

**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**

**CASTRO’S RESPONSE TO EMI’S MOTION  
TO DISMISS REQUEST FOR DECLARATORY JUDGMENT THAT HE HAS  
THE RIGHT TO USE THE WORDS “ENTREPRENEUR” AND  
“ENTREPRENEUROLOGY” TO DESCRIBE HIS GOODS AND SERVICES,  
and  
TO DISMISS HIS CLAIM FOR CANCELLATION OF EMI’S TRADEMARK ON  
THE BASIS THAT IT IS “GENERIC”**

**I. A CLAIM PLED IN THE ALTERNATIVE CANNOT BE  
DISMISSED AT THIS TIME**

EMI argues that the Court already dismissed this claim and that Castro has not pled any new facts to support it. However, this is not true. This is a new claim based on new facts. See Sections 5.6 and 7.67 of Second Amended Complaint. The very first sentence of the claim at issue here states, “*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.” See Sections 5.6 and 7.67 of Second Amended Complaint. EMI cannot identify anywhere in Castro’s previous complaint where this claim was pled, and cannot identify any language in the Court’s previous order where it ruled on Castro’s right to use the word “entrepreneurology” as a descriptor to describe his goods and services.

If Castro loses his trademark, then his rights still remain unclear for the following reasons. In Castro's previous complaint, he only requested a declaration that he is entitled to use the word "entrepreneur" in its literary sense. The Court understandably dismissed this claim for lack of case or controversy. However, this time Castro seeks a judicial declaration that he is entitled to use the word "entrepreneurology" as *descriptor* to describe his goods and services. The two words are different, and the usage is different. EMI cannot identify any language in the Court's previous order where this new issue was resolved.

The new facts explain in detail that Castro was using the word "entrepreneurology" to describe his goods and services long before he obtained a trademark on that word. See Sections 5.6 and 7.76 of Second Amended Complaint. If Castro loses his trademark, he is entitled to know now, *in this proceeding*, whether he can continue using that word to describe his goods and services.

EMI cannot have it both ways. Either it should admit that Castro has the right to use the word "entrepreneurology" to describe his goods and services and so moot this claim, or it should acknowledge that Castro is entitled to a ruling on this claim. It is only in the interest of judicial economy that Castro seeks a ruling on this issue. Otherwise, the parties will be back in court later if EMI decides after the fact that it doesn't want Castro using this word as a mere descriptor. EMI can clear this matter up right now if it so chooses. However, the Court cannot resolve this issue at this time, because the facts triggering this claim have not yet occurred. Castro still owns his trademark.

It is improper for EMI to send a letter threatening litigation if Castro continues to use the word "entrepreneurology" and then deny Castro's right to seek a judicial declaration from this Court as to the parameters of his rights to use that word. It is elementary that a letter threatening

litigation gives this Court the proper “case or controversy” it needs to resolve this matter. *See Vantage Trailer, Inc. v. Beall Corp.*, 567 F.3d 745, 751 (5<sup>th</sup> Cir. 2009). This was the very reason the Declaratory Judgments Act was created. *Id.* EMI is essentially asking the Court to cede over to EMI its Article III Constitutional authority to inform others of their rights. Because this claim was pled in the alternative, and because EMI’s threatening letter gives this Court the proper “case or controversy” it needs, Castro respectfully requests that EMI’s motion to dismiss be denied.

## **II. THE ISSUE OF “GENERICNESS” IS AN ISSUE OF FACT THAT CANNOT BE DISPOSED OF AT THE 12(b)(6) LEVEL**

The question of whether a trademark has become “generic” over time is, and always has been, a question of fact, not of law. *See Bath & Body Works, Inc. v. Luzier*, 76 F.3d 743, 748 (6<sup>th</sup> Cir. 1996). EMI concedes that questions of fact cannot be disposed of at the 12(b)(6) level. See page 5 of EMI’s Response to Castro’s 12(b)(6) motion. Therefore, EMI’s motion should be dismissed on this basis alone. In a tacit acknowledgment of this problem, EMI proceeds to make an argument that is more proper in a motion for summary judgment. EMI completely ignores *all the new facts* pled in support of this claim and argues solely on the law and on the merits. This is also ironic because EMI has previously acknowledged that this Court cannot rule on the merits at this time. See pages 1 and 5 of EMI’s Response to Castro’s 12(b)(6) motion.

The new facts are at 7.95 to 7.125 of the Second Amended Complaint. A summary of those new facts is as follows: (1) EMI uses the word “entrepreneur” in its common, ordinary, generic sense hundreds of times in its own magazine; (2) the word “entrepreneur” has a common dictionary meaning, and EMI uses the word in its common, ordinary sense (not in an “arbitrary” fashion to refer to some unrelated product, as required by the Lanham Act); (3) EMI has allowed 152 other trademarks using some variation of the word “entrepreneur” to be registered at the

USPTO; (4) EMI has judicially admitted that the phrase “entrepreneur of the year” is generic; (5) EMI has judicially admitted that general public does not recognize that the phrase “entrepreneur of the year” as identifying any one single exclusive awards program; (6) the word “entrepreneur” started out as a generic term approximately three hundred years ago in France.

These are the very type of facts that courts typically analyze in determining whether a trademark has become generic. This Court has not yet had an opportunity to examine any of them. *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”); *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).

