See *In re Merrill Lynch, Pierce, Fenner and Smith, Inc.*, 828 F.2d 1567, 1569 (Fed. Cir. 1987)(“Whether a term is classified as ‘generic’ or as ‘merely descriptive’ is not easy to discern when the term sits at the fuzzy boundary between these classifications”). The legal distinction between the two is huge. A generic mark is legally incapable of ever attaining “secondary meaning” and can never be protected. See *In re Reed*, 77 U.S.P.Q 2d 1658, (TTAB 2005)(holding that because LAWYERS.COM was generic it was not possible for it to attain the status of “acquired distinction”), *aff’d* 482 F. 3d 1376 (Fed. Cir. 2007); *Investacorp v. Arabian Investment Banking Corp.*, 931 F.2d 1519, 1522 (11<sup>th</sup> Cir. 1991)(“A generic term is typically incapable of achieving service mark protection

because it has no distinctiveness”); *Boston Beer Co. v. The Boston Beer Co.*, 9 F.3d 175, 180 (1<sup>st</sup> Cir. 1993)(“At one end of the spectrum there are generic terms that have passed into common usage to identify a product, such as aspirin, and can never be protected.”).

7.101 This principle of law is firm - despite the fact that the owner may have spent \$17 million and thirty years trying to market, advertise and brand the generic term. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 119 (1938)(“shredded wheat” will always be “shredded wheat”). Likewise, an “entrepreneur” will always, and only, be an “entrepreneur.”

7.102 A descriptive mark can also lose its protection if it *becomes generic* over time through common every day usage, especially if *the owner of the mark itself* uses it in its common, ordinary, everyday sense. See *Ty, Inc. v. Jones Group, Inc.* 98 F. Supp. 2d 988, 994 (N.D. Ill. 2000); *Loglan Institute v. The Logical Language Group, Inc.*, 962 F.2d 1038, 1041 (Fed. Cir. 1992); *DuPont Cellophane Co., Inc. v. Waxed Prods. Co., Inc.*, 85 F.2d 75, 80 (2d Cir. 1936); *800 Spirits, Inc. v. Liquor By Wire, Inc.*, 14 F. Supp. 2d 675, 679 (D.N.J. 1998); *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 906-07 (9th Cir. 1995); *Birtcher Electro Med. Sys., Inc. v. Beacon Labs., Inc.*, 738 F. Supp. 417 (D. Colo. 1990); *Turtle Wax, Inc. v. Blue Coral, Inc.*, 1987 TTAB LEXIS 75, 2 U.S.P.Q.2D (BNA) 1534 (T.T.A.B. 1987). When the word becomes generic, it is subject to cancellation. *Id.*; *see also*, 15 USC 1064(c).

7.103 EMI cannot deny that it uses the noun “entrepreneur” (and derivations thereof), in its ordinary, common sense, in its own articles in its magazine and website - and has done so for many years; in fact, from the very beginning.

7.104 EMI has never submitted any tangible evidence to the U.S. Patent and Trademark Office that the consuming public automatically associates the word “entrepreneur”

exclusively with the publisher of a magazine, or exclusively with the provider of any specific goods or services.

7.105 By its own admission, EMI was only required to provide an affidavit of continuous use for five years. See page 3, 4 of EMI's Reply to Castro's Response to Rule 12(b)(6) Motion.

7.106 A quick search in the USPTO's database of registered trademarks yields 152 currently registered trademarks with some version of the word "entrepreneur" in them. A true and correct copy of this list of Registered Trademarks, which came straight from the USPTO's database, is attached as Exhibit 12.

7.107 This means that 152 separate Examining Attorneys found "no likelihood of confusion" 152 separate times for a variety of uses of the word "entrepreneur."

7.108 In a recent lawsuit with Ernst & Young, LLP., EMI actually admitted in pleadings that the phrase "entrepreneur of the year" is generic. See paragraph 14 of EMI's Complaint for Declaratory Judgment attached hereto as Exhibit 5.

7.109. In so doing, EMI has judicially admitted that the noun "entrepreneur" is generic.

7.110 In support of its "genericness" argument, EMI admitted that "the phrase "entrepreneur of the year" "is used by countless organizations across the country." See paragraph 14 of Exhibit 5.

7.111 EMI also admitted, "Regardless of whether or not Defendant's "Entrepreneur of the Year" trademark is incontestable, as a matter of federal law, the trademark is invalid and unenforceable because the phrase is generic." *Id.*, at para. 15.

7.112 EMI also admitted that "the general public does not understand the phrase "entrepreneur of the year" as identifying only Defendant's entrepreneur of the year

awards program. In fact, there are countless ‘entrepreneur of the year’ awards programs – several of which even pre-date Defendant’s first use of the phrase.” *Id.*, at para. 17.

7.113 Therefore, EMI admits that allowing others to use an incontestable trademarked word is sufficient evidence to demonstrate that the word has become generic. EMI’s Complaint also states, “Defendant’s abandoned their mark by failing to protest any use of the mark by others, such that the phrase has become generic.” *Id.*, at para. 19.

7.114 Likewise, EMI has allowed the word “entrepreneur” to become generic by allowing at least 152 separate trademark registrations for marks that include some variety of the word “entrepreneur.”

7.115 The word “entrepreneur” started out as a generic noun to begin with – long before EMI even existed. It is, therefore, not a stretch for this Court to rule that it has become “generic” again.

7.116 EMI has used, and continues to use the noun “entrepreneur” in its magazine over the last thirty years purely in its generic sense.

7.117 It is well established law that use by the trademark owner itself of the word at issue in its generic sense is proof positive that the noun is generic and is the “death knell” of the trademark. *See Ty, Inc. v. Jones Group, Inc.*, 98 F.Supp.2d 988, 994(N.D. Ill. 2000)(trademark owner’s own use of the word was “generic); *Loglan Institute v. The Logical Language Group, Inc.*, 98 F. 2d 1038, 1041 (Fed. Cir. 1992)(trademark owner’s own use of the word was “generic”); *Self Realization Fellowship Church v. Ananada Church of Self-Realization*, 59 F.3d 902, 906-07 (9<sup>th</sup> Cir. 1995)(trademark owner’s own use of the word was “generic”).

7.118 As previously discussed, in his appellate brief before the Ninth Circuit, Scott Smith never provided the Court with any briefing and never identified any evidence in

the trial court's record to show that the word "entrepreneur" was generic as required by See Fed. R. App. P. 28(a)(4). Therefore, this issue was not properly before the Ninth Circuit. *Zuccarello v. EXXON*, 756 F.2d 402, 407-408 (5<sup>th</sup> Cir. 1985)(issues not presented to the court of appeals in the appellate briefs are waived for failure to comply with Rule 28(a)(4)); and *McGruder v. Necaise*, 733 F.2d 1146, 1148 (5<sup>th</sup> Cir. 1984 ("We will not consider issues not briefed.")). A true and correct copy of Smith's appellate brief is attached hereto as Exhibit 10.

