

Construction Contractors & Engineers in Saudi Arabia: Protect Your Innovation

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'Is this invention valuable to my business?' If the answer is 'Yes', then they should consider seeking patent protection to protect their rights.

What can be patented

Engineers and scientists have been lodging patents around the world to protect the value of their inventions for hundreds of years.

Companies and individuals can seek patent protection in the Kingdom of Saudi Arabia by either filing a national Saudi patent application or by filing a GCC patent application. The later route is a cost efficient vehicle for seeking protection in all Gulf Cooperation Council member states. Patent protection can be sought for "novel" and "inventive" technologies including construction systems, manufacturing processes, machines and manufactured products. An improvement to an existing technology may also be an invention that can be protected by a patent if the improvement is also novel and inventive (and not obvious to a technician in that field).

Sometimes a design may specify the intent to be achieved but may leave the detailed methodology up to the building contractor, or through cost engineering a contractor may devise a cheaper or quicker method of constructing, which if novel and inventive, may qualify for patent protection under the law.

Some examples of inventions in the construction sector include:

- creating a new method for affixing or erecting scaffolding or formwork;
- devising a new system for installing glazing, or for laying railway sleepers;
- a new type of pre-cast mould or curing method; or
- improving an existing method to reduce materials handling or installation time.

Advantages of a patent

Registering a patent for an invention means that:

- you have a legal monopoly for 20 years to exploit the invention in the territory registered;
- when pitching for new jobs, you can tell employers about the registered patent and its benefits – this may give you a competitive leverage over other contractors especially if this patent would allow you to execute the work in a more secure or cost efficient manner;
- future work may be secured when your patent is used on a multi-staged project, or when a principal wants to use your patent on another job in the future;
- holding a patent portfolio may increase your reputation and can be marketed to new clients as it gives a

competitive edge over others; and

- competitors are legally prevented from using your patented technology without your consent (which may include paying you a fee) and you are entitled to seek damages (which may be substantial) if your patent is infringed.

Any exploitation or use of the patented technology by a third party without authorisation from the patent owner is considered an act of patent infringement and is prohibited under law. Infringers can be subject to penal orders and civil liabilities, including compensation for any resulting loss of profits.

Licenses granted to third parties in return for royalties can be exclusive or non-exclusive and can be limited in time, scope and territory according to the negotiations between the parties. The patented invention can also be assigned or sold.

Timeframes and territory

To seek patent protection for a new invention, it is essential to apply for patent protection before publicly disclosing or exploiting the technology anywhere in the world. A new invention must be kept secret until a formal patent application is prepared and filed with the relevant authorities as any public disclosure of the invention anywhere in the world before that date can seriously compromise the possibility of its protection.

Once filed, the patent office will examine the application to determine its patentability. Once the patent application successfully passes the examination stage and is accepted, it is published in the official gazette for a period of 90 days before being granted. The publication in the official gazette gives third parties the opportunity to oppose the grant of a patent. If no oppositions are filed, a patent is granted at the expiry of the 90 day period.

A granted patent is assumed valid for 20 years from the filing date, giving a monopoly period during which the patent owner has the exclusive right to exclude others from using the invention within the protected territory.

Patents do not automatically have worldwide protection. Patent law is territorial. The protected territory is based on the jurisdiction where a patent application has been filed. For example, if a patent is registered through the patent office in KSA, the protected territory would be KSA only. However for a GCC patent, the protected territory expands to all the GCC member states. Applications for patent protection for other jurisdictions (including the USA, the EU, Australia or Japan) must be lodged separately in those other jurisdictions if protection is sought.

Right of prior use

There are multiple defences that may be deployed in response to a patent infringement claim. Attacking the validity of the patent is the most common.

Other specific defences exist under law, such as the “prior use defence”, depending on the specific facts of each case. To succeed in such a defence the defending party must prove that the use or exploitation of the invention commenced “in good faith” before the date the claimant applied for the patent. This may not be easy to prove, and relying on such a defence alone is no guarantee of protection. The alleged infringer must prove that it started to exploit the invention or made “serious arrangements” to do so before the priority date of the patent and if successful may seek an order to allow it to continue exploiting the invention but “without expanding it”. Essentially this contemplates that another designer or contractor independently made the same invention and started exploiting it, or had taken serious arrangements to exploit it, prior to the patent being lodged.

A third party may also apply to court for a compulsory licence from the patent owner in some specific situations such as where the patent owner has not commercially exploited the patented technology within the territory for three years since the date of grant and has refused to grant the third party a licence to

use the invention for a reasonable compensation.

Contractual provisions

Some standard-form construction contracts address patents in intellectual property clauses and associated definitions provisions. For example, under the FIDIC White Book (contract form for consultants' services, 4th Edition 2006), the copyright, rights of the design, and other IP including patents expressly remain with the consultant.

These standard form contracts usually contain warranties from the consultant or contractor that it has the lawful right to use any IP, including patents, in carrying out the work. The contractor or consultant is usually required to indemnify the employer for any breaches of IP including for any unlawful use of patents. The employer is usually granted a licence by the contractor or consultant to use the IP for the purpose of completing the works.

Employers are more frequently including their own amended IP clauses and in some cases require the contractor or consultant to assign its IP rights to the employer. An employer may be prepared to increase the contract price or may pay a separate fee to purchase a patent from the contractor. This is a matter for negotiation between the parties.

Conclusion

Innovations can be patented, making them a registered proprietary right protected by law. A patent may be used as a sword or as a shield depending on the circumstances and can provide you with an important competitive edge in your industry and in your negotiations.

When your workers go to other jobs they may take your innovations with them. A patent can protect your valuable innovation and prevent competitors from using it without your authorisation.

If your ingenuity and innovation is valuable to your business, you should consider registering a patent before your competitors start using your valuable invention or patent it themselves.