

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Trademark Registration No. 2303147

For the Mark: HIGHLANDS RANCH

Date Registered: December 28, 1999

(BRIAN A. PETRELLI))
)
)
 Petitioner)
)
 v.)
)
 (SHEA HOMES LIMITED PARTNERSHIP))
)
 Registrant)

CANCELLATION
PROCEEDING No. 92045982

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FIRST AMENDED AND RESTATED PETITION TO CANCEL

Trademark Registration No. 2303147 for Fraudulent Procurement and Maintenance,
and/or Generic Status, and/or Abandonment, Pursuant to 15 U.S.C. §1064

Brian A. Petrelli

200 West Plaza Drive, Suite 200

Highlands Ranch, Colorado 80129

To the best of petitioner's knowledge, the name and address of the current owner of the registration are:

Shea Homes Limited Partnership

655 Brea Canyon Road

Walnut, California 91789

The petitioner, Brian A. Petrelli, ("Petitioner,") believes that he has been and will be damaged by Registration No. 2303147, initially sought by Mission Viejo Company ("Mission Viejo") and currently held by Shea Homes Limited Partnership (collectively referred to as "Shea"), and hereby requests cancellation of the same.

GROUND FOR CANCELLATION:

1. Petitioner owns and operates a website with the domain name www.myhighlandsranch.com. He has invested a significant amount of money in developing and promoting this website. Further, petitioner operates a real estate company, The Brian Petrelli Team, in the area known as HIGHLANDS

RANCH, located in Douglas County, Colorado. Petitioner believes registration of the name "HIGHLANDS RANCH" in International Class 37 for use in connection with "construction services, namely, planning, laying out, and development of residential and commercial communities" will jeopardize his ability to use the term "HIGHLANDS RANCH" to adequately describe his business to prospective clients.

2. The Northwestern region of Douglas County commonly known as "HIGHLANDS RANCH" has been known by the name(s) "HIGHLANDS RANCH" and/or "HIGHLAND RANCH" since at least 1932.
 - a. Waite Phillips introduced the name "HIGHLAND RANCH" when he owned a ranch and mansion in the area from 1920-1926.
 - b. The mansion and ranch were officially named "HIGHLANDS RANCH" after the Phipps family acquired the property in 1937.
 - c. On information and belief, members of the general public began to refer to the area around and including the mansion and the ranch as "HIGHLANDS RANCH" by at least 1932.
 - d. Mission Viejo bought the property in 1978, planning to start a master-planned community. The development plan was approved by Douglas County on 1979. Mission Viejo filed an application for a new community in April of 1980, and on August 4, 1980, began construction on the community of HIGHLANDS RANCH.
 - e. On information and belief, Mission Viejo must have known, or a reasonable company in their position would have known, that several

companies had already incorporated the name "HIGHLANDS RANCH" into their company name when Mission Viejo claimed "substantially exclusive" use in July of 1997. Between 1993 and 1997, somewhere between 22 and 30 companies used the name "HIGHLANDS RANCH" each year to publicly advertise their company names in the "Telephone Directory for Highlands Ranch".

- f. Shea bought HIGHLANDS RANCH from Mission Viejo in November, 1997.
3. Mission Viejo filed for federal trademark registration for the phrase "HIGHLANDS RANCH" on November 27, 1996, in International Class 37 for use in connection with "construction services, namely, planning, laying out, and development of residential and commercial communities." In its July 15, 1997, Declaration in Support of a Claim of Distinctiveness sent in response to denial by USPTO examining attorney Richard Y. Kim on the grounds that the designation "HIGHLANDS RANCH" was merely geographically descriptive, Mission Viejo fraudulently claimed it had substantially exclusive and continuous use of the designation "HIGHLANDS RANCH." Registration was issued to Shea on December 28, 1999. A Combined Declaration of Use and Incontestability under sections 8 & 15 of U.S.C. §1064 was filed by Shea on December 22, 2005, and approved on June 10, 2006.
4. At the time Mission Viejo applied for trademark registration of the designation "HIGHLANDS RANCH," numerous businesses, schools, and

governmental entities within the region were using the phrase in commerce; within at least the past 25 years, numerous businesses have used the term “HIGHLANDS RANCH” as a geographical identifier. On information and belief, Shea knew of these uses at the time it applied for registration of the designation “HIGHLANDS RANCH.”

