

Chapter 28

INTELLECTUAL PROPERTY LAW IN THE CONSTRUCTION INDUSTRY — A PRACTICAL GUIDE

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§ 28.1 • INTRODUCTION

Intellectual property law is comprised of several distinct legal schemes created under federal law, state statutory law, and case law: patents, trade secrets, copyright, and trademark law. To exhaustively describe the contours of each of these large bodies of law is beyond the scope of this chapter, but a working understanding of each flavor of intellectual property right is useful for the construction law lawyer. This chapter broadly describes each body of law and focuses on selected issues that arise with more frequency in the construction industry:

- 1) Copyright protections that exist in architectural plans, drawings, and the constructed buildings themselves;
- 2) The rights of visual artists;
- 3) The potential for trademark protection in non-functional and distinctive design and décor features in buildings; and
- 4) The challenges of trademark protection for larger development projects.

§ 28.2 • PATENT LAW

In the United States, patent protection is exclusively defined by federal law. Patent protection is available to anyone who “invents or discovers any new and useful process, machine, manufacture, or composition of matter or any improvement thereof.”¹ In addition, patent protection is available for certain hybridized and asexually reproduced plants.² Design patents are available for ornamental and non-functional features in articles of manufacture, provided the basic requirements of patentability are met.³

The essence of the “patent bargain” is that the inventor or subsequent owner of a patented invention is granted a statutory monopoly to make, use, offer to sell, sell within the United States, or import into the United States the patented invention for a defined term (20 years from the filing date of the patent application for utility patents and 14 years from the date of grant of the patent application for design patents), in exchange for a full public disclosure of the invention, including the best mode for practicing the claimed invention.⁴

Not all inventions qualify for patent protection. To obtain patent protection, the inventor is required to file a patent application with the U.S. Patent and Trademark Office within one year of the public disclosure or offer for sale of the claimed invention. If foreign patent protection is to be sought, a foreign patent application must be filed *before* public disclosure or offer for sale of the invention. In order for a patent to issue and the patent monopoly to be granted to the inventor, three statutory hurdles must be cleared:

- The invention must comprise patentable subject matter. The invention must relate to a useful process, machine, manufacture, or composition of matter. For example, the invention cannot be a scientific formula that explains a phenomenon that inherently occurs in the prior art.⁵
- The invention must be new. That is, a difference must be found when the invention is compared to the prior art. Also, the invention must have been conceived by the named inventor(s).⁶
- The invention, as a whole and at the time the invention was made, must not have been obvious to persons of ordinary skill in the related art.⁷

Every U.S. application, including a provisional patent application and a design patent application, must disclose: (1) the invention in such a manner that those skilled in the related art are enabled to duplicate the invention without undue experimentation, and (2) the inventor’s best mode of implementing the invention as of the application filing date — that is, the most up-to-date version of the invention must be disclosed in such a manner that the invention can be duplicated in the manner the inventor thinks is best at the time of filing the application.

§ 28.2.1—Design Patents Related To Ornamental Buildings And Ornamental Building Features

Design patents, as mentioned above, are available to whoever invents any new, original, and ornamental design for an article of manufacture.⁸ Such design patents are commonly issued for ornamental designs for building features, and for buildings themselves. For example, Fig. 1



