AGC of America uses several marks to identify and distinguish the products and services that it offers to the public from the products and/or services that its competitors offer. The most familiar and important of these marks is the “AGC” acronym. A second mark of equal if not more importance is the round and predominantly red seal (“the Seal”) that features (1) the national organization’s full name, in capital letters, between two concentric circles, and (2) the acronym “AGC,” woven through a stylized "A," within the inner circle. The “AGC” acronym is the subject of a broad federal registration that covers it in any manner of depiction (U.S. Reg. No. 2,491,718). The Seal and several closely related marks are also registered with the U.S. Patent and Trademark Office (U.S. Reg. Nos.; 1,624,180; 2,411,820; and 373,159).1

AGC of America has been using these marks in commerce for a period that exceeds 90 years. When combined with the very distinctive nature of these marks, this fact enables the marks to meet the basic requirements for legal protection under both state and federal trademark laws.2 The several federal registrations of these marks add to their protection from unauthorized use. Even these registrations are not, however, enough to ensure that AGC of America will retain its rights to the marks, including its right to stop any unauthorized use. To secure and retain this right, AGC of America also has to meet other legal requirements.

The Governance and Operations Manual (the “AGC Manual”) that supplements the National Bylaws therefore goes to such great lengths to articulate the various ways in which chapters may use the national marks.3 The relevant provisions – and the more detailed guidance that AGC of America has developed specifically for its chapters – attempt to maximize the chapters’ latitude to reproduce, display and otherwise use the national marks and simultaneously limit the risk of anything that would put the national organization or its chapters or members at risk of fraud or other abuse.

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1 AGC of America has also registered the Seal as a collective membership mark (U.S. Reg. No. 683,804). This registration permits the individual members of the association to use the Seal to advise the public of fact of their membership without threatening the national organization’s broader rights to the mark.
2 These marks also qualify for protection under a variety of federal and state laws intended to prevent unfair competition.
3 The relevant provisions are in Section 8.7.1 of Article VIII of the AGC Manual. The full text of these provisions is in Exhibit A.
Following are (1) a brief summary of the legal principles that shaped the AGC Manual, (2) a summary and explanation of what the manual says, and (3) the further guidance that AGC of America has developed for its chapters. If you have any questions about the manual or this guidance, or have any recommendations for improving either or both of them, please do not hesitate to reach out to the national organization!

I. The Legal Context

Legally protected marks include trademarks and service marks. A trademark is something associated with a tangible product and a service mark is something associated with an intangible service. By definition, they are words, names, symbols or devices (or any combination of such things) used in commerce to identify and distinguish the products or services of any one provider from the products or services of any other. Their core purpose is to indicate the unique and particular source of the products, goods or services with which they are associated.

One well-known trademark is the “Nike” mark that identifies the athletic shoes that Nike manufactures. This mark distinguishes such shoes from the athletic shoes that other companies (such as Reebok and Adidas) also manufacture. Similarly, the “Coca-Cola” mark distinguishes the brown-colored soda water that one company produces from the brown-colored soda water that another company (such as Pepsi) also produces. An example of a service mark would be “Jiffy Lube,” which identifies the auto maintenance services that one company provides and distinguishes them from the similar services that other companies (such as “Pep Boys”) also provide.

Trademarks and service marks assure the consumer that certain products or services are uniform in their quality and, perhaps, in other important ways. The law protects both trademarks and service marks from unauthorized use. And the marks, in turn, protect consumers from the confusion that could result, for example, from one manufacturer associating its products with another manufacturer’s marks.

Trademarks and services marks also serve as informational shortcuts. They make it easier for consumers to distinguish the different sources of the products and services in the marketplace. Instead of reading the fine print on a can of soda water, consumers can just look for the “Coca-Cola” mark. Instead of asking a store clerks who manufactures certain athletic shoes, consumers can just look for the “Nike” mark or the “swoosh” logo. To the extent that marks make it easier for consumers to identify the sources of the goods and services in the marketplace, marks also give providers an incentive to invest in the quality of what they provide. After all, if a consumer tries a can of “Coca-Cola,” and finds the quality lacking, the consumer will find it easy to avoid Coca-Cola in the future, and instead buy another brand.

