

Intellectual Infrastructure: IP 101 for Construction and Design Professionals

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From the initial design plans, to the choice and fabrication of materials, to the finished project, there are many components of a construction or infrastructure project that can give rise to intellectual

property (“IP”) issues for construction and design professionals. Believe it or not, IP plays a key role in any construction project and is therefore something that anyone involved in the construction industry should be mindful of. This article provides a high-level overview of the broader IP categories that could impact your construction project or company.

Related Capabilities

- Trademark, Copyright + Advertising
- Intellectual Property Litigation

Trademarks

In short, a trademark is a source identifier. A trademark consists of words, symbols, logos or other designations used to identify the particular source of goods or services.

Trademark rights can be acquired simply by using the trademark in commerce, but registering the mark with the U.S. Patent and Trademark Office (“PTO”) confers additional legal benefits and can make for a smoother enforcement process.

In the construction industry, trademark issues primarily arise with respect to contractor or subcontractor business names, project names, or joint venture names causing a

likelihood of confusion. Because construction businesses often include the last name of the original owner, it is important to know that a trademark, which is “primarily merely a surname”, is considered a generally weak trademark and additional proof may be required to register and/or enforce it. Trademark rights can also arise in the names of buildings (e.g., Empire State Building®) as applied to real estate services or other services or goods, leading to disputes. The litmus test and the key to avoiding or addressing infringement is whether there is a likelihood of confusing your trademark with that of another.

Copyrights

A copyright protects works of original authorship fixed in a tangible medium. This includes project drawings, blueprints, written materials, technical designs, photographs, and even the finished building or project design itself. Copyrights provide the owner the exclusive right to use, reproduce, and to derive other commercial benefit from the protected work for a specified period of time. Copyright rights arise upon creation of a work; but, when registered in the Copyright Office, the owner of the copyright is entitled to pursue an infringement claim and can collect statutory damages and attorneys’ fees if registration is pursued early.

Copyright issues can arise surrounding the ownership and right to exploit a particular work. Take for instance the project blueprints and building plans. The copyright in those building plans is generally owned by the author of the plan drawings, which often is the architect. The project owner will not be considered the author or owner of the plans and may run into an infringement issue, unless (1) the plans fall within certain categories of works and are subject to a written agreement assigning ownership from the original author to the project owner, or (2) the plans were prepared in the scope of the author’s employment, as an employee of the project owner. The key takeaway for construction and design professionals with respect to copyright issues is to be mindful of who is creating the copyrighted materials and who will be the ultimate owner of those materials, and to then be sure to obtain the appropriate written agreements documenting the nature and details of the parties’ relationship.

Trade Secrets

Trade secrets protect the confidential aspects of a business, such as business methods or information. Trade secrets can cover virtually any type of information that is economically valuable to the owner, not generally known to the public, and is the subject of reasonable efforts by the owner to maintain its secrecy. Common items protected as trade secrets are client lists, marketing strategy, pricing strategy and policies, certain contracts, and competitively sensitive information. Trade secrets are not subject to any sort of registration process. Instead, the owner of the trade secret must use non-disclosure agreements or other confidentiality measures to make sure these aspects of their business stay secret.

Until 2016, trade secret jurisprudence and claims of misappropriation were governed solely by state and common law. However, the passage of the Defend Trade Secret Act

("DTSA"), 18 U.S.C. 1836, et. seq. has created a federal cause of action for trade secret owners, has broadened the definition of a trade secret, and provides expansive remedies, such as treble damages, attorneys' fees, and civil seizure.

The key takeaway here: if as a construction and design professional, you believe you have sensitive information of value that you want to protect as a trade secret, make sure you at least have appropriate confidentiality agreements and/or non-disclosure agreements with each employee or entity who may have access to that secret information and limit the universe of folks who have access to that information. Once that information is publicly known, trade secret protection ceases and the value of the previously-protected information diminishes.

Patents

Patents provide the owner with a temporary monopoly in the United States (or other countries in which the patent registration is granted) to make, use, or sell a patented machine, article of manufacture, process, method or other patentable invention. Unlike copyrights and trademarks, the PTO must grant patents before rights can arise.

There are two types of patents: (1) a utility patent, which protects a machine or process that is new, useful and nonobvious and (2) a design patent, which protects any new or original design of an object. As a construction or design professional, a utility patent would protect a newly invented construction process, equipment, material, or business method that gives you a competitive advantage. However, the key takeaway here is when your team comes up with new ideas or discovery, do your research to make sure what you have come up with is different than what has already been used or discovered. If you are not careful, patent infringement litigation can be very expensive from both an attorneys' fees perspective and a potential damages perspective.

Managing IP Risks on a Project

So now, you are probably thinking, "how do I protect my project or the work I've done and mitigate these infringement risks?"

One answer is proper documentation. This means keeping detailed and organized records of every stage of the construction and design process, with the bulk of this work being done before you ever break ground on the project. All project-related entities and workers should be subject to appropriate contracts that should contain provisions addressing IP (such as who owns it, how it can be used and transferred, and dispute resolution) and confidentiality or non-disclosure (particularly for trade secrets) provisions. If separate agreements or licenses are needed, these documents should detail the categories of IP that are protected, what can be used, and who can use them without fear of infringement. Registration of that IP should also be pursued early.

Further, any research conducted, processes developed, the dates of key actions, and recordings or documentations of meetings should detail who, when, why, where, and what was discussed or developed (particularly for patents). For instance, if an engineer

team discovers or develops a unique and useful building process, keep detailed records about the steps behind that process, key dates, key documents or other memorialized work product, and the roles and contributions of the individuals on that development team. If you have meetings with others inside or outside of the organization, keep organized records concerning who attended, what was discussed, the dates and times of those meetings.

The commercial value of your construction project is not just in getting the project completed, but also in the control of the ownership and/or use of the IP and avoiding infringement. It is important for construction and design professionals to take the time to consider these risks and put the right documentation in place now to avoid costly and preventable IP disputes in the future.