



however, because the Lanham Act **does not restrict protected speech**. Further, Castro seeks to revive several of his other claims without adding key facts; such claims continue to fall short of the standard articulated by *Twombly*, in that they fail to raise Castro’s right to relief above a speculative level. Finally, each of Castro’s “new, never before pled claims” are not justiciable and merely seek advisory opinions from this Court.

Castro has had sufficient bites at the apple, and his claims should therefore be dismissed in their entirety without leave to amend.

## II. ARGUMENT

### A. Legal Standard

#### 1. 12(b)(6) Motion to Dismiss

Federal Rule of Civil Procedure 12(b)(6) authorizes dismissal of a complaint for “failure to state a claim upon which relief can be granted.” Fed. R. Civ. P. 12(b)(6). A plaintiff must plead specific facts, not mere conclusory allegations, to avoid dismissal for failure to state a claim. *Collins v. Morgan Stanley Dean Witter*, 224 F.3d 496, 498 (5th Cir. 2000). “Factual allegations must be enough to raise a right to relief above the speculation level, on the assumption that all allegations in the complaint are true (even if doubtful in fact).” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (quoting 5 C. Wright & A. Miller, Federal Practice and Procedure § 1216 235–26 (“[T]he pleading must contain something more . . . than . . . a statement of facts that merely create a suspicion [of] a legally cognizable right of action.”)).

The Court can dismiss a complaint without providing leave to amend, based on undue delay, bad faith, dilatory motive by the movant, repeated failure to cure deficiencies by prior amendments, undue prejudice to the other party, and the futility of the proposed amendments. *In re Southmark Corp.*, 88 F.3d 311, 314 (5th Cir. 1996) (citing *Foman v. Davis*, 371 U.S. 178, 182 (1962)); *see also Martin’s Herend Imports, Inc. v. Diamond & Gem Trading USA*, 195 F.3d

765, 771 (5th Cir. 1999) (finding district court acted within its discretion when dismissing a motion to amend that is frivolous or futile). “Futility” means that an amended complaint would still fail to state a claim upon which relief could be granted, regardless of the number of times amended. *Stripling v. Jordan Prod. Co., LLC*, 234 F.3d 863, 873 (5th Cir. 2000).

2. 12(b)(1) Motion to Dismiss

To determine whether it has jurisdiction over a declaratory relief claim, a district court should consider “(1) whether the declaratory action is justiciable; (2) whether the court has the authority to grant declaratory relief;<sup>1</sup> and (3) whether to exercise its discretion to decide or dismiss the action.” *Sherwin-Williams Co. v. Holmes County*, 343 F.3d 383, 387 (5th Cir. 2003).

In determining whether a declaratory relief claim is justiciable, the Supreme Court has held that “the question in each case is whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.” *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007). “In evaluating the justiciability of a declaratory judgment suit, courts must require a definite and concrete dispute, remembering the prohibition against ‘an opinion advising what the law would be upon a hypothetical set of facts.’” *Vantage Trailers, Inc. v. Beall Corp.*, 567 F.3d 745, 748–49 (5th Cir. 2009) (quoting *MedImmune*, 549 U.S. at 127).

The Fifth Circuit has identified several factors to consider in determining whether to exercise its discretion in deciding to retain or dismiss a declaratory judgment action, including whether retaining or dismissing the action would serve the purposes of judicial economy.

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<sup>1</sup> Here, EMI does not challenge the second prong—this Court has authority to grant declaratory relief. *See Sherwin-Williams Co.*, 343 F.3d at 387 (district court properly found authority to decide suit for declaratory relief where jurisdiction was otherwise present and there was no pending state action on the same matter).

*Sherwin-Williams Co.*, 343 F.3d at 388. “If a district court, in the sound exercise of its judgment, determines . . . that a declaratory judgment will serve no useful purpose, it cannot be incumbent upon that court to proceed to the merits before staying or dismissing the action.” *Wilton v. Seven Falls Co.*, 515 U.S. 277, 288 (1995).

