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North Carolina Judge Dismisses Claims that Custom Home Builder Stole Designs of Rival

Shumaker's Intellectual Property Team Wins Lawsuit for Peters Custom Homes

SERVICE LINE

Intellectual Property

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CHARLOTTE, N.C.—Shumaker Law Firm is proud to announce that it has won a legal battle for a respected home builder in the Charlotte community.

In North Carolina Business Court, Special Superior Court Judge Adam Conrad has dismissed all claims that Peters Custom Homes stole design ideas from a competitor, Design Gaps. In particular, the Court dismissed claims for violations of North Carolina Trade Secret Protection Act, North Carolina Unfair and Deceptive Trade Practices Act, and Tortious Interference with Contract.

The victory follows a win by Shumaker's Intellectual Property (IP) team in federal court in November, where Judge Cogburn of the United States District Court for the Western District of North Carolina also dismissed parallel Federal Lanham Act and Defend Trade Secrets Act claims.

"We are proud to see Shumaker's IP team win this case at both a federal and state level," said Shumaker Partner Alex Long. "Peters Custom Homes has served the Charlotte area for many years and has a sterling reputation for creating some of the finest residential properties. We are honored to successfully defend them and to protect their hard-earned legacy as small business owners."

The dispute began after Design Gaps employee Jocelyn Hall resigned in 2021 and went to work for Peters Custom Design, LLC. Design Gaps believed Hall was sharing its trade secrets and creative designs and filed a lawsuit against Hall and Peters Custom Homes. But judges agreed that things like cabinet designs cannot be deemed "trade secrets" since they are in homes where anyone can see them. Likewise, the Courts determined that Design Gaps did not sufficiently identify protectable trade secrets and failed to identify protective trade dress.

"Ultimately, our team of attorneys successfully proved that Design Gaps failed to present the facts, identify any trade secrets, or show how the origin of these designs actually belonged to Design Gaps," Long explained. "State and federal judges agreed with our team that the claims under the federal and state laws were not pled and were properly dismissed with prejudice."