- a. The Highlands Ranch Library opened in 1991; the Highlands Ranch Regional Post Office opened in 1992. Other organizations also using the term HIGHLANDS RANCH include recreation clubs, educational institutions, the HIGHLANDS RANCH Chamber of Commerce, political organizations, and various public and private businesses.
- b. As of the date of this action, a search of the Colorado Secretary of State Business Database for business names, tradenames, trademarks, and miscellaneous listings containing “HIGHLANDS RANCH” returned 544 matching records, of which at least 39 records were related to construction and/or real estate services.
- c. As of the date of this action, a Dex/Online Yellow Pages® search for businesses in HIGHLANDS RANCH, Colorado that use the term “HIGHLANDS RANCH” returned 319 matching records.
- d. As of the date of this action, a Google® search for the term “HIGHLANDS RANCH” generated 4,560,000 hits; a Yahoo® search for the same term generated 1,770,000 hits.

e. A search of registered domains names with the phrase “HIGHLANDS RANCH” from the website www.namedroppers.com returned 389 matching records.

5. On information and belief, the primary significance of the term “HIGHLANDS RANCH” to the relevant public is as a generic geographic descriptor for the region of Douglas County generally: including and south of C-470, west of Interstate 25, and east of U.S. 85 – including developments and municipalities not related to Shea and/or its licensees. This region is home to over 100,000 residents and thousands of businesses. The relevant public does not associate nor understand the phrase “HIGHLANDS RANCH” to be a source identifier for goods or services.

a. According to Shea’s own “HIGHLANDS RANCH® Trademark Information” dated July 18, 2006, and found at www.highlandsranch.com, “*contrary to popular belief*, Highlands Ranch is not incorporated [as a city]” (emphasis added). This admission by Shea demonstrates that the general and relevant public view “HIGHLANDS RANCH” as a city, not as a mark indicating a source of goods or services. Were HIGHLANDS RANCH to be incorporated, it would be one of the largest cities in Colorado.

b. Currently the term “HIGHLANDS RANCH” is used as a mailing address corresponding to the zip-codes 80124, 80126, 80129, 80130, and 80163.

c. HIGHLANDS RANCH is governed by Metropolitan Districts of HIGHLANDS RANCH (known as the “HRMD”), which was formed by a

merger of four Home Owners Associations in HIGHLANDS RANCH.

The HRMD operates like a city council – presenting over 56 community events per year and providing: municipal services (water/sewer), highway construction, landscaping and maintenance, as well as parks and trails development and maintenance for the 22,000+ acre area of the master-planned community.

- d. HIGHLANDS RANCH includes: three major interstates/highways, including five full interchanges along C-470; bus and light rail access, including the “RanchRider” and two large Park-and-Ride facilities; two sizeable business parks; nine shopping centers; two industrial areas; three recreation facilities; and over 25 churches (per Shea’s “Highlands Ranch Planned Community: The Planned Community of Highlands Ranch,” January, 2005). HIGHLANDS RANCH also includes four high schools, four middle schools, and 14 elementary schools.
6. On information and belief, Shea did not demonstrate to the relevant public that it considered “HIGHLANDS RANCH” a trademark and/or servicemark prior to 1996. Additionally, Shea and its licensees have practiced inadequate and inconsistent marking of the phrase “HIGHLANDS RANCH,” thus failing to alter the consuming public that it considers “HIGHLANDS RANCH” to be a protectable trademark and/or servicemark.
 - a. On information and belief, Shea licenses their “HIGHLANDS RANCH” trademark to others on a non-exclusive, royalty-free, and unsupervised basis. In spite of these purportedly wide-spread, easy obtained,

unmonitored licensing practices for any (however unrelated) entity, Shea claims:

“the HIGHLANDS RANCH brand represents the trust relationship Shea Homes has with [others].... We have a duty and an obligation to protect the quality and integrity of our brand. Homeowners and businesses in the HIGHLANDS RANCH community can rely on the outstanding reputation and high quality service provided by our brand.”

(“HIGHLANDS RANCH® Trademark Information,” July 18, 2006.)

- b. In the past, Shea has employed these licensing practices with organizations including but not limited to business and civic organizations such as:

“the HIGHLANDS RANCH Cycling Club, HIGHLANDS RANCH Historical Society, the HIGHLANDS RANCH Community Association, HIGHLANDS RANCH Metro District (the governing body of HIGHLANDS RANCH), HIGHLANDS RANCH Animal Clinic, HIGHLANDS RANCH Golf Club, HIGHLANDS RANCH Optical, HIGHLANDS RANCH Family Medicine and many others.”