7.119 In *EMI v. Smith*, no evidence was submitted to the trial court or the Ninth Circuit that the relevant consuming public associates the word "entrepreneur" exclusively with one, single provider of goods or services. *Id.*

7.120 In *EMI v. Smith*, no evidence was submitted to the trial court or the Ninth Circuit on the issue of whether the consuming public automatically associates the word "entrepreneur" with the publisher of a magazine. *Id.*

7.121 The Ninth Circuit made note of this fact:

This distinction has little relevance here, however, because the incontestable status of EMI's mark serves as conclusive proof that the mark has "secondary meaning." *Smith cannot, therefore, defend on the ground that EMI's mark is descriptive and without secondary meaning*, and thus entitled to no trademark protection at al. *EMI v. Smith*, 279 F.3d 1135, 1142, n. 3 (9<sup>th</sup> Cir. 2002)(emphasis added).

7.122 Because the Ninth Circuit ruled that the issue of "secondary meaning" was irrelevant, any continued attempts by EMI to argue that it submitted evidence on the issue of "secondary meaning" and any arguments that the Ninth Circuit actually ruled on the issue of "secondary meaning" must fall on deaf ears. What the Ninth Circuit actually held was that the issue of "secondary meaning" was irrelevant. See first line of above quote.



7.123 The only thing EMI did at the trial court was present evidence of how much marketing and advertising it has done and how much money it has spent selling its product. However, on identical facts, the U.S. Supreme Court was not impressed. the U.S. Supreme Court has already made it very clear that that millions of dollars and 30 years of branding and marketing cannot save a common noun from being generic. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 119 (1938)(“Shredded wheat” will always be “shredded wheat” despite the fact that the trademark owner unwisely spent \$17 million and thirty years trying to market, advertise and brand the generic term.).

7.124 The Ninth Circuit’s footnote 2 in *EMI v. Smith*, does not represent the holding of the court because the issue of whether the noun “entrepreneur” was generic was not briefed as required by the Rules of Appellate Procedure. See Fed. R. App. P. 28(a)(4), and because Smith did not identify any evidence in the trial court’s record in support of genericness. *Zuccarello v. EXXON*, 756 F.2d 402, 407-408 (5<sup>th</sup> Cir. 1985)(issues not presented to the court of appeals in the appellate briefs are waived for failure to comply with Rule 28(a)(4)); and *McGruder v. Necaise*, 733 F.2d 1146, 1148 (5<sup>th</sup> Cir. 1984 (“We will not consider issues not briefed.”)).

7.125 EMI’s mark does not serve to identify and distinguish EMI’s goods and services from those of others and does not otherwise function as trademarks as defined in Section 45 of the Lanham Act, 15 U.S.C. § 1127.

7.126 This is perhaps why the Ninth Circuit was emphatic when it ruled that, “EMI cannot have the exclusive right to use the word ‘entrepreneur’ in any mark identifying a printed publication addressing subjects related to entrepreneurship.” *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1143 (9<sup>th</sup> Cir. 2002).

7.127 Pursuant to Section 37 of the Lanham Act, 15 U.S.C. 1119, this Court should order the Director of the United States Patent and Trademark Office to cancel each of the following of EMI's registrations:

Registration No. 1,453,968 in International Classes 9, 16, 35 and 41.

Registration No. 2,502,032 in International Classes 9, 16, 35, and 41.

Registration No. 3,520,633 in International Classes 9, 16, 35, and 41.

Registration No. 2,263,883 in International Classes 9, 16, 35, and 41.

Registration No. 2,033,423 in International Classes 9, 16, 35, and 41.

Registration No. 2,287,413 in International Classes 9, 16, 35, and 41.

Registration No. 2,174,757 in International Classes 9, 16, 35, and 41.

Registration No. 1,854,603 in International Classes 9, 16, 35, and 41.

Registration No. 2,215,674 in International Classes 9, 16, 35, and 41.

Registration No. 2,502,032 in International Classes 9, 16, 35, and 41.

Registration No. 3,204,899 in International Classes 9, 16, 35, and 41.

Registration No. 3,266,532 in International Classes 9, 16, 35, and 41.

Registration No. 3,374,476 in International Classes 9, 16, 35, and 41.

Registration No. 2,653,302 in International Classes 9, 16, 35, and 41.

Registration No. 3,470,064 in International Classes 9, 16, 35, and 41.

Registration No. 3,315,154 in International Classes 9, 16, 35, and 41.

Registration No. 2,391,145 in International Classes 9, 16, 35, and 41.

7.128 This court is empowered to declare invalid and unenforceable and to cancel Defendant's registered "entrepreneur" trademark. Section 37 of the Lanham Act, 15 U.S.C. § 1119, provides as follows: "In any action involving a registered mark, the court may determine the right to registration, order the cancellation of registrations, in whole or

in part, restore canceled registrations, and otherwise rectify the register with respect to registrations of any part to the action. Decrees and orders shall be certified by the court to the Director, who shall make appropriate entry upon the records of the Patent and Trademark Office, and shall be controlled thereby.” 15 U.S.C. §1119.

#### **K. DECLARATION OF UNENFORCEABILITY**

7.129 Plaintiff incorporates all preceding and foregoing paragraphs herein by reference.

7.130 Castro seeks a judicial declaration that EMI’s trademarks referenced in the previous section of this pleading are unenforceable for the following reasons.

7.131 Under *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), this court has the authority to declare EMI’s trademark unenforceable on the facts of this case by issuing a judicial declaration that EMI acted with “unclean hands.”

7.132 EMI has abused its intellectual property rights as described by the U.S. Supreme Court in *Morton Salt v. G.S. Suppiger*, 314 U.S. 488, 494 (1942).

7.133 EMI’s “bad faith” conduct is sufficient to raise the doctrine of “unclean hands” a a bar to recovery under the holding of the U.S. Supreme Court in *Precision Instrument Mfg. v. Automotive Maintenance Machinery*, 324 U.S. 806, 814 (1945).

7.134 EMI acted in bad faith and with unclean hands because the portion of its “cease and desist” letter that demanded that Castro turn over his right, title and ownership interest in his valuable domain name [www.entrepreneurology.com](http://www.entrepreneurology.com) was “objectively baseless” and because no reasonable litigant could realistically expect to prevail on the merits of an Anticybersquatting claims set forth in its letter to Castro.

