

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 16-cv-02002-WJM

OPEN STUDIOS, INC., a Colorado Nonprofit Corporation,

Plaintiff,

v.

BOULDER METALSMITHING ASSOCIATION, a Colorado Nonprofit Corporation,

Defendant.

**PLAINTIFF’S RESPONSE TO DEFENDANT’S RENEWED MOTION TO DISMISS
COMPLAINT**

COMES NOW the Plaintiff, Open Studios, Inc., by and through its attorneys, Howard O. Bernstein, P.C., and for a Response to Defendant’s Renewed Motion to Dismiss states and avers as follows:

INTRODUCTION

Defendant, in its Renewed Motion to Dismiss the Complaint (“Motion”), requests that its Motion to Dismiss be treated as a Motion for Summary Judgment, and attaches exhibits in support of its sole argument: that Open Studios, Inc. is not entitled to exclusive use of the term “open studio” in Boulder, Colorado, because “open studio” is a generic term. Contrary to the averment of the Defendant, Boulder Metalsmithing Association (“BOMA”), the term “Open Studios” is not a generic term. If BOMA believed that “Open Studios” was a generic term to which “no one can gain exclusive use,” it would not have filed an application for statewide tradename registration in May of 2016, only days after receiving a cease-and-desist letter from Open Studios, Inc.

American trademark law grants the right of exclusive use to the “first use” party, and not to the “first to file” party. BOMA’s tradename application was the impetus for Open Studios’ suit, as preservation of its right to exclusive use in Boulder County for visual arts programs requires that Open Studios defend that exclusive right. BOMA’s subsequent withdrawing of that application on the advice of its attorney after Open Studios filed suit does not negate the implications of BOMA’s filing, to wit, that BOMA knows full well that “open studios” is a name capable of protection. BOMA nonetheless argues that “open studios” is generic. Open Studios argues that, if not outright suggestive, “open studios” is at the very least descriptive and has acquired secondary meaning through over two decades of use in promoting the visual arts in Boulder County. The categorization of a mark is a question of fact. *See, e.g., E.T. Browne Drug Co.*, 538 F.3d at 192; *Borinquen Biscuit Corp. v. M.V. Trading Corp.*, 443 F.3d 112, 118 (1st Cir. 2006). If a mark is found to be “descriptive” rather than suggestive, whether distinctiveness has been acquired is a further question of fact. *See, In re Loew’s Theatres, Inc.*, 769 F.2d 764, 769–70, 226 USPQ 865, 869 (Fed. Cir. 1985), and cases cited therein. Therefore, with material questions of fact in dispute, a motion for summary judgment is not proper.

FACTS

Contrary to the assertion in BOMA’s Motion: “Plaintiff does not allege nor can it ever have exclusive rights to use the term OPEN STUDIO...[,]” Plaintiff filed its Complaint against BOMA because Plaintiff has exclusive rights to use the term “open studios” in connection with visual arts programs in Boulder County. Complaint, ¶¶ 17–22, 31, 36–41, 43–49, 51–55, 57–61. The Defendant’s use of the term “open studio” in connection with promoting visual arts programs in Boulder County is deceptive and is causing public confusion. Defendant’s sole argument is whether Open Studios can claim the use of “open studios” as a mark, denoting visual arts programming in

Boulder County, or have any right to protect itself from deceptively similar names that cause public confusion. Plaintiff responds that “open studios” is a suggestive or, at least, a descriptive term which has acquired secondary meaning through over two decades of local use and protection, rather than a generic term and is therefore protectable under U.S. intellectual property law.

As established by the Complaint, Open Studios, Inc. has been a registered nonprofit corporation in Colorado since 1995. Open Studios has been operating in Boulder County, Colorado for 21 years as a tax-exempt organization promoting local visual arts and artists. In addition to numerous other public art programs for students, group home residents, and the community at large, Open Studios hosts annual arts events including “Open Studios Fall Artist Tour” and the “Open Studios Gallery @ Rembrandt Yard.” The reputational benefits of the mark “Open Studios” with regards to the visual arts in Boulder County are undisputed by the Defendant, and have been accruing to Open Studios, Inc. as a result of diligent effort and advertising for over two decades.

The dispute over BOMA’s infringement of the locally established use of the name “Open Studios” began in May of 2016, when representatives of Open Studios spoke with representatives of BOMA and requested that BOMA discontinue their use of the term “open studio” in connection with their local visual arts program. On May 17, 2016, the undersigned counsel spoke with BOMA regarding Open Studios’ long-standing usage of the term Open Studios in connection with visual arts programs. On May 20, 2016, the undersigned counsel for Open Studios sent an email to BOMA’s counsel suggesting several alternate names that would avoid the confusion with Open Studios’ usage. Three days later, on May 23, 2016, BOMA filed a Statement of Trade Name of a Reporting Entity (“Statement of Trade Name”) for the trade name “Open Studio.” A copy of that Statement of Trade Name was attached to the Complaint.

