

Who owns “entrepreneur”: a lesson in protecting descriptive trademarks

Michael J. Feigin, Esq., of Law Firm of Michael J. Feigin and Associates takes a look at the long battle over the word “entrepreneur”

Entrepreneur Media, Inc. (hereinafter, “EMI”), the company behind Entrepreneur Magazine and entrepreneur.com, provides magazines and services for entrepreneurs. Not only does EMI provide such products and services, but they teach entrepreneurs the right way to protect one’s intellectual property by example, with 20 registered US trademarks and five more on the way. In the past few years, they have protected their marks vigorously. This includes their flagship US trademark registrations 2,502,032 and 3,520,633 for “Entrepreneur.”

Back in 1977, EMI’s predecessor, Chase Revel, Inc., filed for “International Entrepreneurs’ Association” (Reg. No. 1,130,838) as a trademark for “publications and periodical reports.” Such marks are routinely granted, after having acquired secondary meaning which generally requires use for five consecutive years¹. (For marks used less than five years, they are allowed only the Supplemental Register².) After all, we have *People* magazine about people, *Life* magazine about life, and *Entertainment Weekly* about entertainment... which appears weekly. As long as your product is at least descriptive, if you are the first to do it, the name can be yours.

Recently, EMI’s trademark portfolio came under attack by Daniel R. Castro, an attorney in Texas and owner of US Trademark Registration No. 3,663,282 for “EntrepreNeurology.” EMI fired the first shot across his bow – a notice to extend time to oppose his next application for “Entrepreneur.Ology³.” Castro fired back at full blast. He is seeking a declaratory judgment against EMI to cancel their Entrepreneur mark or, at least, declare his valid.

The cause of the dispute is, of course, the issue of “likelihood of confusion” as spelled out in US statutes⁴ and case law⁵. If consumers in the marketplace would see “Entrepreneur.Ology” for, as Castro’s registration states, “conducting workshops and seminars,” would they be confused and think that these services are being provided by EMI, owner of “Entrepreneur” for pre-recorded media, radio, and television programs for those, as their mark states, “owning and operating businesses”?

Castro’s main argument, however, is that EMI should not be able to register the name “Entrepreneur” at all. How can one prevent others from using the name, Entrepreneur, when they are selling what are clearly entrepreneurial services? Indeed, one cannot register a mark for a generic term⁶. Had EMI described its application as, “providing business services to entrepreneurs,” it would run the risk of being seen as generic. Indeed, in US Trademark 3,652,950, EMI was forced to disclaim the word “Entrepreneur” apart from its use in the mark “Entrepreneur Connect” for “business networking services.” Apparently, the Examining Attorney at the US Patent and Trademark

Office for this application saw a generic connection between EMI’s mark and its services. With EMI’s other marks, they escaped a generic classification by seeking not to protect business service *per se*, but physical items such as magazines and videos, where it is, of course, not generic to call a 100 pages of bound paper an “Entrepreneur,” though it describes the type of material printed thereon.

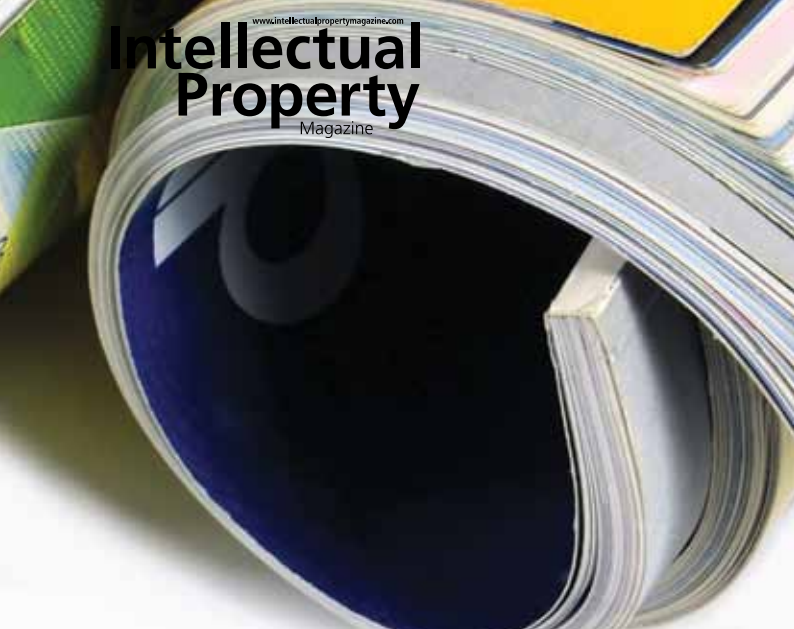
Thus, Mr Castro has little chance of success in his attempts to cancel EMI’s marks. The “International Entrepreneurs’ Association” transformed itself into “Entrepreneur,” according to EMI’s US trademark 3,520,633, at least as early as 1989. Curiously, EMI made no attempt to trademark “Entrepreneur” until November 6, 2000 (US Reg. No. 2,502,032), eleven years later. While it need not have waited more than five years from their date of use, this afforded EMI the ability to proceed directly to the Principal Trademark Register without having to stop first on the Supplemental Register, where it would be more vulnerable to attack.

