

May 4, 2006

Robert J. Itri
Gallagher & Kennedy, P.A.
Attorneys at Law
2575 East Camelback Road
Phoenix, AZ 85016-9225

Re: Shea Homes' Trademark Rights in "Highlands Ranch"

Dear Mr. Itri:

This law firm represents Keller Williams Executives Realty, LLC. We are in receipt of your letter dated April 17, 2006 to Mr. Brian Petrelli of Keller Williams, and provide the following response thereto.

1. There is no likelihood of confusion between the trademark, "Highlands Ranch" registered by your client Shea Homes in class 037 for construction services, and the use of the domain name www.myhighlandsranch.com by Keller Williams Realty. Extensive third party use of the term "Highlands Ranch" is clear evidence that the public has learned to distinguish among different users of the term, without confusion. As of the date of this letter, there are 44 businesses listed in the metro Denver telephone directory starting with the term "Highlands Ranch". A search of business names, trade names and trademarks registered with the Colorado Secretary of State returns so many registered names that it exceeds the search engine's "record count" capability. A Google® search of the mark "highlands ranch" returned 3,650,000 "hits". Accordingly, your client's trademark in the term "Highlands Ranch" will be construed very narrowly. See Brennan's, Inc. v. Brennan's Rest. LLC, 360 F3d 125, 131-32 (2d Cir. 2004); Sun Banks of Fla. Inc. v. Sun Fed. Sav. & Loan Ass'n, 651 F.2d 311, 316 (5th Cir. 1981). Keller William's use of the domain name www.myhighlandsranch.com in connection with its real estate sales and mortgage brokerage services could in no way be confused with Shea Homes' use of the mark "Highlands Ranch". Furthermore, and as both a sign of its good faith and additional proof of lack of confusion, my client has voluntarily placed the following disclaimer on its web site home page since 2002, which includes an active hyperlink to the Shea Homes web site:

"This website is not affiliated with nor does it represent Shea Homes®. If you are looking for more information on Shea Homes®, please visit their website here."

2. Highlands Ranch, Colorado is a geographic place name and is therefore primarily descriptive. While it appears that the USPTO should not have allowed registration of your client's mark under the Lanham Act (see 15 U.S.C. § 1052(3)(2)), it is clear that use of the term "Highlands Ranch" in the domain name www.myhighlandsranch.com in

connection with sales of real property in Highlands Ranch, Colorado is “fair use” under the Lanham Act (15 U.S.C. § 1115(b)(4)).

3. Keller Williams has been using the domain name *www.myhighlandsranch.com* since April of 2002, or nearly 5 years out of the 7 years since your client’s registration of the mark “Highlands Ranch”. Keller Williams has spent considerable sums on development of its web site as a marketing and sales tool, in reliance on your client’s failure to promptly assert any rights it may have had against the use of *www.myhighlandsranch.com*. Accordingly, any rights your client may have had are barred by laches. See e.g. Saratoga Vichy Spring Co. v. Lehman, 625 F.2d 1037 (2d Cir. 1980).

4. For the reasons set forth above, the Anti-Cyber Squatter Consumer Protection Act is inapplicable.

Keller Williams has the full and unencumbered right in both equity and law to its continued use of the domain name *www.myhighlandsranch.com*, and will continue to use it accordingly.

Sincerely,

Jones & Keller, P.C.



Brad H. Hamilton

cc: Brian Petrelli

GALLAGHER & KENNEDY

P.A.

ATTORNEYS AT LAW

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April 17, 2006

***VIA CERTIFIED MAIL,
RETURN RECEIPT REQUESTED***

Brian A. Petrelli
Keller Williams Executives Realty, LLC
Suite 200
200 W. Plaza Drive
Highlands Ranch, CO 80129

Re: *Infringement of Shea Homes' Trademark Rights*
Our File No. 17060-0001

Dear Mr. Petrelli:

This law firm represents Shea Homes ("Shea"), the developer of the Highlands Ranch® master planned community and owner of the federally-registered trademark "HIGHLANDS RANCH", U.S. Reg. No. 2,303,147. A copy of Shea's "HIGHLANDS RANCH" federal trademark registration information obtained from the Trademark office's website is enclosed at Tab A for your reference.