7.135 No reasonable litigant could realistically expect to prevail on the merits of the Anticybersquatting claim set forth in EMI’s letter to Castro for the following reasons:

7.136 EMI's letter claimed that it was entitled to unilaterally take ownership of the domain name "[www.entrepreneurology.com](http://www.entrepreneurology.com) without fair compensation to Castro – all the while knowing that Castro was the owner of the Registered Trademark "EntrepeNeurology" and that this ownership would defeat EMI's claim under the Anticybersquatting Consumer Protection Act ("ACPA"). 15 U.S.C. 1125(d). Therefore, EMI's letter misrepresented the law under Anticybersquatting Consumer Protection Act ("ACPA"). 15 U.S.C. 1125(d). In addition, the following reasons also demonstrate why EMI's "cease and desist" letter was sent in bad faith and with "unclean hands."

(1) EMI knew that the Ninth Circuit had already ruled that, "EMI cannot have the exclusive right to use the word 'entrepreneur' in any mark identifying a printed publication addressing subjects related to entrepreneurship." *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1143 (9<sup>th</sup> Cir. 2002).

(2) A single misrepresentation of fact is sufficient to demonstrate the kind of "bad faith" necessary to bar the owner of a trademark from obtaining the injunctive relief it seeks. *See e.g., Worden v. California Fig Syrup Company*, 187 U.S. 516 (1903); *Fuddruckers, Inc. v. Doc's B.r. Others, Inc.*, 826 F.2d 837 (9<sup>th</sup> Cir. 1987); *Strey v. Devines, Inc.*, 217 F.2d 187 (7<sup>th</sup> Cir. 1965).

(3) EMI knew Castro's Registration No. was a standard character mark without limitation to design.

(4) EMI knew Castro was entitled to use that mark with any design, font, size, color, capitalization or punctuation he desired.

(5) EMI knew that the "fair use" and nonimanitve fair use" doctrines protected Castro's right to use the word "entrepreneurology" (not as a trademark), but merely to describe his goods and services.

(6) EMI knew when it sent the letter that the First Amendment protects Castro's NON-deceptive use of the word "entrepreneur" to brand and market his products and services.

(7) EMI knew that the First Amendment protects Castro's commercial use of the word "entrepreneur," and derivations thereof, to describe his products and services in a non-confusing manner.

(8) EMI's cease and desist letter made no reference to any specific evidence of deception on the part of Castro, or any confusion among consumers over Castro's use of the marks "Entrepreneur.Ology," EntrepreneurOlogy, or "EntrepreNeurology" or the domain [www.Entrepreneurology.com](http://www.Entrepreneurology.com).

7.137 EMI's cease and desist letter made no reference to any evidence that Castro had ever claimed affiliation with, endorsement by or sponsorship by Entrepreneur Magazine.

7.138 EMI's cease and desist letter made no reference to any profits lost by EMI or gained by Castro as a result of confusion among consumers.

7.139 EMI's letter was overly broad in that it claimed ownership of a common noun, and did not inform Castro that he was free to use that noun in its everyday literary sense in his books, articles, keynote speeches, blogs and boot camps.

7.140 EMI misrepresented the Ninth Circuit's opinion in *EMI v. Smith* by claiming that the Ninth Circuit had already ruled in its favor on a case with similar facts, knowing full well the USPTO had already granted Castro a registered trademark on the word "EntrepreNeurology." EMI also sent the letter knowing that it had no evidence of deception on the part of Castro or consumer confusion over Castro's use of the marks "Entrepreneur.Ology," EntrepreneurOlogy, or "EntrepreNeurology" or the domain [www.entrepreneurology.com](http://www.entrepreneurology.com).

7.141 EMI misrepresented the Ninth Circuit’s opinion in *EMI v. Smith* by claiming that the court had already ruled on the validity of EMI’s trademark.

7.142 EMI misrepresented the holding of the Ninth Circuit by failing to disclose that the Ninth Circuit’s actual ruling was that, “EMI cannot have the exclusive right to use the word ‘entrepreneur’ in any mark identifying a printed publication addressing subjects related to entrepreneurship.” *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1143 (9<sup>th</sup> Cir. 2002).

7.143 Therefore, Castro seeks a judicial declaration that equity bars EMI’s attempt to enforce its trademarks against Castro on the facts of this case.

**L. DECLARATION THAT 15 U.S.C. §1065, and 15 U.S.C. 1115(b) ARE UNCONSTITUTIONAL AS APPLIED**

7.144 Plaintiff incorporates all preceding and proceeding paragraphs herein by reference.

7.145 Castro seeks a judicial declaration that 15 U.S.C. 1065, and 15 U.S.C. 1115(b) are unconstitutional as applied to the facts of this case because EMI is using them to protect a trademark that never should have been granted in the first place, and because EMI is using the “incontestable” provisions of the Lanham Act, not as a shield, but as a sword to prevent Castro from using a lawfully granted trademark issued to him by the USPTO as Registration No. 3,663,282. In addition, these two subsections are unconstitutional as applied for the following reasons.

7.146 EMI’s registered trademark peacefully coexists with the First Amendment *only to the extent* that it designates a single, specific, unique and exclusive source of a product or services. However, the existence of at least 152 other trademarks containing the word

“entrepreneur” in them makes it legally impossible for EMI to prove that its mark designates a single, specific, unique and exclusive source of a product or services.

7.147 Plaintiff seeks a judicial declaration that 15 U.S.C. §1065 is unconstitutional as applied because it violates Plaintiff’s First Amendment rights to freedom of speech and freedom of expression in the use of the word “entrepreneur” and “entrepreneurology.”

7.148 Plaintiff seeks a judicial declaration that 15 U.S.C. 1115(b)(the language declaring an incontestable mark as “conclusive evidence of the validity of the registered mark”) is unconstitutional as applied because EMI is using it offensively as a “sword” to prevent others from using the word “entrepreneur” as a trademark or more simply as a way to describe their goods and services.

7.149 The common word “entrepreneur” is a generic noun that is in the public domain and which has been around for hundreds of years. The fact that a term resides in the public domain lessens the possibility that a purchaser would be confused and think that the mark came from a particular source.

7.150 No one should be allowed to use the Lanham Act’s “incontestable” status to kidnap a commonly used word from the English lexicon.

7.151 While the trademark owner has an interest in preventing consumer confusion, there is a broad constitutional interest in preserving common, useful words for the public domain.

7.152 Many universities (including the University of Texas) and websites, online discussion groups, and non-profit organizations use the word “entrepreneur” and derivations thereof to brand their services every day.

