



RUSHMORE PHOTO & GIFTS, INC.

July 8, 2011

RUSHMORE PHOTO & GIFTS, INC. COUNTERCLAIMS FOR DAMAGES AND SEEKS THE CANCELLATION OF THE SMRI REGISTRATION FOR THE NAME "STURGIS"

RAPID CITY—July 8, 2011—On July 7, 2011, Rushmore Photo & Gifts, Inc. ("Rushmore") held a press conference in Rapid City, South Dakota announcing its intention to vigorously defend itself against recent allegations of trademark infringement made by Sturgis Motorcycle Rally, Inc. ("SMRI"). Indeed, the day before, Rushmore filed counterclaims in federal court seeking the cancellation of SMRI's registration for the name "Sturgis" based on fraud on the United States Patent & Trademark Office. Rushmore has also brought other counterclaims, including claims for damages for tortious interference and for false and fraudulent registration of a trademark.

Rushmore's counterclaims allege that during the process of obtaining the registration for "Sturgis," SMRI's predecessor, the Sturgis Area Chamber of Commerce, swore under oath to the U.S. Patent & Trademark Office that it was the "substantially exclusive" user of the name "Sturgis" from 1987 through 2001. Rushmore's attorney, Aaron Davis from Patterson Thunte IP, stated at the press conference, "As anybody from Sturgis well knows, the Chamber of Commerce was not by any means the exclusive user and source of goods bearing the name 'Sturgis' ever, let alone from 1987 through 2001." According to Rushmore's claims, the Chamber's false statements to the Trademark Office allowed the "Sturgis" registration to issue, but they render the registration invalid and unenforceable.

Paul Niemann, co-owner of Rushmore, expressed significant concern for the future of the Motorcycle Rally if the fraudulently-obtained registration was allowed to survive, "[SMRI's] chokehold on the Rally, with a potential tunnel vision of the future, will only serve to stagnate and deteriorate a vibrant and interesting biker Rally." Attorney Davis also emphasized that, "[Rushmore is] not only defending themselves, but they are standing up to SMRI as a show of support to the Sturgis community as a whole and the Rally's many vendors, many of whom are small, family-owned businesses that have made their livings off of 'Sturgis' Rally merchandise for many, many years, and out of respect for the spirit of freedom that the Rally has historically embodied."

At the press conference, Niemann also announced the formation of a non-profit trade association, "Concerned Citizens for Sturgis," which is dedicated to challenging the wrongfully-obtained registrations for not only "Sturgis," but also for "Black Hills" which is also owned by SMRI. "Until this assault was perpetrated by [SMRI], we were content to go about our business allowing the free and open market to judge the content and success of products sold during the Rally. Based on their actions, the individuals that sit as the board of SMRI do not share that attitude. We fear that their ultimate goal, aside from their public image of philanthropy, is to control for their own gain a once open and free Sturgis Rally."

Attorney Davis concluded, "We will not back down. At the end of the day, we hope to prevent SMRI from ever again asserting their fraudulently-obtained 'rights' against anyone else."

ABOUT RUSHMORE PHOTO & GIFTS, INC.

Rushmore Photo & Gifts, Inc. is currently the largest provider of postcards in our region with service areas covering the entire state of South Dakota and Wyoming, and including the western regions of Nebraska and North Dakota. Our company has a complete line of quality souvenirs, which includes a full-service program to match individual needs. Quality is our reputation, service is our specialty! We have been the leader in the industry for more than 70 years. Please feel free to contact us at 1-800-568-5321 or e-mail us at info@rpgsouvenirs.com.

ABOUT CONCERNED CITIZENS FOR STURGIS

Concerned Citizens for Sturgis is a trade association uniting individuals and companies to promote the growth and health of Sturgis, South Dakota and the Motorcycle Rally. For more information call (605) 209-0553 or visit www.concernedcitizensforsturgis.org.

ABOUT PATTERSON THUENTE IP

Patterson Thuente IP helps creative and inventive clients worldwide protect, and profit from, their ideas. Practicing in the areas of patents, trademark, copyright, trade secrets, IP litigation, international IP protection, licensing and post-grant proceedings, the firm's attorneys excel at finding strategic solutions to complex intellectual property matters. Patterson Thuente IP's client-base represents a range of industries, including agriculture, aviation, biotechnology, chemical, computer/Internet, defense, entertainment, health care, mechanical technologies, medical device, nanotechnology, optics, software and telecommunications. For more information call (612) 349-5740 or visit www.ptslaw.com.

MEDIA INQUIRIES

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ENCLOSURES

SMRI's Complaint
Rushmore's Answer and Counterclaims against SMRI
SMRI's Certificate of Incorporation
Media Questions to ask SMRI