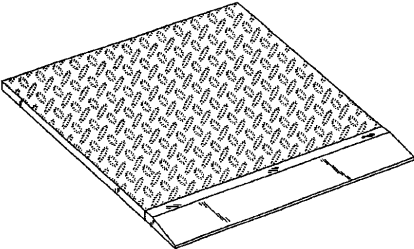
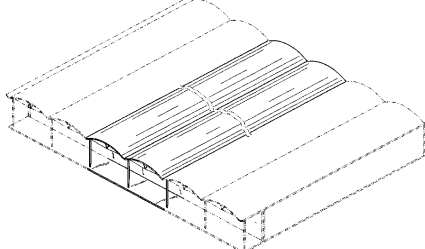
 <p>US0014983075</p>	 <p>US000462777S</p>
<p>(12) United States Design Patent (10) Patent No.: US D498,307 S Zimmerle et al. (45) Date of Patent: Nov. 9, 2004</p> <p>(54) TREAD PLATE TILE FLOORING D441,093 S 4/2001 Johnson D25,823 D456,533 S 4/2002 Miller, Jr. D25,163 D470,602 S * 2/2003 Roe D25,138 D474,563 S 5/2003 Breciani D28,109</p> <p>(75) Inventor: Johnny W. Zimmerle, St. Joseph, MI (US); Todd C. Starr, St. Joseph, MI (US); Wyatt A. Cline, Niles, MI (US)</p> <p>(73) Assignee: Whirlpool Corporation, Benton Harbor, MI (US)</p> <p>(**) Term: 14 Years</p> <p>(21) Appl. No.: 29/186,072</p> <p>(22) Filed: Jul. 9, 2003</p> <p>(51) LOC (7) CL D25-01</p> <p>(52) U.S. CL D25/138</p> <p>(58) Field of Search D25/149-151, D25/157, 113, 138, 52/414, 177, 179, 169.5, D21/484; 404/34, 35, 39</p> <p>(56) References Cited U.S. PATENT DOCUMENTS D66,158 S 4/1935 Stevens 404/19 5,807,023 A 9/1998 Austin 404/19</p> <p style="text-align: center;">1 Claim, 1 Drawing Sheet</p>	<p>(12) United States Design Patent (10) Patent No.: US D462,777 S Phifer (45) Date of Patent: Sep. 10, 2002</p> <p>(54) BUILDING D376,854 S 12/1996 DiPaolo et al. D25/18</p> <p>(75) Inventor: Thomas M. Phifer, New York, NY (US)</p> <p>(73) Assignee: Steelcase Development Corporation, Calhoun, MI (US)</p> <p>(**) Term: 14 Years</p> <p>(21) Appl. No.: 29/148,646</p> <p>(22) Filed: Sep. 25, 2001</p> <p style="text-align: center;">Related U.S. Application Data</p> <p>(62) Division of application No. 29/120,583, filed on Mar. 22, 2000.</p> <p>(51) LOC (7) CL D25-03</p> <p>(52) U.S. CL D25/4; D25/56</p> <p>(58) Field of Search D25/18, 4, 56; 135/87, 97, 906, 908</p> <p>(56) References Cited U.S. PATENT DOCUMENTS D237,791 S 11/1975 Qualle D13/1 R</p> <p style="text-align: center;">1 Claim, 3 Drawing Sheets</p> <p style="text-align: right;">OTHER PUBLICATIONS Zambel Staff—The Light, “From Shadow to Sparkle: The Art of Architectural Illumination”, p. 95 and other selected pages bearing the designation “Art. Nr. 04 246 908-UK 9/86 & Zambel Staff” (4 total sheets). Primary Examiner—Doris Clark (74) Attorney, Agent, or Firm—Foley & Lardner</p> <p style="text-align: center;">CLAIM (57) I claim the ornamental design for a building, substantially as shown and described.</p> <p style="text-align: center;">DESCRIPTION</p> <p>FIG. 1 is a perspective view of the building. FIG. 2 is a front elevation view of the building as shown in FIG. 1. FIG. 3 is a rear elevation view of the building as shown in FIG. 1, and, FIG. 4 is a top plan view of the building as shown in FIG. 1. The broken line disclosure is for illustrative purposes only and forms no part of the claimed design.</p>
	

Fig. 1

contains cover pages of recently issued design patents for tread plate tile flooring and for a building. While such designs are incorporated into structures that are generally expected to last for much longer than the patent term, the patents in such cases provide their owners with the exclusive rights described above during that term, which may provide a significant competitive advantage for the owner. An additional remedy for infringement of a design patent is provided in 35 U.S.C. § 289, which states that an infringer of a design patent shall be liable to the patent owner to the extent of the infringer's total profit.

§ 28.2.2—Patent Infringement

While contractors and construction projects commonly make use of patented tools, construction materials, and methods, most work in the construction industry for decades and never face a claim of patent infringement. However, anyone who uses, manufactures, or sells any patented invention, without authorization, may be accused of patent infringement. In the construction context, liability can extend from the architect or structural engineers, to the general contractor, to the subcontractors. For example, in the case of *Baut v. Pethick Construction Co.*,⁹ an architect, who was aware that the plaintiff had applied for a patent and that infringement was possible, directed a subcontractor to construct a stained glass window using a method later found to be covered by the plaintiff's patent. Not only were the architects and subcontractor found liable for patent infringement, the general contractor was also found liable as having made, used, or sold a patented invention within the meaning of 35 U.S.C. § 271. Damages for patent infringement are usually measured using a "reasonable royalty," the lost profits of the patent owner, or the infringer's profits. Damages may be trebled in the case of willful infringement. Today, construction documents between the property owner and the contractor or architect often contain indemnification provisions that assign obligations to pay the cost of defense and any royalties, license fees, or damages arising from patent claims.