Originally, state common law was the primary source of protection for such marks, and today, common law causes of action are still available. An organization does not need to register its marks with the U.S. Patent and Trademark Office to get a significant measure of legal protection for them. If a particular mark qualifies for protection, and the company is the first one to use it in commerce, legal rights will
attach. There are significant advantages to registering a mark with the PTO, but again, registration is not a prerequisite to legal protection in the United States.4

To qualify for either state or federal protection, a mark must meet certain criteria. It must be used in commerce. It must be and remain distinctive. And it must be and remain capable of identifying the unique and particular source of a good or service. Even if registered with the PTO, a mark will lose its legal protection if it is abandoned, it becomes a generic term, or it is improperly licensed to others.

For AGC of America, the risk of improper licensing is the one that requires the most attention. The national organization is continuously using its Seal and other marks in commerce, and they remain distinctive. Unlike “thermos,” "aspirin" and "cellophane," AGC’s name, Seal and other marks run little risk of becoming generic substitutes for the association services that AGC delivers to the construction industry. On the other hand, AGC of America is in the unusual position of actually wanting many other organizations, and particularly its chapters, also to associate their products and services with its distinctive marks!

Licenses are improper, and will threaten a mark’s integrity, and risk its legal protections, if the party granting them does not retain the right to monitor and ensure the quality of the products or services which the licensee will associate with the mark. The same is true of any license that leaves the licensee free to confuse the source of any products or services that the licensee provides entirely on its own, or that it independently seeks to promote. The rationale for these rules is that, in these situations, the mark no longer serves its purpose of identifying the particular provider of a line of goods or services.

The greatest risk to AGC of America – and to its chapters – is that so many parties will use the national organization’s marks, and that they will do so in so many different ways, that marks will cease to point to any unique or particular source of goods or services.

II. The Governance and Operations Manual

In 2003, AGC of America amended its bylaws to provide – in clear and unambiguous terms – that its chapters do have the right to use the national marks. In 2013, when AGC of America completely rewrote of its bylaws, and developed a Governance and Operations Manual to supplement those bylaws, it moved the relevant provisions of its earlier bylaws to the manual. Following is a closer look.

A. Purposes

At the outset, the AGC Manual Grants the chapters permission to use the national marks for the broad purposes for which the chapters typically exist. Chapters may, for example, use the marks:

• to encourage construction and other firms and individuals to become their members;
• to encourage either their members or others to attend and participate in their workshops, seminars, conferences, programs, conventions or other meetings or activities; and
• to enhance their advocacy of their members’ interests.

4 Some states also have their own systems for registering marks.
B. **Distinguishing Features**

In direct response to the risk of confusion, the AGC Manual then provides that chapters may display the national marks only in conjunction with their own marks. In other words, the chapters may incorporate the national marks into their chapter marks – and indeed, the chapters are encouraged to do so – but a chapter may not simply adopt the national marks.

A chapter’s unique marks could be or include its name, or an outline of the state or other area that it serves, or some other distinctive words, acronyms, pictures or symbols. Each chapter has broad discretion to decide what to use. A chapter simply needs to pick something that will distinguish the chapter from AGC of America and from the many other chapters in the AGC family.

Here are two excellent examples.

C. **Specific Issues**

The AGC Manual also addresses three specific issues that have arisen in the past: chapter modifications of the national marks, chapter web sites, and sublicenses that the chapters may have an interest in granting to third parties.

1. **Web Sites Materials and Electronic Files**

The AGC Manual applies to all chapter “newsletters, stationary, business cards, signs, banners, certificates, awards and the like,” and to “electronic files,” including web sites.

The latter require special attention because the Internet knows no boundaries and anything posted on the Internet will reach everyone everywhere. The bylaws permit chapters to make otherwise appropriate use of the national marks on the Internet, but caution chapters to be “particularly mindful of the need to identify (1) the ownership of any Internet web site and (2) the source of any product, service or information, or endorsement or other support, that any Internet web site may feature.” It is both important and enough for a chapter’s web site to feature the chapter’s distinctive name and/or marks. The same is true of any electronic newsletters that a chapter may originate.

2. **Modifications**

It is one thing for the chapters to incorporate national marks into their state or local marks and quite another other thing for the chapters to modify national marks. The manual permits chapters to incorporate one or more of the national marks into their own marks. The bylaws do not, however, permit chapters to go so far as to modify national marks.

On an individual and case-by-case basis, AGC of America can, however, grant chapters permission to make modest changes. Certain chapters have, for example, betrayed an interest in modifying the national Seal to feature the names of the particular states they serve – instead referring to the Association General Contractors of “America.” AGC of America will certainly consider any requests along those lines.
3. **Sublicenses Granted to Third Parties**

Finally, the AGC Manual touches on the sublicenses that often lie at the heart of the sponsorship, affinity and similar agreements that the chapters may have an interest in negotiating with vendors. Such agreements can become significant sources of non-dues revenue. In exchange for a license to use a chapter’s mark – and a sublicense to use any national mark incorporated therein – a chapter may be able to negotiate a royalty that will be exempt from unrelated business income tax.

