

What's Mine Is Mine: *continued from page 1*

ties the owner of the copyright to seek additional damages and attorneys' fees. The threat of having to pay another party's attorney's fees increases the pressure which can be applied to prompt offers of settlement. The small filing fee required to register plans (usually \$20.00) may result in enormous savings in litigation costs necessary to protect one's property, particularly for those plans or drawings considered by the firm to be novel or unique. As for placing a notice of copyright on the documents, that simple task eliminates a copying firm's ability to claim innocence as a defense to its infringement of the copyrighted material.

Protecting the Copyright

As a general rule, to prevail in copyright litigation as a plaintiff, an architect or engineer who has created design documents needs to establish that: (1) the design documents qualify for copyright protection (as outlined above); (2) the other party had access to the design documents; and (3) the disputed design documents are substantially similar to those of the architect or engineer who created them. You should note the absence of any obligation to prove an intent to copy another's product. While intent may be considered by the court in determining the size of a damage award, the simple presence of a copyright notice forecloses any chance of a party asserting the infringement was innocent.

While these elements are easily satisfied, most copyright litigation focuses on whether the alleged improper user of the design documents, usually the project owner or replacement architect or engineer, has been granted license by the original architect or engineer authorizing use of the plans, or whether the architect has transferred ownership of the copyright to the project owner. Project owners usually assert that they understood they were buying all right to the design drawings when they paid the architect or engineer for the initial work. In the owners' minds, the plans are theirs to do with as they please. However, copyright law makes it clear that ownership stays with the originator of the drawings, unless there is a clear contractual intent to transfer such rights, and the rights of the project owner will be strictly limited to those set forth in the contract.

The following are two examples of how designers can find themselves involved in litigation.

The first example is a federal lawsuit in Michigan involving an architect who was removed from a project prior to the completion of his design work, due to a dis-

agreement over contract language with the owner. The owner hired a new architect and encouraged him to use the previous plans as a basis for his modifications because the local inspector had already issued certain building permits, and the necessary approvals had been received from the local authorities. A redesign of the plans would have required the owner to repeat the approval process. Additionally, the owner conferred with his attorney who assured the owner and the new architect that there were no potential copyright issues.

The new architect who completed the plans was sued, along with the owner, by the previous architect who asserted claims under federal copyright laws, as well as several other federal claims. The court concluded that the replacement architect's drawings were substantially similar to those of the original architect and used without the authorization of the original architect. The new architect was obligated to pay the prior architect's damages, which the court found to be \$16,560. Had the prior architect registered his copyright with the Copyright Office (which he did not do), the court would have been empowered to award the injured architect as much as \$100,000 in statutory damages, as well as all of his attorneys' fees.

In reaching its decision, the court viewed as irrelevant the owner's instruction to the replacement architect that he use the drawings. The court also found unpersuasive the architect's argument that he should not be punished because he had relied upon the owner and the owner's attorney. The court made it clear that it is essential architects receive independent advice from counsel with a background in copyright law.

The second example comes from a scenario we regularly encounter. An owner comes to an architect or engineer with "rough drawings" which the owner asks be developed into final plans. These initial drawings are represented as being the owner's own renderings. The designer takes the crude drawings and, using many of his own design ideas, creates final plans. Only later does he learn that the owner has traced the crude plans from a plan book, or has drawn them from a tour of homes.

In the meantime, the designer is sued although he or she has never seen the plan book or the homes, and the new plans represent many of the designer's own ideas and designs. In addition, there has been no notice of copyright protection on the preliminary drawings.

As in the previous example, the designer is held liable for the owner's misconduct, and even misrepresentations. To copy the work of another is still a violation of the originator's copyright, even though there is no knowledge of the original work and no intent to copy. While the owner's conduct may be the focus of the litigation, that focus will be of little comfort to a design firm dragged through litigation at a cost of all profits it received from the project.

