



to ensure that CB&I would retain all rights in its corporate name.<sup>3</sup> However, CB&I pointed out that when it acquired PDM's Engineered Construction ("EC") and Water Divisions, it received only a "one-year, non-renewable, non-exclusive transitional license to the use of the PDM mark."<sup>4</sup> As a result, CB&I has no rights in PDM's corporate name to transfer. Because we had concerns that the acquirer of the divested assets might need to use the CB&I and PDM tradename and marks to compete effectively, we ordered both PDM and CB&I to submit briefs addressing the feasibility and consequences of granting a license to their respective corporate names.

## II. PDM's Tradename and Marks

PDM's brief<sup>5</sup> states that when PDM sold its various divisions, it entered into covenants not to compete that impact the use of the PDM tradename and marks and suggests that obtaining waivers from some of those buyers might be advisable.<sup>6</sup> These covenants notwithstanding, however, the brief concludes that PDM likely owns the right to use the tradename "Pitt-Des Moines" and the marks "PITT-DES MOINES" and "PDM" in connection with the EC and Water Division businesses.<sup>7</sup> It thus states that PDM would be "in a position to sell or license, for reasonable consideration, such rights, either for a limited or unlimited period of time."<sup>8</sup>

Because reputation can play a role in a tank supplier's ability to compete in the Relevant Markets, we direct the Monitor Trustee to include in his final report to the Commission a recommendation as to whether a license to the PDM tradename and marks is necessary to allow

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<sup>3</sup> Response to Complaint Counsel's Petition for Reconsideration to Clarify Respondents' Obligations as to the Pitt-Des Moines and CB&I Corporate Names, filed Feb. 10, 2005 ("CB&I's Response").

<sup>4</sup> *Id.* at 2.

<sup>5</sup> Pitt-Des Moines, Inc. Briefing on Complaint Counsel's Motion for Clarification, filed Apr. 6, 2005 ("Pitt-Des Moines Brief").

<sup>6</sup> For example, in connection with PDM's sale of its Oregon Calvert Co. to Contech Construction, PDM entered into a covenant not to compete with "any business, venture or activity engaged anywhere in the world in the Oregon Culvert Business under the names . . . 'Pitt-Des Moines, Inc.'" through January 31, 2006. *Id.* at 4. The brief also states that the sale of PDM's steel bridge division to Steel Bridges may impact PDM's rights to the PDM mark and concludes that consent of Steel Bridges (and the bridge lender that holds a security interest in the same property) is advisable. *Id.* at 9-12.

<sup>7</sup> *Id.* at 13.

<sup>8</sup> *Id.*

the acquirer to compete effectively in the Relevant Markets. In making his recommendation about the acquirer's needs for access to the PDM tradename or marks, the Monitor Trustee should ascertain whether the acquirer's ability to bill itself as a successor to PDM necessarily depends on the use of the PDM name or marks.

For purposes of finality, we wish to make clear what the terms of such a license would be. If the Commission determines, based on the Monitor Trustee's recommendation, that a license to the PDM name and marks is necessary for the acquirer to compete effectively in the Relevant markets, this Order requires PDM to grant to the acquirer of the divested assets a perpetual, worldwide, exclusive, royalty-free license to all the rights it has in its tradename or marks for use with the Relevant Products as defined in our Final Order. If the acquirer determines that it needs such a license, it would be (1) permanent rather than transitional, because PDM's brief makes clear that it no longer uses or plans to use its tradename or marks in connection with the types of assets CB&I is required to divest under the Final Order, and (2) royalty-free, because PDM is not currently obtaining any revenue from the use of its tradename or marks, and it is questionable whether it could do so in the future given certain restrictions it agreed to when it sold its EC and Water Divisions to CB&I.<sup>9</sup>

We also order CB&I to grant to the acquirer at no cost a waiver of Section 2.1.6. of the CB&I Asset Purchase Agreement as well as any other provision of that agreement that would hinder the acquirer from using the PDM tradename or marks for the Relevant Products.

The PDM brief also notes that after its April 2002 merger with Ironbridge Acquisition and subsequent name change to Ironbridge Corp., the company has used its tradename only in connection with winding-up its business. Because PDM derives no ongoing revenue from the use of the PDM mark, the brief suggests that the mark may be subject to claims of abandonment. This Order therefore prohibits CB&I from pressing any such claim or in any way interfering with the Commission-approved acquirer's use of the PDM tradename or marks for those assets defined as the Relevant Products.

### **III. CB&I's Tradename and Marks**

CB&I argues that it is not feasible to license the CB&I corporate name to the purchaser of the divested assets. Among other things, CB&I asserts that a transitional license would subject CB&I's reputation to risk and result in market confusion because CB&I will remain in the market. We agree with CB&I that having multiple competitors in the relevant markets – each of which could hold itself out as CB&I – would undoubtedly lead to market confusion. In addition,

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<sup>9</sup> PDM agreed not to allow “any successor or person which in competition with CB&I or its affiliates, sells, markets, distributes or deals in all or any portion of the Engineered Construction/Water Division Business to use, the names ‘Pitt-Des Moines’ or ‘PDM,’ or any variation materially derived therefrom, in connection with any business which is competitive to all or any portion of the Engineered Construction/Water Division Business.” *Id.* at 6.

because we have required PDM to license its tradename and marks, if necessary, we have determined that a permanent license to the CB&I tradename is unnecessary to allow the acquirer to compete effectively in the relevant markets. Nonetheless, we do find that a limited, transitional license to the CB&I tradename and marks is necessary to ensure that the acquirer may immediately begin to use the divested assets. We emphasize here that the intent of this transitional license is not to allow the acquirer to hold itself out as CB&I in any way. Rather, its purpose is to allow the acquirer to immediately use the divested assets that bear CB&I tradename and marks or conduct other functions necessary to conducting the Relevant Business.

Accordingly,

**IT IS ORDERED THAT** the Monitor Trustee include in his final report to the Commission concerning the sale of the divested assets a recommendation with respect to whether a license of the PDM tradename or marks should be included in the divested assets in order to accomplish the purpose of the Final Order; and

**IT IS FURTHER ORDERED THAT** to the extent the Commission determines, based on the Monitor Trustee's recommendation, that a license to the PDM name and marks is necessary for the Commission-approved acquirer to compete effectively in the Relevant Markets, PDM shall grant to the Commission-approved acquirer a perpetual, worldwide, exclusive, royalty-free license to all rights it has in its tradename and marks for the purpose of engaging the Relevant Products; and

**IT IS FURTHER ORDERED THAT** CB&I is prohibited from pressing any claim of abandonment or in any way interfering with the Commission-approved acquirer using the PDM tradename or marks for those assets defined as the Relevant Products; and

**IT IS FURTHER ORDERED THAT** CB&I grant to the acquirer at no cost a waiver of Section 2.1.6. of the CB&I Asset Purchase Agreement as well as any other provision of that agreement that would hinder the acquirer from using the PDM tradename or marks for the Relevant Products; and

**IT IS FURTHER ORDERED THAT** CB&I grant to the Commission-approved acquirer a license, not to exceed one-hundred and eighty (180) days, to use the corporate names "Chicago Bridge & Iron" and "CB&I," and any related corporate, firm, or company names to the extent necessary to achieve the purpose of, and to assure compliance with, this Order.

By the Commission.

Donald S. Clark  
Secretary

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ISSUED: August 30, 2005