Only patent attorneys or patent agents specifically licensed to practice before the U.S. Patent and Trademark Office are permitted to file and prosecute patent applications. It is recommended that a patent attorney be consulted whenever the availability, validity, or infringement of an invention or patent is in question.

§ 28.3 • TRADE SECRET LAW

Trade secrets in Colorado are protected under the Colorado Uniform Trade Secret Act.¹⁰ The trade secret laws in Colorado exist to prevent commercially sensitive and confidential information from being used or disclosed by those with whom the trade secret owner has a confidential relationship or by improper means.¹¹

In the construction industry, an awareness of trade secret law can be valuable both to use as a competitive advantage and to reduce the chances of improperly misappropriating the trade secrets. Businesses who are aware that their commercially sensitive information can inexpensively be protected as trade secrets can build value into their business by taking simple steps to perfect

that information as a trade secret. Likewise, it is prudent to be aware of the confidential relationships inherent in any construction industry business, including those of existing and newly hired employees, to assure that information learned or disclosed through those confidential relationships are not improperly used or disclosed.

The first step in determining whether the trade secret laws are implicated is to determine whether there exists a trade secret at all. Trade secrets can be any information or know-how that: (1) is not publicly available, and (2) provides a commercial advantage. This information could include such things as customer and client lists, production or construction methods, product formulas, marketing strategies, pricing strategies and policies, certain contracts, and any other competitively sensitive information.

In order to determine what is a trade secret, the courts in Colorado have identified a number of factors that will be considered:

- The extent to which the information is known outside the business;
- The extent to which the information is known by those inside the business;
- The savings effected and the value of having the information, as against competitors;
- The effort or money expended in obtaining and developing the information;
- The amount of time it would take third parties to acquire and duplicate the information; and
- Precautions taken to guard secrecy of the information.¹²

It is worth pausing to further consider the secrecy requirement. To constitute a trade secret, the information must not be a matter of public knowledge or generally known. If it is generally known, it is not a secret.¹³ On the other hand, absolute secrecy is not necessary. The law requires only that the owner take reasonable measures to keep the information secret so that, except by the use of improper means, there would be some difficulty in acquiring the information.¹⁴ Extreme and unduly expensive procedures need not be taken to preserve secrecy.¹⁵

In order to successfully maintain trade secret protection for confidential information, the owners of potential trade secrets should consider implementing the following steps:

- Initial interviews for all new employees to discuss the existence of the company's trade secrets, to explain the importance of maintaining the confidences of the company, and to sign confidentiality agreements before any trade secrets are disclosed to the employee.
- Well-drafted and up-to-date confidentiality agreements to cover all trade secret information and non-solicitation provisions as necessary. In some cases, agreements should be modified and re-executed upon promotion to managerial positions.
- Non-competition agreements for management-level employees and to preserve trade secrets. These agreements are generally scrutinized by courts called upon to enforce them. In Colorado, non-competition agreements must contain reasonable durational and geographic limitations, and are only enforceable in limited situations.
- Password protection for information stored on computers and networks.

- Specific policies and practices on marking trade secret documents “confidential,” and limiting distribution of such information on a specified “need-to-know” basis.
- Maintaining distribution lists or access logs that track to whom the trade secret information has been disclosed.
- Maintaining appropriate on-site security and/or I.D. badges to prevent un-escorted visitors at your company.
- Exit interviews with departing employees to remind them of confidential obligations and obtain information on potential competitive activities.

If these precautions have been taken, trade secret owners can seek and obtain both injunctive relief, damages, punitive damages, and other remedies to preserve the trade secrets, including protective orders; *in camera* hearings; and the seizure of wrongfully obtained documents, computers, or other information.¹⁶

§ 28.4 • COPYRIGHT LAW

Copyright law, which is exclusively derived from federal statute, protects original expression from being copied, distributed, modified, publicly performed, or publicly displayed without permission from the owner. The copyright laws in the United States protect creative expression in a wide variety of forms, including: literary works, computer software, musical works (the lyrics, the musical score, and the sound recording of the work), dramatic works, pantomimes and choreographic works, pictures, graphics of any type in any medium, sculptural works, photographs, videos, and motion pictures.¹⁷

Under the copyright law, a work is automatically protected by copyright the moment it is created and fixed into a physical form. Neither registration nor publication is required for copyright protection. The use of a “copyright notice,” while still a good idea, is not required as a prerequisite to protection.¹⁸

