Who Owns My Architectural Plans and What Can I Do With Them?

by Matthew P. Dolan

Imagine the following: You engage the services of an architect to design and prepare plans for your new business office or home and you pay that architect a hefty sum of money to do so. After the plans are approved, your contractor constructs the edifice and the project in its final form is flawless. Thereafter, your business takes off and you wish to replicate that design by constructing a substantially similar building to serve as an additional business location in another town. Or, if you are the homeowner, your friends visit your home and are so smitten with it that they ask to use your architectural plans to construct a similar home for themselves. Would you be surprised to learn that, absent an express agreement to the contrary, your subsequent use of the architectural plans you paid for is prohibited? Would you also be surprised to learn that the builder or contractor of the second business location or home who innocently used the prior plans to construct the new building could be found liable as well?

Architectural Designs are Protected by Federal Copyright Law

In 1990, Congress passed the Architectural Works Copyright Protection Act as a subsection of the broader U.S. Copyright Act, and explicitly extended copyright protection to architectural works.[1] 17 U.S.C. § 101 defines an architectural work as:

> [T]he design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form as well as the arrangement and composition of spaces and elements in the design, but does not include individual standard features.
>
> A pictorial, graphic and sculptural work includes two-dimensional and three-dimensional works of fine, graphic and applied art... diagrams…and technical drawings, including architectural plans.

Works falling within these definitions are expressly protected by 17 U.S.C. § 102(a), which protects architectural works "in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."[2] Therefore, drawings, digital copies of plans and drawings created with computer-aided drafting programs, and the actual finished buildings themselves, are all classified as architectural works.

Copyright protection vests in the *author* of the architectural work, who is deemed the copyright owner.[3] An author of architectural plans is granted the *exclusive* right to authorize the reproduction of those plans, the preparation of derivative works based on those plans, and the public display of the plans.[4]

What Constitutes Infringement?

To establish copyright infringement, the owner is required to establish "(1) ownership of a valid copyright,[5] and (2) copying of constituent elements of the work that are original."[6]

Generally, ownership and originality are easily established,[7] and questions of liability will turn on actual evidence of copying the original elements of the architectural work. To establish that there has been copying, the copyright author is required to show that "the defendant had access to the copyrighted work and that the original and allegedly infringing works share 'substantial similarities.'"[8] "[S]ufficient similarity is found where the work is recognizable by the ordinary observer as having been taken from the copyrighted source."[9]

Significantly, copyright infringement is a strict liability offense and, therefore, it is *not* a defense to claim that the alleged infringement occurred "innocently" and that the alleged infringer had no knowledge of the copyrighted work.[10]

Persons Liable and Penalties for Infringement

Pursuant to the Copyright Act, "*anyone* who violates any of the exclusive rights of the copyright owner" (*i.e.*, the rights to reproduction, production of derivative works and display) is an infringer.[11] Practically speaking, this means that liability can extend to individuals involved with the construction process in many different ways, including a homeowner or business owner who commissions an infringing design *and* a contractor that constructs a building based on an infringing design.[12]

Additionally, since copyright infringement is a tort claim, contributory infringement is a recognized cause of action, and one can be found liable simply for having knowledge of the infringing activity and materially contributing to it.[13] This creates a risk that other persons, such as a real estate agent who becomes aware of a client's use of copyrighted plans, could face contributory liability for the client's infringing activity.

Penalties for a violation of the Copyright Act are either the copyright owner's actual damages plus profits of the infringer (if any) or statutory damages, attorneys' fees and costs.[14] However, statutory damages, attorneys' fees and costs are available only if the copyrighted work was registered prior to its infringement.[15] Statutory damages are assessed in an amount up to $30,000 per infringement, or, for willful infringement, $150,000.[16]

Protection from Claims of Infringement

According to the American Intellectual Property Law Association, the median cost to litigate a copyright infringement suit in 2015 was $325,000, when there was less than $1 million at risk.[17] Of course in the event a violation is found, a copyright infringement suit can result in not only litigation costs, but also an award of damages (*e.g.*, $150,000 for a finding of willful infringement). For that reason, it is imperative that anyone involved with the construction process take appropriate steps to identify potential copyright liabilities and address copyright concerns on the front end, before they have a chance to arise.