The bylaws do not, however, provide much guidance. They grant chapters permission to sublicense unilateral and joint training and apprenticeship programs and educational foundations to use the national marks if several minor conditions are met. For example, the bylaws require chapters to commit “the terms and conditions” of such a sublicense “to writing.”

The bylaws do not, however, grant chapters permission to sublicense vendors to use the national marks. To the contrary, the bylaws deny chapters permission to “sublicense or otherwise authorize any other party to display or make any commercial or other use” of the national marks without the national organization’s “express written permission.”

### II. Further Guidance Developed for Chapters

Recognizing that the national bylaws do not provide chapters with the further guidance they require to negotiate many of the sponsorship, affinity and other agreements in which they have a legitimate interest, AGC of America has taken the following steps.

First, the national organization has made it clear that chapters have a legitimate interest in such agreements even if and when they entail a sublicensing of the national marks to a vendor or other third party.

Second, the national organization has made it clear that its interest in such agreements is strictly limited. AGC of America simply needs to ensure that such agreements (1) require licensees to follow the same basic rules that already apply to all AGC chapters and members, (2) will not cause confusion in the marketplace and (3) will not cause chapters to come into conflict with each other. In the past, AGC of America has, for example, seen chapters sublicense vendors (perhaps unintentionally) to display the national marks across the entire country. In one instance, the vendor took advantage of such an overly broad sublicense actually to compete against another chapter in another state!

Consistent with the preceding, and to prevent such a situation from recurring, AGC of America will approve a chapter’s request for permission to sublicense the national marks to a third party if the proposed agreement with that party provides for these six things:

- the third party may not display the association’s marks in any grotesque or facetious fashion or in any manner that detracts from the dignity or prestige of the association;
- the third party may display the national marks only as and to the extent incorporated into one or more of the chapter’s marks;
- the sublicense to use the national marks is limited to the chapter’s jurisdiction (with limited
exceptions for general advertising in magazines and the like, and for any web sites);

- the sublicense will automatically terminate if the chapter’s relationship with AGC of America comes to an end;
- the sublicense is not assignable or otherwise transferable to any other party; and
- AGC of America is an intended beneficiary of the territorial and temporal restrictions on the sublicense, and entitled to enforce those restrictions.

Also attached are some examples of contractual language that would meet these requirements.\(^5\) A chapter will qualify for permission to sublicense a third party to use the national marks simply by incorporating the same or equivalent language into the body of any agreement that it wishes to conclude, or by including such language in an addendum to any such agreement.

III. Additional Information

For additional information or to make suggestions, please contact Elisa Brewer, (at 703-837-5343 or brewere@agc.org) or Mike Kennedy (at 703-837-5335 or kennedym@agc.org). Elisa is the Senior Director of Chapter Services at AGC of America, and Mike is the General Counsel for the national organization.

\(^5\) See Exhibit B
Exhibit A

Governance and Operations Manual
Article VIII, Section 8.7.1

8.7.1 Limited License to Use the Association’s Marks. Chapters may copy, display and otherwise use the Association’s name, logo and other marks for the purposes and in the manner that this Manual expressly authorizes. Chapters may not make any other use of such marks without the Association’s express written permission.

8.7.1.1 Authorized Purposes. Chapters may use the Association’s Marks for the purpose of truthfully publicizing their affiliation with the Association. Chapters may also use the Association’s Marks (1) to encourage construction and other firms and individuals to become their members, (2) to encourage either their members or others to attend and participate in their workshops, seminars, conferences, programs, conventions or other meetings or activities and (3) to enhance their advocacy of their members’ interests.

8.7.1.2 Authorized Displays. An individual Chapter may display the Association’s marks only in conjunction with such other words, acronyms, pictures or symbols as are necessary to distinguish the Chapter from the Association and from all other Chapters. The Association encourages each Chapter to take a unique name and to display the Association’s marks only in conjunction with that name. In the alternative, Chapters may display the Association’s marks in conjunction with words or pictures that identify the state or other territory that falls within their jurisdiction. In addition, Chapters may display the Association’s marks in conjunction with words or pictures that identify the occupational classifications within their jurisdiction. Chapters may not display or otherwise use the Association’s Marks in any grotesque or facetious fashion or in any manner that detracts from the dignity or prestige of the Association or any other Chapter.