§ 28.4.1—Copyright Protection In Architectural Works

Of most interest to the construction industry is that copyright protection extends to architectural drawings, sketches, and plans, including site plans and construction documents.¹⁹ In addition, in 1990, amendments to the Copyright Act, known as the Architectural Works Copyright Protection Act (AWCPA), extended copyright protection to buildings themselves, if they were constructed after 1990.²⁰ Buildings are defined as structures that are habitable by humans and intended to be both permanent and stationary, such as houses, office buildings, stadiums, churches, museums, gazebos, and garden pavilions.²¹ Protection does not extend to structures other than buildings, such as bridges, highway features, dams, and walkways, and it does not extend to movable structures, such as recreational vehicles, tents, mobile homes, or boats.²²

§ 28.4.2—Limitations To Copyright Protection

The copyright law generally, and particularly the copyright law as it extends to architectural works, has significant limitations:

- Works that have *not* been fixed in a tangible form of expression — for example, verbal descriptions or presentations — are generally not protectable.
- Ideas, procedures, methods, systems, processes, concepts, principles, discoveries, or devices. Methods of construction, for example, are not protected under the copyright law, although as described previously in this chapter, such methods can be the subject of patent protection.
- Works consisting *entirely* of information that is common property and containing no original authorship — for example, standard calendars, height and weight charts, tape measures and rulers, and lists or tables taken from public documents or other common sources — are not protected by the copyright law.²³
- Functional features are not capable of copyright protection; only creative features can be protected. Standard configurations in a building's spaces and individual standard features, such as windows, doors, and other staple building components, are not protected.
- Design elements whose design or placement is dictated by utilitarian concerns are not subject to copyright protection.

This last point is worth expanding upon. According to legislative history, a two-step analysis is envisioned. An architectural work should first be examined to determine whether there exist any original design elements, including the overall shape and interior architecture. If such design elements exist, then the second step in the analysis is reached: determining whether any of the original design elements are functionally required. If the original design elements are not functionally required, then the work is protectable and those particular design elements capable of being infringed.²⁴

§ 28.4.3—Copyright Infringement

In order to infringe copyright, the copyright owner must prove: (1) the ownership of valid copyright in the work, and (2) that the infringer copied the work. As an alternative to proof of copying, a copyright owner can instead prove that: (1) the infringer had access to the original work, and (2) the accused work is “substantially similar” to the original.²⁵

Most often, except in the most egregious cases, the question of infringement turns on the issues of *access* and *substantial similarity*. The changes implemented by the AWCPA, which extend copyright protection beyond blueprints and drawings of architectural designs to the buildings themselves, have dramatically expanded the number of potential infringers. Proving access previously required proof that the infringer had access to a structure's design plans. Today, access can be established by showing the infringer visited or had seen the building itself.

“Substantial similarity” exists when the accused work is so similar to that of the copyright owner that an ordinarily reasonable person would conclude that the defendant unlawfully appropriated the copyright owner's protectable expression by taking material of substance and value.²⁶

With the expanded copyright protections available to architectural works today, design professionals and those who work with them should take care to be aware of what is and what is not protectable under the U.S. copyright laws, as they have been amended by the AWCPA. In addition, an awareness of what copyrighted materials might influence or inspire their design decisions is essential to avoid copyright liability.²⁷

§ 28.4.4—Moral Rights In Visual Artworks — Building Murals And Sculptures

In addition to the protections contained in the copyright laws that give architects, designers, and other “authors” the ability to control the reproduction, distribution, modification, public performance, and public display of their works, artists who create certain one-of-a-kind or limited addition visual art now possess additional statutory rights: those of attribution and integrity. Under amendments to the U.S. Copyright Act, known as the Visual Artists Rights Act of 1990 (VARA), visual artists now possess the non-transferable right of attribution to assure that the artist is properly identified with the works they create and that they are not identified in works they do not create.²⁸ More importantly to some construction projects is the right of integrity imposed by VARA, which allows artists to protect their works, including building murals, against modifications prejudicial to the artists’ honor and reputation, or under some circumstances the destruction of a work that is incorporated into a building.²⁹

The rights codified by VARA can be waived by written instrument, so whenever one-of-a-kind murals or limited addition sculptures are to be incorporated into a building or development project, it is prudent for the property owner to obtain a written waiver of the visual rights of such artists at the outset, as contemplated by 17 U.S.C. § 113(d)(1)(B), to avoid later disputes that could effect the property owner’s future destruction or modification of those works or trigger the notice requirements of 17 U.S.C. § 113(b), which in some circumstances require notification to the artist 90 days before removal or destruction of the visual artwork.