Owners commissioning an architect to prepare architectural plans they may wish to use in the future should carefully review any contracts and obtain the advice of legal counsel, who can prepare appropriate provisions related to the parties' agreements on ownership, use, and re-use of the plans. Moreover, even if an owner does not intend to re-use the plans or construct another, substantially similar building, the owner should ensure that he or she is protected from possible third-party claims of infringement. To do so, the owner should insist on written representations that the architectural designs being purchased belong solely to the architect who provided them. As further protection, the owner should also request that the architect agree to indemnify and defend the owner from claims of copyright infringement by third parties.

Similar to owners, contractors can be liable under the Copyright Act for even innocent infringement. Therefore, contractors should also insist on written indemnification provisions in their agreements with the persons who hire them to complete the work. Moreover, considering the incredible costs of litigation and the potential risk of being responsible for a plaintiff's attorney's fees in addition to their own, contractors should review their general liability insurance policies and consider obtaining an endorsement that protects against claims of copyright infringement.

Conclusion

Myriad provisions of the Copyright Act and the potential for strict liability demand that both owners commissioning the creation of architectural works and contractors involved in the build process pay close attention to their potential liabilities for copyright infringement and remain conscious of potential, substantial risks. It makes great sense to sit down with an attorney prior to entering into any design or construction contract so all parties can work to address the parties' intentions and clear up potential copyright issues (including future rights of use) before they have a chance to emerge. If not, an unsuspecting business owner or contractor could quite easily find itself embroiled in an expensive legal battle with no easy avenue of escape.

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Endnotes

1. *See* 17 U.S.C. § 102(a)(8).
2. 17 U.S.C. § 102(a); *Value Grp., Inc. v. Mendham Lake Estates, L.P.*, 800 F. Supp. 1228, 1231 (D.N.J. 1992).
3. 17 U.S.C. § 201(a) ("Copyright in a work…vests initially in the author or authors of the work").
4. 17 U.S.C. § 106; *Value Grp., supra,* 800 F. Supp. at 1231.
5. Notably, architectural plans do not need to be formally registered to obtain the benefits of copyright protection, but, if the plans are registered within the first five years of the existence of the plans, a rebuttable presumption of copyright validity attaches to the copyright for the plans. 17 U.S.C. § 410(c). Registration is also a necessary prerequisite to filing suit for infringement. *See* 17 U.S.C. § 412.
6. *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991).
7. "Originality" means only that the work was independently created by the author and that it "'possesses at least some minimal degree of creativity.…The requisite level of creativity is extremely low.'" *Hanover Architectural Serv., P.A. v. Christian Testimony-Morris, N.P.*, No. 2:10-5455 KM SCM, 2015 WL 3462889, at *15 (D.N.J. May 18, 2015), *reconsideration denied*, No. CIV. 2:10-5455 KM, 2015 WL 4461327 (D.N.J. July 21, 2015) (*quoting Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991)).
8. *Kay Berry, Inc. v. Taylor Gifts, Inc.*, 421 F.3d 199, 207–08 (3d Cir. 2005).
9. *Value Grp., supra,* 800 F. Supp. at 1233.
10. *Major League Baseball Promotion Corp. v. Colour-Tex, Inc.*, 729 F. Supp. 1035, 1039 (D.N.J. 1990) ("Intent or knowledge is not an element of copyright infringement."); *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 722 F.2d 988, 998 (2d Cir. 1983) ("innocent copying can constitute infringement").
11. 17 U.S.C. § 501 (emphasis added).
12. *See Scholz Design, Inc. v. Annunziata*, No. CIV. 06-0853 (AET), 2007 WL 4526589, at *3 (D.N.J. Dec. 18, 2007) ("[C]onstruction of a house that is based on a copyrighted architectural plan may itself be an infringement.").
13. *See Basketball Mktg. Co. v. FX Digital Media, Inc.*, 257 F. App'x 492, 495 (3d Cir. 2007) (*citing Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 264 (9th Cir. 1996) ("[O]ne who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a contributory infringer.")).
14. 17 U.S.C. § 504.
15. 17 U.S.C. § 412.
16. 17 U.S.C. §§ 504, 505.
17. American Intellectual Property Law Association 2015 Report of the Economic Survey, available at http://www.patentinsuranceonline.com/wp-content/uploads/2016/02/AIPLA-2015-Report-of-the-Economic-Survey.pdf.