Consequences of Ownership or Licensing of the Project Drawings—If You Pay for It, Do You Own It?

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The developer gazes at his newly completed building. He reflects on the long process that has preceded this moment—the planning, the designing, the permitting, the groundbreaking, the construction. It has been a long journey, but a worthwhile one. He smiles and thinks to himself, “It’s all ours.”

Certainly the developer is mostly correct in thinking that the building belongs to his firm. His firm owns the land and the newly built structure that lies upon it, but it may not all be theirs. That is because, unless his firm was careful, the developer likely does not own the copyright in the design documents used to create the building or the copyright in the building itself. What the developer likely has is a license because his architect retains the copyright in the building, unless there is a written agreement to the contrary. This result carries with it a number of lasting implications for both the owner-developer and his designer that will be the focus of this article. After reviewing the pertinent intellectual property legal principles, we will analyze how the major AIA forms of owner-architect agreements address the use and ownership of copyright to design documents. We also will offer practical suggestions for negotiating contract terms and conditions respecting copyright to design work, including terms and conditions relating to the use of documents after termination, as well as the reuse of documents on other projects.

Architectural Works and Copyright Law in the United States

In the United States, intellectual property law is often divided into three general categories of protection: copyrights, trademarks, and patents. In the context of a design professional’s work product—such as specifications, reports, drawings models, and other renderings—copyright law is by far the most relevant protection and will be the major area of discussion herein.

Copyright Basics

A copyright is a property right in a particular expression of an idea, giving the copyright holder certain exclusive rights under the U.S. Copyright Act. Copyright protection is available to any original “work of authorship fixed in any tangible medium of expression,” including architectural works.

Copyright protection attaches to a work the moment that it is “fixed,” or when it is “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” For purposes of architectural works, fixation occurs when a drawing is created or when a building is built (or, as we shall see, partially built). Thus, prior to delivery or publication of any “architectural work,” copyright protection for the design already exists.

Architectural works have not always fit so nicely into the copyright law scheme; they were added in 1990 when President Bush signed into law the Architectural Works Copyright Protection Act (AWCPA). Prior to passage of the AWCPA, architectural works were classified as—and offered no more protection than—“pictorial or graphic works.” This has long been an issue with all types of copyrightable material, and courts have quite frequently engaged in line drawing by applying what has become known as the “separability test.” So, in the architectural context, although an architect’s plans and certain decorative and creative separable elements of a building were eligible for copyright protection, the structure they were affixed to was not.

Nonprotection of “utilitarian works” was based largely on the constitutionally prescribed purpose of the American Copyright Act, “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” It was believed that protecting architecture and architectural designs would hinder progress and creativity by preventing these “useful articles” from being available to others. Although advocates for authors and owners of architectural designs attempted to expand the scope of copyright protection on a number of occasions, courts consistently held that these exclusive rights did not expand beyond the physical embodiment of the architectural plans themselves. Before passage of the AWCPA, an architect who saw her design copied in building form over and over again was largely left without recourse.

The AWCPA

The movement to enact the AWCPA stemmed in part from Congress determining that compliance with an international treaty, the Berne Convention, meant U.S. copyright law would need to recognize that architectural designs deserved protection similar to other artistic works. The change in copyright law made “architectural
works” a copyrightable subject matter under section 102 of the Copyright Act, and Congress defined the phrase as follows:

the 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.\(^7\)

The addition of the term “building” was the most significant breakthrough as “architectural plans” and “drawings” already enjoyed protection as “pictorial, graphic, or sculptural works.”\(^7\) The term “building” refers to “humanly habitable structures that are intended to be both permanent and stationary, such as houses and office buildings, and other permanent and stationary structures designed for human occupancy, including, but not limited to, churches, museums, gazebos, and garden pavilions.”\(^7\) Specifically excluded from the definition are “standard features such as windows, doors, and other staple building components” and “[s]tructures other than buildings, such as bridges, cloverleafs, dams, walkways, tents, recreational vehicles, mobile homes, and boats.”\(^7\) Thus, in 1990, design professionals enjoyed exclusive federal rights to their creations beyond the written plans themselves.\(^21\)

Congress limited the exclusive rights in “architectural works” by adding section 120 to the Copyright Act. Section 120(a) establishes two exceptions to infringement that are unique to buildings—pictorial representations and alterations or destruction of buildings.\(^2\) The first exception allows others to make, distribute, or publicly display “pictures, paintings, photographs, or other pictorial representations of the work, if the building in which the work is embodied is located in or ordinarily visible from a public place.”\(^2\) The second exception allows owners to make alterations to or destroy a building without the consent of the author or copyright owner of the architectural work.\(^2\)