**B. Castro’s Attempt to Rehash His Constitutional Claim Fails For the Same Reasons Already Articulated by this Court.**

Castro’s constitutional claim (SAC Claim VII.L at 54-70) is based on his continued contention that EMI’s registration and protection of its marks constitute “kidnap[ping] a commonly used word from the English lexicon.” SAC ¶ 7.150. As this Court previously stated, “the Lanham Act does not limit the use of common English words when those words are used in their descriptive or dictionary sense and not in a trademark sense.” Order Granting Motion to Dismiss (Dkt #36) (“Order”) at 5. Castro’s arguments once again conflate the narrow purpose of the Lanham Act, which regulates trademarks, and general principles of speech and fair use of words that also serve as marks. As this Court noted, EMI’s demand letter merely objected to Castro’s use of the mark ENTREPRENEUROLOGY as a source identifier for his services—nowhere in that letter does EMI state that he cannot use the word “entrepreneur” in a non-trademark manner. Order at 6. Castro ignores this reality, however, and argues at length that EMI is attempting to be the “gatekeeper” of this word and to “dictate” how others can and cannot use it. SAC ¶ 7.196.

This argument is baseless. EMI has the right and obligation to protect its rights against parties who use a confusingly similar *trademark* in a manner that infringes EMI’s rights. EMI cannot stop infringing use on its own, it can only challenge it through the legal process where appropriate. It is then up to a federal court or the United States Patent and Trademark Office (“PTO”) to decide whether such use constitutes trademark infringement based on the provisions

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

Castro’s use of his mark is also clearly commercial speech under Supreme Court precedent, which provides three factors indicating that speech is commercial: (1) the speech is an advertisement; (2) the speech relates to a specific product or service; and (3) the speaker has an economic motive for the speech. *Bolger v. Youngs Drug Products Corp.*, 463 U.S. 60, 66–67, 77 L. Ed. 2d 469, 103 S. Ct. 2875 (1983). By its very nature, a trademark is an advertisement, as its purpose is to communicate to consumers the source of a product or service being offered in commerce. 15 U.S.C. § 1127 (“The term “trademark” includes any word . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods”). Moreover, Castro’s trademark is, by his own admission, related to the specific products/services of workshops, seminars and “boot camp” training sessions. Inasmuch as Castro claims to have marketed and sold these products/services to “Fortune 500 Companies” and others, he indisputably has an economic motive for his trademark use. Thus, Castro’s ENTREPRENEUROLOGY mark is quintessential commercial speech, which is not subject to heightened First Amendment protection. *Central Hudson*, 447 U.S. at 562–63 (“The Constitution . . . accords a lesser protection to commercial speech than to other constitutionally guaranteed expression.”).

Commercial speech that is misleading receives no First Amendment protection. *Central Hudson*, 447 U.S. at 566. The purpose of the Lanham Act is to stop the misleading use of a

trademark, namely, the use of a mark in such a way as to cause confusion as to the source of the goods/services offered under that mark. Because the use of a trademark is necessarily commercial speech, misleading use of that mark in violation of the Lanham Act is not protected speech under the First Amendment. Thus, Castro has no basis for asserting a First Amendment violation here. If use of his mark is likely to cause confusion with EMI's mark, then Castro's mark is entitled to no First Amendment protection. Castro's constitutional challenge thus fails.

Castro now attempts to argue that “[i]t is true that the First Amendment does not protect commercial speech that is deliberately deceptive, false or misleading. But the undisputed facts show that this type of speech is not at issue here.” SAC ¶ 7.191 (internal cites omitted). Castro's argument, however, is circular and misses the point—whether Castro's use is likely to confuse consumers is a question of fact to be determined at trial. If the finder of fact determines that Castro's use of his mark is likely to cause confusion with EMI's marks, then his speech would be, by definition, misleading or deceptive, and therefore not entitled to First Amendment protection. If the finder of fact agrees with Castro that his use is not likely to confuse consumers, then the Lanham Act would not apply, and Castro's constitutional challenge would be irrelevant.