§ 28.5 • TRADEMARK LAW

The fourth body of intellectual property law that often affects the construction industry is trademark law. In contrast to patent law, which provides a finite monopoly on specifically defined inventions; or trade secret law, which protects and preserves information learned through confidential relationships; or the copyright law, which rewards those who create original expression, the trademark law concerns itself with assuring that consumers are not misled or confused. The touchstone of trademark law is whether the use of words, terms, names, symbols, or other devices are likely to cause confusion, to cause mistake, or to deceive consumers.³⁰

There are two primary facets to trademark law: the first requires truth in advertising and seeks to assure that commercial advertising and promotions do not mislead consumers or misrepresent the nature, characteristics, qualities, or geographic origin of goods or services.³¹ The Colorado Consumer Protection Act³² similarly prohibits a wide variety of similar false or misleading trade practices. The second facet of trademark law seeks to prevent confusion as to the affilia-

tion, connection, or association of one person or company with another or as to the origin, sponsorship, or approval of one person or company's goods or services with another.³³ Each is specifically addressed below.

§ 28.5.1—Truth In Advertising

Historically, state and federal trademark and unfair competition laws have been motivated to prevent forms of consumer fraud. "Unfair competition, of which trademark infringement is a part, is, broadly speaking, grounded on the right of both dealer and purchasing public to be protected from frauds of which both are victims."³⁴ In the construction industry, fraud can take many forms, from deceiving consumers about the square footage or quality of their new single-family home, to "plan stamping" the architectural plans or construction documents taken from another and claiming them as one's own. The use of false or misleading descriptions of fact, and the use of clever innuendo alike, can be actionable under the federal Trademark Act of 1946 (the Lanham Act).³⁵

A survey of the construction industry cases relying upon this section of the Trademark Act would require several volumes and is probably unnecessary to convey the relatively simple essence of the law's requirement: that representations of fact in promoting and advertising goods and services or describing one's own or another's commercial activities must be truthful.³⁶

§ 28.5.2—Avoiding Consumer Confusion — Searching And Clearing

A second and equally significant aspect of the trademark laws is to protect consumers from confusion as to the affiliation, connection, or association of one person or company with another or as to the origin, sponsorship, or approval of one person's or company's goods or services with another's.³⁷ Those offering goods or services of any kind, including those in the construction business, from designers, architects, and contractors to vendors of materials and equipment, should recognize that they may own or acquire trademark rights in the words or logos they use to identify themselves and their goods or services.

Trademark rights arise from using a word, phrase, logo, slogan, or other mark in the course of offering or selling goods or services. No registration with the state or U.S. Patent and Trademark Office is required in order to own and enforce trademark rights and prevent others from later adopting confusingly similar marks.

When a new product or service is going to be offered under a new trademark, the proposed mark should be searched to assure no earlier use has been made of the proposed mark or a confusingly similar mark. Because trademark rights arise from use, and not registration, a search of the state or federal trademark registries alone is generally insufficient to assess the availability of a mark. Commonly, comprehensive trademark searches of these registries as well as trade directories, publications, and the Internet are undertaken by trademark lawyers and search companies to attempt to identify all users of a confusingly similar trademark before the new proposed mark can be safely cleared for use.

§ 28.5.3—Avoiding Consumer Confusion — Non-Traditional Trademarks

To fully appreciate the scope of the trademark laws, it is important to also think beyond words and logos as potential trademarks. Trademark protection also extends to non-traditional marks, including sounds, smells, and colors or combinations of colors. Those in the construction industry should be aware that the design or appearance of a building can be protected from confusingly similar uses by others, if the design elements sought to be protected are distinctive and non-functional.

For more than 100 years, the courts have recognized that consumers use architectural features and décor elements as trademarks. In Sacramento, California, an 1895 court case found that a retail merchant's unique use of arches and alcoves in its store could not be imitated by a neighboring competitor.³⁸ Where retailers and restaurateurs have been able to establish that their décor or architectural design features are distinctive and non-functional, they have repeatedly been successful in enforcing their trademark rights.³⁹

Consequently, before commercial construction begins, builders and designers should be mindful of the potential that commercial design plans might generate trademark rights for the owner or infringe trademark rights of competitors.

§ 28.5.4—Branding Large Developments — The Pitfall Of Geographic Descriptiveness

Special trademark challenges exist for the owners of large commercial and residential developments and for those developing larger resorts. Aside from selecting a trademark that is not confusingly similar to an earlier senior trademark owner, the biggest threat to the branding strategy of a real estate developer or resort developer is the risk that the public will perceive the development or resort name as a geographic location, rather than as a trademark. The larger the size of the development or the more prominent the development is relative to its surroundings, the more risk there is that the development name will become synonymous with the place itself and become unprotectable.