An important, overarching limitation to protection under the ACWCA has to do with when the building or architectural drawings were created. The ACWCA does not allow for architectural work registration when the plans or drawings of the building were published before December 1, 1990, or the buildings were constructed or otherwise published before December 1, 1990.\(^23\) According to the U.S. Copyright Office, architectural works are considered published when the “underlying copies of the building design are distributed or made available to the public by sale or other transfer of ownership, or by rental.”\(^2\)

While registration of a copyrightable “architectural work” is not required to secure copyright protection, one must register his or her copyright prior to filing a copyright infringement lawsuit.\(^2\) If the work is registered postinfringement, the damages available are limited to the actual damages suffered by the owner and the profits derived by the infringing party.\(^2\) Preinfringement registration allows the copyright owner to recover attorney fees and statutory damages up to $30,000 per infringement or, for willful infringement, $150,000.\(^4\)

A copyright infringement action must be filed within three years after the claim accrues.\(^2\) “A cause of action accrues when a plaintiff knows or has reason to know of the injury on which the claim is based.”\(^7\) For copyright infringement, the cause of action accrues, and the statute of limitations begins to run, when “‘a reasonably diligent person would have been put on inquiry’ as to the existence of a right.”\(^6\) Even peripheral knowledge accompanied by a lack of reasonable investigation can be enough to presume that the plaintiff had been “put on inquiry.”\(^7\)

### Ownership of the Copyright

Copyright law confers upon the owner of the copyright the right to bring an infringement action. As mentioned above, the copyright owner and the building owner are distinct.\(^4\) Just as owning a book or compact disc gives no right to the underlying copyright, ownership of the architectural plans or building embodying the design conveys no right to the underlying copyright.\(^23\) This concept is often misunderstood, and that fact is not lost on many architects and those responsible for protecting their interests, whether they be professional societies drafting form agreements or design professional liability carriers advising and counseling them in contract guides. For this reason, the well-advised owner should ensure that any writing transferring “architectural works” to it be explicit and specific as to the extent of transfer intended; otherwise, ownership may be limited to just the physical documents themselves.

With one exception discussed below, the owner of a copyright is initially the author or authors of the underlying work.\(^6\) Just as the writer of a book is initially the owner of the copyright in the book and the songwriter is initially the owner of the copyright in a musical composition, the design professional is initially the owner of the copyright in the architectural or engineering plans. The initial copyright owner can, of course, transfer or license his or her ownership interest (or any part thereof) to another.\(^7\) Because transfers must be in writing, a transfer of copyright ownership cannot occur by “implication.”\(^2\) However, a “license to use a copyright can arise by implication and, as detailed below, it is possible for an owner to obtain some valuable rights—if not the entire copyright—in this way.

If more than one person contributes to a copyrightable work, then each will be considered a coauthor and, therefore, a co-owner of the copyright in the work, in equal parts, unless there is an agreement to the contrary.\(^7\) The exception to the general rule that ownership vests initially with the author or authors is when the work is “made for hire,” which typically arises when an author creates a work in the scope of his or her employment.\(^8\) In such a case, the employer steps into the shoes of the author and is deemed the “author” for copyright purposes.\(^4\) Given that design professionals are rarely an owner’s employees, design plans seldom are found to be “works made for hire,” absent contract language on that point.

As between a design professional and a property owner, where the transfer or license of copyright is not otherwise governed by contract, there are four different scenarios for copyright ownership in the design plans: copyright ownership vesting in the design professional with no license to the property owner, copyright ownership vesting in the design professional with an implied license to the property owner, joint ownership of the copyright, and copyright ownership vesting in the property owner via a “work made for hire.”\(^4\)

These four scenarios will be discussed in turn below.

### Copyright Ownership Vests in the Design Professional

In almost every case, design professionals are going to be deemed independent contractors.\(^4\) In such an arrangement, the designer (or engineer) remains the holder or owner of the copyright absent an agreement to the contrary.\(^4\) The holder of the copyright may license the copyright to any party, exclusively or nonexclusively, and may impose restrictions on use.\(^4\) The holder also may assign the work or transfer the copyright.\(^4\)

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Copyright Ownership Vests in the Design Professional, But the Owner Has an Implied License

Long-standing precedent has established that “implied licenses are found only in narrow circumstances.”47 There are, at present, five circuit court decisions involving a claim of an implied license where architects sued for copyright infringement.48 The cases are split as to outcome, but they all used similar reasoning. All five of the decisions agree that intent of the parties is the “touchstone for finding an implied license” in the copyright infringement context.49 In determining the intent of the parties, courts have used a three-part test that inquires:

(1) whether the parties were engaged in a short-term discrete transaction as opposed to an ongoing relationship; (2) whether the creator utilized written contracts, such as the standard AIA contract, providing that copyrighted materials could only be used with the creator’s future involvement or express permission; and (3) whether the creator’s conduct during the creation or delivery of the copyrighted material indicated that use of the material without the creator’s involvement or consent was permissible.50

The first two factors usually are the most simple to determine. A long-term relationship is less likely to be the type that implies a license, whereas a short-term or one-time transaction favors such a finding.41 The signing of a formal agreement also can be indicative of overall intent because the contract may be “evidence of a relationship giving rise to implied copyright license, even if the license is not derived from the contract itself.”52 The intent the courts look for is quite specific, and the implied nonexclusive license would have to cover the use that is the basis for the infringement action.