7.153 If EMI is allowed to continue holding the word “entrepreneur” hostage, all of these organizations will be in violation of the Lanham Act and at risk of being sued by EMI.

7.154 Even the University of Texas “Kelleher Center for Entrepreneurship,” which falls under the McCombs School of Business, is at risk of being sued by EMI if it does not change its name.

7.155 The “Kelleher Center for Entrepreneurship” was named after the founder of Southwest Airlines, Herb Kelleher in gratitude for a large financial contribution to the University of Texas.

7.156 EMI recently sued the parent company of the highly respected Austin Business Journal in federal court in California and asked the court for an injunction to stop it from using the mark “ABJEntrepreneur” and the domain [www.abjentrepreneur.com](http://www.abjentrepreneur.com).

7.157 Below, Castro provides even more specific factual and legal reasons why 15 U.S.C. 1065 and 1115(b) are unconstitutional as applied.

**(1) THE TWO SUBSECTIONS OF THE LANHAM ACT ARE UNCONSTITUTIONAL AS APPLIED BECAUSE EMI SHOULD HAVE NEVER BEEN GRANTED A TRADEMARK ON THE NOUN “ENTREPRENEUR” TO BEGIN WITH.**

7.158 Castro wishes to make it clear that he does NOT seek a declaration that the entire Lanham Act is unconstitutional.

7.159 There are only two subsections of the Lanham Act that are at issue here. Section 1065 is the statute that allows a trademark to become “incontestable” without a showing that the mark continues to serve the public good by designating a single, exclusive source of the goods or services at issue. Section 1115(b) is the section that prohibits the defendant in an infringement action from submitting evidence that the mark lacks “secondary meaning” or



that consumers simply do not associate that mark with a single, exclusive provider of the goods or services at issue.

7.160 By its own admission, EMI has never been required to produce tangible evidence to the U.S. Patent & Trademark Office that the consuming public automatically associates the word “entrepreneur” with the publisher of a particular magazine or website. See page 3, 4 of EMI’s Reply to Castro’s Response to Rule 12(b)(6) Motion.

7.161 EMI does not claim that this common noun is “inherently distinct” (like Exxon, Nike or Kodak). EMI also does not claim that the word is a “made-up” word that it coined.

7.162 An application under Section 2(f) is an admission that the mark is not “inherently distinct.” See *In re Reed, Elsevier Properties, Inc.*, 77 U.S.P.Q.2D 1649, 1651 (TTAB 2005); *Yamaha International Corp. v. Hoshino Gakki Co.*, 840 F.2d 1571 (Fed. Cir. 1988).

7.163 The attached Registration No. 1,453,968 shows very clearly that EMI’s trademark was granted under Section 2(f), which means that the Examining Attorney concluded that the word “entrepreneur” was “merely descriptive” in accordance with 15 U.S.C. 1052(e). See Exhibit 4.

7.164 In order to obtain its trademark, EMI was forced to take advantage of a loophole in the Lanham Act. The original Examining Attorney rejected EMI’s application because it was a common noun and was “merely descriptive” of EMI’s products and services in violation of 15 U.S.C. 1052 (e). See Exhibit 6 (Notifying EMI that, “Registration is refused on the Principal Register because the mark, when applied to the goods, is considered to be merely descriptive thereof”). The Examining Attorney suggested that EMI attempt to prove that the mark had obtained “secondary meaning” under Section 2 (f). *Id.* As an alternative, the Examining Attorney mentioned that EMI could take advantage of Trademark Rule 2.41(b), which allows the owner of a previously registered “same mark” to piggy back on that

previous mark. 37 CFR 2.41(b). *Id.* This is the loophole that EMI took advantage of. By its own admission, EMI has never been required to submit any evidence to the USPTO that the consuming public had come to associate the word “entrepreneur” with the publisher of a magazine. See page 3, 4 of EMI’s Reply to Castro’s Response to Rule 12(b)(6) Motion.

7.165 As it turns out, the former owner of the mark “entrepreneur” was a company called Chase Revel, Inc. (founded by a gentleman named John Leonard Burke). Mr. Burke obtained a trademark registration for the mark “entrepreneur” back on January 19, 1982 (Registration No. 1,187,239). According to the PTO website archives, the entire history of how Mr. Burke obtained this mark *has been destroyed* and is no longer available for review or analysis. See Exhibit 6. Thus, it is unclear whether the Examining Attorney who handled that file was asleep at the wheel or whether Mr. Burke ever submitted any proof of “acquired distinction” or “secondary meaning” or whether that proof (if any) was even persuasive.

7.166 Nevertheless, because EMI had acquired the rights to that first trademark (Registration No. 1,187,239), Rule 2.41(b) allowed it to submit nothing more than an affidavit claiming ownership of that previous mark and a statement of continued and exclusive use for five years. EMI submitted that affidavit on January 13, 1986. Presto, the Examining Attorney approved the publication of the mark and allowed the official registration of the mark, giving it the Registration No. 1,453,968, without any actual evidence that the relevant consuming public associates the word “entrepreneur” exclusively with any one, single provider of goods and services.

7.167 Years later, EMI took advantage of two other sections of the Lanham Act that also do not require any proof that the mark has obtained “acquired distinction” or “secondary meaning.” Those sections are 15 USC 1065; and 1115(b). Under those provisions, the owner of a mark can obtain so-called “incontestable” status by merely submitting an affidavit

claiming continued, exclusive use of the mark in commerce for five years from the date of registration. *Id.* EMI submitted that affidavit on September 17, 1992. This Section of the Lanham Act has been severely criticized because of the very fact that it does not require proof that the public associates that mark with a specific, exclusive provider of a particular good or service, and to avoid confusion. *See Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 210, 213, 214 (1985)(J. Stevens, dissenting). That problem has never been more demonstrated than by the facts of the case before this court.

7.168 In the congressional hearings over the concern about granting monopoly privileges in “merely descriptive” words, Dr. Karl Pohl testified that “incontestability” could be harmonized with Antitrust Law because no mark could become “incontestable” unless its owner had already submitted sufficient evidence of “secondary meaning” to get past the Examining Attorney “gatekeeper” in the first place. *See Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 210, 211 (1985). Justice Stevens disagreed vehemently, and identified the inefficiencies and problems that existed in the trademark office and the practice manuals that explained exactly how easy it was to get past these gatekeepers. *Id.* at 213, 214.

7.169 In this case, there is error upon error because there is no evidence *anywhere* that the relevant consuming public associates the word “entrepreneur” exclusively with one, single provider of goods and services. But there is a mountain of objective evidence that the opposite is true. The USPTO has granted at least 152 trademarks to others containing the word “entrepreneur” in the mark. See Exhibit 12.

