Mg Management

PROTECTING DESIGN COPYRIGHTS

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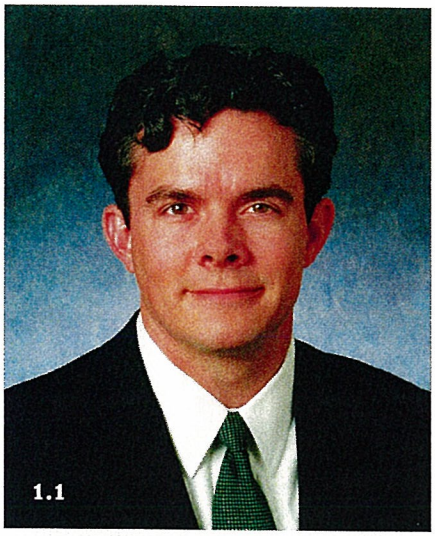

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Architectural designs have been protected by copyright law for years. While most developers know that building a clone of a famous work of architecture could lead to a copyright lawsuit, it also is true that everything from land use plans to designs for single-family homes can be protected under copyright statutes. While the potential consequences of copyright infringement are serious, they are relatively easy to avoid if developers invest the time to understand the laws and take a few proactive measures.

ARCHITECTURAL COPYRIGHTS

Copyright protection afforded to architectural designs has increased significantly over the years. An update to copyright statutes in 1976 specifically recognized architectural drawings as protected but not the building itself. That changed in 1990 when the Architectural Works Copyright Protection Act was signed into law. That act strengthened copyright protections, recognized buildings themselves as protectable, and provided additional clarity on how the statute should be practically applied. The law draws a distinction between unique design elements, which are protectable, and essential functional elements, which are not. It also recognizes the difference between common building designs considered to be in the public domain and new, creative designs.

Copyright protection can only be granted to unique design elements that are not essential to the function of the building. Individual standard features of any building — windows, doors and rooms — cannot be protected. Neither can the placement of these functional elements when their location is dictated by purely utilitarian concerns. The act does, however, recognize that the aesthetic arrangement and composition of these basic elements may collectively form a unique, protectable work.

An architectural work is eligible for protection once it has been fixed in "any tangible medium of expression," such as architectural plans and drawings or the completed structure. A designer does not need to register the work to claim copyright, but registration with the **U.S. Copyright Office** is required to pursue legal action for infringement in federal court. In order to seek statutory damages under the copyright act, a design must be registered prior to the commencement of any alleged infringement or within three months of the first publication of the work.

POTENTIAL LANDMINES

As with many areas of the law, there is a distinction between willful and unintentional infringement. While ignorance of the law is not an excuse, penalties levied against so-called innocent infringers are likely to be far less severe than penalties given to those who have willfully infringed upon a protected design. The most common remedy in a simple unintentional infringement case is to pay the plaintiff's legal costs and the licensing fee the owner of the design would have typically received if the work had been properly licensed.

Given the unique nature of architecture, it can be difficult to assign a dollar value to actual

damages realized by a party whose design has been infringed upon. The act allows for the awarding of statutory damages rather than actual damages. Statutory damages may range from a few hundred dollars to $30,000 or even $150,000 for willful infringement. A copyright owner does not have to prove actual monetary losses to be awarded statutory damages.

It is also worth noting that the prevailing party in a copyright lawsuit (whether it's the plaintiff or defendant) may recover attorney's fees from the losing party. In the vast majority of other civil matters, each party pays its own fees regardless of winning or losing.

PROJECT PROTECTION

Legal counsel will help minimize the chance of a claim against a developer. It will also help one establish proper protection if a project is unique and eligible for its own protection.

If the project is a license of a previous work, it is wise to require the licensor to warrant that he or she is the owner of the design and has the legal right to license it to an additional party. If the project is an original creation, require that the project's design consultants guarantee the originality of the work in writing. In either case, one should request that the designer indemnify him or her for any copyright claims against the project.

An experienced IP attorney or architect can help determine what is within the public domain. Copyright law allows developers to freely use any designs that are in the public domain, but it is important to remember that ubiquity is not analogous to being in the public domain. Believing a design is in the public domain is very different from being able to prove it.

If a project is designed by an outside consultant, make it clear in the engagement agreement who owns the rights to the design. Clear definition of ownership rights also becomes critical if a developer chooses to switch designers in the middle of the project. If the engagement agreement does not specify that the design belongs to the developer, there could be legal issues if the final design is substantially similar to the one produced by the original consultant.

Finally, copyright law specifically excludes functional design elements from copyright claims. If it can be shown how many of the features in a project were motivated by utilitarian or functional considerations, it will strengthen the case against any potential claim.

RECENT CASE LAW

A 2002 decision, *11 Sparco v. Lawler, Matusky, Skelly*, found that a site plan is protectable. This is particularly relevant to the "new urbanism" trend among commercial developments because enclosed malls are being replaced with mixed-use developments. These stylized designs are perfect examples of projects that could be protected under copyright law. Developers of such projects would be well advised to give plans added scrutiny to avoid legal missteps. □