The third factor used in determining whether there is an implied license to use the architectural plans is a general consideration of intent.53 If the copyright owner delivered the plans to the alleged infringer (as opposed to a third party passing them on to the infringer), then this factor weighs against the copyright owner because it implies permission to use the plans.54 Again, this is an objective inquiry because the “relevant intent is not the parties’ subjective intent but their outward manifestation of it.”55 Findings of implied licenses are rare, and will exist under specific fact patterns that likely include short-term assignments where the architect’s behavior manifested no expectation of continued involvement after the architect handed over the client’s plans without a contract or other restrictions.56

Because the exception is so narrow, owners and developers should be cautioned never to assume they have an implied license from the copyright holder (designer). Even if an implied license is found to exist, it is likely that the scope of the license will be for a very limited purpose (such as completion of the project).57

Joint Ownership of the Copyright

Another outcome is joint ownership, which results when two or more persons intend their contributions to be integrated into a single work, such that those persons are considered joint “authors” of the work.58 In such an event, unless there is an agreement to the contrary, the joint authors become joint owners of the copyright in the work, with each author being vested an equal share in the copyright.59 To be considered a joint author, a person must contribute more than a de minimis amount of copyrightable matter to the work.60 One who contributes nothing but ideas, general direction, or factual information to a work is not entitled to joint authorship.61

In the construction context, a number of disputes have arisen when owners or owners’ representatives have made contributions to a design professional’s plans or architectural work, such that the owners believe they are joint authors of the work.62 In these situations, courts have more often found that the owner has no joint ownership in the copyright.63 Typically, the owner’s contributions consist of nothing more than ideas, changes to the plans, and the exercise of approval at various stages of planning and construction, perhaps going as far as to sketch out particular architectural elements.64 In these cases, courts reject the owner’s claim of joint authorship because the owner’s contribution was not itself copyrightable, consisting of ideas or factual information. As one court put it, “Such involvement by a client in preparation of architectural plans is normally expected,” and while the owner might have “directed that certain architectural features be incorporated into the architectural plans . . . the [design professional] controlled how those ideas were incorporated.”65 In addition, courts also find that there was no intention that the owner’s contribution would become part of the architectural plans or work.66

Work Made for Hire

The final (and least likely) possibility is that the design will be treated as a “work made for hire,” in which case “the employer or other person for whom the work was prepared is considered the author.”67 There are two categories of works made for hire. The first is “a work prepared by an employee within the scope of his or her employment.” The second is a “work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work . . . if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.”68 Under the Copyright Act, there are nine enumerated categories of “Work specially ordered or commissioned,” and architectural designs are not among them.69 In view of this exclusion, courts have consistently found that architectural designs are not specially commissioned works, so such designs will not be works for hire unless there is an employer/employee relationship.70

Copyright Infringement—Enforcement and Consequences

The consequences for an owner or developer not owning or having a license to use the copyright in the design documents and building range from the annoying to the dire. Without the copyright (or appropriate license), the construction owner cannot use the design of the building in another building and cannot prevent anyone else from doing so.71 What is worse, in constructing the very building for which the design plans were created, the building owner may actually infringe on the design professional’s copyright in those plans.72 In the worst case, a copyright holder might be able to stop construction by obtaining a preliminary injunction against infringement of the copyright, although, as explained below, such injunctions are rare.

The basic framework for any copyright infringement case under the AWCPIA is that the copyright holder has the right to sue for infringement when another violates one of the holder’s exclusive rights to the work.73 In order to proceed with a valid copyright infringement suit, the plaintiff must prove two elements: “(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.”74 In cases where direct copying cannot be
proven, it may be inferred if the copyright owner proves both that the potential infringer had “access” to the work and that “substantial similarities” exist between the original work and the copied work.75 Access can be proven through direct or circumstantial evidence.76 If the copy is “strikingly similar,” access may be presumed.77 “Substantial similarity” is proven via the “ordinary observer” test, which asks if an “ordinary person of reasonable attentiveness would, upon listening to (or looking at) both, conclude that the defendant unlawfully appropriated the plaintiff’s protectable expression.”78