7.170 EMI has been taking advantage of this arbitrary, illogical result ever since. In *EMI v. Smith*, the court held that, because the mark had attained “incontestable” status, the defendant Scott Smith could not submit any evidence that the noun “entrepreneur” lacked any distinction or secondary meaning. *See Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135,

1142, n. 3 (9<sup>th</sup> Cir. 2002). Thus, once again, EMI was able to escape the noose. The problem was - Smith's lawyers never challenged the constitutionality of the "incontestable" provisions of the Lanham Act on Free Speech grounds. Therefore, with no reason to NOT apply the law, the court blindly applied it and found in favor of EMI.

7.171 Smith also did not try to invalidate the trademark on the basis that the word "entrepreneur" was generic and not legally capable of designating a single, exclusive source of the goods or services at issue. His last live pleading contains no request for cancellation of EMI's trademark. See Exhibit 9. Moreover, he waived the issue of "genericness" on appeal by failing to brief this issue and by failing to identify evidence in the trial court's record in support of "genericness." See Exhibit 10.

7.172 The only issue before the Ninth Circuit was whether the trial court had properly granted summary judgment in EMI's favor.

7.173 It is established law that whether a mark is generic is a question of fact. *See Bath & Body Works, Inc. v. Luzier*, 76 F.3d 743, 748 (6<sup>th</sup> Cir. 1996). But there was no factual analysis in the Ninth Circuit's opinion – primarily because there was no evidence to discuss. Nor did the Ninth Circuit conduct any legal analysis or attempt to apply the well-established six-factor test for determining "genericness."

7.174 Nor did the Court analyze the fact that the word was a 300-year-old French noun that has been around long before EMI or Mr. Burke ever existed.

7.175 However, for some bizarre reason, in a footnote which is dicta by definition, the Ninth Circuit did mention that it thought the word was not generic. *Id.* at 1141, n.2.

7.176 The Court also did not analyze whether the noun was legally capable of serving to identify any single, exclusive source of goods or services - as required by law. *Two Pesos v. Taco Cabana*, 505 U.S. 763, 768 (1992).

7.177 In that same footnote, the Ninth Circuit actually cited a Second Circuit ruling that was in conflict the Ninth's Circuit's own footnote on the issue of - when the title of a magazine is generic. *See CES Publishing Corp. v. St. Regis Publishing Inc.*, 531 F.2d 11, 13 (2<sup>nd</sup> Cir. 1975)(holding that "Consumer Electronics" as the name of a magazine about "consumer electronics" for *consumers of electronics* is generic).

7.178 The difference is that the Second Circuit's ruling on "genericness" was an actual "holding" on a valid issue that was actually before the court. But this issue was not properly before the Ninth Circuit.

7.179 It is elementary that the Ninth Circuit's footnote does not constitute a ruling or a holding by the court.

7.180 In the main body of its opinion, the Ninth Circuit *did hold*, however, that "EMI cannot have the exclusive right to use the word 'entrepreneur' in any mark identifying a printed publication addressing subjects related to entrepreneurship." *Smith*, 279 F.3d at 1143.

7.181 This actually holding of the court is in conflict with footnote 2 on the issue of "genericness" and supersedes it as a matter of law.

7.182 Nevertheless, EMI has attempted to deceive the public by sending canned "cease and desist" letters representing the Ninth Circuit's footnote as the holding of the court.

7.183 The average consumer does not know what the difference between "dicta" and an actual holding of the court.

7.184 The undisputed facts show that Castro has never attempted to use the marks Entrepreneur.Ology, EntrepreneurOlogy or EnterpreNeurology to deceive or confuse the public, or to imply that they had the sponsorship of or affiliation with Entrepreneur magazine.

7.185 The undisputed facts also show that Castro's mark is an "inherently distinct" word coined by Castro himself.

7.186 An "inherently distinct" mark is not legally capable of causing confusion. *See Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 139-40 (1905)(holding that the defendant's name and trademark "were not intended or likely to deceive" because the defendant used the hyphenated name "Remington-Sholes Company" in a way "that "clearly differentiated" its products from the plaintiff's brand "Remington Standard Typewriter Company"); *Brown Chemical Co. v. Meyer*, 139 U.S. 540, 544-45 ("Not only do defendants' bottles differ in size and shape from those of the plaintiff, but their labels and cartons are so dissimilar in color, design and detail that no intelligent person would be likely to purchase either under the impression that he was purchasing the other").

7.187 In defiance of the Ninth Circuit's ruling that EMI cannot prevent others from using the word "entrepreneur" to brand its goods and services, EMI is using the "incontestable" provisions of the Lanham Act, not as a shield, but as a sword to prevent Castro from using a lawfully granted trademark issued to him by the USPTO as Registration No. 3,663,282.

7.188 However, the burden is now on EMI to demonstrate why these two subsections of the Lanham Act are constitutionality as applied. The burden is not on Castro. *See Bolger v. Youngs Drug Products Corp.*, 463 U.S. 60, 70 (1983)("The party seeking to uphold a restriction on commercial speech carries the burden of justifying it."); and *Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469, 480 (1989).

7.189 Under the "strict scrutiny" test, EMI must show that the restriction at issue is: (1) designed to further a "compelling" governmental interest; (2) that it is "narrowly tailored" to

achieve that compelling interest; and (3) that it uses the “least restrictive” means to further that interest.<sup>4</sup> *United States v. Playboy Entertainment Group*, 529 U.S. 803 (2000).

7.190 Even though this court has found that Castro’s use of his mark is purely commercial, it is well established that regulations that have the effect of suppressing honest, truthful, non-deceptive, non-coercive commercial speech are still subject to “strict scrutiny” analysis. See *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557, 578 (“We have not suggested that the ‘commonsense differences’ between commercial speech and other speech justify relaxed scrutiny of restraints that suppress truthful, non-deceptive, non-coercive commercial speech.”). In other words, regulations that suppress honest, truthful speech (even if it is commercial speech) have always, and still do, receive “strict scrutiny” analysis. *Id.*

7.191 As such, even purely “commercial speech” is entitled to First Amendment protection. *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council*, 425 U.S. 748, 759 (“speech does not lose its First Amendment protection because money is spent to project it . . . speech likewise is protected even though it is carried in a form that is sold for profit.”). It is true that the First Amendment does not protect commercial speech that is deliberately deceptive, false or misleading. *Id.* at 771. But the undisputed facts show that this type of speech is not at issue here.

