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THE WALT DISNEY COMPANY
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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION
11

12 MONSTER CABLE PRODUCTS, INC., a)
California corporation; MONSTER CABLE)
13 INTERNATIONAL LTD, a Bermuda)
corporation,)
14)
Plaintiff,)
15)
v.)
16)
THE WALT DISNEY COMPANY, and DOES 1)
17 through 50, inclusive,)
Defendant.)
18)

Case No. C 01-20885 PVT

**THE WALT DISNEY COMPANY'S
ANSWER TO COMPLAINT BY
MONSTER CABLE PRODUCTS, INC.
AND MONSTER CABLE
INTERNATIONAL LTD AND
COUNTERCLAIM FOR
CANCELLATION OR PARTIAL
CANCELLATION OF FEDERAL
TRADEMARK REGISTRATION**

19 _____)
THE WALT DISNEY COMPANY,)
20)
Counterclaimant,)
21)
v.)
22)
MONSTER CABLE PRODUCTS, INC., a)
23 California corporation; MONSTER CABLE)
INTERNATIONAL LTD, a Bermuda)
24 corporation,)
Counterdefendant.)
25)
26)
27 _____)

DEMAND FOR JURY TRIAL

1 **ANSWER**

2 Defendant THE WALT DISNEY COMPANY ("TWDC") hereby answers the
3 Complaint of MONSTER CABLE PRODUCTS, INC. and MONSTER CABLE
4 INTERNATIONAL LTD (collectively "Monster Cable") as follows:
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6 **JURISDICTION AND VENUE**

7 1. TWDC admits that Monster Cable purports to invoke the jurisdiction of the Court
8 under 28 U.S.C. §§ 1331 and 1332. Except as so admitted, TWDC denies each and every
9 allegation in paragraph 1 of the Complaint.

10 2. TWDC admits that Monster Cable purports to invoke pendent or supplemental
11 jurisdiction for its state law claims. Except as so admitted, TWDC denies each and every
12 allegation in paragraph 2 of the Complaint.

13 3. TWDC admits that Monster Cable purports that venue is proper within the Northern
14 District of California pursuant to 28 U.S.C. §§1391 (b) and (c). Except as so admitted, TWDC
15 denies each and every allegation in paragraph 3 of the Complaint.
16

17 **THE PARTIES**

18 4. TWDC lacks sufficient knowledge or information to form a belief as to the truth of
19 the allegations set forth in paragraph 4 of the Complaint, and on that ground TWDC denies each
20 and every allegation in paragraph 4 of the Complaint.

21 5. TWDC admits that it is a Delaware corporation with its principal place of business
22 in Burbank, California.

23 6. TWDC lacks sufficient knowledge or information to form a belief as to the truth of
24 the allegations set forth in paragraph 6 of the Complaint, and on that ground TWDC denies each
25 and every allegation in paragraph 6 of the Complaint.

26 7. TWDC denies each and every allegation in paragraph 7 of the Complaint.
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1 **FACTUAL BACKGROUND AND GENERAL ALLEGATIONS**

2 8. TWDC lacks sufficient information to form a belief as to the truth of the allegations
3 set forth in paragraph 8 of the Complaint, and on that ground TWDC denies each and every
4 allegation in paragraph 8 of the Complaint.

5 9. TWDC lacks sufficient knowledge or information to form a belief as to the truth of
6 the allegations that Monster Cable is the owner of federal trademark Registration No. 2,184,002 or
7 federal trademark Registration No. 2,197,793 set forth in paragraph 9 of the Complaint, and on that
8 ground TWDC denies these allegations. TWDC admits that the documents labeled as Exhibit A
9 and Exhibit B are attached to the Complaint and purport to be copies of federal trademark
10 Registration Nos. 2,184,002 and 2,197,793. Except as so admitted, TWDC denies each and every
11 allegation in paragraph 9 of the Complaint.

12 10. TWDC lacks sufficient information to form a belief as to the truth of the allegations
13 set forth in paragraph 10 of the Complaint, and on that ground TWDC denies each and every
14 allegation in paragraph 10 of the Complaint.