A recent First Circuit Court of Appeals decision did a thorough and effective job of evaluating the AWCPA scheme.79 The case T-Peg, Inc. v. Vermont Timber Works, Inc. involved two competing design companies that were employed by an owner to build a “timber frame” home.80 “Timberpeg” (a term used to describe the collective plaintiff) designed architectural plans for the owner and, after several revisions, was issued a copyright for the design.81 Meanwhile, the same owner employed Vermont Timber Works (VTW), which prepared shop drawings of the frame of the home from the owner’s specifications, which led to VTW’s engagement to construct the home based on those “shop drawings.”82 Timberpeg’s claim against VTW lay in its belief that VTW relied on Timberpeg’s original architectural plans in preparing the shop drawings to the point that such reliance constituted an infringement of Timberpeg’s copyright.83

The court examined the language and history of the statute, and concluded that the owner of a copyright in an architectural plan currently has two forms of protection: “one under the provision for an ‘architectural work’ under 17 U.S.C. § 102(a)(8), and another under the provision for a ‘pictorial, graphical, or sculptural work’ under 17 U.S.C. § 102(a)(5).”84 The T-Peg court observed that Congress intended to subject “architectural works” to a less-stringent standard of copyright than “pictorial, graphic or sculptural works” by removing the need to inquire into the utilitarian aspects of the “architectural work,” thereby avoiding the above-mentioned “separability test.”85

The T-Peg court made the standard “access” and “substantial similarity” inquiry, noting that there were both similarities and differences between VTW’s “shop drawings” (including the partially built frame) and Timberpeg’s copyrighted plans.86 The differences likely would have been enough under the old “pictorial, graphic and sculptural works” scheme to conclude that no reasonable jury would make a finding of “substantial similarity.”87 However, because the copyrightable portion of an “architectural work” includes the “overall form of the building as well as the arrangement and composition of spaces and elements in the design,” the court concluded that there were “genuine issues of material fact as to substantial similarity.”88 VTW responded by arguing that the frame, as partially constructed, “could accommodate any number of internal layouts and external features other than those reflected in the architectural plans created by Timberpeg.”89 The court rejected this argument on the ground that the AWCPA protects not only the overall form, but also the “combination of elements which, taken together, are protectable under the definition of an architectural work.”90 The court concluded that there was a “genuine issue of material fact” that remained as to both copying and substantial similarity and concluded that the case should be remanded and submitted to a jury for decision on both points.91 The ruling explains how an infringement action under the AWCPA scheme will proceed, and courts are now recognizing two distinct infringement actions for both the pictorial or graphic representation and the building itself.

Copyright Transfers, Assignments, and Remedies

As mentioned previously, the copyright holder has full property rights in his copyright and can license it or assign it as he sees fit.92 Often, the construction owner will seek a full assignment of rights to the architectural work copyright from the architect as a requirement of doing business.93 This is the most desirable position for the building owner, especially if there is a chance that the owner will use the copyrighted work to construct other buildings.94 There are no negative implications to owning the copyright beyond the small fee required for registration.95 Ownership gives the holder the right to enforce the copyright, but there is an area of potential concern where the holder received the copyright via a transfer or assignment. The Copyright Act provides that “the legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute an action for any infringement of that particular right committed while he or she is the owner of it.”96 So, even if the original author of a copyright assigns “all rights and title,” it is generally accepted that the assignee only has the right to sue for acts of infringement that take place after the assignment unless the specific right to sue for previously accrued actions is granted.97 This right to sue does not extend to nonexclusive licensees, but exclusive licensees have standing to sue to enforce their rights.98

Those who maintain a valid claim for copyright infringement have a number of remedies at their disposal, including injunctive relief,99 statutory and actual damages, recovery of profits,100 and impounding or destruction of the infringing copies.101 Injunctive relief is the most dramatic remedy because it could be used to stop the construction of a building.102 While the standard for evaluating an injunction under copyright law is lower than it is for other areas of law, acquiring an injunction for an “architectural work” is more difficult than it is for other copyrighted works.103 This is because granting an injunction in the construction industry is likely to lead to a great deal of waste with regard to preconstruction costs, and would create uncertainty and unpredictability to the parties involved, including financiers, suppliers, subcontractors, and unions.104 Defendants are therefore encouraged to suggest equitable reasons an injunction is not an appropriate remedy.105 Courts have broad authority under the Copyright Act to fashion appropriate relief, and although the issuing of an injunction is possible,106 it would take an extraordinary case to find that one was appropriate after considering the “possibility of waste and other economic harms against the availability of alternative remedies.”107

Practical Applications of Copyright Law to the Negotiation of Owner–Architect Agreements

We will now turn our attention to the practical application of copyright law in the context of drafting and negotiating architectural agreements. For the purposes of this discussion, we will use the American Institute of Architects (AIA) standard form Owner–Architect Agreement as the reference point and utilize the definitions of “Owner” and “Architect” as defined within the AIA system.108

The new AIA Owner–Architect Agreement—AIA B101-2007—expressly addresses issues relating to the ownership and use of the Architect’s Instruments of Service in article 7, which is entitled “Copyrights and Licenses.” We will use AIA B101-2007 as the basis for our analysis. However, because AIA B101-2007 is such a new document, we also will look back occasionally at its predecessor, AIA Document B151-1997 for comparative purposes. AIA B101-2007 uses the term “Instruments of Service,” which is

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defined in the *Architect’s Handbook of Professional Practice* as encompassing drawings, specifications, and other documents prepared by the Architect as part of the design process. The term “Instruments of Service,” which may involve any medium, also includes sketches, preliminary drawings, outline specifications, calculations, studies, analysis, models, and renderings. For ease of reference, we have substituted the term “Documents” for “Instruments of Service” in our analysis, but the terms should be understood to have the same meaning.