7.192 The Fifth Circuit has already ruled that any law, even in a purely commercial speech case, that has the effect of limiting the use of a common noun that is *not inherently deceptive* is an unconstitutional violation of the First Amendment. See *Piazza’s Seafood World, v.*

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<sup>4</sup> “Intermediate scrutiny” analysis only adds one additional test, which is, “Is the speech at issue protected by the First Amendment in the first place?” See *Central Hudson*, 447 U.S. at 566. This test is designed to weed out commercial speech that is inherently obscene or inherently deceptive. Here, the speech at issue, even if deemed to be purely commercial, is not “inherently deceptive” and, therefore, has the *full protection* of the First Amendment.

*Odom*, 448 F.3d 744, 753 (5<sup>th</sup> Cir. 2006)(finding that the state’s interest in preventing deception in commercial speech was not furthered by a regulation that limited the commercial use of common nouns [“Cajun Boy” and “Cajun Delight”] that were not inherently deceptive.)

7.193 Regulations restricting non-commercial speech also receive “strict scrutiny” analysis. See *Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469, 475-485 (1989). Regulations that restrict purely commercial speech receive “intermediate scrutiny” analysis. *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447, U.S. 557 (1980). The Supreme Court itself acknowledges that the line between “commercial” and “non-commercial” speech is often blurry. *Id.* at 581, n. 4. Even the Supreme Court justices themselves cannot agree on what is and what is not “commercial speech.” *Id.* (three judges concurring and one dissenting).

7.194 Also, to the extent that Castro is using the word “entrepreneurology” merely as a descriptor to describe his goods and services, any application of the “incontestable” provisions of the Lanham Act that prohibits such use would be unconstitutional as applied.

7.195 Section 1065 and 1115(b) also fail “strict scrutiny” analysis for the following reasons.<sup>5</sup> The regulations: (1) are NOT designed to further a “compelling” governmental interest because they protect a common noun that has never been shown to designate the single, exclusive provider of a magazine; This is antithetical to the very purpose of the Lanham Act, not in furtherance of it; (2) are NOT “narrowly tailored” to achieve that compelling interest because it has the effect of suppressing the honest, non-deceptive *commercial* use of a common noun; and (3) do NOT use the “least restrictive” means to further that interest because Congress could easily have required that the owner of the mark

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<sup>5</sup> They also fail “intermediate scrutiny” for the same reasons.



show tangible proof that it had attained “secondary meaning” as a condition of obtaining “incontestable” status. *See Park ‘N Fly*, 469 U.S. at 219 (J. Stevens dissenting)(Congress could “simply require the owner of a merely descriptive mark to prove secondary meaning before obtaining any benefit from incontestability”).

**(2) NOT DESIGNED TO FURTHER A COMPELLING GOVERNMENTAL INTEREST.**

7.196 Sections 1065 and 1115(b) are not designed to further a legitimate governmental interest for the following reasons. First, the net result of giving the mark “entrepreneur” incontestable status is that it suppresses the right of the average citizen to use that word to identify their goods and services (even in a commercial sense) in an honest, non-deceptive manner. *See Central Hudson*, 447 U.S. at 578; *In re MJ*, 4445 U.S. at 199. Second, it will prevent Castro from using the word “entrepreneur” merely as a descriptor to describe his goods and services. Third, it illegally makes EMI the gatekeeper and allows it to dictate who can and can’t use that word and in what context. No legitimate government interest can be furthered by allowing a rogue dictator to dictate the use of a common noun. The Ninth Circuit agreed, and specifically told EMI it could not prohibit others from using this noun to brand their goods and services. *See Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1143 (9<sup>th</sup> Cir. 2002). Fourth, EMI obtained a registered trademark on a common noun without ever having to prove the public automatically associates it with the publisher of a particular magazine. Fifth, EMI obtained “incontestable” status for its trademark without ever having to prove the public automatically associates it with the publisher of a particular magazine. Sixth, if both of those sections are applied here, it will prohibit Castro from submitting evidence that the noun does not have “secondary meaning” and is not entitled to protection.

7.197 The Lanham Act is very specific in prohibiting the registration of trademarks that are “merely descriptive” of the goods and services unless and until they have acquired “secondary meaning.” See 15 U.S.C. 1052(e)(f). The purpose of the Lanham Act is not furthered at all by allowing a common noun to achieve “incontestable” status without a showing that the public automatically associates that noun with the publisher of a particular magazine.

7.198 It is also antithetical to the purpose of the Lanham Act to prohibit the introduction of evidence at trial that that noun lacks “secondary meaning.” To prohibit the introduction of evidence that the mark lacks “secondary meaning” is not only inconsistent with the purpose of the Lanham Act, but it also results in the restriction of speech Congress never intended to restrict (i.e. the public’s honest, non-deceptive commercial use of that same noun to identify goods and services). At least one Supreme Court Judge agrees, stating: “First to permit one person to appropriate exclusively a mark which is merely the ordinary language to describe the good or services involved would obviously be detrimental to others who deal in the same good or services by *hindering their use of normal language* in association with their goods or services.” *Park ‘N Fly v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 215 (Justice Stevens, dissenting)(quoting from the Patent & Trademark Office’s own handbook)(emphasis added).

7.199 The Supreme Court in *Park ‘N Fly* dealt with whether the defendant in an infringement action could submit evidence and arguments that the words “Park ‘N Fly” were “merely descriptive” of the services being offered, and therefore, not protected by the Lanham Act. The majority recognized the problems caused by the “incontestable” sections of the Lanham Act in question, but because no one had challenged their constitutionality on First Amendment grounds, the majority took the easy way out, stating, “Our responsibility, however, is not to evaluate the wisdom of the legislative determinations reflected in the

statute, but instead to construe and apply the provisions that Congress enacted.” *Id.* at 203. The Court interpreted Sections 1065 and 1115(b) literally and upheld the lower court’s decision to prohibit the defendant from defending the infringement action on the ground that the words were “merely descriptive” and had not achieved “secondary meaning.”

7.200 The dissent, however, cleared a broad path for anyone who was willing to challenge those two sections on First Amendment grounds. First, Justice Stevens pointed out that the owner of that mark had never actually submitted any evidence to the Patent and Trademark Office that its mark had acquired “secondary meaning” or that it was anything more than a phrase that described the service in question (airport parking) *Id.* Justice Stevens could have easily been describing EMI’s posture in this case. Second, Justice Stevens pointed out that it does not further the interests of the Lanham Act to give “incontestable” status to a mark that should not have been granted a registered trademark in the first place, stating: “The problem in this case arises because of petitioner’s attempt to enforce as ‘incontestable’ a mark that Congress has plainly stated is inherently unregistrable.” *Park ‘N Fly Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 206 (1985). EMI suffers from the same defect here.