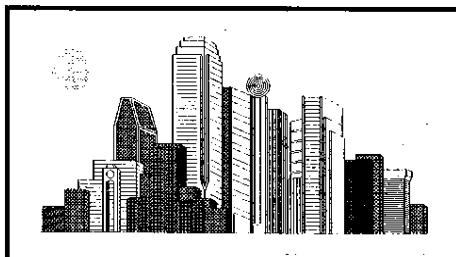
Protecting Against Litigation

The current American Institute of Architects (AIA) contracts address the issues of document ownership and use in Section 1.3.2, *Instruments of Service*. Ownership of all rights, including copyright, to the plans remains with the architect. The owner has a limited license to use the plans to complete the project *provided that* the architect is adjudged in default. Rarely is the design phase of a project long enough for a third party determination of default to be rendered. Therefore, a replacement architect who uses the drawings of his predecessor risks that his predecessor will prevail in his assertion that he did not default on his obligations and that the plans could not be used to complete the project without his authorization. That is, he will have a claim for copyright infringement against the owner and the successor architect.

To minimize the risk of potential litigation, it is imperative that design professionals know the source of any drawing upon which they are relying in preparing their documents. The mere assurance that there is no copyright issue is insufficient to protect the architect from liability. It may be necessary under certain circumstances for the designer to be indemnified by an owner or another who supplies drawings or design information upon which the designer is to base his design documents. (Of course, this is useful only to the extent the owner is and remains solvent.)

Conclusion

Registering your works to maximize your copyright protection, and preparing agreements which protect you from claims of violating another's copyright, are relatively inexpensive, particularly in light of the potential values and exposures for failing to take these steps. However, these steps should be taken with counsel who represents architects and engineers and understands how federal copyright law can impact their practices.



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POWELL TRACHTMAN LOGAN CARRLE BOWMAN & LOMBARDO

A PROFESSIONAL
CORPORATION

475 ALLENDALE ROAD
SUITE 200
KING OF PRUSSIA, PA 19406
(610) 354-9700
FAX (610) 354-9760

811 CHURCH ROAD
SUITE 126
CHERRY HILL, NJ 08002
(856) 663-0021
FAX (856) 663-1590

114 NORTH SECOND STREET
HARRISBURG, PA 17101
(717) 238-9300
FAX (717) 238-9325

EDITORS:

NEIL P. CLAIN, JR.
RICHARD J. DAVIES

WHAT'S MINE IS MINE: Impact of Copyright Law on Ownership of Design Professionals' Plans

"First, it seems odd, bordering on obtuse, for an architect to retain counsel wholly inexperienced in copyright matters, especially given the fact that every AIA contract contains provisions about copyright ownership."

U.S. Circuit Judge Batchelder of the Sixth Circuit Court of Appeals

By: Malcolm B. Jacobson, Esquire
Robert E. Ballard, Esquire

Too often in our representation of architectural and engineering firms we are asked, "How could I have stopped that person from using my plans?" The flip side of the issue is often, "How could I have prevented being dragged into this lawsuit involving another architect's plans?" The use of federal copyright legislation to protect architectural plans is an area of law that is not well understood by most lawyers or architects. However, given the frequency with which architects and engineers are asked to replace another firm to complete an ongoing project, an elementary understanding of copyright law is essential — and providing such an understanding is the purpose of this article.

Creation of the Copyright

There are two requirements for creating a copyright: originality and fixation. An *original* work is one that is not a copy of another work and involves independent intellectual or artistic effort. However, there can be no protection for any work until it is *fixed* in a tangible medium of expression. This rule prohibits the copying of ideas or vague concepts. A fixed medium can be architectural blue-

prints, engineering designs, construction projects, film, pictures or electronic recording capable of being printed in fixed form. The requirements for qualifying for copyright protection are fairly easy to satisfy; the more difficult task involves protecting the copyrights.

Most architects and engineers fail to register their copyrights with the Copyright Office of the Library of Congress, or even to place a notice of copyright on their drawings. Many clients have stated that they have heard that registration or notice is unnecessary, and in the simplest sense that is true. While formal registration is not required for protection, it is necessary before one can file a lawsuit to protect the copyrighted material. In addition, registration provides some key benefits to the design professional to safeguard its plans and designs. First, when a plan is registered within the first five years of its existence, the law presumes the copyright is valid. This further eases the burden of protecting the copyright in court. The other benefit relates to the potential damages a firm can recover when its plans are used or copied without its permission. Registration enti-

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A Note From The Editors:

This Bulletin addresses recent developments affecting Design Professionals as well as business concerns as important as the specific professional and technical issues they face.

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