AIA document B101 establishes the following use and ownership scheme that we will hereafter refer to as the “AIA Documents Framework”:

1. The Architect retains ownership of the Documents (including copyright) that the Architect creates.
2. Upon execution of the Agreement, the Owner receives a nonexclusive license to use and reproduce the Architect’s Documents for certain permitted purposes including:
   - for construction purposes, including reproduction of the Documents by contractors, subcontractors, and suppliers for use in connection with the Work.
   - for submission or distribution to meet regulatory requirements including zoning approvals, and to obtain the building permit.
   - for use and maintenance of the Project.
   - for alterations and additions to the Project.
3. Continuation of the license is contingent upon compliance by the Owner with the Owner’s contract obligations, including prompt payment of amounts due to the Architect.
4. In the absence of prior written consent of the Architect (and the Architect’s consultants), the license does not allow use of the Documents by the Owner in connection with other projects.
5. If the Architect rightfully terminates the Agreement for cause (i.e., the Owner is the party in default), the license is terminated.
6. If the Owner uses the Documents (e.g., in connection with alterations and/or additions to the Project) at some future point in time without retaining the Architect, the Owner:
   - releases the Architect from all claims arising out of such use.
   - agrees to indemnify and hold the Architect harmless from all costs and expenses (including defense costs) in connection with third-party claims arising out of the Owner’s use of the Documents; provided, however, that the indemnity does not apply if the Architect has been properly terminated for cause.

The AIA Documents Framework allows an Architect to utilize copyright law to exercise some degree of control over use of the Architect’s Documents by the Project Owner and third parties. It also effectively protects the Architect’s right to receive payment for the “design idea” embodied in those Documents.

From the Architect’s perspective, the need for such protections stems from its negotiating position. Frequently there is considerable disparity in bargaining power between an Architect and the Owner who retains him to provide architectural services. By granting the Owner a license to use the Documents as provided in the AIA Documents Framework, rather than transferring ownership of them (either at the outset of the Project through a Work for Hire arrangement, or at some later point in the design process), the Architect can, in theory, level the playing field and preserve contractual and statutory means to protect his interests. For example, if the Owner fails to pay the Architect as required by the AIA Documents Framework, the Owner is not just in breach, but depending upon how the Owner subsequently uses the Architect’s Documents in connection with the project, the Owner also may potentially be liable for copyright infringement.

Under the AIA Documents Framework, if the license granted by the Architect is canceled for any reason, the Documents can no longer be used for their intended purpose. Because a project cannot move forward without access to the architectural and engineering Documents, the result is a project shutdown. In most cases, the Owner will not be able to engage other design professionals to continue the project utilizing the Architect’s Documents because those replacement design professionals would, likewise, be vulnerable to copyright claims for unauthorized use of Documents prepared by the original Architect. As evidence of this concern, a common provision in contracts between an Owner and a replacement architect is an indemnity, running from the Owner to the replacement architect, to protect the replacement architect from copyright infringement claims by the original Architect.

Given that the AIA Documents Framework may be viewed as protective of the Architect’s interests at the expense of the Owner, that Framework rarely goes unmodified in agreements for complex projects. Attorneys for both the Architect and the Owner need to understand the common issues that arise in contract negotiations relating to Document use and ownership, and how to best address those issues from the perspective of their respective clients. What follows is a look at some common changes made to the AIA Documents Framework during contract negotiations, and how those changes impact the respective rights of the Architect and the Owner.

**Transfer of Document Ownership**

It is very common for the Owner to reject the idea of a license to use the Architect’s Documents, and insist instead upon a transfer of Document ownership.

Two questions need to be asked about an Owner’s insistence on “ownership” of the Documents: What does the Owner want to own? And when does the Owner want to own it?

The what question refers to the fact that physical ownership of Documents can be separated from ownership of the intangible copyright, as discussed previously. Copyright ownership allows, among other rights, reproduction of the Documents for use in other contexts, and the creation of derivative designs based on the Architect’s Documents. If an Owner’s concern lies simply in obtaining the right to use the Documents in connection with the operation and maintenance of his project and, potentially, in connection with renovations and/or additions to that project, physical ownership of the Documents will suffice. In such a case, the Owner can usually be persuaded to allow the Architect to retain the copyright in the Documents. On the other hand, if the Owner wants to use the Documents to replicate the project in other locations, as is common with hotels, restaurants, and retail establishments, ownership of the physical Documents would not meet the Owner’s needs. Instead, ownership of both the physical Document and the copyright would be necessary to allow use of the Documents.

