

BATTLE CREEK ENQUIRER

# Business

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EVERY MONDAY IN NEIGHBORS

### Market watch

Dow Jones Industrial	9,742.42
Nasdaq Composite	1,708.12
S&P 500	988.11

### NYSE diary

Advances	1,267
Declines	1,391
Unchanged	352
Volume	1,614,607,200

### Nasdaq diary

Advances	1,279
Declines	1,078
Unchanged	408
Volume	1,715,546,274

**NATION**  
**Waksal begins prison sentence**  
MINNEAPOLIS, Pa. — Jim Waksal, the biotech executive caught in the insider-trading scandal that threatened Martha Stewart, reported to a federal minimum-security prison Wednesday to begin serving a sentence of more than seven years.

Waksal, founder of ImClone Systems Inc., becomes the first CEO to do time in the recent wave of corporate scandals.

The 55-year-old scientist pleaded guilty last fall to securities fraud for tipping his daughter to dump ImClone stock because the government was about to announce bad news about the company's key cancer drug, Erbitux. A federal judge also fined him \$4.3 million.

Waksal pleaded guilty last year to charges including securities fraud and perjury. He later admitted to dodging more than \$1 million in sales tax on paintings he bought from a Manhattan art gallery.

### Car dealers' ratings improve

Free maintenance offers and improved vehicle quality have helped increase customer satisfaction with car dealerships, according to an annual study by J.D. Power and Associates out Wednesday.

But the J.D. Power maintenance has some customers grumbling that they can't schedule convenient service visits. Power says, threatening to lower the satisfaction scores.

Power says most brands increased their customer satisfaction scores in the past year. Power's 2003 Customer Service Index is based on surveys of 100,000 car owners. So far, increased sales haven't hurt Infiniti, Nissan's luxury brand, which ranked No. 1 in the 2003 Customer Service Index moving up from No. 2 last year.

### Action slows for child tax credit

WASHINGTON — Democrats stalled action in the House for more than an hour on Wednesday to highlight inaction on a bill expanding the child tax credit for low-income families.

President Bush planned to promote the child tax credit during a visit today to Philadelphia, one day before the first round of rebate checks are set to be mailed to middle-income families. The checks, worth up to \$400 per child, are the result of a tax cut enacted in May that increased the credit to \$1,000 this year.

The House and Senate have both passed bills expanding the child tax credit for low-income families, but they stand apart on other items. The Senate proposed a compromise to the House this week, but the lawmakers named to negotiate a compromise have not yet met.

## Ohio man wins Kellogg battle

Cereal company sued businessman for Toucan Sam trademark infringement

**Jessy Roze**  
The Enquirer  
An Ohio businessman has won a nine-year legal battle against Kellogg Co. but he is crying foul over tactics used by the company's lawyers.

Peter Boyko, owner of Toucan Golf Inc. in Mansfield, Ohio, was sued by the Battle Creek-based food company in 1994 for trademark infringement and against Toucan Sam. Boyko's company, Toucan Golf, uses a toucan bird for its logo and to promote a set of golf clubs called "Toucan Gold." Kellogg's Toucan Sam was introduced in 1965 as the colorful cartoon spokesperson for Frost Loops cereal.

Boyko was contacted by Washington, D.C.-based lawyers representing Kellogg, and after that things turned nasty, he said.

"They said 'If you don't give up now, we will put you out of business. Kellogg has deep pockets,'" Boyko said. "They came in here and took pictures of my employees, asked for my income tax returns — they intimidated you. They went through every drawer."

He said lawyers representing Kellogg told him they had "friends" and connections in federal trademark offices and that Boyko never would win the case. Boyko said he informed Kellogg about how his lawyers were operating but was ignored. "The lawyers and Kellogg know we didn't infringe on their trademark," Boyko added. "I imagine they spent a quarter of a million dollars trying to put us out of business. They took nine years of my life and a whole lot

of money out of my pocket. It was really humiliating. They've been beating someone up for nine years, and in a way, there's no punishment for them."