In order to assure its trademark rights endure over time, the trademark owner is obliged to instill in the public consciousness that the development name is *not* a part of town or a geographic location, but rather it is a brand — an adjective used to identify a source of certain real estate development and property management or services. Admittedly, this is an uphill battle, especially in light of changes made to the U.S. Trademark Act of 1946 to implement the North American Free Trade Agreement in 1994, which make it more difficult to register geographically descriptive terms with the U.S. Patent and Trademark Office.⁴⁰ Similarly, Colorado case law limits the protectability of geographically descriptive terms.⁴¹

To illustrate the potential problem, assume a large office park development or shopping mall (or ski resort, etc.) is built and named PEAK VIEW. Soon, accompanying collateral commercial and residential development grows up around the office park or mall. Can the developer prevent a hotel chain from using PEAK VIEW to describe the location of its hotel? Can it prevent other developers from claiming they sell houses at PEAK VIEW? No Colorado cases have specifically addressed the defense of geographic descriptiveness in the context of a real estate develop-

er's or resort owner's attempt to maintain trademark rights. However, several cases from other states demonstrate the potential pitfall awaiting a developer or resort owner's efforts to secure and maintain trademark rights.

In *Dominion Federal Savings and Loan Ass'n v. Ridge Development Corp.*,⁴² the plaintiff created a residential planned community and named it LAKE RIDGE. Several businesses in the Lake Ridge development used the LAKE RIDGE name to identify themselves. For example, there was a Lake Ridge Elementary School, a Lake Ridge Baptist Church, a Lake Ridge County Park, etc. There is no mention in the opinion of the existence of any written trademark license between these third-party users of the LAKE RIDGE name and the plaintiff. However, the court was clearly convinced that "LAKE RIDGE" had come to mean a geographic location in the mind of the public. The defendant bank, located near but not in the LAKE RIDGE development, included "Lake Ridge" in its name. When faced with a trademark infringement claim brought by the developer, it asserted a defense of fair use, arguing that the LAKE RIDGE words described the geographic location of its branch bank. The court agreed the bank's use of LAKE RIDGE was to describe its location and did not create confusion amongst consumers as to the affiliation of the bank with the plaintiff developer.

In contrast to the *Dominion* case, a different result was reached in other cases where the trademark owner has more aggressively controlled third-party trademark use of the trademark owner's brand and insisted that proper trademark use rules be followed by those authorized to use the mark. For example, trademark rights in a development name were recognized as protectable in *Levitt Corp. v. Levitt*,⁴³ where a housing developer, William J. Levitt, sold his trademark rights to the mark LEVITTOWN, which was used as the name of two residential developments in Pennsylvania and New York. After selling those rights, Mr. Levitt attempted to use "Levittown" as the name of a planned community in Florida. The court held that the plaintiffs were entitled to protection because the defendant was in a competing business. A similar result was reached in *Prestwick v. Don Kelly Building Co.*,⁴⁴ where the defendant sought to use the mark TANTALLON SQUARE near the plaintiff's TANTALLON housing development.

Similarly, the U.S. Patent and Trademark Office in *In re Pebble Beach Co.*⁴⁵ confirmed that the mere fact that a phrase or word has some geographic significance does not *per se* disqualify that word or phrase from being registered with the U.S. Patent and Trademark Office as a trademark. This case involved the owners and operators of the well-known "17 MILE DRIVE" development in Monterey, California. Pivotal to finding 17 MILE DRIVE to be an enforceable trademark appears to have been the trademark owner's vigilance in assuring that the 17 MILE DRIVE brand was always "associated with plaintiff and its services." The Trademark Trial and Appeal Board observed that the trademark owner "owns, maintains, and controls the area known as the '17 MILE DRIVE,' [so] there can be no other parties located in that area with rights to describe the geographic origin of their goods or services by using [the trademark owner's] designation."⁴⁶ These cases demonstrate that it is possible to acquire, enforce, or infringe trademark rights that arise in development names, if proper steps are taken to protect those marks.