Shea has used the "HIGHLANDS RANCH" mark continuously since 1978 in connection with construction, land development and sale of residential properties. As a consequence of its longstanding use, Shea's "HIGHLANDS RANCH" mark has become well known and has developed substantial goodwill among members of the home buying public and residential construction industry.

It has recently come to Shea's attention that you registered the Internet domain name **MyHighlandsRanch.com** and are actively promoting your real estate agency services on a web site of the same web address. Although we appreciate your interest in HIGHLANDS RANCH, Shea has an obligation to police the use of its trademark in order to protect the trademark registration and the integrity of the mark. Thus, your use the mark in connection with the promotion of your business cannot be permitted to continue.

Your use of the domain name **MyHighlandsRanch.com** in connection with the promotion of your services and sale of residential properties will prompt members of the home buying public to mistakenly believe that you own the "HIGHLANDS RANCH" mark or that you are associated with or sponsored by Shea. Such use and resulting consumer confusion

Brian A. Petrelli
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constitutes trademark infringement in violation of 15 U.S.C. § 1114, and unfair competition and false designation of origin under § 43 of the Lanham Act, 15 U.S.C. § 1125(a). Additionally, your registration and use of the domain name employing Highlands Ranch® violates the Anti-Cyber Squatter Consumer Protection Act ("the "ACCPA"), 15 U.S.C. § 1125 *et. seq.* Under the ACPA, the court has jurisdiction to cancel or to transfer confusingly similar domain names to the trademark holder. Moreover, the court may award damages of \$1,000 to \$100,000 per unauthorized domain name. 15 U.S.C. § 1117(d).

Accordingly, to protect Shea's trademark rights and to ensure that no confusion exists as to a perceived affiliation between you and Shea, Shea must demand that you immediately cease use of the "**MyHighlandsRanch.com**" domain name and any similar derivations thereof in connection with the promotion of your business. Shea also must demand that you transfer the **MyHighlandsRanch.com** domain to Shea. Shea will reimburse you for all reasonable expenses actually incurred by you in connection with your registration and transfer of the unauthorized domain name.

If you do not fully comply with the above demands within thirty (30) days of the date hereof, Shea will have no choice but to commence legal action against you for violation of Shea's trademark rights and pursue all remedies available to it, at law and in equity, including monetary and punitive damages, attorneys' fees and injunctive relief. Please be advised that there will be no further notice prior to the institution of litigation.

Sincerely,

GALLAGHER & KENNEDY, P.A.

By:



Robert J. Itri

KDL/sss
Enclosure

cc: Matthew Watson, Esq.
Jeffrey H. Donelson, Esq.

Int. Cl.: 37

Prior U.S. Cls.: 100, 103 and 106

Reg. No. 2,303,147

United States Patent and Trademark Office Registered Dec. 28, 1999

SERVICE MARK
PRINCIPAL REGISTER

HIGHLANDS RANCH

SHEA HOMES LIMITED PARTNERSHIP
(CALIFORNIA LIMITED PARTNERSHIP),
DBA COLORADO SHEA HOMES, L.P.
8822 S. RIDGELINE ROAD
HIGHLANDS RANCH, CO 80126, BY MERGER
WITH MISSION VIEJO COMPANY (CALI-
FORNIA CORPORATION) HIGHLANDS
RANCH, CO 80126

MENT OF RESIDENTIAL AND COMMERCIAL
COMMUNITIES, IN CLASS 37 (U.S. CLS. 100, 103
AND 106),
FIRST USE 0-0-1978; IN COMMERCE
0-0-1978.
SEC. 2(F).

SER. NO. 75-205,267, FILED 11-27-1996.

FOR: CONSTRUCTION SERVICES, NAMELY,
PLANNING, LAYING OUT, AND DEVELOP.

RICHARD KIM, EXAMINING ATTORNEY