(“HIGHLANDS RANCH® Trademark Information,” July 18, 2006.)

- c. The only acknowledged non-infringing type of limitation on licensing appears to be location outside the boundaries of the HIGHLANDS RANCH community (“you may feel free to use Highlands Ranch as a

location description”), again reinforcing the conceptualization of HIGHLANDS RANCH as nothing more a geographically descriptive designation rather than any kind of product or service source indicator. (“HIGHLANDS RANCH® Trademark Information,” July 18, 2006.)

- d. Although Shea has done some minimal policing of its mark, as evidenced by the cease and desist letter sent to the Petitioner on April 17, 2006, (since which time, no further action has been taken by Shea,) such instances are little more than sporadic posturing. Shea simply does not and cannot properly enforce their trademark rights in a term understood to be merely a geographically descriptive term, a term that is therefore subject to very widespread equitable, necessary, and even encouraged use. Moreover, given that the trademark is afforded national protection in connection with “construction services, namely, planning, laying out, and development of residential and commercial communities,” Shea ought to, but does not, upon information and belief, seek enforcement against others such as Seeno Homes, which is developing a HIGHLANDS RANCH in Pittsburg, California.
- e. Due to the rampant use of the term “HIGHLANDS RANCH” and the lack of public understanding of the term as a trademark belonging to Shea (see paragraphs 4 and 5, above), Shea has abandoned the mark “HIGHLANDS RANCH” through omission.
- f. Upon information and belief, until recently, neither Shea nor its licensees have identified the phrase “HIGHLANDS RANCH” as being a registered

trademark, nor has any information been provided to consumers as to the trademark owner. Additionally, there are many thousands of uses of the term in commerce, the vast majority of which have not been attacked by Shea nor are marked, thus leaving the public unaware of any trademark, let alone trademark owner.

ARGUMENTS FOR CANCELLATION:

Any incontestable mark can be cancelled "...at any time if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or is functional, or has been abandoned, or its registration was obtained fraudulently." (15 U.S.C. §1064.)

1. Shea has fraudulently obtained and enforced its registration of the designation "HIGHLANDS RANCH":

- a. The specific fraudulent act which requires cancellation of Registration No. 2303147 is the deliberate concealment of the material fact that the original applicant for Registration No. 2302147 and its successors in record title thereto have at all relevant time known that the mark was obtained by deliberately misrepresenting the applicant's use of the mark "HIGHLANDS RANCH" as "*substantially exclusive* and continuous" (emphasis added). (See allegations contained in paragraph 3 of "Grounds for Cancellation," above.) USPTO examiner Richard Y. Kim relied on this material misrepresentation when he decided to grant the application for registration in 1999. Without this material misrepresentation, Kim

would have upheld his denial on the basis of the term being merely geographically descriptive.

- b. The continuing frauds alleged herein arose and were perpetrated by Shea as alleged in the chronology detailed in paragraph 2 of “Grounds for Cancellation,” above. Most importantly is the fact that, at the time Mission Viejo claimed “substantially exclusive” use of the name “HIGHLANDS RANCH” in 1997, several real estate or construction companies openly used and advertised the name “HIGHLANDS RANCH” in connection with their competing businesses in the same community.
- c. The extent and nature of use of the name by third-party competitors in the community was so substantial that Mission Viejo could not reasonably and in good faith have signed the portion of the affidavit alleging “substantially exclusive” use of “HIGHLANDS RANCH” in commerce.
- d. As noted in paragraph 2 of “Grounds for Cancellation,” above, there is a history of public advertising of the term “HIGHLANDS RANCH” in telephone directories. Between 1993 and 1997, several real estate companies other than either Mission Viejo or Shea used the words “HIGHLANDS RANCH.” For instance, during this period Art Momper took out a full page ad in 1995 for “The Highlands Ranch Re/Max Office,” while Kathie Copley claimed she was “Your Highlands Ranch Specialist” and “Kathie Copley IS Real Estate in Highlands Ranch.” Further, the “Real Estate Company at Highlands Ranch” took out full page ads on the back of these directories every year from 1993 to 1997. Most

importantly, in the May 1993/1994 copy of the White & Yellow Pages, “Highlands Ranch Realty” took out an ad that was directly under the entry for “Highlands Ranch / Mission Viejo Company.”