What is interesting is that even EMI’s Statements of Use, showing its mark as used in commerce, show products where “Entrepreneur” was but one word of a larger sentence. Still, a descriptive use for more than five years is permissible for registration on the Primary Register. For companies which have been selling goods for over five years, you might have a similar opportunity in protecting your own goods, thereby providing a barrier to entry for others.

However, just like having the largest and best army in the world offers little protection if it stands around while others take over the territory it is supposed to be protecting, a trademark offers little protection unless it is asserted against invaders. On the flip side, an army is expensive, your detractor’s morale will rise if you lose, and, as Ghengis Khan tells us, “Only a fool fights a battle he knows he cannot win.”

EMI v Markva

With these adages in mind, in 2004, fully twenty-eight years from initial use, EMI’s evolution into ownership of a rather powerful registration was complete, and it picked its first battle with Kurt Markva. Apparently a relative of Mr Markva, Neil, filed his trademark application for “Entrepreneurgr-IP” which smacked of amateurism, listing far too many specifics in the goods and services section of the mark. However, like Khan, EMI’s only real resistance was in the beginning. Markva fought his opponents in court and at the US Trademark Trials and Appeals Board (TTAB)⁷, but failed to respond after the TTAB ruled against his (improperly formed) motion for Summary Judgment, citing *H. Marvin Ginn Corp. v. International Association of Fire Chiefs, Inc.*, 782 F.2d 987, 228 USPQ 1141 (Fed. Cir. 1986). The TTAB compared “Fire Chief”



magazine for fire fighters, which won its own battle in 1986, to EMI's mark for Entrepreneurs.

Markva's mark became EMI's test case. The irony of the case is that Markva probably could have sustained his registration and fought off the attack, given the weakness in scope of EMI's descriptive mark and differences in look, sound, and goods between the two marks. Had Markva acted a bit more professionally, such as by filing as a corporation and not as an individual, making his description of goods more professional, and perhaps by engaging an attorney who didn't coincidentally happen to have the same last name, he might not have even been a target. Someone with a built up appearance might be faking it, but if you don't even try that much, you leave no doubt.

EMI's next ten oppositions, all crammed into the past five years, read something like the fate of King Henry VIII's wives. EMI won every battle while the defendants did this, in the order: defaulted, defaulted, abandoned, abandoned, defaulted, postponed, pending, postponed, defaulted, postponed⁸. At the same time that EMI was attacking marks like "entrepreneur" and "scientrepreneur," small time marks filed by entities they figured they could easily vanquish, they ignored marks such as, "newpreneur" (filed very professionally by a holdings company in the Cayman Islands), and "orthopreneur" (filed very professionally on behalf of a corporation in Ohio). The description of goods for each clearly indicates that they, too, are selling magazines and business services to entrepreneurs. By acting professionally and properly and not stepping too much on someone else's toes, you, too, can avoid an expensive attack.