While there is no absolute assurance that these measures will prevent the public from recognizing a development name as a part of a town or a geographic location, rather than as a brand of services, the following measures, if followed, will improve the developer's position in attempting to enforce its trademark rights should such enforcement be necessary:

- File a trademark registration application for the development name with the U.S. Patent and Trademark Office. Assuming the application is accepted and the marks are registered, a presumption of trademark validity is created. After five years, the registration can become incontestable, effectively preventing an infringer from asserting geographic descriptiveness as a defense.⁴⁷
- Follow a few simple trademark use rules in all promotions and uses of the mark, both by the trademark owner and its licensees:
 - **DON'T use a mark as a noun.** Always use a mark as an adjective followed by a noun. For example, "Our offices are at the ABC™ development, rather than "our offices are at ABC."
 - **DO distinguish the trademark** portion of the phrase from other text by using all capitals, quotations, different fonts or colors, or at least by using initial caps — for example, "an ABC™ office development." The fact that you are claiming trademark rights to a product name can be further underscored by placing a superscript "TM" following the mark. Only those with federally registered marks are entitled to use the "®" notation.
 - **DON'T use a trademark in a possessive form**, unless the mark itself is possessive. For example, don't say "the ABC's convenient location . . ." Instead say, "the ABC™ development's convenient location . . .".
- Require all tenants to make proper use of the development name when describing their location. For example, the trademark owner should prevent a hotel in or near the ABC development from using the brand "XYZ Hotel at ABC." In contrast, the trademark owner probably could not prevent a third party from using the phrase "XYZ Hotel near the ABC resort." This would likely be viewed as fair use of the ABC brand.
- Any tenant or third party who wants to use the trademark of the developer in its business name or in its marketing and promotions should be required to sign a simple trademark license that permits the trademark owner to control the nature and quality of the use of the development or resort name.

NOTES

1. 35 U.S.C. § 101.
2. 35 U.S.C. § 161.
3. 35 U.S.C. § 171.
4. 35 U.S.C. §§ 111 through 115 and 271.
5. 35 U.S.C. § 101.
6. 35 U.S.C. § 102.
7. 35 U.S.C. § 103.

8. 35 U.S.C. § 171.
9. *Baut v. Pethick Construction Co.*, 262 F. Supp. 350 (M.D. Pa. 1960).
10. C.R.S. §§ 7-74-101, *et seq.*
11. *Rivendell Forest Products, Ltd. v. Georgia-Pacific Corp.*, 824 F. Supp. 961, 964-65 (D. Colo. 1993); *Sonoco Prod. Co. v. Johnson*, 23 P.3d 1221 (Colo. App. 2001).
12. *Harvey Barnett, Inc. v. Shidler*, 143 F. Supp.2d 1247 (D. Colo. 2001).
13. *Restatement of Torts*, § 757 comment b (1939); *Colorado Supply Co. v. Stewart*, 797 P.2d 1303, 1306 (Colo. App. 1990); *Network Telecommunications v. Boor-Crepeau*, 790 P.2d 901, 902-03 (Colo. App. 1990).
14. *Q-Co. Industries, Inc. v. Hoffman*, 625 F. Supp. 608, 617 (S.D.N.Y. 1985) (applying New York's Uniform Trade Secret Act, which is closely similar to that of Colorado).
15. *Network Telecommunications, Inc.*, 790 P.2d at 903; *Porter Industries, Inc. v. Higgins*, 680 P.2d 1339, 1341 (Colo. App. 1984); *Colorado Supply Co., Inc. v. Stewart*, 797 P.2d. 1303, 1306 (Colo. App. 1990); *Gates Rubber Co. v. Bando Chemical Industries, Ltd.*, 9 F.3d 323 (10th Cir. 1993).
16. C.R.S. §§ 7-74-103 through -106.
17. 17 U.S.C. § 102.
18. 17 U.S.C. §§ 102, 201, and 401, *et seq.*
19. *Nelson-Salabes, Inc. v. Morningside Development, LLC*, 284 F.3d 505 (4th Cir. 2002) (holding both construction company and developer liable for architectural drawings used by construction company without the consent of the architect); *Sparaco v. Lawler, Matusky, Kelly, Engineers LLP*, 303 F.3d 460, (2d Cir. 2002) (holding land surveyor's site plan proposing improvements to the site were sufficiently detailed to be entitled to copyright protection); *Jeffrey A. Grusenmeyer & Assoc., Inc. v. Davison, Smith & Certo Architects, Inc.*, 212 Fed. Appx. 510 (6th Cir. 2007); *The Rottlund Company, Inc. v. Pinnacle Corp.*, 452 F.3d 726 (8th Cir. 2006).
20. 17 U.S.C. § 101.
21. H.R. Rep. No. 101-735, 101st Cong., 2d Sess. 20 (1990).
22. *Id.*
23. *See Sparaco*, 303 F.3d at 467 (holding a land surveyor's site plan, to the extent it described existing physical features of the site, was not subject to copyright protection, even though the plan's proposal for improvements was subject to protection).
24. H.R. Rep. No. 101-735, 101st Cong., 2d Sess. 20-21 (1990). *See also Sturdza v. United Arab Emirates*, 281 F.3d 1287 (D.C. Cir. 2002) (holding proof of infringement consists of first identifying which aspects of the author's work, if any, are protected and then identifying which infringing elements are "substantially similar" to the protected work); *Christopher Phelps & Assoc., LLC v. Galloway*, 477 F.3d 128 (4th Cir. 2007).
25. *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991).
26. *Country Kids 'N City Slicks, Inc. v. Sheen*, 77 F.3d 1280 (10th Cir. 1996).
27. *Precision Craft Log Structures, Inc. v. The Cabin Co., Inc.*, 2007 U.S. Dist. LEXIS 3829 (D. Id. Jan. 17, 2007) (awarding statutory damages of \$150,000 per week infringed, based on the infringing use of exterior renderings of cabin designs).
28. 17 U.S.C. § 106A.
29. 17 U.S.C. § 106A(a)(3).
30. 15 U.S.C. § 1125(a).
31. 15 U.S.C. § 1125(a)(1)(B).
32. C.R.S. § 6-1-105.
33. 15 U.S.C. § 1125(a)(A).
34. *Dadirrian v. Yacubian*, 98 F. 872 (1st Cir. 1900).
35. 15 U.S.C. § 1125(a).
36. *See, e.g., Johnson v. Jones*, 149 F.3d 494 (6th Cir. 1998) (finding architect liable under the Trademark Act for falsely claiming architectural plans of plaintiff to be his own work and awarding attorney fees and damages); *Century 21 Real Estate Corp. v. Re/Max South County*, 882 F. Supp. 915 (C.D. Cal. 1994) (in denying summary judgment holding that defendant's advertising claims that its real estate agents

