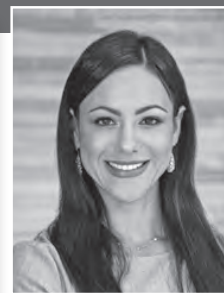


# Office Leasing Competitors Fight Trademark Lawsuit Over Use of the Brand *HQ*

By David R. Ellis and Sharon R. Ellis



The largest provider of flexible office space in the world has sued the second largest provider over the right to use the term *HQ* as a brand for its tenant leasing services. The plaintiffs, Regus Management Group and an affiliated company, have used the term for several decades and claim that it is a distinctive, identifiable, and protectable brand name. Their competitor, the defendant WeWork, says that *HQ* is merely a descriptive term and an abbreviation for the common word “headquarters,” which it innocently adopted and which the plaintiffs cannot claim exclusive rights in.

The plaintiffs filed their lawsuit in federal court in Dallas, claiming that the defendant’s new business line, *HQ by WeWork*, infringes on a 40-year old trademark registered in 1990 by *HQ Network Systems*, which the plaintiffs acquired in 2004. Regus asked the court to issue an injunction to prevent WeWork from using the *HQ by WeWork* brand, and also asked for monetary damages and attorneys’ fees (*RGN-US IP v. WeWork Cos., Case 3:18-CV-02482-N, U.S.D.C., N.D. Tex. 2018*).

In their lawsuit, the plaintiffs claimed that WeWork’s use of *HQ* would cause confusion and deception in the marketplace. They said that they had expended extensive time and resources over forty years in advertising, promoting, and developing the *HQ* trademark, and that as a result, the relevant public has come to identify goods and services offered under its *HQ* trademark as originating only from the plaintiffs.

The plaintiffs said that they and their affiliated companies are the world’s largest provider of outsourced workplaces for companies, with over 3,000 business centers in 120 countries. They said that WeWork, which directly competes with it in the office space rental industry, has recently been employing a number of strategies to encroach upon the plaintiffs’ clientele and industry position and to poach customers from them and other rival office space rental companies.

According to the plaintiffs, WeWork recently introduced its new product, *HQ by WeWork*, aimed at medium-sized companies renting office space. The program is also aimed at enticing rental space customers away from the plaintiffs, partly by creating confusion in the marketplace over the use of the *HQ* name.

The plaintiffs said that in 2004 they acquired *HQ Network Systems*, owner of the *HQ* trademark, which was well known in the office space rental industry because of its use for over 25 years. The *HQ* trademark and various versions have been used by *HQ Network* and its successors continuously since 1977 in connection with the rental of executive office space and associated services. Currently, the plaintiffs advertise their *HQ Global Workplaces* brand, featuring the *HQ* mark, as giving companies the ability to rent business-ready offices, meeting rooms, and virtual offices.

In 1990, *HQ Network* obtained a federal trademark registration from the U.S. Patent and Trademark Office (“USPTO”), and renewed it in 2000 and 2010. It also submitted a declaration of incontestability to provide further evidence that the trademark was not descriptive but was a valid and distinctive trademark deserving protection under the U.S. Trademark Act.

The plaintiffs also noted that they had registered and were operating a website at the domain name [www.hq.com](http://www.hq.com), prominently featuring the *HQ* trademark on the website. By creating a substantial web presence for the *HQ* mark and making substantial expenditures on advertising, the plaintiffs said that their mark was widely recognized in the

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United States and worldwide, and is associated in the minds of the general consuming public with rentals of executive office spaces and associated services.

The plaintiffs also said that as a result of the *HQ* mark's distinctiveness and widespread use and promotion throughout the United States, it has become a famous trademark. When a trademark is deemed famous, like *Coca-Cola* and



*Tiffany*, the owner of the trademark acquires further rights to enforce it against companies who use the mark for their goods and services even if they do not directly compete or create confusion in the marketplace. (See my article "These Diamonds Were Not Forever – Tiffany is Awarded Over \$19 Million in Trademark Infringement Suit Against Costco.")

<http://davidellis.procurro.com/wp-content/uploads/sites/2477/2016/02/>

[Tiffany-Article-Res-Ipsa-Sept-Oct.-2017.pdf](#)

WeWork answered the complaint by denying the plaintiffs' claims, and also counterclaimed, asking the court to invalidate the plaintiffs' trademark as generic. It said that it had innocently decided to use the descriptive term *HQ* as part of the *HQ by WeWork* phrase to refer to the types of "headquarters" that it could design for third-party medium-sized businesses.

WeWork asserted that *HQ* is a just a common abbreviation for the word "headquarters" and should not be considered as the intellectual property of only one company. Rather, it contended, the term should be available to all companies who offer headquarters or office space services

and that no one entity should be allowed to monopolize a commonly used generic term like *HQ* in the real estate or office space industry.

The plaintiffs asked the court to issue an injunction preventing the defendant from continuing to use the *HQ by WeWork* brand, and it is also sought monetary damages and attorneys' fees. WeWork asked the court to deny the plaintiffs' relief and to cancel the plaintiffs' trademark registration.

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