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

Finally, Castro has amended his complaint to add a contention that EMI has “the burden . . . to demonstrate why [15 U.S.C. §§ 1065 and 1115(b)] are constitutionality [*sic*] as applied,” and has set forth strict and intermediate scrutiny tests, which he alleges those portions of the

Lanham Act fail.<sup>2</sup> SAC ¶¶ 7.188, 7.196–209. These tests, though, exist to determine whether a restriction on speech is justified; no First Amendment analysis is necessary where no protected speech is involved. As this Court noted in its previous order, the Lanham Act does not restrict protected speech. Order at 5-7.

**C. Castro’s Unclean Hands Claim Once Again Fails to State a Claim and Should Be Dismissed Without Leave to Amend.**

Unclean hands may apply as a defense in a trademark infringement suit. Order at 12 (citing *Petro Franchise Sys., LLC v. All Am. Props., Inc.*, 607 F. Supp. 2d. 781, 799 (W.D. Tex. 2009)). However, “the doctrine should not be used as a loose cannon, depriving a plaintiff of an equitable remedy merely because he is guilty of unrelated conduct.” Order at 12.

Here, despite the previous dismissal of this identical claim, Castro renews his request for a declaration of unenforceability by arguing that EMI acted with “unclean hands” based on the contents of its cease and desist letter. SAC Claim VII.K at 51-54. This Court already rejected this argument, however, holding that “EMI’s use of the legal process to enforce its registered trademarks is not improper conduct, and indeed EMI is obligated under trademark law to monitor and protect its trademarks.” Order at 10, 13. Castro’s mere reshuffling of fact allegations in his SAC does nothing to alter this prior ruling and thus fails to state a claim on the basis of unclean hands. This claim should be dismissed without leave to amend.

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<sup>2</sup> Castro also repeatedly claims that Justice Stevens’ arguments regarding the legislative problems posed by the incontestability provisions “cleared a broad path” for a constitutional challenge for the Lanham Act. SAC ¶ 7.200. This is false. While Justice Stevens articulated policy reasons to reject the incontestability provisions in certain circumstances, his dissent does not consider the constitutionality of the Lanham Act. Whether that act is designed to further a compelling governmental interest, and whether the it is narrowly tailored to achieve that interest, is functionally irrelevant for First Amendment purposes unless Castro can show that the Lanham Act restricts protected speech. This Court has already held that it does not.

**D. Castro's Request for a Declaration that EMI's Mark is Not Incontestable Merely Restates Previously Dismissed Claims and Should Be Dismissed.**

Even though the claim was already dismissed by this Court, Castro renews his request for a declaration that EMI's registrations are not incontestable under the Lanham Act, because (1) Castro is the senior user of the ENTREPRENEUROLOGY mark, (2) EMI's ENTREPRENEUR mark is "generic," (3) EMI has unclean hands, (4) EMI is attempting to "use its 'incontestable' status as a 'sword,'" (5) Castro's mark is a design mark, and (6) Castro has a right to use the words "entrepreneur" and "entrepreneurology" as mere descriptors. SAC Claim VII.N at 70-72. This Court has already rejected several of these grounds, and the remainder are meritless and irrelevant to a determination of incontestability.

First, Castro realleges the claim that EMI's registrations are not incontestable, because Castro is the senior user of his marks, in spite of the fact that this Court expressly found that "Castro's claim that his senior use of his marks somehow impacts the incontestability status of EMI's marks is without merit." Order at 8. This argument cannot stand and should once again be rejected by this Court.

Second, Castro continues to misconstrue the meaning of incontestability and ignores the undisputed fact, recognized by this Court in its prior Order, that the PTO has determined that EMI's registrations are incontestable. Order at 7-8. A registration becomes incontestable when it "has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce," there is no adverse finding or pending proceeding against the registration, and a Declaration of Incontestability is filed with the PTO. 15 U.S.C. § 1065. The PTO accepted Declarations of Incontestability for EMI's Registration No. 1,453,968 on December 14, 1992; for Registration No. 2,263,883 on February 25, 2005; and for Registration No. 2,502,032 on October 10, 2007. Order at 7-8. This means that these three

registrations satisfied all of the statutory requirements for incontestability, and have been incontestable for 18 years, 5 years and 3 years, respectively. *Id.*

Third, as recognized by this Court in its prior Order, the Ninth Circuit determined that EMI's registrations in Classes 9 and 16 are incontestable and not generic.<sup>3</sup> *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1139, 1141 n.2, 1142 n.4, 1143 (9th Cir. 2002); Order at 8. Castro has not, and cannot, allege any plausible set of facts that contradicts these facts, so this ground should once again be rejected.