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for anticipated purposes in connection with the original project and replication of the design in other locations.

The *when* question involves different considerations. Outside of the AIA Documents Framework, the transfer of Document ownership to the Owner can, theoretically, take place at any one of three points in time. These transfer points are

1. as the Documents are created: *Work for Hire option.*
2. as payments are made by the Owner: *Incremental Transfer option.*
3. at final completion of the Project and final payment to the Architect: *Final Payment option.*

**Work for Hire Option**

Under the Work for Hire option, transfer of the Architect’s legal rights in both the copyright and the physical Documents occurs the moment the Documents are created. In essence, the Architect never owns the work product he creates. The Work for Hire option appears frequently in contracts involving governmental agencies and large corporations for whom ownership of intellectual property is a key component of their businesses.

The following is a typical Work for Hire contract provision, which could be used to replace the corresponding Document ownership and license language in AIA B101-2007:

The Architect agrees that, except as expressly provided elsewhere in this Agreement, all Documents of any kind whatsoever, and in whatever medium expressed, prepared by the Architect and the Architect’s Consultants in connection with the Project or otherwise pursuant to this Agreement and all rights therein (including trademarks, trade names, rights or use, copyrights and/or other proprietary rights) shall be and remain the sole property of the Owner (regardless of whether the Owner or the Architect terminates this Agreement for any reason whatsoever). The Architect hereby agrees that the Documents are or shall be deemed to be “Works for Hire” within the meaning of Section 101 of the Copyright Act, and the Architect hereby assigns to the Owner all right, title and interest therein.

If for any reason the Documents should not be considered a “Work for Hire” under applicable law, then the Architect shall hereby be deemed to have transferred to the Owner, its successors and assigns, the Architect’s entire right, title and interest in and to the Documents and the legal rights therein including, but not limited to, copyright, included therein.

From the perspective of the Architect, Work for Hire is the least desirable Document ownership scheme because it requires the Architect to relinquish control over the work product. The Architect can no longer use Document ownership as a lever to ensure payment by the Owner, or to assure the Architect’s continued participation in the Project. In fact, the Work for Hire option makes the Architect particularly vulnerable when it is coupled with a termination for convenience clause (as found in section 9.5 of B101-2007). In the worst case “work for hire” scenario, an Architect could develop Documents to the point where they fully embody the Architect’s “design idea” and then suddenly find himself terminated for convenience by the Owner, and his Documents given to another design professional for completion. Such a transfer of Documents could be effected without any adverse ramifications for anyone except the original Architect.

**Work for Hire Document Ownership Scheme**

Just as the AIA Documents Framework represents the most favorable contractual arrangement from the Architect’s standpoint, so Work for Hire is the best case scenario from the Owner’s perspective. It eliminates any constraints on the Owner’s use of the Architect’s Documents and minimizes any adverse impact on the project if the Architect is terminated by the Owner for any reason. However, Work for Hire also can create unexpected difficulties for the Owner. For example, because Work for Hire is an unfavorable arrangement for the Architect, the Owner may have difficulty in interesting the best Architects in his project, or the fees proposed by the Architect may be higher than normal because of the extra risk. The Architect also may insist on a sizable “termination fee” that would apply if the Owner terminates the Architect for convenience. The termination fee is intended to ensure that the Architect is fairly compensated for the “design idea” embodied in his Documents.

If the Architect finds himself in a position where the Owner insists on a Work for Hire, the Architect should try to include provisions in the Agreement that accomplish the following, to offset the potentially detrimental effects of the Work for Hire option:

1. expressly limit the Owner’s use of the Documents to the Project for which they were created.
2. add a waiver of claims by the Owner and an indemnification against third-party claims running from the Owner to the Architect in connection with (a) any use or reuse of the Architect’s Document after termination of the Agreement for any reason other than default by the Architect and (b) any reuse of the Architect’s Documents in connection with alterations and/or additions to the Project that involve changes in the Documents.
3. require the Owner to remove the Architect’s name and title block from the Documents in conjunction with any reuse after termination of the Architect.
4. when the Architect’s Agreement includes both a Work for Hire provision and a termination for convenience clause, add a provision requiring the payment of a “termination fee” or “termination expenses” in the event that the Architect’s Agreement is terminated for the Owner’s convenience. This will allow the Architect to recover some portion of lost profits and other costs. (Note that section 11.9 of AIA Document B101-2007 requires the Owner to pay the Architect a licensing fee for continued use of the Architect’s Documents after a termination by the Owner for convenience (section 9.5) or a termination of the Owner by the Architect after a prolonged suspension (section 9.3)).