Castro V EMI

Then came Mr Castro. Like "newpreneur" and orthopreneur," he too escaped attack when he filed "entrepreneurology," but EMI wasn't having it with "Entrepreneur.Ology." Upon the first salvo, an extension of time to file, he went right to court to invalidate EMI's marks. (Mr Castro, as a trademark attorney, is surely also aware of EMI's history.) Seeing that negotiating was not likely to go too far, he had two choices – either follow the rest of the crowd and abandon, or stay and fight. If he fought, the US Patent and Trademark Office would likely not be the best venue. After all, EMI has had great success there. As against that, district court is new grounds where EMI has no history and it put Mr Castro on the offensive, whereas his vanquished predecessors all fought a defensive war.

Mr Castro complained to the court, "EMI's pattern of threats and lawsuits against anyone who uses any variation of the common noun 'entrepreneur' is an attempt to create a monopoly and a barrier." EMI responded that it simply protected its mark. After all, a trademark is useless if it isn't policed.

In this case, both parties are right and both are wrong. EMI probably can't claim sufficient rights to prevent issuance of Mr Castro's mark. However, Mr Castro will likely also fail in attacking EMI's mark. Yes, EMI exhibits a pattern of threats and suits. Yes, it is a barrier to entry for other players. EMI is doing what is necessary to protect its mark. Every serious company should be doing likewise. EMI has a valid claim to "Entrepreneur" for magazines, periodicals,

and even the instructional videos and radio programs that it claims. EMI has properly built up its trademark portfolio and is always expanding it through marks like "Entrepreneur Connect" and "Entrepreneur Expo."

While there is no doubt that the descriptive "entrepreneur" marks are at the edge of what is permissible to trademark (and consequently, require the most vigilance to protect), Mr Castro argues that even if it is descriptive, it shouldn't be protectable. Many predecessors would join Mr Castro in arguing that such a registration flies in the face of common sense. So what do you do when you feel the law is against common sense? Challenge the law. Mr Castro hopes to overturn the Lanham Act which has governed US trademark law since 1946. While he is not likely to succeed in overturning a 65-year-old law in widespread use, at least he can say he tried.

Summary

EMI's strategy is a lesson for others seeking descriptive marks. Be clever, be first, be patient, and stay under the radar until your rights are secured. A notice of opposition to a pending mark can likely kill a new business' aspirations of trading off of a name. With limited cash and uncertainty of success, in most cases, it costs much more than it is worth to defend when the outcome is uncertain. However, if you pass this hurdle without opposition, then you are on the offensive with secured rights. Others who come your way will likely find it impractical to defend against your certainty behind your mark, while they languish in uncertainty behind their new trade name and new business.

The lesson for the rest of us is that you can be the big player and can obtain a great mark. (There are plenty of English dictionary words out there which have yet to be descriptively trademarked!) It will take at least five years to do, and the price to pay is also steep. Constant watchfulness of your mark is necessary, and while you may win ten battles, you just may hit upon a Mr Castro who puts up a fight. The cost is high, but the marketing ability may be greater. Is it a price you are willing to pay?

Footnotes

1. See TMEP § 1212.
2. See <http://www.patentlawny.com/index.php/trademark-supplemental-register> for a discussion of the Supplemental Register.
3. *Castro v. Entrepreneur Media, Inc.*, Filed September 15, 2010 in Texas Western District Court.
4. Trademark Act Section 2(d), 15 U.S.C. §1052(d)
5. *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).
6. See US Trademark Manual of Examination Procedures (TMEP) § 1209.01. For example, one cannot register a mark for "soap" when one is selling soap.
7. US Trademark Trials and Appeals Board Cancellation Nos. 92043579; 92043899.
8. In order, this refers to U.S. Trademark Application Nos. 78/846,741 (Scientrepreneur), 77/027,301 (Lifestyle Entrepreneur), 78/743,837 (Entrepreneurs' Sales & Marketing), 78/498,345 (The Entrepreneur), 77/744,924 (Entrepreneur DNA), 77/594,960 (The Everyday Entrepreneur), 77/544,203 (Entrepreneur Hall of Fame), 77/790,557 (The Official Sponsor of Entrepreneurs), 77/412,594 (Entrepreneur), and 77/736,621 (The Entrepreneurs Agent).

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