SUMMARY JUDGMENT STANDARD

Summary judgment is proper where the undisputed material facts establish that a party is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c). A material fact is one which may affect the outcome of the suit under the governing law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247–48 (1986). To dispute a material fact, Plaintiff must offer more than a "mere scintilla" of evidence; the evidence must be such that "a reasonable jury could return a verdict" for Plaintiff. *Id.* The facts and reasonable inferences therefrom must be viewed in the light most favorable to Plaintiff. *MacKenzie v. City & County of Denver*, 414 F.3d 1266, 1273 (10th Cir. 2005). Only if the undisputed facts establish that Plaintiff cannot prove an essential element of a cause of action are Defendants entitled to judgment on that cause of action. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986).

ARGUMENT

Defendant BOMA's sole argument, in its Renewed Motion to Dismiss, is that it cannot be liable for infringement because "open studios" is a generic term that is inherently incapable of trademark or trade name protection. However, BOMA has not denied or even addressed the facts of the Complaint or the attached Exhibit in support of that Complaint – namely that BOMA itself filed for tradename protection for the mark "open studio" mere days after receiving Plaintiff's cease-and-desist request. For BOMA to first attempt to "race to file" their Statement of Trade Name, 21 years after Open Studios incorporated and began using the mark as a non-profit organization in commerce, and then, failing that, claim to this court that "open studios" is a 'generic' term incapable of being so protected is disingenuous.

First use

Under both the Lanham Act and firmly established common law, the United States has adopted a "first use" standard, rather than a "first to file" standard regarding the right to exclusively

use and defend a mark. Open Studios is the first user of the mark in Boulder, Colorado, where it has become widely known throughout the community as a promoter of the visual arts. As a purely local arts organization, Open Studios has never been concerned with the use or registration of the mark “open studios” or the use of “open studio” outside of Boulder County.¹ It has, however, vigorously defended its exclusive right to use the term locally, particularly with regard to other members of the local visual arts community. To establish a protectable interest in the mark, Plaintiff must prove that it has actually used the trademark in commerce and that such use is more than “small, sporadic or inconsequential.” *Mars Musical Adventures, Inc. v. Mars, Inc.*, 159 F.Supp.2d 1146, 1148 (D. Minn. 2001) (citing *Sweetarts v. Sunline, Inc.*, 380 F.2d 923, 928 (8th Cir. 1967)). As established by the Complaint, Open Studios has expended significant resources in both time and money promoting itself and the local visual arts community for over two decades, building a substantial reputation and community goodwill, and objects to any confusion or dilution of its mark that arise from use by other local organizations. BOMA has not contested any fact in the Complaint.

In Colorado, the filing of a Statement of Trade Name (sometimes referred to as a “doing business as” or “DBA name”) is allowed but not required for non-profit corporations such as Open Studios, Inc. The Statement of Trade Name exists primarily to allow consumers to determine with whom they are doing business. Filing a Statement of Trade Name provides notice that an entity is using a trade name, and creates name protection under common law and federal trademark law. However, the Colorado Secretary of State filing system does not prevent the filing of a trade name on the basis of similarity to other trade names: any trade name may be registered. Protection and enforceability lie with the courts, and not the Secretary. *See, generally*, Colorado Secretary of State, Trade Names, <https://www.sos.state.co.us/pubs/business/FAQs/tradeNames.html>.

¹ Nor have Open Studios rights to use or defend “Open Studios” in Boulder County ever been challenged by any organization claiming senior rights in the mark.

Duty to defend

Open Studios, Inc. has defended its use of the mark in the past by contacting the infringing party and cooperatively resolving disputes. Open Studios has previously never been required to move to litigate to protect its exclusive use. However, the maintenance of an effective mark requires not just actual use in commerce; it also requires that the exclusivity of the use be defended from infringing users. Failure to defend the mark can result in the loss of the exclusive right to use the mark. Accordingly, BOMA's refusal to respect Open Studios' rights to exclusive use of the mark requires judicial resolution.

Infringement

Pursuant to Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) (“§ 43(a)”), infringement of an unregistered mark is triggered by a use which is “likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association” of the junior user with the senior user. 15 U.S.C. § 1125(a). Thus, a plaintiff whose trademark has not been registered may have a cause of action pursuant to § 43(a). To prove its claim under § 43(a), a plaintiff must show both that its mark is protectable and that the defendants' use of an identical or similar mark actually causes or is likely to cause confusion among consumers. *Donchez v. Coors Brewing Co.*, 392 F.3d 1211, 1215 (10th Cir. 2004).