15 11. TWDC lacks sufficient knowledge or information to form a belief as to the truth of
16 the allegations set forth in the first two sentences of paragraph 11 concerning Monster Cable's
17 advertising and promotional activities, and on that ground TWDC denies those allegations.
18 TWDC denies each and every remaining allegation in paragraph 11 of the Complaint.

19 12. TWDC denies each and every allegation in paragraph 12 of the Complaint.
20

21 **COUNT I**

22 **(TRADEMARK DILUTION)**

23 13. TWDC repeats and realleges the answers in paragraphs 1 through 12 above as if
24 fully set forth in this paragraph. Except as expressly admitted in paragraphs 1 through 12 above,
25 TWDC denies each and every allegation in paragraphs 1 through 12 of the Complaint.

26 14. TWDC denies each and every allegation in paragraph 14 of the Complaint.

27 15. TWDC denies each and every allegation in paragraph 15 of the Complaint.

28 16. TWDC denies each and every allegation in paragraph 16 of the Complaint.

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17. TWDC denies each and every allegation in paragraph 17 of the Complaint.

COUNT II

(TRADEMARK INFRINGEMENT)

18. TWDC repeats and realleges the answers in paragraphs 1 through 17 above as if fully set forth in this paragraph. Except as expressly admitted in paragraphs 1 through 17 above, TWDC denies each and every allegation in paragraphs 1 through 17 of the Complaint.

19. TWDC denies each and every allegation in paragraph 19 of the Complaint.

20. TWDC denies each and every allegation in paragraph 20 of the Complaint.

21. TWDC denies each and every allegation in paragraph 21 of the Complaint.

22. TWDC denies each and every allegation in paragraph 22 of the Complaint.

COUNT III

(FEDERAL UNFAIR COMPETITION)

23. TWDC repeats and realleges the answers in paragraphs 1 through 22 above as if fully set forth in this paragraph. Except as expressly admitted in paragraphs 1 through 22 above, TWDC denies each and every allegation in paragraphs 1 through 22 of the Complaint.

24. TWDC denies each and every allegation in paragraph 24 of the Complaint.

25. TWDC denies each and every allegation in paragraph 25 of the Complaint.

26. TWDC denies each and every allegation in paragraph 26 of the Complaint.

27. TWDC denies each and every allegation in paragraph 27 of the Complaint.

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COUNT IV

(CONTRIBUTORY TRADEMARK INFRINGEMENT AND DILUTION)

28. TWDC repeats and realleges the answers in paragraphs 1 through 27 above as if fully set forth in this paragraph. Except as expressly admitted in paragraphs 1 through 27 above, TWDC denies each and every allegation in paragraphs 1 through 27 of the Complaint.

29. TWDC denies each and every allegation in paragraph 29 of the Complaint.

30. TWDC denies each and every allegation in paragraph 30 of the Complaint.

31. TWDC denies each and every allegation in paragraph 31 of the Complaint.

32. TWDC denies each and every allegation in paragraph 32 of the Complaint.

COUNT V

(STATE UNFAIR COMPETITION)

33. TWDC repeats and realleges the answers in paragraphs 1 through 32 above as if fully set forth in this paragraph. Except as expressly admitted in paragraphs 1 through 32 above, TWDC denies each and every allegation in paragraphs 1 through 32 of the Complaint.

34. TWDC denies each and every allegation in paragraph 34 of the Complaint.

35. TWDC denies each and every allegation in paragraph 35 of the Complaint.

36. TWDC denies each and every allegation in paragraph 36 of the Complaint.

37. TWDC denies each and every allegation in paragraph 37 of the Complaint.

AFFIRMATIVE DEFENSES

TWDC hereby asserts its Affirmative Defenses to Monster Cable's Complaint, as follows:

FIRST AFFIRMATIVE DEFENSE

Each of the purported claims set forth in the Complaint fails to state a claim upon which relief may be granted.

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SECOND AFFIRMATIVE DEFENSE

Each of the purported claims set forth in the Complaint is barred in whole or in part because TWDC does not manufacture, sell or license any goods in competition with goods manufactured and sold by Monster Cable.

THIRD AFFIRMATIVE DEFENSE

Each of the purported claims set forth in the Complaint is barred in whole or in part because goods manufactured and sold by Monster Cable are not confusingly similar to goods licensed by affiliates of TWDC, and no consumers have been or will be confused into believing that goods manufactured and sold by Monster Cable originate from the same source as goods licensed by affiliates of TWDC.

