

What's in a Name? Trademarks and Construction

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Every company, no matter the industry, relies on its name and reputation to develop customers and generate revenue. Think about the brands that dominate American culture such as Nike, Wal-Mart, Amazon, or McDonald's, then imagine those businesses without the ability to adequately protect their names, slogans, and logos. No doubt the vultures would circle and brand power would most likely become short lived or otherwise diluted to the point of non-existence. The construction industry is not exempt, and the industry leaders benefit from identifiable names and logos, built over years of reputation and brand building. While the tools necessary to protect your company's brand exist at the state and federal level, many business owners or leaders are unfamiliar with the trademark process and unaware of the consequences of not utilizing those tools.

TRADEMARK REGISTRATION

Trademarks are "concise and unequivocal identifiers" that provide potential customers with essential information about your business. With a single word, tagline, logo, color - essentially anything that can carry meaning - potential customers learn to associate particular product or service characteristics and expected quality level with a particular source. That is, your mark is the way that consumers connect your expertise and reputation to your business and nobody else's. It serves a critical role in reducing consumer search costs and capturing your hard-earned business opportunities.

A trademark registration is the most effective way to secure your investment in your name and the reputation it symbolizes. It is the only filing that confers legal rights and benefits of trademark ownership. The formation of a company under a certain name, registration to do business with a secretary of state, filing of an assumed name certificate, registration of a domain name, and the



like do not create exclusive rights in a name or mark. In fact, your registered company name or assumed name or domain name could actually infringe another party's trademark rights.

FEDERAL REGISTRATION PROCESS

A trademark can be registered at the state or federal level. A federal filing in the United States Patent and Trademark Office (USPTO) is preferred because of its nationwide reach, but a state registration with the secretary of state may confer some of the same benefits within that state. In the USPTO, the process is as follows:

1. An application is filed for a mark that is already in use or a mark that you plan to use in the future (called an intent-to-use or ITU application), which is a nice mechanism to secure your claim while you are ramping up the launch of the new mark.
2. The application undergoes a substantive examination, in which the examiner looks for any substantive or technical bases for

refusing the application. If there are issues to be addressed, you have an opportunity to respond.

3. When all issues are resolved, the application is approved for publication, which is a 30-day period in which third parties may come forward with any objection to the application.
4. If nobody comes forward, a use-based application will proceed to registration and an ITU application will receive a notice of allowance. An ITU application will not mature to registration until the applicant files a document notifying the USPTO that it has begun using the mark. This statement of use may be filed up to three years after the notice of allowance is issued. When the statement of use is filed, the registration will issue.

Regardless of how long the process takes, all rights and priorities arising from an issued registration will date back to the filing date of the application.

BENEFITS OF REGISTRATION

When a trademark registration issues, it provides significant evidentiary advantages in the registrant's favor, including prima facie evidence of the validity of the mark and of the registrant's ownership and exclusive right to use the mark, either throughout the entire United States or potentially throughout a particular state, depending upon where you filed. Validity, ownership, and exclusive right to use are essential elements for any effort to stop an infringement of your mark. A registration establishes them from the outset. Without a registration, you will be required to prove each element individually with specific evidence, which is much more difficult, costly, and uncertain.

Your trademark registration will block others from registering the same or similar mark for the same or related goods and services. For parties who conduct clearance searches before adopting new marks, your registration would likely discourage them from picking something too close. If they do not see you on the register or otherwise know about you, then you could end up being limited by their trademark registration when you try to expand your business, as discussed below.

PROTECTION FOR EXPANSION

A compelling benefit for the construction industry is the presumptive nationwide or, if applicable, state-wide exclusive right to use. Even if you have a limited area of operation currently, as of your trademark registration date, you are deemed the owner of the mark throughout the registration territory (subject to prior uses already in place before your registration). This means that you would have the luxury to expand to or take projects in other parts of the territory at your own pace, without fear of another party using the same or similar

mark there first. In Texas, for example, there would be no arguments over who operated in Dallas County first or in Harris County first. If confusion arises with another party's mark when you enter the new territory, you win if your registration precedes their first use there. This is a very significant advantage with a federal registration, essentially preserving your ability to market and take projects anywhere in the country. Without the registration, winning a bid in a new city could inadvertently expose you to a trademark infringement claim.

PROTECTION ONLINE


Another growing benefit of having a federal trademark registration is dealing with online infringements and issues. Most of the large service providers and industry websites have procedures in place to address infringements of trademarks (and also copyrights). Generally, when you can show the provider that you have a trademark registration and that another party is infringing your mark, the provider will take down the infringing use. There are subsequent steps in the process, but you can often get quick relief without having to go to court.

ENFORCEMENT

Finally, trademark rights are not self-enforcing. Whether or not you have a trademark registration, the vigilance with which a trademark owner enforces its rights against third parties significantly affects the scope of rights in the trademark. This is tied to the notion that a trademark is intended to identify a specific source of goods or services under a particular brand name. If a trademark owner permits multiple uses of similar trademarks on similar services, then the mark is weakened because it no longer identifies a specific source. The more uses that are permitted to coexist with the trademark owner's use, the less able the trademark owner is to stop any one of the other uses.

CONCLUSION

Construction companies customarily own expensive assets, such as equipment, software, and office space, but perhaps the most valuable asset is its name and brand, which cannot be bought and is earned through years of reputation building. Protecting your name and reputation in the geographic areas you aspire to do business must be a priority. After all, another company or construction professional could thrive off your failure to do so.

Trademark law is complicated and filing procedures can be complex. Therefore, it's recommended to work with an experienced intellectual property attorney to make sure your brand has the most comprehensive protection. 



About the Author

Carol Wilhelm, counsel with [Gray Reed](#), focuses her intellectual property practice in all areas of trademark, copyright, and unfair competition, including prosecution, transactions, due diligence, litigation, and client counseling. With over 25 years of experience managing soft IP portfolios for clients ranging from multi-national corporations to local startups, Wilhelm has protected consumer and industrial brands across industries, including healthcare, software, oil and gas, clothing, cosmetics, automotive, restaurants and more.

Leader of Gray Reed's Construction Practice Group and Industry Team, J.P. Vogel guides clients through every phase of commercial construction and helps them to resolve disputes when projects don't go as planned. Vogel focuses on brainstorming new ways for clients to seize opportunities and overcome challenges. His clients are major players across the industry, including owners, general contractors, specialty subcontractors, suppliers, and manufacturers.

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