were outselling others “3 to 1” was sufficiently specific to constitute a violation of the Trademark Act, if it was proven to be false); *People ex rel. MacFarlane v. Alpert Corp.*, 660 P.2d 1295 (Colo. App. 1982) (holding real estate sales and advertising subject to the provisions of the Colorado Consumer Protection Act).

37. 15 U.S.C. § 1125(a)(A).

38. *Weinstock, Lubin & Co. v. Marks*, 109 Cal. 529, 42 P. 142 (1895).

39. See *White Tower System, Inc. v. White Castle System*, 90 F.2d 67 (6th Cir. 1937), *cert. denied*, 302 U.S. 720 (1937) (enjoining defendant's use of a white, miniature castle building design for hamburger stands); *Warehouse Restaurant, Inc. v. Customs House Restaurant, Inc.*, 217 U.S.P.Q. 411 (N.D. Cal. 1982) (enjoining the use of packing crates to encase dining booths); *Freddie Fuddruckers, Inc. v. Ridgeline, Inc.*, 589 F. Supp. 72 (N.D. Tex. 1984), *aff'd without op.*, 783 F.2d 1062 (5th Cir. 1986) (preliminary injunction issued against copying of numerous of non-functional design features of interior of restaurant); and *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1117 (5th Cir. 1991), *aff'd*, 505 U.S. 763 (1992) (affirming damages of \$2 million and enjoining a competitor of plaintiff from using the following décor for its competing Mexican-style restaurant, “A festive eating atmosphere having interior dining and patio areas decorated with artifacts, bright colors, paintings and murals. The patio includes interior and exterior areas with the interior patio capable of being sealed off from the outside patio by overhead garage doors. The stepped exterior of the building is a festive and vivid color scheme using top border paint and neon stripes. Bright awnings and umbrellas continue the theme.”).

40. 15 U.S.C. § 1052(e).

41. *MacPhail v. Stevens*, 586 P.2d 1339 (Colo. App. 1978) (DENVER MAGAZINE not protectable as a trademark because of its geographic descriptiveness).

42. *Dominion Fed. Sav. and Loan Ass'n v. Ridge Development Corp.*, 231 U.S.P.Q. 976 (E.D. Va. 1986).

43. *Levitt Corp. v. Levitt*, 201 U.S.P.Q. 164 (E.D. N.Y. 1978).

44. *Prestwick v. Don Kelly Building Co.*, 302 F. Supp. 1121 (D. Md. 1969).

45. *In re Pebble Beach Co.*, 19 U.S.P.Q.2d 1687 (TTAB 1991).

46. *Id.* at 1688.

47. 15 U.S.C. § 1065.