FOURTH AFFIRMATIVE DEFENSE

Each of the purported claims set forth in the Complaint is barred in whole or in part because use of "MONSTERS, INC." as a title for a movie and for related goods is descriptive, is a fair use, and/or is protected by the First Amendment to the United States Constitution.

FIFTH AFFIRMATIVE DEFENSE

Each of the purported claims set forth in the Complaint is barred in whole or in part by the doctrine of laches.

SIXTH AFFIRMATIVE DEFENSE

Each of the purported claims set forth in the Complaint is barred in whole or in part by the doctrines of waiver, acquiescence, and estoppel.

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SEVENTH AFFIRMATIVE DEFENSE

Each of the purported claims set forth in the Complaint is barred in whole or in part because Monster Cable has acted to restrain trade or injure competition and has committed other acts constituting misuse of trademarks and unfair competition.

EIGHTH AFFIRMATIVE DEFENSE

Each of the purported claims set forth in the Complaint is barred in whole or in part by the doctrine of unclean hands.

NINTH AFFIRMATIVE DEFENSE

Each of the purported claims set forth in the Complaint is barred in whole or in part because TWDC's conduct did not actually or proximately cause any of the losses or damages allegedly sustained by Monster Cable.

TENTH AFFIRMATIVE DEFENSE

Monster Cable's dilution claims are barred in whole or in part on the grounds that TWDC and Monster Cable are not competitors, and Monster Cable's alleged marks are not sufficiently recognized or well known among the general public as to be famous.

ELEVENTH AFFIRMATIVE DEFENSE

TWDC is not liable for exemplary damages because neither TWDC nor any of its officers, directors, or managing agents acted intentionally or willfully to commit any infringing acts.

1 **COUNTERCLAIM**

2 TWDC makes the following counterclaim against Monster Cable:

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4 **JURISDICTION**

5 1. TWDC seeks cancellation, partial cancellation, and/or modification of Monster
6 Cable's federal trademark Registration No. 2,197,793. TWDC's counterclaims arise under the
7 trademark laws of the United States. Original jurisdiction over such claims is conferred by
8 28 U.S.C. §§ 1331, 1338(a) and 15 U.S.C. §§ 1119, 1121.

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10 **VENUE**

11 2. TWDC is informed and believes, and based thereon alleges, that Monster Cable
12 transacts business in, does business, and/or may be found within the Northern District of
13 California. Venue therefore is proper in the Northern District of California under
14 28 U.S.C. § 1391(b).

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16 **INTRA-DISTRICT ASSIGNMENT**

17 3. This counterclaim is appropriate for assignment to the San Jose Division of this
18 Court because Monster Cable filed suit against TWDC in this judicial division.

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20 **PARTIES**

21 4. TWDC is a corporation duly organized and existing under the laws of the State of
22 Delaware, with its principal place of business located in Burbank, California.

23 5. TWDC is informed and believes, and based thereon alleges, that MONSTER
24 CABLE PRODUCTS, INC. is a corporation organized and existing under the laws of the state of
25 California and that MONSTER CABLE INTERNATIONAL LTD is a corporation organized and
26 existing under the laws of the country of Bermuda, and is a wholly owned subsidiary of
27 MONSTER CABLE PRODUCTS, INC. Counterdefendants shall be referred to collectively herein
28

1 as "Monster Cable." Monster Cable purports to manufacture and sell specialized sound and video
2 cables and related hardware products for adult audiophiles and videophiles.

3
4 **FACTUAL BACKGROUND**

5 6. Monster Cable purports to be the owner of federal trademark Registration No.
6 2,197,793 for the mark "MONSTER." Registration No. 2,197,793 states that it was issued under
7 International Class 16, which covers the following goods or services: paper, cardboard and
8 goods made from these materials, not included in other classes; printed matter; book binding
9 material; photographs; stationery; adhesives for stationery or household purposes; artists'
10 materials; paint brushes; typewriters and office requisites (except furniture); instructional and
11 teaching material (except apparatus); plastic materials for packaging (not included in other
12 classes); playing cards; printers' type; printing blocks. Monster Cable's asserted use was for
13 "newsletters, magazines, catalogs and newspapers providing entertainment industry and cable
14 industry news."

