

CONCERNED CITIZENS FOR STURGIS SPEAK OUT

RAPID CITY—July 21, 2011—It has long been discussed as to how the city of Sturgis can benefit the most financially from hosting the Sturgis Rally. Sometime around 2001 someone came up with a brainstorm idea, if the name “Sturgis” can be trademarked, then it can be licensed for a fee. Thus, if a name can be trademarked, why not trademark the entire town and the surrounding Black Hills therefore if anyone wants to use these words they would then have to pay the people owning the marks. The Sturgis Area Chamber of Commerce was convinced to go forward and tried to register the names of “STURGIS” and “BLACK HILLS.” As many already know, this created quite an uproar. Most thought that such an endeavor was legally impossible and that the said names would never be registered. How could they? The names “Sturgis” and “Black Hills” had been used for many decades by countless businesses and individuals. Throughout all the confusion and turmoil, three predominant businesses “Sturgis Bike Week,” “Black Hills Harley Davidson,” and Jerry Berkowitz’s “Hot Leathers/Good Sports” come to a conclusion that they needed to oppose these registrations. These businesses, and a few others, proceeded to file an action in the U.S. Trademark Office against the Chamber’s attempt to register the names “Sturgis” and “Black Hills.” Throughout the initial part of the proceeding, many issues were brought to light regarding the registration of the “Sturgis” and “Black Hills” names. Some of the issues were the prior usage of the marks and the fact that the names “Sturgis” and “Black Hills” were primarily geographically descriptive. In response to this, the Chamber’s then-President, Marlin Martin, swore out an affidavit stating that the Chamber was the substantially exclusive user of the “Sturgis” and “Black Hills” names in connection with the Rally from 1987 through 2001. Black Hills Harley-Davidson and Good Sports argued to the U.S. Trademark Office in sworn documents (that are included with this press release) that the names “Sturgis” and “Black Hills” had long been used by numerous businesses and individuals on rally merchandise and services alike, so the Chamber has never been the “substantially exclusive user” of those names. Obviously, Black Hills Harley-Davidson and Good Sports argued at the time in their sworn statements, the Chamber lied in its affidavits to the U.S. Trademark Office and the registrations should not be allowed.

Fast forward to 2009. The parties have been embroiled in a lawsuit for about eight years and Sturgis Bike Week has been hit the hardest by the cost of this suit. After fighting for its own rights to the name “Sturgis Bike Week,” along with the other companies opposed to the Chamber getting the Sturgis registration, Sturgis Bike Week tapped its finances and went out of business. Sturgis Bike Week is forced to liquidate its assets to pay off creditors. While in negotiations with many parties to sell off Sturgis Bike Week’s intellectual property, banker John Johnson and Chamber leader Dean Kinney wanted these rights sold to the Sturgis Area Chamber of Commerce. Subsequently, the Sturgis Chamber bought the name “Sturgis Bike Week.”

After the purchase of Sturgis Bike Week’s intellectual property by the Sturgis Chamber of Commerce, the Chamber then ran into financial problems. They were losing the legal battle to register their marks and running out of money as well. It is believed that out of desperation, a deal was made with the businesses opposing the Chamber for those companies (or their principals) to own the registrations. If they stop their oppositions, Black Hills Harley-Davidson and Good Sports could control the manufacture and sale of all of the rally souvenirs at a great financial benefit to themselves. A new company was set up, Sturgis Motorcycle Rally, Inc. (SMRI), which would hold the alleged Sturgis-related intellectual property. The Chamber then sold all of its intellectual property to SMRI for an undisclosed amount of money and debt assumption.

Thereafter, without further opposition, the “Sturgis” and “Black Hills” names were registered by SMRI earlier this year. Almost immediately, SMRI went into overdrive threatening businesses with lawsuits, seizures, and confiscations of product. Indeed, SMRI threatened businesses, manufacturers and vendors that had been using the word “Sturgis” for years, in many cases decades.

SMRI, is run by Dean Kinney, president of “Home Slice;” Jerry Berkowitz, president of “Hot Leathers/Good Sports;” Jim Burgess, partner in “Black Hills Harley Davidson;” and John Johnson, banker at “First Interstate Bank.” SMRI now shows its true intentions. They begin looking for ways to get rid of the competition, recover their costs, and start making money from their ill-gotten registrations. So SMRI came up with a very shrewd one-sided “license” contract. If the “licensee” gives up all your rights to ever again use the words “Sturgis” or “Black Hills” without SMRI’s consent, and agrees to never join with or start litigation against SMRI, then SMRI will, for one season, until the end of 2011, sell you hang tags at an unreasonable set price to sell Sturgis and Black Hills products. Most licensing money is to be paid directly to Good Sports Inc. not SMRI. This is to allow Jerry to control his competition and recover lawyer fees. Black

Hills Harley Davidson stopped selling all of its products to vendors and retailers. Harley opened its own stores in several Black Hills locations. It is clear from Good Sports and Black Hills Harley-Davidson's actions and complete 180 degree change in position on these registrations that their intention is to corner the rally souvenir business and not to let anyone else get in their way.

SMRI is threatening all who use the words "Sturgis" or "Black Hills" that have not signed a licensing agreement with them. In June 2011, SMRI filed a law suit against Rushmore Photo and Gifts, Inc. owned by Paul, Carol, and Brian Niemann. Rushmore Photo and its owners counter-sued to cancel SMRI's fraudulent marks. To get support and help in their fight with SMRI, the not-for-profit organization Concerned Citizens for Sturgis (CCFS) was created.

Concerned Citizens for Sturgis was formed by Paul and Brian Niemann, and Kent Mortimer. Mortimer owns Renegade Classics and several properties on Main Street in Sturgis. The organization's goal is to restore the terms "Sturgis" and "Black Hills" to their rightful owners, the people and the bikers! CCFS was created in order for individuals, small and large businesses, to be able to fight SMRI and their monopolistic behavior. Many people are unable, through fear, intimidation, or lack of resources, to stand up against SMRI, so CCFS had to be created in order for them to unite and fight SMRI. CCFS completely supports Rushmore Photo in its efforts to cancel the fraudulent marks of SMRI and feels that "Sturgis" and "Black Hills" should be terms that anyone can use without fear of litigation.

In response to a major ground swell of bikers from around the country and its members, Concerned Citizens for Sturgis is today joining and supporting the, "Sturgis Motorcycle Rally Inc. aka SMRI Boycott." Bikers all over the country have called for a boycott, whereby we the people *"DO NOT PURCHASE ANY MERCHANDISE or ATTEND ANY FUNCTIONS"* from the companies associated with SMRI. These companies are Black Hills Harley-Davidson, Hot Leather / Good Sports, First Interstate Bank any event sponsored by Home Slice or product bearing the SMRI hang tag.

Concerned Citizens for Sturgis has received support from many disenfranchised vendors and is seeking more support in their efforts to secure billboards, newspaper and magazine ads. It is this kind of dedication to the principles of freedom and open commerce that made the Sturgis Motorcycle Rally the OLDEST, BIGGEST and BEST rally in the nation and we plan to keep it that way.

Donations to Concerned Citizens for Sturgis to help with the legal fight can be mailed to:

Concerned Citizens for Sturgis

P.O. Box 3162

Rapid City, SD 57709

CCFS Board

MEDIA INQUIRIES

Please contact Brian Niemann of Concerned Citizens for Sturgis at:

(605) 209-0553 or info@concernedcitizensforsturgis.org