Fourth, as discussed above in Section C, Castro's unclean hands claim was already rejected by this Court and should be rejected again. Further, Castro's frequently-repeated allegation that EMI impermissibly seeks to use the Lanham Act's incontestability provisions as a "sword" to challenge Castro's registered mark is directly contrary to Supreme Court precedent. *Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 205 (1985) ("We conclude that the holder of a registered mark may rely on incontestability to enjoin infringement . . .").

Finally, Castro's remaining arguments regarding his own marks, just like his claim to be the senior user, are without merit and not relevant to the concept of incontestability. Castro's claim that he has the right to use "entrepreneurology" as a mere descriptor, in addition to being irrelevant, is directly contradicted by Castro's numerous allegations that "Entrepreneurology" is a made-up, fanciful, inherently distinctive trademark. It thus cannot be a "descriptive" term. Castro's argument that ENTREPRENEUROLOGY is a design mark simply makes no sense, as it is a word mark. Accordingly, Castro has once again failed to plead any facts or basis for this claim, and it should therefore be dismissed again, without leave to amend.

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<sup>3</sup> The genericness issue is further addressed below in Section F.

**E. Castro’s Request for a Declaration That He Be Permitted to Use “Entrepreneur” and “Entrepreneurology” in a Non-Trademark Sense Should Be Dismissed.**

Despite the Court already rejecting this exact claim, Castro renews his request for a declaration that he is allowed to use the term “entrepreneur” to describe his goods and services. SAC Claim VII.H at 36-39. This is an improper use of the Declaratory Judgment Act, which is only to be used when there is an “actual controversy” that must be resolved by the court. 28 U.S.C. § 2201. In its prior order, this Court stated: “Nowhere in [EMI’s demand letter] does EMI propose or demand that Castro not use the word entrepreneur in a non-trademark manner. The court holds that no justiciable controversy exists with regard to Castro’s use of the word, entrepreneur, in a non-trademark manner.” Order at 6. This claim should thus be rejected again and dismissed without leave to amend.

Castro also seeks a declaration that he should be permitted to use his “Entrepreneurology” trademarks as a “descriptor.” SAC ¶¶ 7.67–7.76. This claim does not make any sense, given that Castro claims trademark rights in this term, secured a federal trademark registration for it, and alleges repeatedly that it is a made-up word that he coined that is a fanciful mark and inherently distinctive. SAC ¶¶ 5.7–5.9, 5.110, 7.8, 7.12–7.25. This argument is nonsensical, and accordingly Castro has failed to state a claim for which relief can be granted. This claim should thus be dismissed without leave to amend.

**F. Castro’s Request for a Declaration of Genericness and Cancellation of EMI’s Registrations Should Be Dismissed.**

Cancellation of a federal trademark registration is governed by Section 14 of the Lanham Act, which states in relevant part that:

A petition to cancel a registration of a mark, stating the grounds relied upon, may . . . be filed as follows by any person who believes that he is or will be damaged . . . by the registration of a mark on the principal register . . . (3) At any time if the registered mark becomes the generic name for the goods or services, or a portion

thereof, for which it is registered . . . . A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.

15 U.S.C. § 1064(3). Thus, in order to plead a cancellation claim, Castro must allege specific facts showing that EMI's marks have become the generic name for the goods or services for which each mark is registered.

For purposes of determining protectability, trademarks are divided into four categories of increasing distinctiveness: (1) generic, (2) descriptive, (3) suggestive, or (4) arbitrary or fanciful. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976)). Generic terms can never attain trademark protection. *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1183 (5th Cir. 1980); *Vision Center v. Opticks, Inc.*, 596 F.2d 111, 115 (5th Cir. 1979).

