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Copyright Act — Effect on Construction Practice

Now that the dust has settled on the amendments to the Copyright Act¹ which expanded the rights of architects, it would be a good time to reflect on the practical impact of the changes and how the architect, owner and contractor can minimize risks.

In December 1990, the Architectural Works Copyright Protection Act went into effect. The effect of this amendment to the Copyright Act was to extend copyright protection to the building itself as well as the drawings, which were previously protected. One of the issues that needs to be addressed in every project is who will own these copyrights.

Under the Copyright Act, protection is given to an original work at the moment of creation. Thus, when an architect first creates a drawing, a copyright exists.² Assuming the drawing is original, it is not legal for anyone else to copy that drawing without permission of the author. Some owner-architect agreements give the owner “ownership” of the drawings and specifications. This, however, is not the same as ownership of the copyright. In the first instance, the owner merely has possession of the physical objects: the various drawings, and pieces of paper that make up the specifications. The architect, who owns the copyright, can make further copies of these works and prohibit others from doing the same. On the other hand, if the owner obtains ownership of the copyright itself, the owner can prohibit the architect from further reproducing any of the drawings and specifications without the owner’s permission. This can be a serious problem if the architect wants to reuse details on future projects created by the architect’s office for that project.

There are two general ways for owners to obtain copyrights. The first is to state in the contract that the “Instruments of Service” (as these are referred to in AIA documents) are “works for hire.” Use of this language indicates that the author is either an employee and that the work is being done within the scope of employment (this is why the design architect in a large firm is not entitled to the copyright), or that there is a written agreement whereby the work becomes the intellectual property of the employer. The “work for hire” language in a contract means that the author is giving up his copyright. A second way is to assign the copyright. An assignment generally must be in writing and should clearly identify what is being assigned.

Another way for owners to obtain the right to use an architect’s drawings and specifications is by a license. A license gives permission to use all or parts of the work under certain conditions. The 1997 version of the AIA Owner-Architect Agreement, Document B141, gives licenses to the owner under certain conditions. Without realizing it, architects may give an owner an “implied li-

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“handshake” is used.³ Such a license may be effective even if the owner fails to pay the architect for the work.

What can be protected?

For our purposes, the three main categories of works that can be protected are drawings, specifications and the building design itself. However, one should note that only the original aspects of these works can be protected. For instance, a standard wall detail commonly used by many architects is not copyrightable. Any details or specifications obtained from a manufacturer are the intellectual property of that manufacturer and cannot be copyrighted by anyone else. If the specifications are based on a system such as Masterspec[®], only those original parts added to the form can be copyrighted.

Many architects make the mistake of registering an entire set of drawings and specifications without identifying what is their original creation. The VA form (see below) has a place where this information must be indicated. Failure to do this may invalidate the copyright. Also note that the architect cannot register the works of the consultants, such as the mechanical, electrical or structural engineers unless properly authorized to do so.

For complete protection, two registrations are necessary. One is for the drawings and specifications as “technical drawings.” The second is for the building design as an “architectural work.” The latter is for designs of buildings, including the overall form as well as the arrangement and composition of spaces and elements of the design. These two registrations can be sent in simultaneously, or registration of the architectural work can take place after the building is constructed.

Procedure for registering copyrights.

In order to obtain maximum protection, the architect (or the owner, if the contract assigns the copyright) should register the copyright. If a copyright is properly registered before an infringement, additional remedies are available against the infringer, including attorneys fees and statutory damages. Registration is required in order to file a copyright infringement lawsuit. If the registration takes place after infringement, only actual damages can be obtained. These actual damages might include the profits of every infringer. For example, if an architect’s drawings are infringed upon and used in the construction of a new home, the architect may sue the owner, the subsequent architect, the general contractor and all of the subcontractors. Except for the owner, each of these parties would have had profits which might be recovered in the lawsuit as actual damages. In addition, the owner might be liable for the amount he would have paid to the first architect had he been hired for the project. Obviously, these costs can be substantial. Of course, the attorneys fees that are spent by each party can be substantial as well, which is why early registration of the copyright is important.