Satisfying the second element of its case for BOMA's infringement, Open Studios has alleged actual confusion of the public. Complaint, ¶¶ 35, 37–40. BOMA has declined to argue any facts in this case, stating that the issue is ripe for summary judgment because “[p]lainly, there is no issue of fact in this case which needs to be discovered to [sic] determined.” Motion, p.3. Therefore the question of BOMA's infringement rests solely on the first element, namely whether the mark is protectable. Whether a mark is protectable turns on two issues: use in commerce and

distinctiveness. BOMA does not challenge Open Studios' use in commerce, but only that "open studios" is not distinctive because it is generic. Trademarks are traditionally divided into four categories of distinctiveness: arbitrary/fanciful, suggestive, descriptive, and generic. *See Zatarain's, Inc. v. Oak Grove Smoke House, Inc.*, 698 F.2d 786 (5th Cir. 1983). BOMA claims that "open studios" is generic; Open Studios maintains that "Open Studios" is suggestive or at the very least a descriptive use that has acquired secondary meaning in the minds of the public.

A plaintiff seeking to protect an unregistered mark bears the burden of proving the mark's validity. "Unregistered marks have no presumption of validity Thus, a plaintiff must prove that an unregistered mark is valid and protectable."² However, the Lanham Act allows trademark claimants several opportunities to use prima facie evidence to establish the validity of their marks. First, PTO registration is prima facie evidence that a mark is "registrable."³ Therefore, the numerous registrations of the same or similar marks from other jurisdictions are evidence that "open studios" is not a 'generic' term but is capable of registration and trademark protection. In addition to the inference created by Defendant's own registration of "Open Studio" with the state of Colorado, numerous trademarks from other jurisdictions have been federally registered for the term "open studios," "open studio," or "openstudio."⁴ Second, Section 2(f) applies in the registration context

² *MNI Mgmt., Inc. v. Wine King, LLC*, 542 F. Supp. 2d 389, 404 (D.N.J. 2008) (citation omitted). *See also*, e.g., *Courtenay Commc'ns Corp. v. Hall*, 334 F.3d 210, 217 (2d Cir. 2003) ("Because [the plaintiff's] mark is unregistered . . . 'the burden is on the plaintiff to prove the mark is . . . valid . . .'" (third alteration in original) (quoting *Reese Publ'g Co. v. Hampton Int'l Commc'ns Inc.*, 620 F.2d 7, 11 (2d Cir. 1980)); *Emergency One, Inc. v. Am. Fire Eagle Engine Co.*, 332 F.3d 264, 272-72 (4th Cir. 2003) ("The plaintiff in an action for infringement of an unregistered mark must prove 'the validity and its ownership of the mark as part of its larger burden in a trademark infringement action . . . to prove that it has a valid, protectable trademark and that the defendant is infringing its mark.'" (alteration in original) (quoting *Am. Online, Inc. v. AT & T Corp.*, 243 F.3d 812, 819 (4th Cir. 2001)); *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 299 n.9 (3d Cir. 1986) ("[O]ne difference between registered and unregistered marks relevant to this case is that unregistered marks have no presumption of validity, so [the plaintiff] has the burden of proving its term protectable.").

³ *Creative Gifts, Inc. v. UFO*, 235 F.3d 540 (10th Cir. 2000) ("Because a trademark's certificate of registration carries with it the presumption that the trademark is valid, a party seeking cancellation of a registration on the ground that the mark has become generic carries the burden of proving that fact by a preponderance of the evidence." (citation omitted) (quoting *Glover v. Ampak, Inc.*, 74 F.3d 57, 59 (4th Cir. 1996)).

⁴ A trademark for "OpenStudio" was approved in May of 2004 for Open Labs, Inc. (reg. #78311838), but has since been abandoned. "OpenStudio" is currently a registered trademark of the Alliance for Sustainable Energy, LLC. (reg. #

and codifies the proposition that the USPTO “may accept as prima facie evidence that a mark has become distinctive . . . proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.” 15 U.S.C. § 1052(f) (2016). Courts have also adopted the same presumption in cases challenging whether a mark is generic or distinctive.⁵ The presentation of prima facie evidence shifts the burden back to the challenger to rebut the mark’s prima facie validity by “significantly probative evidence.” *Borinquen v. Biscuit Corp. M.V. Trading Corp.*, 443 F.3d 112, 117–18 (1st Cir. 2006). Courts have diverged over the question of whether the burden of persuasion remains with the claimant or is shifted to the challenger in the face of prima facie evidence.⁶