7.201 Justice Stevens also stated, “*No legislative purpose is served by granting anyone a monopoly in the use of such a mark*” (emphasis added). *Id.* Justice Stevens clearly saw that the “incontestable” provisions of the Lanham Act could never survive a “strict scrutiny” analysis under the First Amendment because those two provisions were not designed to further a compelling governmental interest, and were not narrowly tailored to achieve that interest.<sup>6</sup>

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<sup>6</sup> Judge Stevens did not specifically address the First Amendment because that issue was not before the court. But his recognition that the “incontestable” provisions could serve “no legitimate purpose” indicate he was using “strict scrutiny” analysis.

7.202 Further showing that these two sections would fail “strict scrutiny” analysis, Justice Stevens pointed out that the term “incontestable” is not even defined in the Act, and that the Committee Reports on the bill creating these provisions did not even attempt to explain how it furthered the purpose of the Lanham Act. *Id.* at 668. Justice Stevens stated, “No one ever suggested that *any public purpose* would be served by granting incontestable status to a mark that should never have been accepted for registration in the first instance.” *Id.* at 669 (emphasis added).

7.203 Justice Stevens also pointed out that the blind application of these two provisions to prohibit the introduction of evidence that the mark lacks “secondary meaning” was not rational: “But if no proof of secondary meaning is ever presented, either to the Patent and Trademark Office or to a court, *there is simply no rational basis* for leaping to the conclusion that the passage of time has transformed an inherently defective mark into an incontestable one” (emphasis added).

7.204 Justice Stevens also pointed out: “Congress enacted the Lanham Act ‘to secure trademark owners in the goodwill which they have built up.’ But without a showing of secondary meaning, there is no basis upon which to conclude that petitioner has built up any goodwill that is secured by the mark.” *Id.* at 599-600. Thus, the “incontestable” provisions of the Lanham Act fail the first test.

### **(3) NOT “NARROWLY TAILORED”**

7.205 A prohibition that sweeps within its ambit both protected and unprotected speech can be held unconstitutional on that ground alone. *Ashcroft v. Free Speech Coalition*, 535 U.S. 234, 259 (2002) (“The argument, in essence, is that protected speech may be banned as a means to ban unprotected speech. This analysis turns the First Amendment upside down. The Government may not suppress lawful speech as the means to suppress unlawful

speech.”); and *Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469, 482-83 (“Where an overbreadth attack is successful, the state is obviously *invalid in all its applications*, since every person to whom it is applied can defend on the basis of the same overbreadth”)(emphasis added). As applied on the facts of this case, EMI is using the “incontestable” sections of the Lanham Act to suppress Castro’s already legally granted trademark “EntrepreNeurology.” It is undisputed that Castro’s use non-deceptive. Yet, EMI is using the “incontestable” sections of the Lanham Act to broadly sweep within their path this very lawful commercial speech.

7.206 The Supreme Court has held that, where commercial speech is concerned, “Truthful advertising related to lawful activities is entitled to the protections of the First Amendment.” *In re R.M.J.* 455 U.S. 191, 199 (1982)(holding that truthful advertising that is not “inherently misleading” cannot be restricted). Thus, even if though this court has ruled that Castro’s trademark is “purely commercial” speech, EMI has never articulated any facts or identified any evidence showing that Castro’s registered trademark is “inherently deceptive” or is being used to deceive. As such, Castro’s registered trademark is entitled to the full (not limited) protection of the First Amendment.

7.207 The “incontestable” provisions of the Lanham Act are clearly not “narrowly tailored” to achieve the government’s compelling interest because it “does not provide adequate protection for truthful, non-misleading, non-coercive commercial speech.” *Central Hudson* 477 U.S. at 573 (J. Stevens, dissenting). If the application of the statute is “overly broad,” then by definition, it is not “narrowly tailored” to achieve the government’s stated objective. *Id.* Thus, as they are applied on the facts of this case, the “incontestable” provisions of the Lanham Act fail the second test.

**(4) NOT THE “LEAST RESTRICTIVE” MEANS**

7.208 Justice Stevens recommended that the law should be changed to “simply require the owner of a merely descriptive mark to prove secondary meaning before obtaining any benefit from incontestability.” *Park 'N Fly*, 469 U.S. at 219. Thus, he sets forth a far “less restrictive” way to achieve the government’s stated objective. The “incontestable” provisions of the Lanham Act fail the third test.

7.209 Therefore, Castro requests a judicial declaration that 15 U.S.C. §1065, and 15 U.S.C. §1115(b) under which EMI claims its mark is “incontestable” should be declared unconstitutional as applied to the facts of this case.

**M. JUDICIAL DECLARATION THAT EMI’S MARK “ENTREPRENEUR” IS MERELY DESCRIPTIVE, LACKS SECONDARY MEANING, AND SHOULD BE CANCELLED.**

7.210 The facts presented in the Statement of Facts already explain in detail why the word “entrepreneur” is merely descriptive and lacks “secondary meaning” and are incorporated herein by reference.

7.211 In the event that this Court or the Fifth Circuit rules that the “incontestable” provisions of the Lanham Act are unconstitutional as applied, Castro seeks a judicial declaration from this court that the mark “entrepreneur” is merely descriptive, and lacks “secondary meaning” and should therefore, be cancelled.

**N. DECLARATION THAT EMI’S MARK IS NOT “INCONTESTABLE” ON THE FACTS OF THIS CASE.**

7.212 Even if this court upholds the constitutionality of 15 U.S.C. §1065, and 15 U.S.C. §1115(b), Castro seeks a judicial declaration that EMI’s mark “entrepreneur” does not qualify for “incontestable” status under 15 U.S.C. §1065 on the facts of this case for the following reasons:

7.213 EMI's trademark is not "incontestable" because the term "entrepreneur" is merely generic. No "incontestable" right can be obtained in a mark which is a generic name for goods or services. 15 U.S.C. §1065

7.214 Under 15 U.S.C. 1115(b)(4), equity dictates that EMI has lost its right to claim its mark is "incontestable" because EMI has unclean hands, is abusing its trademark and is operating in bad faith. *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). The specific factual reasons explaining in detail why and how EMI's conduct constitutes "bad faith" and "unclean hands" are set forth in the Statement of Facts, as well as at pages 51-54 of this pleading, and are incorporated herein by reference. Additional reasons why EMI's mark is not "incontestable" on the facts of this case are as follows:

7.215 By EMI's own admission, nothing in 15 U.S.C. 1115(b) or 15 U.S.C. 1065 authorizes EMI to use its "incontestable" status as a "sword" to negate Castro's already registered trademark. See top of page 7 of EMI's Reply to Castro's Response to Rule 12(b)(6) Motion.