15 7. TWDC is informed and believes, and based thereon alleges, that the goods actually
16 offered by Monster Cable under the purported mark "MONSTER" are limited to cables and related
17 products that are marketed specifically to audiophiles and videophiles, as well as sound
18 recordings.

19 8. TWDC is informed and believes, and based thereon alleges, that Monster Cable
20 does not provide, never has provided, and/or no longer provides, goods and services allegedly
21 covered by Registration No. 2,197,793. Accordingly, Monster Cable's MONSTER mark covered
22 by Registration No. 2,197,793 is necessarily overbroad and/or any rights Monster Cable may have
23 had previously have been abandoned.

1 **FIRST CLAIM FOR RELIEF**

2 (Cancellation, partial cancellation, and/or rectification of the Federal Trademark
3 Register based upon failure to use marks at legally required times)

4 [15 U.S.C. § 1119, *et seq.*]

5 9. TWDC realleges and incorporates herein each and every allegation contained in
6 paragraphs 1 through 8 above.

7 10. On information and belief, Monster Cable's Registration No. 2,197,793 for the
8 alleged "MONSTER" mark is overbroad, includes goods and services that had never been offered
9 or sold by Monster Cable as of the required dates, and/or was issued improperly, without proper
10 support, or unlawfully.

11 11. On information and belief, Monster Cable's claims in its Complaint against TWDC
12 are being facilitated by the overbreadth of the alleged MONSTER registration.

13 12. TWDC is entitled to an order of this Court, as authorized by 15 U.S.C. § 1119,
14 canceling or partially canceling Monster Cable's purported trademark Registration No. 2,197,793,
15 or requiring other rectification of the Federal Trademark Register as it pertains to that purported
16 registration.

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18 **SECOND CLAIM FOR RELIEF**

19 (Cancellation, partial cancellation, and/or rectification of the
20 Federal Trademark Register based upon abandonment)

21 [15 U.S.C. § 1119, *et seq.*]

22 13. TWDC realleges and incorporates herein each and every allegation contained in
23 paragraphs 1 through 12 above.

24 14. On information and belief, Monster Cable's alleged federal trademark Registration
25 No. 2,197,793 for the "MONSTER" mark is overbroad, includes goods and services that have
26 been abandoned by Monster Cable, and should be canceled, partially canceled or otherwise
27 restricted to eliminate such abandoned goods and services.

1 15. On information and belief, Monster Cable's claims in its Complaint against TWDC
2 are being facilitated by the overbreadth of the alleged MONSTER registration.

3 16. TWDC is entitled to an order of this Court, as authorized by 15 U.S.C. § 1119,
4 canceling or partially canceling Monster Cable's purported trademark Registration No. 2,197,793,
5 or requiring other rectification of the Federal Trademark Register as it pertains to that purported
6 registration.

7
8 **PRAYER FOR RELIEF**

9 WHEREFORE, TWDC prays for relief as follows:

- 10 A. For judgment in favor of TWDC and against Monster Cable on Monster Cable's
11 Complaint and TWDC's Counterclaim;
- 12 B. For an order dismissing Monster Cable's Complaint with prejudice;
- 13 C. For an order canceling or partially canceling Monster Cable's alleged federal
14 trademark Registration No. 2,197,793, or otherwise rectifying the Trademark Register of the
15 United States Patent & Trademark Office.
- 16 D. For costs and attorney's fees incurred in this action.
- 17 E. For such other and further relief as this Court deems just and proper.

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19 Dated: October 29, 2001

QUINN EMANUEL URQUHART
OLIVER & HEDGES, LLP

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By: _____
Albert P. Bedecarré
Attorneys for Defendant and Counterclaimant
THE WALT DISNEY COMPANY

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DEMAND FOR JURY TRIAL

TWDC hereby demands a trial by jury of all issues related to the Counterclaim that are so triable.

Dated: October 29, 2001

QUINN EMANUEL URQUHART
OLIVER & HEDGES, LLP

By: _____
Albert P. Bedecarré
Attorneys for Defendant and Counterclaimant
THE WALT DISNEY COMPANY