- e. Considering the broad extent of public local competitor use of the words “HIGHLANDS RANCH” in during the five years prior to 1997, no reasonable person could have truthfully represented that Shea’s use of “HIGHLANDS RANCH” was “substantially exclusive” for the five years prior to their application. Mission Viejo must have known that there were other uses of “HIGHLANDS RANCH” for similar services in the same local market during the five years prior to their application.
- f. By signing the affidavit marked “Declaration in Support of a Claim of Distinctiveness” on July 15, 1997, Mission Viejo and Shea, by having kept the registration in force, fraudulently obtained and enforced their registration of “HIGHLANDS RANCH.”

2. The designation “HIGHLANDS RANCH” is generic:

“Names of [geographic locations] are not protectable in the abstract....

Rather, they are accorded the status of marks only if they function as marks, that is, they identify the source of goods or services and distinguish them from similar products or services from other sources.” (*In re Pebble Beach Company*, 1991 TTAB LEXIS 14, 19 U.S.P.Q.2d (BNA) 1967, 1688-89 (T.T.A.B. 1991).)

- a. The petitioner is engaged in the operation of a real estate company located and doing substantial business in HIGHLANDS RANCH, Colorado. Petitioner has an interest, like many other area businesses, in using the

term “HIGHLANDS RANCH” in a generic manner to adequately describe his goods and services to the relevant public. (See paragraphs 1 and 4 of “Grounds for Cancellation,” above.)

- b. Since at least 1932, the general and relevant public has and continues to understand and use the term “HIGHLANDS RANCH” as a generic descriptive term for a geographic area of Douglas County, Colorado, which extends beyond the actual HIGHLANDS RANCH development. (See paragraphs 2, 4, and 5 of “Grounds for Cancellation,” above.)
- c. Due to the widespread usage of the term “HIGHLANDS RANCH,” the term cannot function as a source identifier for goods. (See paragraphs 2, 4, 5, and 6 of “Grounds for Cancellation,” above.)
- d. Shea’s claimed “substantially exclusive” use of the term “HIGHLANDS RANCH” was fraudulent and the registration has been fraudulently maintained; the term “HIGHLANDS RANCH” has always been, and still is used primarily as a generic geographic descriptor. Were it not for the fraudulent misrepresentations of Shea, the USPTO would have denied Shea’s trademark application as “merely geographically descriptive” and therefore ineligible for registration as a trademark. (See paragraph 1 of this section, above; see also paragraphs 2 and 3 of “Grounds for Cancellation,” above.)

3. The designation “HIGHLANDS RANCH” has been abandoned by Shea:

“A mark shall be deemed ‘abandoned’ if... any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the

generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark.” (15 U.S.C. §1127.)

- a. On information and belief, Shea has failed to enforce their trademark rights in the designation “HIGHLANDS RANCH” against infringers, as demonstrated by the rampant use of the term as noted in paragraphs 4, 5, and 6 in “Grounds for Cancellation,” above. Such failure to enforce is viewed an instance of abandonment by omission.
- b. On information and belief, Shea has abandoned its trademark rights in the phrase “HIGHLANDS RANCH” through failure to appropriately control the nature and quality of the products and/or services provided by its licensees. (See paragraph 6 of “Grounds for Cancellation” above.) By engaging in such “naked” licensing practices, Shea’s conduct has caused the mark to lose its significance as source indicator to the relevant public, resulting in abandonment of the mark.

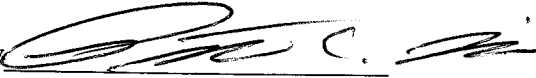
CLAIM FOR RELIEF:

Considering at least the foregoing, the phrase “HIGHLANDS RANCH” was obtained and enforced through fraudulent means, and/or is generic, and/or has been abandoned. Accordingly, the mark “HIGHLANDS RANCH” is not valid and should be cancelled pursuant to 15 U.S.C. §1064.

WHEREFORE:

For the reasons stated above, petitioner requests and prays that Registration No. 2303147 be cancelled as void and invalid *ab initio*.

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CERTIFICATE OF SERVICE

I, Peter C. Lemire, Esq., certify that on this 1st day of February, 2007, a true and correct copy of the foregoing was filed with the Trademark Trial and Appeal Board via the Electronic System for Trademark Trials and Appeals and was sent by U.S. Mail to:

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