To register a copyright, obtain form VA from the Copyright Office. The address is: Register of Copyrights, Library of Congress, Washington, D.C. 20559-6000. Forms can also be obtained by calling (202) 707-9100 or by visiting the Copyright Office web site at www.copyright.gov. Various forms can be downloaded from that website, including the required VA form. Instructions are included with the form. Follow these instructions carefully, as they tend to be somewhat confusing.

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Part 6 of the VA form requires a listing of “derivative work.” A derivative work is one based on one or more preexisting works. Often, many parts of the plans and specifications are based on preexisting works. The floor plans may be based on a design prepared by the owner or another architect. Various details may be from a project that the owner built years ago or from prior drawings that the architect created. With so many manufacturers now furnishing CAD details, architects frequently use these details on their drawings, as well as details from reference books such as Graphic Standards, Underwriters Laboratories, or other sources. The architect’s copyright will be limited to only the original work, and not to the older, derivative parts of the drawings and specifications. If the derivative nature of the plans and specifications is not properly stated in Part 6, the copyright may be found to be invalid, since that would imply that everything submitted to the Register of Copyrights is original, and that implication would be false.

Send the filled-out form, along with the filing fee (currently \$20, but soon to be \$30) and one copy of the material to be copyrighted if it is unpublished, or two copies if published. In general, architectural materials will be considered unpublished, even when plans are filed with the building department or when the building is built. One exception is if multiple copies of the same building are constructed, as in tract housing.

How can an architect protect himself?

A client walks in your door and asks you to design a home. She brings a brochure from a model home down the street that she really likes and wants you to design something just like it. This scenario, or variations of it, have resulted in several lawsuits in recent years. Buildings constructed since 1990 are entitled to copyright protection as architectural works.⁴ Thus, original design elements cannot be copied without the danger of being accused of infringement. If you take the brochure and actually base a design on the brochure, you could be liable to the owner of the copyright for infringement.

To avoid this problem there are several steps you can take. First, do not use any plans, pictures, brochures or similar information furnished by the client. Be totally original in your design. One of the elements that a plaintiff in a copyright suit must prove is access to the copyrighted work by the infringer. If you have a brochure in your file and you are sued for infringement of the copyright in that brochure, that brochure will be a key piece of evidence against you and will prove access. On the other hand, if you do not have the brochure, the plaintiff will have a much harder time proving access. If your design is going to be original, you wouldn’t need the brochure in the first place.

Second, if the owner does give you a document, see if the building was constructed prior to December 1, 1990. If it was, it is not eligible for copyright protection as an “architectural work,” although the technical drawings themselves might be copyrighted. In this case you should simply not copy any drawings from other sources for that building, but you can go out and measure elements of the building such as door placements, design elements and so on, and utilize these elements in your own design.

Third, the owner may actually be the owner of the copyright or have an assignment. This could occur where the owner had a contract with a prior architect

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that assigned the copyright to the owner or that made the drawings a work for hire. In this situation, you will want some proof of copyright ownership, as well as indemnification from the owner. Another bit of protection might be a written legal opinion from the owner's attorney that assures you that the owner owns the copyrights to that drawing and design. Of course, you might want to contact the prior architect and obtain assurance that the prior architect is not planning on bringing an infringement action against the owner and possibly you as the new architect.

How can the owner and contractor protect themselves?

While some of the suggestions mentioned above might also apply to owners and contractors, there is little protection for these parties if they do not know that the architect is "borrowing" someone else's copyrighted designs. The owner might want some assurances in the owner-architect contract that the design will be original. In general, the contractor will be deemed to have such an assurance as a matter of law, whether true or not and whether or not stated in the contract. The 1997 AIA A201 General Conditions appear to have such an assurance at paragraph 1.6.1: "the Architect and the Architect's consultants shall be deemed the authors of [the drawings and specifications]." If an infringement action is commenced after construction has started, an injunction may be issued by the court to stop the construction. If that occurs, the contractor and the subcontractors will be entitled to change orders for their damages, including delay damages.

