

Keeping the IP in your projects

by DOUG JONES

"INTELLECTUAL PROPERTY" is a term freely bandied about in the feasibility, design and development stages of many projects - and these days it is jealously guarded, as some recent court cases on alleged internet breaches have highlighted.

Often "intellectual property" is used to describe almost any intangible asset of commercial value, including a company's "intellectual capital", such as the collective skills of its workforce.

So often the words "commercial in confidence", "copyright" and "intellectual property rights reserved" end up being rubber stamped - by the computers, these days - on almost every document you see.

But what actually *is* protected under the rubric of "intellectual property"? And how should intellectual property issues be managed?

The starting base is that "intellectual property" is truly involved only if the law recognises the right of one or more individuals to control, manipulate and dispose of what is being considered.

In Australia, intellectual property usually arises as a direct result of legislation, like copyright under the Copyright Act, trademarks under the Trademarks Act, registered designs under the Designs Act and patents under the Patents Act. The judge-made common law also plays an important role through its protection of confidential information and know-how, even though these are not strictly "property" rights in this country.

All of the categories of "IP" may be relevant in any given project, but copyright and confidential information/know how are likely to arise most frequently. To maximise the value of the IP created as part of any project, it is critical to ensure that steps are taken to identify all the IP, ensure its ownership and control and ensure its protection.

Often it is those who own and control the IP used in a project who ultimately have control of the project and its outcomes.

Copyright essentially exists to prevent the unauthorised copying of "works" and "subject matter other than works" protected under the Copyright Act. "Works" protected in this way include original literary, artistic, musical and dramatic efforts, sculptures, photographs, drawings, buildings, models of buildings and computer programs.

"Subject matter other than works" includes original sound recordings, films and radio and TV broadcasts.

Copyright protection automatically exists if an asset falls into one of the categories protected by the Copyright Act. Registration is not required.

Copyright law does not protect ideas, facts, methods or systems as such. It protects only the *form* in which they are expressed. Copyright is generally owned by the cre-

ator of a work, unless there is an agreement to the contrary. There are several statutory exceptions to this, however.

The first is "Crown copyright". Copyright in any original work "made by or under the direction or control of the Commonwealth or State" will be owned by the Commonwealth or State - and this may catch materials made by independent contractors.

The second main exception is when an employee creates an original work in the course of his or her employment. In these cases the employer owns the copyright.

But consultants and contractors are in a different position. While copyright in their works may be owned by the Crown under the Crown copyright provisions, in all other circumstances it is retained by the consultant or contractor, unless there is an agreement to the contrary.

So it is advisable for owners and contractors to ensure any consultants, contractors and sub-contractors working on a project execute an "assignment of copyright" agreement before they start work.

Except when an invention or work is patentable or protected by copyright, it is most commonly the "know how" required to create the invention or work that is protected - in this case, by the common law on confidential information.

Information other than know how may also be protected. This includes general business information or "trade secrets", personal information and government information.

Breach of confidence

The law of confidential information protects only information which is *actually* confidential and not in the public domain.

Before a court action for "breach of confidence" can succeed, it must also be shown there is an actual or anticipated unauthorised use or disclosure of the information, in circumstances giving rise to an obligation of confidence.

So the most effective way of protecting confidential information is through written contracts with all the parties to whom the information is disclosed, setting out how the information may be disclosed or used.

In Australia, there is no "property" interest in confidential information. This is in contrast to some states in the US, where the courts have decided confidential information is property.

So in Australia, contracts need to deal with the information in terms of a grant of a right to use or disclose. But contracts dealing with international rights, particularly where US confidential information is involved, should also be based on assignments.

In many projects the details provided by owners and contractors to their consultant, including architects, engineers and planners, may contain significant confidential information.

This information should be identified and marked "com-

mercial in confidence", and the consultants should sign confidentiality agreements, either as separate contracts or as part of their consultancy agreements.

Consultancy contracts should also stipulate that the copyright in any document or other work they produce for the project will belong to the party engaging them. Usually this is most easily and effectively done by an assignment of the copyright.

The Design Act defines "design" as "features of shape, configuration, pattern or ornamentation applicable to an article, being features that in the finished article can be judged by the eye, but does not include a method or principle of construction".

So while buildings themselves cannot be designs, design of a building or a model of a building is capable of being protected under the designs legislation. If this product is valuable, legal protection is important.

Similarly, the construction of the project may require the use of methods or processes which involve a novel step. In certain circumstances these may be patentable. For example, a patent was sought for the Ramset system of lifting pre-cast concrete wall panels into position.

Patent applications should be lodged for any novel method or process likely to be of commercial value.

But this needs to be done *before* it is demonstrated, sold or discussed in public, or a patent will not be granted.

Tenderers obviously need to be given enough information to submit their proposals.

Again, confidential information in the tender documents should be clearly identified, and confidentiality agreements should be signed before the information is distributed.

These confidentiality agreements should stipulate how tender documents are to be delivered and how confidential documents should be stored. The tendering stage is also a worthwhile time to incorporate any broader IP requirements, as the tenderers will be keen to win the contract and are likely to be more agreeable than in later phases.

It is important to ensure that confidentiality obligations are applied not only to contractors and their consultants but to sub-contractors.

If the project is to have a general name which may be valuable or may require its identity to be differentiated or if a landmark building is to be built, a trade mark application should be lodged for the name or logo.

An audit of all intellectual property created in a project should be performed in the post-contract phase, to identify any IP issues neglected during the project and ensure any trade marks and designs will be re-registered when due.

And there's one other reason for an audit: knowing which parties hold your IP allows breaches to be more easily traced! ■

Ed.: Doug Jones AM is a construction partner in the national law firm Clayton Utz.

PEOPLE

Leighton Holdings' gm corporate affairs, Penny Bingham-Hall, has been named a director of the Tourism Task Force. "The TTF has been actively involved in lobbying for major transport infrastructure projects, including Speedrail and the Eastern Distributor (Sydney), and we have worked closely with them for some time," Bingham-Hall says. The TTF has 150 members.

Manitowoc Cranes has named Jari Tuorila as sales director for the Asia-Pacific territory. Before joining Manitowoc, Tuorila was district manager for

Gibel Jnr as executive vp and gm of Manitowoc Cranes.

Phillips Fox's property services division has appointed three new partners - Sevag Chalabian and Megan Hawley, based in Sydney, and Jane Hider in Melbourne. They're all previously senior associates with the law firm. Lorraine Straman has joined the property services team as a senior associate.

Two construction machinery executives

CIMA has promoted international marketing manager Stephen Biersdorf to director of international services. Biersdorf joined CIMA as a staff writer in 1992.

National quantity surveyors Donald Cant Watts Corke have appointed Mark Mammarella to its new Queensland office. Ingham-educated Mammarella has worked on projects including the



Technical Solutions, Queensland, as Distributor of the Year. 4D md Dr Lee Gregory says Cameron not only excelled in sales but also provided a high level of service to customers.

Pipe systems maker Philmac has appointed Peter Castle as SA sales manager. He's a former committee member of the SA Irrigation Association.

Brooke Cutting Tools has appointed Danny Jenkins as international sales direc-