Beyond the prima facie evidence, the holder of an unregistered mark may prove by evidence that the mark is either “inherently distinctive” or has acquired secondary meaning. Plaintiff does not deny that “open studio” or “open studios” has been used at other times, in other places, or that the term is arbitrary or fanciful. Open Studios argues that “Open Studios” is suggestive in that “[s]uggestive marks connote, without describing, some quality, ingredient, or characteristic of the product.” *OBX-Stock, Inc. v. Bicast, Inc.*, 558 F.3d 334, 340 (4th Cir. 2009); *see also Xtreme Lashes, LLC v. Xtended Beauty, Inc.*, 576 F.3d 221, 223 (5th Cir. 2009) (“A suggestive term suggests, but does not describe, an attribute of the good; it requires the consumer to exercise his

3950883). “Open Studio” is a registered trademark of Artograph, Inc., a purveyor of art supplies in Minnesota (serial # 87155593). “Open Studio” is a registered trademark of Empress Fine Art, LLC, a New York based online art marketplace (serial # 86526208). “Open Studios” is a registered trademark of Peter L Bombar for audio recording and production in New York (reg. # 2108306). “Openstudios.com” has been registered as an online retailer of home goods, based in Massachusetts (serial # 76022479), as an online chat room service, also in Massachusetts (serial #76022480 and 76022479).

⁵ The Eighth Circuit has held in the infringement context that the use for five consecutive years of an unregistered trade dress may create a “presumption” of secondary meaning that must be considered in the inquiry into whether the trade dress is a distinctive indicator of origin. *See, e.g., Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 789 (8th Cir. 1995) (relying on 15 U.S.C. § 1052(f) to hold in infringement context that plaintiff’s exclusive use of claimed trade dress for over five years may warrant presumption of secondary meaning).

⁶ *See, e.g., Igloo Prods. Corp. v. Brantex, Inc.*, 202 F.3d 814, 819 (5th Cir. 2000) (“[E]ven if [the registrant] were entitled to the presumption of secondary meaning, the burden of persuasion on the question of secondary meaning would not have shifted to [the opposing party]; instead, merely a burden of production would have arisen in [the opposing party].”);

imagination to apply the trademark to the good.”). A suggestive mark thus “requires the observer or listener to use imagination and perception to determine the nature of the goods.” *Leelanau Wine Cellars v. Black & Red, Inc.*, 502 F.3d 504, 513 n.3 (6th Cir. 2007). Open Studios, Inc. is a visual arts organization that engages in a number of different community activities to promote visual arts – including not only an artwalk (or multiple artwalks), or any “studios,” but a variety of other programs and activities geared toward the visual arts in Boulder County. Defendant argues that “open studio” is generic as applied to “the dates and times and place a particular art studio is open to artist’s [sic] (or the public) to create various types of art.” Motion, p. 3. Defendant further argues that “open studios” is generic when used “to denote that party’s annual art walk whereby the public can travel to various artist studios to view the artist’s work.” *Id.* Open Studios’ programs are not limited either to its studio programs or to its art walk or to its gallery tour, but encompass a broad array of activities that are not literally described by either “open studio” or “open studios.” Its mark is generally suggestive of visual arts programming that are geared toward the public.

A mark which fails as a ‘suggestive’ term may nevertheless be descriptive, and acquire protected rights by acquiring secondary meaning. If a mark is found to be “descriptive” rather than suggestive, whether distinctiveness has been acquired is a further question of fact. *See, In re Loew’s Theatres, Inc.*, 769 F.2d 764, 769–70, 226 USPQ 865, 869 (Fed. Cir. 1985), and cases cited therein. “A term which is descriptive . . . may, through usage by one producer with reference to his product, acquire a special significance so that to the consuming public the word has come to mean that the product is produced by that particular manufacturer.” 1 Nims, *Unfair Competition and Trademarks* at §37 (1947). This is what is known as secondary meaning.

Defendant does not deny that Open Studios has been using the mark for over 20 years in Boulder County to refer to its visual arts programming, that Open Studios has become prominently

regarded in the community as a result of its extensive promotion and advertising of itself and its artists, that Open Studios has defended itself successfully against other infringing users, without having to file suit, or that BOMA's infringing uses are causing actual public confusion regarding the relationship of its visual arts programs with Open Studios'. "Open Studios" in Boulder means or has undisputedly come to mean Open Studios, Inc. through more than two decades' worth of active community engagement, promotion, and advertising. In Boulder County, Open Studios does not refer only to a yearly tour of artists studios, or to one or more studio events, or to a gallery curated by Open Studios, or to any other specific programming. Its use is distinctive, valuable, and entitled to protection under the law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Open Studios, Inc., prays for judgment against the Defendant, Boulder Metalsmithing Association, in an amount to be determined at trial, including actual and consequential damages, economic and non-economic damages, punitive damages, statutory damages including attorney fees and costs incurred in pursuing this matter, pre- and post- judgment interest, injunctive relief and for such other and further relief as this Court deems just and proper.

DATED this 20th day of September, 2016.

Respectfully submitted,

HOWARD O. BERNSTEIN, P.C.

By: /s/ Howard O. Bernstein

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