**Incremental Transfer Option**

In those situations where an Owner insists upon owning the Architect’s Documents and the Architect’s primary concern is ensuring payment, an incremental transfer of Document ownership to the Owner as payments are made may represent a workable alternative to the Work for Hire option.

The Incremental Transfer option operates as follows: When the Owner makes payment to the Architect, ownership of the Documents transfers to the Owner to the extent of the payment made. For example, when the Owner has paid for 50 percent complete Schematic
Design Documents as prepared by the Architect, the Owner is deemed to “own” those 50 percent complete Schematic Design Documents. The Architect, in return, automatically receives a license, which covers the 50 percent complete Schematic Design Documents just transferred. The license allows the Architect to continue developing the Documents in a manner consistent with the Owner’s ownership interest in them.

The following is a sample contract provision describing the Incremental Transfer of Document option:

1.1 Drawings, specifications and other documents (collectively, “Documents”) including those in electronic form, prepared by the Architect and the Architect’s consultants are prepared for use solely with respect to this Project. The Architect’s and the Architect’s consultants shall be deemed the authors and owners of their respective Documents, and they shall retain ownership of their respective Documents until the incremental transfer of ownership to the Owner as described in Section 1.2 (“Incremental Transfer”).

1.2 Notwithstanding the foregoing, ownership of all legal rights in the Documents including, but not limited to, copyright, shall transfer to the Owner as payment therefor is made by the Owner. Upon receipt of each such payment, ownership of the Documents, in the state of completion evidenced by such payment from the Owner, shall transfer automatically and incrementally to the Owner. Simultaneously with each such Incremental Transfer, the Architect shall automatically receive a license (“License”) from the Owner, allowing the Architect to continue working on the Documents so transferred until they are completed.

The Incremental Transfer option provides the Architect with greater assurance of payment through somewhat more extended control over Document ownership. However, it still leaves the Architect vulnerable to an early termination for convenience by the Owner, who would then have a clear right to continue developing the Documents (with another design professional) from the point at which they were previously completed by the Architect and paid for by the Owner.

The Incremental Transfer option represents only a minor constraint for the Owner acting in good faith relative to the Architect. The only drawback from the Owner’s perspective would be in connection with disputed Basic Services or Additional Services, which raise a question as to whether “payment” has been properly made in any instance. Because of the continued vulnerability of the Architect in the event of a termination for convenience by the Owner, the Architect should include in his Agreement the additional protections discussed above in connection with the Work for Hire analysis.

**Final Payment Option**

One frequently used variation on the AIA Documents Framework provides for ownership of the Architect’s Documents to transfer to the Owner upon final completion of the Project and full payment of all fees and reimbursable expenses owed to the Architect. Such a transfer of Document ownership can either occur automatically upon payment, or require the Architect to execute a separate assignment document for the benefit of the Owner. The following sample language describes the Final Payment option:

Upon final completion of the Project, resolution of any and all disputes between the Architect and the Owner, and full and final payment to the Architect of all Fees and Reimbursable Expenses hereunder, ownership of the Architect’s Documents including, but not limited to, copyright, shall transfer automatically to the Owner. Such transfer of ownership in the Documents shall not alter the Owner’s responsibilities in the event that the Owner reuses the Documents as set forth herein.

For an Architect whose primary concerns are ensuring payment and a reasonable opportunity to complete the project (i.e., that the Owner will not terminate the Agreement for convenience), the Final Payment option can work well. It allows the Architect to control the Documents for the duration of the project, and once the transfer of ownership has taken place, to receive requisite protection, in the form of a waiver of claims and indemnification, if the Owner reuses the Documents for any project-related purpose after final completion.

The Final Payment option represents a middle ground from the Owner’s perspective. Terminating the Architect for convenience becomes more complicated. However, for an Owner whose primary interest lies in maximizing his right to reuse the Architect’s Documents to alter and add to the Project without the release and indemnification requirements set forth in section 7.3.1 of AIA Document B101, the Final Payment option represents an improvement over the AIA Documents Framework.

Providing in the Architect’s Agreement that Document ownership transfers automatically upon final payment benefits the Owner because it ensures that no last-minute dispute with the Architect will imperil the Document transfer. From the Architect’s perspective, however, it is preferable for the transfer of Document ownership to be contingent upon execution by the Architect of a separate transfer agreement. The requirement for execution of a separate writing to effect the transfer gives the Architect additional leverage if there are residual disputes with the Owner about payment.112

**Impact of Termination**

Next, we will examine what happens when there is a termination of the Agreement, and where the Owner and the Architect stand relative to ownership and use of the Architect’s Documents. The AIA Documents Framework (based on article 7 of AIA Document B101-2007) provides for the license to terminate if the Architect rightfully terminates the Owner for default. The operative language in section 7.3 is as follows:

If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

Section 11.9 of AIA B101-2007 also requires the Owner to pay a “licensing fee” for continued use of the Documents solely to complete, use, and maintain (but, presumably, not to alter or add to) the Project in the event of (1) a termination for convenience by the Owner (section 9.5) or (2) a termination by the Architect for an Owner-directed suspension in excess of ninety cumulative days (section 9.3).