8.7.1.2.1 The “AGC” Acronym. Chapters may display the Association’s name and the acronym “AGC” in any color or typeface that does not infringe on any proprietary right of any other Chapter.

8.7.1.2.2 Printed Materials and Web Sites. For the proposes and in the manner that this Manual expressly authorizes, Chapters may print and display the Association’s marks on newsletters, stationery, business cards, signs, banners, certificates, awards and the like. For the same purposes, and in the same manner, Chapters may also copy electronic files of the Association’s marks and may display such files on computers and other electronic devices, over the Internet and otherwise, provided that Chapters shall be particularly mindful of the need to identify (1) the ownership of any Internet web site and (2) the source of any
product, service or information, or endorsement or other support, that any Internet web site may feature.

8.7.1.2.3 **No Confusion As To Source.** Chapters may not display the Association’s Marks in any way that confuses the source of any product, service or information, or the source of any endorsement or other support for any product, service or information.

8.7.2 **No Modifications.** Chapters may not modify the Association’s marks.

8.7.3 **Sublicenses.** Chapters and Branches may sublicense unilateral and joint training and apprenticeship programs, educational foundations, and organizations authorized to represent their interests in their state’s legislative or other governmental affairs, to copy, display and otherwise use the Association’s Marks for the purposes and in the manner that these Bylaws expressly authorize, provided that (i) the program, foundation or representative is affiliated with or otherwise accountable to the Chapter, (ii) the program, foundation or representative is a non-profit organization, (iii) the Chapter commits the terms and conditions of the sublicense to writing, and (iv) the Chapter takes such steps as are reasonably necessary to ensure that the program, foundation or representative offers and provides products, services or information of a quality satisfactory to the Association. Chapters may not sublicense or otherwise authorize any other party to display or make any commercial or other use of the Association’s Marks without the Association’s express written permission.
Exhibit B

Model Contract Language

Limited License to Use Chapter’s Marks. Chapter hereby grants Third Party a limited and non-exclusive license to use Chapter’s name, logo and other marks, including any marks belonging to AGC of America and incorporated therein, solely and exclusively for the following purposes: ___________________
____________________________________________________________________________________
____________________________________________________________________________________

a. In order to protect the reputation and good will of both Chapter and AGC of America, Chapter shall have the right to review and approve any printed, electronic or other materials including any telephone scripts that would display, reference or otherwise use Chapter’s name or other marks prior to Third Party’s distribution or other use of such materials, provided that Chapter shall not unreasonably withhold its approval. Third Party shall not display, reference or otherwise use Chapter’s name or other marks in any grotesque or facetious fashion or in any manner that detracts from the dignity or prestige of either Chapter or AGC.

b. Third Party acknowledges and agrees that this license is limited to the occupational and territorial jurisdiction of the charter that AGC of America has granted to Chapter, [provided that Third Party may include the Chapter’s name and other marks in any advertisements printed in magazines and the like, and may display such marks on any web site that Third Party owns and controls, in accordance with all other terms and conditions of this license, and provided further, that Third Party shall modify any such display of Chapter’s marks in any manner that either Chapter or AGC of America shall, in their sole discretion, deem to be necessary to avoid confusion.] Nothing in this agreement shall be understood to authorize or permit Third Party (i) to display Chapter’s name or other marks on any materials (whether printed or electronic) that Third Party delivers directly to any person or business outside Chapter’s jurisdiction, or (ii) to make any reference to Chapter during any telephone call to any individual or business outside chapter’s jurisdiction for purpose of making Third Party or its products or services known or available to such person or business.

c. Third Party acknowledges and agrees that AGC of America is an intended third party beneficiary of all terms, conditions and limits of this license, and entitled to enforce such terms and conditions in its own name, and on its own behalf, in any court of competent jurisdiction. Third Party consents to any action that AGC of America might bring against Third Party to enforce such terms and conditions in any court of competent jurisdiction.

d. Third Party shall not assign or otherwise transfer all or any of its rights to make use of Chapter’s name, logo or other marks to any other party, including but not limited to any successor, without the express written permission of both Chapter and AGC of America.

e. Notwithstanding any other provision of this agreement, this license shall automatically terminate and cease to exist at any point at which Chapter may cease to be affiliated with AGC of America, for any reason whatsoever.

f. Within the meaning and for the purposes of this provision, “AGC of America” shall mean The Associated General Contractors of America, Inc., a District of Columbia corporation headquartered in Arlington, Virginia.