The owner, of course, will want to be able to use the architect's drawings and specifications for the project. The standard AIA language gives the owner a license to use those documents to complete that one project so long as the architect is paid. There is also a provision allowing use of the documents by the owner if the architect is "adjudged to be in default." Presumably, this means that the owner can fire the architect if the architect is not performing and use the documents to complete the project, even if the adjudication comes later. The owner then takes the risk that an arbitrator or court will find the architect not to have been in default, thereby opening the owner to substantial additional damages under the Copyright Act.

In some situations, the owner will already have certain designs, plans or other documents before the architect is hired. This might occur where the owner has an in-house staff to perform preliminary design, or where a prior architect did a master plan for the site. The new architect is then hired to prepare drawings based on the earlier work. In this situation, the contract should reflect who will own the copyrights in the later work. One possibility is to have a jointly owned copyright in the final plans and specifications.

Other Issues

Contractors and their subcontractors may want to use parts of the architect's drawings to create shop drawings. Often, they will ask for disks of the CAD files. This appears to be permitted in the A201 General Conditions at paragraph 1.6.1, which also requires that any copyright notice⁵ that may appear on the architect's drawings also appear on the contractor's documents. Architects generally have two objections to such a use. First, they are afraid that their liability is increased when others use their drawings. Second, such a use removes an independent means of catching any errors that may exist on the original drawings.

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For example, if the architect shows something in the wrong location, the preparer of a shop drawings can often catch such a mistake and point it out to the architect before any real damage is done. If, however, that preparer simply reuses the architect's erroneous drawing, that same mistake may not be caught until much later. The trend is clearly in favor of using the drawings prepared by different members of the team.

Architect will also resist owner requests for the CAD disks. Owners want these electronic files for various legitimate purposes, such as maintenance, planning, future furniture relocations, and so forth. The danger to the architect is some future unauthorized use of the electronic files or drawings to alter the building resulting in increased liability for the architect. Various techniques, such as owner indemnification and removal of the architect's identification from these files can be used to minimize such risks. Another issue is theft of the electronic files by others. This is basically another version of copying an architect's drawings for a different building, and is a copyright issue. Today, it is possible to imprint files with invisible "watermarks" or "fingerprints" that are difficult to detect. Later prosecution of the offender is then made substantially easier.

Conclusion

There has been a substantial increase in copyright litigation related to the construction industry in recent years. Be aware of potential problems, use common sense, and negotiate fair and reasonable contracts. If you suspect that your rights are being violated, investigate the matter and consult with experienced counsel. Copyright issues need not be a major problem for the construction industry if each party to the process treats every other party in a fair and equitable manner.

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1. 17 U.S.C.
2. For an architectural work, the date of creation is when the work is embodied in plans, drawings, or models.
3. For instance, in *IAE v. Shaver*, 74 F.3d 768 (7th Cir. 1996), the architect used a short letter agreement that was silent as to copyright. The court held that the owner had an implied license to use the drawings, even though another architect used the drawings to create the final working drawings and even though the first architect was not paid for all of his work.
4. Actually, a building is eligible for protection as an architectural work if it was "created on or after December 1, 1990" or if the building was not then constructed but was "embodied only in unpublished plans or drawings" by that date. If the building is not actually constructed by December 31, 2002, protection for that work will expire on that date. Thus, it might be quite difficult to determine the proper date to apply to an architectural work in some situations.
5. Copyright notices are no longer required, but it is still a very good idea to place this notice on all documents. The form of this notice can be the following: **Copyright © 1999 by Firmname**. The year is the year the document is created.

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