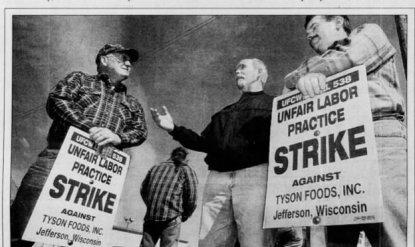
Boyko said he potentially lost millions of dollars in sales by not being able to market the Toucan Gold golf clubs over the past nine years. Kellogg spokeswoman Celeste Clark said the company does not comment on litigation.



Kellogg's Toucan Sam



Boyko's Toucan Golf logo



Jefferson, Wis., Mayor Arnold Brundage, center, talks to striking Tyson Foods plant workers Gus Gayle, left, and Tom Heine, right, outside the plant in Jefferson. A strike by 470 Tyson workers at the Jefferson plant has turned the world's largest meat company.

## Workers' strike pits giant Tyson against small town

**MELISSA MCCOON**  
The company's offer would freeze wages for four years and cut new hires' hourly wages from about \$10.50 to \$10.00, says Tyson. Tyson would give workers bonuses when workers receive and its wages in line with what comparable workers earn in the region.

"People in this working-class community so much of Mallon are supporting the striking employees, who have been the job since Feb. 28. I don't know if this small town can make a difference, but we're doing as much as we can," said Chad Sebse, who manages Tyson, which posted \$2.4 billion in sales in 2002, got the Jefferson plant and about 60 others when it bought HP meat

Nicholson said the company stands by its latest offer. Spokeswoman Jill Cadden said the union has the Jefferson situation as the first move by Tyson to lower compensation at the old IBP plant.

For Jefferson, the strike isn't just about 470 workers and their families — it is also about the local economy. About 1,000 people in the area work in manufacturing, and Tyson accounts for a third of those jobs, said Terry Ludeman, a state labor economist.

The strikes are getting increasingly frustrating but Mayor Arnold Brundage said the town seems to be standing firm behind them. "Unfortunately, there doesn't appear to be an end in sight," he said.

### File-swapping brawl spawns 'secure' software

**Alex Vencu**  
Associated Press  
LOS ANGELES — As the recording industry prepares hundreds of copyright lawsuits against the makers of file-sharing software are fortifying their programs to try to mask users' identities. Some of the upgrades reroute Internet connections through so-called proxy servers that scrub away cybertracks. Others incorporate firewalls or

"Nothing that has been invented has prevented us from being able to identify substantial infringers and collect evidence," said Matt Oppenheim, chief executive of StreamCast Networks. The upgrade to his Morphous file-sharing software has been downloaded more than 300,000 times since its release last week. Many industry officials on peer-to-peer networks. Though none can guaran-

## AOL earns \$1 billion, loses Net subscribers

**SETH SEVEL**  
NEW YORK — AOL Time Warner, the world's largest media company, posted sharply higher second-quarter profits of \$400 million Wednesday, but reported more bad news at its troubled Internet division.

The company's Internet profits included several one-time factors, including the company's sale of 50 percent stake in the Comedy Central cable channel to Viacom customers in an effort to boost profitability. The Internet division posted a decline of 23 percent in operating income.

America Online still is the company's largest Internet service provider with 23 million U.S. subscribers, but its numbers have slipped in the past straight quarters.

Boeing loses \$192M, ponders ditching 757  
**DAVE GARDNER**  
Associated Press  
CHICAGO — Boeing Co. posted a second straight quarterly loss Wednesday — \$192 million — and cut its estimate for next year's profits and jet deliveries in a spate of commercial aviation market it doesn't foresee recovering before 2005.

Struggling to keep its profitable business profitable during the worst of the industry's history, Boeing acknowledged the possibility it may be forced to scrap the 757 to 800 airplane. Boeing's 757-300 aircraft has 275 orders, which executives say it held out hope that sales still remain on track to campaigns under way in deliver 280 planes in China might draw up new year, it pegged revenue at \$2 billion for next year, making the single-aisle plane, which has billion to \$4 billion.

### BUSINESS SNAPSHOT

Fewer working in the nation			
A combination of men and women employees, ages 16 and older (annual averages in millions)			
Year	Men	Women	Total
2001	72.2	72.9	145.1
2002	71.9	72.9	144.8
2003	71.9	72.9	144.8