A generic term is “the name of a particular genus or class of which an individual article or service is but a member.” *Vision Center*, 596 F.2d at 115 (citing *Abercrombie*, 537 F.2d at 9). “A generic term connotes the ‘basic nature of articles or services’ rather than the more individualized characteristics of a particular product.” *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 790 (5th Cir. 1983) (quoting *Am. Heritage Life Insurance Co. v. Heritage Life Insurance Co.*, 494 F.2d 3, 11 (5th Cir. 1974)). A word may be generic of some things and not of others: “ivory” is generic of elephant tusks but arbitrary as applied to soap, and “apple” is generic as to fruit but arbitrary when applied to computers. *Soweco*, 617 F.2d at 1183 (citing *Abercrombie*, 537 F.2d at 9 n.6). Judge Learned Hand provided a helpful inquiry for determining whether a mark has become generic:

What do the buyers understand by the word for whose use the parties are contending? If buyers take the word to refer only to a particular producer's goods

or services, it is not generic. But if the word is identified with all such goods and services, regardless of their suppliers, it is generic and so not a valid mark.

*Bayer Co. v. United Drug Co.*, 272 F. 505, 509 (S.D.N.Y. 1921).

Courts often look to specific examples to better understand the concept of genericness. “Aspirin” is the classic example cited as a trademark that is now considered the generic term for a pain reliever. *Zatarains*, 698 F.2d at 790 (citing *Bayer*, 272 F. 505). Similarly, “cellophane” has over time transformed from a trademark to become synonymous with transparent cellulose sheets and films. *See id.* (citing *DuPont Cellophane Co. v. Waxed Prods. Co.*, 85 F.2d 75 (2d Cir. 1936)). Other examples include “escalator” for a moving stairway, “trampoline” for tumbling equipment, and “yo-yo” for a return top toy. *King-Size, Inc. v. Frank’s King Size Clothes, Inc.*, 547 F. Supp. 1138 (S.D. Tex. 1982) (citing 1 J. Thomas McCarthy, *Trademarks and Unfair Competition*, § 12.3 at 410–12). In all of these cases, the term that was once a source identifier has become a generic term that represents an entire class of items.

Here, Castro is claiming that EMI’s ENTREPRENEUR marks are the generic terms for the goods/services for which they are registered. SAC Claim VII.J at 42-51. As an initial matter, as this Court acknowledged in granting EMI’s first motion to dismiss, “the Ninth Circuit determined that EMI’s registration in Classes 9 and 16 are incontestable and **not generic.**” Order at 8 (emphasis added) (citing *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1139 (9th Cir. 2002)). Discussing the continuum of trademark strength, from arbitrary and fanciful to generic, the Ninth Circuit found that “[g]eneric marks give the general name of the product; they embrace an entire class of products . . . ‘ENTREPRENEUR’ does not state the general name of EMI’s product—a magazine—and therefore does not fit within the generic category.” *Id.* at 1141 n.2 (internal citations omitted); SAC ¶ 5.75.

Further, for Castro’s claim of genericness to succeed, the term “ENTREPRENEUR”

would have to be recognized as the common term for the entire class of print and online magazines about businesses and business people. As such, all magazines about businesses and business people, including Fortune, Inc., The Economist, and BusinessWeek, would be considered “Entrepreneurs,” and the words “magazine” and “Entrepreneur” would be used interchangeably (e.g., “I’m going to stop at the newsstand and pick up an entrepreneur to read on my flight”). This is clearly not the case. Similarly, the term “ENTREPRENEUR” would be generally understood to refer to seminars and workshops, such that businesspeople would discuss attending an “entrepreneur” about entrepreneurship. Castro does not, and cannot, allege any facts that could support a claim that EMI’s ENTREPRENEUR marks are or could become generic, and his genericness claim, together with his claim for cancellation, should therefore be dismissed without leave to amend.

