



# Brand Bullies- Entrepreneurs draw legal action over common words

## Are trademark owners going to far?

By John Rondy • 07/05/05

**Milwaukee, Wis.** - When Remy Konitzer was devising a name for his bar and grill concept, he wanted to come up with an original title, so he didn't leave things to chance.

Before the Janesville fixed-base airport operator and entrepreneur applied for a name with the [U.S. Patent and Trademark Office \(PTO\)](#), he checked to see if anyone else had a similar name in the trademark class under which he would apply. He also conducted a thorough search on the Internet and combed telephone directories.

Confident that no one else was using the names Monster Roadhouse or Monster Saloon, Konitzer went ahead and made his application with the PTO through his attorney.

As part of his search, Konitzer came across an article about how [Monster Cable Products](#) threatened legal action against [Monster Vintage](#), a San Francisco sole proprietorship and T-shirt vendor, for trademark infringement and trademark dilution. Given that Monster Cable makes cables that connect high-end stereo and computer equipment, the suit gave the appearance of a giant stepping on an ant just because it could.

For Konitzer, it was his first inkling that his selection of the word "Monster" might run into some opposition down the road. He also learned that because of Monster Cable's vigorous pursuit of those who would use "monster" as part of their name, the trademark registration process could take a year or more.

After making his application for the two trademark names in December, Konitzer was not altogether surprised when he received a cease and desist letter from Monster Cable in late May, even though the trademark registration process was not very far along. It was enough to make Konitzer, a military veteran with an aviation background, dig in for battle.

"I feel Monster Roadhouse is a great name, and I went through thousands of dollars going for a federally registered trademark. I do not intend to back down," Konitzer said. "I have the resources so I don't have to."

While trademark owners have an obligation to protect their marks, they may overreach in determining how much effort they have to put into protecting their marks when consumer confusion is unlikely, observes Konitzer's attorney, Rob Petershock of [Michael Best & Friedrich LLP](#) in Madison.

### Brand bullies

Brand-name bullies are increasingly pushing into the lives of would-be entrepreneurs, as corporate trademark owners aggressively assert their brand-related intellectual property rights against smaller concerns. Businesses that claim ownership of common words, such as the word "monster" or "entrepreneur" itself - as in the magazine ----- are beginning to draw fire.

Professor Kevin J. Greene, an intellectual property lawyer now teaching at the [Thomas Jefferson School of Law](#) in San Diego, California, argues that the real reason for trademark law is to benefit large trademark owners.

A trademark owner has an obligation to protect its mark against infringement, counters Deborah Wilcox, an intellectual property attorney with [Baker & Hostetler](#) in Cleveland, who represents a number of larger companies that are out to protect their marks.

"If you continuously use a trademark, even if it started out as relatively weak, you can build it up as consumers start to recognize it, and you can exclude others from that marketplace," she said. Under the section of trademark law known as dilution, someone else can't come in and whittle away at the distinctiveness of a strong trademark by using it for other goods and services, Wilcox says.

Petershock agrees, to an extent.

"There are companies that do have famous marks that deserve broad protection in the marketplace," he says. "Marks such as Harley-Davidson, Coca-Cola, and Tiffany are valuable across product boundaries and vigorous protection is justified"

"But, when you use common fairly descriptive words like "monster" or "entrepreneur" as your trademark, any claim of fame for that mark as a basis for broad trademark protection is much more difficult to make," Petershock says. "This is especially the case with words like "entrepreneur" where there are few, if any, words that have the same meaning."

With trademarks like that, Petershock argues, claims of trademark dilution aren't reasonable.

#### **David v. Goliath**

Lawsuits for trademark infringement tend to be costly, which makes it impossible for the law to serve fully the interests of all trademark holders, both large and small, as the smaller party is forced to back down, or can be ruined by attempting to fight back in a protracted legal battle.

Scott Smith is a Sacramento public relations professional who has seen his once-burgeoning P.R. firm decimated by choosing to fight back over the use of the word "entrepreneur" in his business name. In 1997, Smith found himself in the crosshairs of [Entrepreneur Media Inc. \(EMI\)](#), publishers of Entrepreneur Magazine, who filed suit for trademark infringement over Smith's use of the name Entrepreneur PR

"It's sort of like matching a heavyweight versus a journeyman boxer," says Smith, whose P.R. firm was named one of the 10 fastest growing in 2000 before the legal battle forced him to lay off all of his employees and move the business back to his [home office]. "They have spent more than \$1 million in legal fees just coming after me. They have outspent me, at least 10 to 1. That is why they are being called a trademark bully."

A federal judge ruled that Smith had to pay EMI \$1.4 million, including attorney's fees and damages. Smith eventually changed his company's name to [BizStarz](#) and filed for personal bankruptcy in 2001. Smith continues to carry on the fight against what he sees as heavy-handed tactics by larger companies that tend to pick and choose their battles over trademark infringement.

"If you use Entrepreneur Magazine's logic, they say that they are one of the first users of this name in the [business] world, so they trump everybody," Smith says. "Even a grade school kid realizes the ridiculousness of that claim. Granted, Entrepreneur is a well-known magazine. What I disagree with is them being a trademark bully, and using that as a jackhammer to try and beat down anyone who would use the word."

EMI claims exclusive rights to use the word "entrepreneur" as part of the various trademarks it has been granted by the PTO. It claims nobody can use the word as a part of a domain name, and they can't have the word "entrepreneur" as part of a publication name, for entertainment purposes, or radio and TV programs [or as part of any trademark].

Mark Finkletstein, an Orange County intellectual property attorney for EMI, says Entrepreneur has obtained trademarks for its name across a broad spectrum of business classes.

"We are asked: 'How can you have a trademark when the word entrepreneur when it is in the dictionary?'" he said. "It's not unusual to have words that are everyday words trademarked. There are numerous words like that, and it's appropriate."

Last summer Heather Tornincasa, who wanted to start her own business in San Diego, received a cease and desist letter from a legal firm representing EMI after filing an application with the PTO to register use of the word "entrepreneur" and "entrepreneur generation" for use on T-shirts, sweaters, hats, shoes and other clothing. Tornincasa's dreams of starting her own business were effectively over before they began.

"I felt like I was bullied out," Tornincasa said. "All the lawyers I talked to wanted to charge \$10,000 to \$50,000 just to respond to the notice of opposition. That's too much. I am a young entrepreneur, and to put up that kind of cash didn't seem worth it to me."

According to Smith, others who have met with a similar response from EMI include a computer game manufacturer, and [EntrepreneursTV.com](#), an online service for entrepreneurs for business to learn how to run their businesses better, Smith says. In each case, they were forced to change their name.

"Due to this litigation, we were forced to give up use of the word, and to rename our company, and still be in litigation with them," Smith says. "So, it knocks you off your rhythm, and that's their whole goal."

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