7.216 "Incontestable" status does not negate the fact that Castro's mark is a "standard character" mark and that he is entitled to present it with any font, size, color, design, capitalization or punctuation he desires.

7.217 "Incontestable" status does not negate Castro's right to use words "enterepreneur" and "entrepreneurology" (in all three of its presentations) merely as a descriptor to describe his goods and services.

7.218 By EMI's own admission, "Incontestable" status only gives EMI a defense against claims that its mark is "merely descriptive." 15 U.S.C. 1115(b).

7.219 In keeping with the Ninth Circuit's ruling in *EMI v. Smith* the USPTO granted Castro a registered trademark on the mark "EnterpreNeurology" on August 4, 2009. See Registration No. 3,663,282, attached hereto as Exhibit 1.

7.220 Therefore, Castro is the "senior user" of that mark.

7.221 Castro is also the exclusive user of that mark – as found by the Examining Attorney. See Exhibit 3.

7.222 It is well established law that even if a "junior user's" mark has attained "incontestable" status, such status does not cut off the rights of the "senior user."

7.223 It is undisputed that Castro is the "senior user" of the mark "entrepreneurology" (in all three of its presentations).

7.224 Castro started using the mark "EntrepreNeurology," BEFORE Defendant even knew it existed. Castro obtained a federally registered trademark in the mark "EntrepreNeurology" before EMI knew it existed. In fact, EMI has never claimed any ownership interest in this mark.

7.225 Castro's use of this mark has been continuous from the beginning.

7.226 Therefore, Castro is the senior user of this mark, and EMI's claim that the mark "Entrepreneur" is "incontestable" does not make it "incontestable" as to Castro's already registered trademark.

7.227 Under the Lanham Act, "incontestable" status may only be used as a "shield" not as a "sword."

7.228 Therefore, Castro seeks a judicial declaration that EMI's trademark in the mark "entrepreneur" is not "incontestable" as the trademark that Castro already owns.

### **XIII. REMEDIES SOUGHT**

8.1 Judicial Declaration that:



- (a) Castro's Registered Trademark No. 3,663,282 was properly granted.
- (b) Declaration that Castro's Registered Trademark No. 3,663,282 is "inherently distinct."
- (c) Declaration that Castro is the Senior User of the Registered Trademark "EntrepreNeurology;"
- (d) Judicial Declaration That Castro's Ownership of the Trademark Registration Number 3,662,282 As a "Standard Character Mark" Allows Him to Use Any Variation of That Mark Without Regard to Any Particular font, Style, Size, Capitalization, Color or Punctuation.
- (e) Declaration of "No Likelihood of Confusion"
- (f) Declaration That Castro Is Not Using the Word "Entrepreneurology" With Intent to Confuse or Intent to Deceive.
- (g) Judicial Declaration that Castro is Allowed to use the Nouns "Entrepreneur" and "Entrepreneurology" To Describe His Goods and Services.
- (h) Declaration That EMI's Petition to Cancel Castro's Registered Trademark Number 3,663,282 Lacks Merit and Should be Dismissed With Prejudice.
- (i) Declaration that Castro Has Not Violated the the Anticybersquatting Consumer Protection Act.
- (j) Declaration That The Word "Entrepreneur" is Generic And Request For Cancellation of all of EMI's trademarks making use of that word.
- (k) Declaration of Unenforceability
- (l) Declaration That 15 U.S.C. 1065, and 15 U.S.C. 1115(b) are unconstitutional as applied.

- (m) Declaration That EMI's Mark "entrepreneur" is Merely Descriptive, Lacks Secondary Meaning, and Should be Cancelled.
- (n) EMI's mark "entrepreneur" Is Not "Incontestable" On the Facts of This Case.
- (o) Reasonable and necessary attorney's fees pursuant the Declaratory Judgments Act, and the Lanham Act;
- (p) Costs of Court, and expenses incurred in the litigation;
- (q) Pre and post-judgment interest; and
- (r) Such other and further relief at equity and at law to which Plaintiffs may be justly entitled.

#### **IX. REQUEST FOR JURY TRIAL**

9.1 Plaintiff hereby requests a trial by jury.

#### **X. PRAYER**

10.1 Wherefore, Plaintiff requests that the Defendant be cited to appear and answer herein and for Court Orders and Judgment as follows:

10.2 Judicial Declaration that:

- (a) Castro's Registered Trademark No. 3,663,282 was properly granted.
- (b) Declaration that Castro's Registered Trademark No. 3.663,282 is "inherently distinct."
- (c) Declaration that Castro is the Senior User of the Registered Trademark "EntrepreNeurology"
- (d) Judicial Declaration That Castro's Ownership of the Trademark Registration Number 3,662,282 As a "Standard Character Mark" Allows Him to Use Any

Variation of That Mark Without Regard to Any Particular font, Style, Size, Capitalization, Color or Punctuation.

- (e) Declaration of “No Likelihood of Confusion”
  - (f) Declaration That Castro Is Not Using the Word “Entrepreneurology” With Intent to Confuse or Intent to Deceive.
  - (g) Judicial Declaration that Castro is Allowed to use the Nouns “Entrepreneur” and “Entrepreneurology” To Describe His Goods and Services.
  - (h) Declaration That EMI’s Petition to Cancel Castro’s Registered Trademark Number 3,663,282 Lacks Merit and Should be Dismissed With Prejudice
  - (i) Declaration that Castro Has Not Violated the the Anticybersquatting Consumer Protection Act.
  - (j) Declaration That The Word “Entrepreneur” is Generic And Request For Cancellation of all of EMI’s trademarks making use of that word.
  - (k) Declaration of Unenforceability
  - (l) Declaration That 15 U.S.C. 1065, and 15 U.S.C. 1115(b) are unconstitutional as applied.
  - (m) Declaration That EMI’s Mark “entrepreneur” is Merely Descriptive, Lacks Secondary Meaning, and Should be Cancelled.
  - (n) EMI’s mark “entrepreneur” Is Not “Incontestable” On The Facts of This Case.
- 10.3 Reasonable and necessary attorney’s fees pursuant the Declaratory Judgments Act, and the Lanham Act;
- 10.4 Costs of Court, and expenses incurred in the litigation;
- 10.5 Pre and post-judgment interest; and

10.6 Such other and further relief at equity and at law to which Plaintiffs may be justly entitled.

Respectfully submitted,  
**CASTRO & BAKER, LLP**

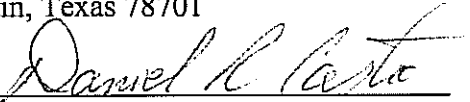
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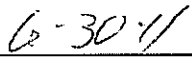
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**CERTIFICATE OF SERVICE**

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 June 30 2011:

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

  
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Date