**G. Castro’s Claim That EMI’s ENTREPRENEUR Marks Should Be Cancelled For Descriptiveness is Explicitly Foreclosed By Binding Supreme Court and Fifth Circuit Precedent.**

Section 15 of the Lanham Act provides that “the right of the registrant to use [the] registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable.” 15 U.S.C. § 1065. It further provides that the only permissible grounds for seeking cancellation of an incontestable registration are genericness, functionality, abandonment, fraud or misrepresentation. *Id.*

Accordingly, “[t]he language of the Lanham Act forecloses any conclusion that a mark that is registered and has become incontestable . . . may be challenged as unprotectable because it is ‘merely descriptive.’” *Am. Rice, Inc. v. Producers Rice Mill, Inc.*, 518 F.3d 321, 330 n.6 (5th Cir. 2008) (citing *Park ‘N Fly*, 469 U.S. at 196). Castro’s claim (SAC Claim VII.M at 70) must fail, then, because descriptiveness is not a permissible ground for seeking cancellation of

EMI's registrations. This claim should therefore be dismissed without leave to amend.

**H. Castro's Remaining Declaratory Relief Claims Are Not Justiciable and Merely Seek Advisory Opinions from the Court.**

In determining whether to decide a claim for declaratory judgment, courts consider the justiciability of the action and whether to exercise discretion to retain or dismiss the claim. *Sherwin-Williams Co.*, 343 F.3d at 387. “[T]he question in each case is whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.” *MedImmune*, 549 U.S. at 127. “In evaluating the justiciability of a declaratory judgment suit, courts must require a definite and concrete dispute, remembering the prohibition against ‘an opinion advising what the law would be upon a hypothetical set of facts.’” *Vantage Trailers, Inc. v. Beall Corp.*, 567 F.3d 745, 748–49 (5th Cir. 2009) (quoting *MedImmune*, 549 U.S. at 127).

Whether to decide a claim for declaratory relief is within the discretion of the district court. *Rowan Cos. v. Griffin*, 876 F.2d 26, 28 (5th Cir. 1989). This discretion is broad, though not unfettered. *Am. States Ins. Co. v. Bailey*, 133 F.3d 363, 368 (5th Cir. 1998). “If a district court, in the sound exercise of its judgment, determines after a complaint is filed that a declaratory judgment will serve no useful purpose, it cannot be incumbent upon that court to proceed to the merits before staying or dismissing the action.” *Wilton v. Seven Falls Co.*, 515 U.S. 277, 288 (1995).

None of Castro's eight remaining declaratory relief claims meet the justiciability requirement, and thus all of those claims fail to state a claim for which relief can be granted. They should all accordingly be dismissed without leave to amend.

1. Castro's claim under the ACPA fails, because there is no dispute and Castro merely seeks an advisory opinion.

Castro's entire claim for declaratory relief under the Anticybersquatting Consumer Protection Act ("ACPA") (SAC Claim VII.I at 39-42) is based on the single allegation that "EMI has threatened to sue Castro under the [ACPA]" in its demand letter. SAC ¶ 7.78. EMI, however, has not sued Castro under the ACPA. *See* Counterclaims (Dkt #38). EMI, moreover, does not intend to sue Castro under the ACPA and has told him that. Thus, there is no "definite and concrete dispute" here under the ACPA; Castro instead asks the Court to issue an advisory opinion on Castro's liability under the ACPA if EMI were to hypothetically sue him under that statute. This claim fails to state a claim and should be dismissed without leave to amend.

2. Castro's other declaratory relief claims fail, because they make no sense and pose hypothetical questions.

Castro's remaining seven declaratory relief claims take specific facts and elements of a claim and ask the Court to give an opinion on them. This is not the purpose of the Declaratory Judgment Act, which addresses only disputes that are "real and substantial, and admit of specific relief through a decree of a conclusive character." *MedImmune*, 549 U.S. at 127.