At this point, if the Court presumes the facts pled as true, and went on nothing else, it would *have to conclude* that the word “entrepreneur” has become generic.<sup>1</sup> Castro respectfully requests that the Court presume the facts as true as required by the Fifth Circuit in *Oppenheimer v. Prudential Sec.*, 94 F.3d 189, 194 (5<sup>th</sup> Cir. 1996).

But EMI has another problem. In its zeal to dispose of this claim on the merits, EMI has failed in its duty of candor to the court. EMI has failed to disclose that there is a *huge split* in the Circuits as to when a word has become generic when it comes to magazines. Here is the host of cases that EMI failed to disclose to the Court. *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

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<sup>1</sup> After all, how easy is it for a noun that started out as generic to become generic again? 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.)

online interactive database information exchange in the fields of law, legal news and legal services). Each and every one of these courts were forced to contend with the same kind of facts that Castro has pled here.

EMI also failed to disclose to the Court the second half of the now famous footnote in *EMI v. Smith*. In the exact same footnote that EMI relies on, the Ninth Circuit acknowledged the split in the Circuits by citing *CES Publishing Corp. v. St. Regis Publications*, 531 F.2d 11(2d Cir. 1975) for the proposition that CONSUMER ELECTRONICS is generic for magazine about consumer electronics. The Ninth Circuit was implying that if it had the right evidence in the record to analyze in the first place, it might actually be forced to conclude that the word “entrepreneur” for a magazine about entrepreneurs is, in fact, generic. The problem is – there were no facts in the record to analyze.

Moreover, the Ninth Circuit’s footnote does not have the effect of collateral estoppel of *res judicata* over the parties in this case. See *Pace v. Bogalusa City Sch. Bd.*, 403 F.3d 272, 290 (5<sup>th</sup> Cir. 2005)(explaining the elements of collateral estoppel); and *Sapp v. Mem’l Hermann Healthcare Sys.*, 406 Fed. Appx. 866, 871 (5<sup>th</sup> Cir. 2010)(explaining the elements of *res judicata*).

In addition, nowhere in the Ninth Circuit’s opinion did it grapple with any facts (in either parties’ favor) that would have allowed it to make a proper ruling on the merits. The reason for this is because the defendant, Smith, did not plead or present any evidence on the facts Castro pleads here. Moreover, Smith waived the issue of genericness on appeal by not presenting any argument on it whatsoever. It is elementary that failure to present argument and citations to the record on appeal constitutes waiver. See *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.”). Even EMI acknowledges that it is not proper for a court to express an opinion on an issue that is not before the court. See p. 3 of EMI’s Motion to Dismiss. The Court can review Smith’s appellate court brief at Exhibit 10 to Castro’s Second Amended Complaint. However, for purpose of 12(b)(6), the Court is required to take Castro’s word for it and presume the waiver to be true. See *Oppenheimer, v. Prudential Sec*, 94 F.3d 189, 194 (5<sup>th</sup> Cir. 1996).

Because the issue was waived, and because there were no facts in the record to analyze, any opinions expressed by the Ninth Circuit constitute dicta (especially in light of the court’s acknowledgment that there is a split in the Circuits when it comes to magazines).

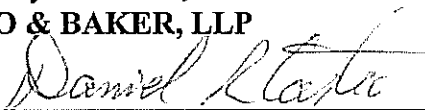
Because “genericness” is a fact issue, and because EMI acknowledges that fact issues cannot be resolved at the 12(b)(6) level, the only question before the Court at this time is whether Castro has paid the price of admission by pleading sufficient facts to get to the jury. Indeed, Castro pled the exact same facts that all courts cited above have analyzed in making a ruling on this issue. EMI does not even acknowledge those new facts, much less attempt to explain why those facts are not sufficient – in light of the legion of case law cited above. Therefore, Castro respectfully requests that his claim be allowed to proceed on the merits.

### **III. CONCLUSION**

Wherefore, Castro respectfully requests that EMI’s motion to dismiss be, in all things, denied.

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

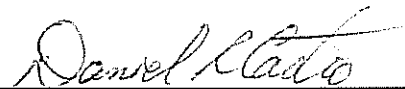
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Daniel R. Castro  
State Bar No. 03997390  
7800 Shoal Creek Blvd.  
Suite 100N  
Austin, Texas 78757  
phone: (512) 732-0111  
fax: (512) 732-0115

### CERTIFICATE OF SERVICE

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| <p>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 August 7, 2011:</p> | <p>William G. Barber<br/>Pirkey Barber, LLP<br/>600 Congress Avenue, Suite 2120<br/>Austin, Texas 78701</p> |
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**CIVIL ACTION NO:  
A:10-CA-695-LY**

**ORDER DENYING EMI's MOTION TO DISMISS  
UNDER RULE 12(b)(6) AND RULE 12(b)(1)**

Before the Court are two motions filed by EMI. One asks the Court to dismiss certain of Castro's claims under Rule 12(b)(6). The other motion asks the Court to dismiss certain of Castro's claims under Rule 12(b)(1).

The Court having considered both motions, and all responsive pleadings, is of the opinion that both motions should be DENIED.

ACCORDINGLY, IT IS ORDERED that the EMI's Motion To Dismiss Under Rule 12(b)(6) and Rule 12(b)(1) are hereby DENIED.

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

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The Honorable Lee Yeakel