For example, Castro asks this Court to declare that he is the senior user of his ENTREPRENEUROLOGY trademarks. SAC Claim VII.C. This claim makes no sense, and does not raise a justiciable controversy. Priority is not at issue in this case; EMI is not claiming rights (senior or junior) in the ENTREPRENEUROLOGY marks, nor is EMI asserting that some third party has such rights. Castro is thus asking the Court to give an advisory opinion on Castro's seniority as to the world in general, which is improper and fails to state a claim.

Similarly, Castro seeks a declaration from the Court that Castro is free to use any font, style, size, capitalization, color or punctuation for his ENTREPRENEUROLOGY marks. SAC Claim VII.D. This is a quintessential example of an advisory opinion on hypothetical facts.

How is the Court to know whether any particular combination of stylistic choices are lawful and appropriate? What if Castro were to adopt Google's distinctive font and colors for his marks, or incorporated Golden Arches or a Swoosh as part of his marks? By granting Castro's requested declaration, the Court would immunize Castro from any suit by Google, McDonalds or Nike. This claim is absurd and should be dismissed for failure to state a claim.

Castro also seeks an advisory opinion on hypothetical facts in requesting a declaration that his registration was "properly granted" by the PTO. SAC Claim VII.A. Such a declaration would be sweeping and would reach far beyond this one specific dispute. What if there is a common law user of an identical mark with rights senior to Castro? What if Castro committed fraud on the PTO in securing his registration? If the Court were to grant the requested declaration, neither of these issues could later be raised against Castro by any third party, since Castro would have a judicial declaration that his registration was "properly registered." This cannot be the correct result for a claim under the Declaratory Judgment Act, and thus this request for a declaratory opinion by the Court is overreaching and fails to state a claim. It should be dismissed without leave to amend.

Castro also takes specific, discrete elements of an infringement claim and asks the Court to give a declaration on that one element. For instance, Castro asks the Court to declare that he has no intent to confuse or deceive, and that his marks are inherently distinctive, which are two of multiple non-exhaustive and non-determinative factors considered in the likelihood of confusion analysis (which in turn is one of several elements of a trademark infringement claim). *See Xtreme Lashes, LLC v. Xtended Beauty, Inc.*, 576 F.3d 221, 229 (5th Cir. 2009) (enumerating eight non-dispositive "digits of confusion"). This type of claim fails the test for justiciability, because it does not "admit of specific relief through a decree of a conclusive character." *See*

*MedImmune*, 549 U.S. at 127. Even if the Court were to give such declarations, it provides no specific, conclusive relief to Castro. These are simply two factors that the Court will then consider to determine whether Castro infringes EMI's rights. Castro cannot prevail on the infringement claim based on either of these declarations. Accordingly, these and Castro's other two declaratory relief claims that involve specific elements of the overall claims (SAC Claims VII.B, E, F and G) in this case do not state a claim for relief and should be dismissed without leave to amend.

### III. CONCLUSION

For the foregoing reasons, EMI requests that all of Castro's claims be dismissed without leave to amend.

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Respectfully submitted,

By:     /s/ Jennifer L. Barry      
William G. Barber  
Texas Bar No. 01713050  
PIRKEY BARBER LLP  
600 Congress Avenue, Suite 2120  
Austin, TX 78701  
(512) 322-5200 / (512) 322-5201 Fax

Perry J. Viscounty (Admitted *Pro Hac Vice*)  
Latham & Watkins LLP  
650 Town Center Drive, 20<sup>th</sup> Floor  
Costa Mesa, CA 92626  
(714) 540-1235 / (714) 755-8290 Fax

Jennifer L. Barry (Admitted *Pro Hac Vice*)  
Latham & Watkins LLP  
600 West Broadway, Suite 1800  
San Diego, CA 92101  
(619) 236-1234 / (619) 696-7419 Fax

Attorneys for Defendant/Counterclaimant  
ENTREPRENEUR MEDIA, INC.

**CERTIFICATE OF SERVICE**

I hereby certify the on July 19, 2011, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system which will send notification of such filing to the following:

Daniel R. Castro  
CASTRO & BAKER, LLP  
7800 Shoal Creek Blvd., Suite 100N  
Austin, TX 78757

/s/ Jennifer L. Barry  
Jennifer L. Barry