These provisions represent a major change from the 1997 version of the corresponding Owner–Architect Agreement. Under section 6.2 of AIA Document B151-1997, the operative language reads as follows: *Any termination of this Agreement prior to completion of the project shall terminate this license. Upon such termination, the Owner shall refrain from making further reproductions of the Instruments of Service and shall return to the Architect within seven days of termination all originals and reproductions.*
The purpose of developing a design that can be replicated in more than one location. In such a case, the initial project design is frequently called the “Prototype” and each replication is referred to as a “Roll-out” of the Prototype design.

In connection with each Rollout, the Construction Documents for the original project (i.e., the Prototype project) will need to be adapted to fit the particular site selected for the Rollout. This adaptation is normally done by a local design professional, rather than by the original Architect. In a variation on the foregoing scheme, however, the Prototype design developed by the Architect may not have been site-specific at all. In that case, the design would probably have been developed by the original Architect only to the Design Development Documents level. Because there would be no original Construction Documents in such a case, it would be necessary for the local design professional to develop the Construction Documents from scratch, using the original Architect’s Design Development Documents as a starting point. The attorney preparing the Agreement for a Rollout project needs to clarify which of these fact patterns applies. In either case, the original Architect is frequently retained by the Owner in connection with each Rollout to monitor both Construction Document preparation by the local design professional and the actual construction for conformity with the original Architect’s design intent.

Two of the main attributes of copyright ownership are the right to reproduce a design and the right to develop derivatives of that design. Both of these rights are involved in an analysis of this scenario. The AIA Documents Framework, in addition to providing for the Architect to retain copyright ownership, also specifically prohibits use of the Architect’s Documents for Rollout purposes. Section 7.3 of AIA Document B101-2007 provides a license allowing the Architect’s Documents to be used “solely and exclusively” for specific purposes relating to the “project” as defined in the Agreement.

While there is no language in B101-2007 that specifically addresses the use of the Documents on other projects, the clear implication from the various references to the “Project” in article 7, and section 11.9, is that such extended use is not included within the scope of the license, and thus prohibited.

Accordingly, if the parties contemplate future Rollouts at the time that the Architect’s Agreement is being negotiated and the AIA Documents Framework remains in place (i.e., the Architect retains the copyright in the Documents), then the operative language in the Architect’s Agreement needs to be modified to specifically address the conditions under which the Owner will be allowed to use the Architect’s Documents for Rollout purposes, as well as to provide protections and appropriate compensation for the Architect.

If the Owner wants the right to use the Architect’s Documents in connection with prospective Rollouts, but no specific Rollouts are planned at the time of contract negotiation, some variation on the following language should suffice:

All Drawings, Specifications, and other documents (collectively, “Documents”) prepared by the Architect are for use only on this Project. The Documents may not be used, in whole or in part, on any other project, or for replications of the Project in other locations (collectively, “Rollouts”), without the prior written consent of and appropriate compensation to the Architect in connection with each such Rollout.

This provision acknowledges the possibility of Rollouts, but postpones any discussion of additional compensation for the Architect until a later point in time.
In other situations where the Owner’s Rollout plans are more concrete, the parties may be able to negotiate specific terms regarding Rollouts in the original Architect’s Agreement. Set forth below are sample contract provisions that were used to memorialize such an arrangement between an Owner and an Architect in an actual situation. In that particular case, the Owner was a clothing retailer that had stores nationwide. The Architect had been retained to design a Prototype store that was expected to be replicated in multiple locations. The Architect’s financial arrangement with the Owner covering his “design idea” (based on his continued ownership of the underlying copyright) continued through Rollout No. 8. After completing (and being paid for) services through Rollout No. 8, the Architect agreed to transfer ownership of the copyright in the Prototype design to the Owner, who could thereafter use it in connection with as many Rollouts as might be desired. This is the operative language that appeared in the Architect’s Agreement:

1.1 All Drawings, Specifications and other documents (collectively, “Documents”) for a prototype retail store (“Prototype Store”) prepared by the Architect are Instruments of Service, and the Architect shall retain all legal rights therein, including copyright, until such time as the Architect’s rights are transferred to the Owner as provided in Section 1.2. Except as provided herein, the Documents may not be used by the Owner, in whole or in part, on any other project or for replications of the Prototype Store in other locations (collectively, “Rollouts”).

1.2 The Owner hereby agrees to retain the Architect to perform professional services, on a mutually agreeable basis, in connection with Rollout No. 1 through Rollout No. 8 of the Prototype Store. The Owner and Architect shall enter into separate written agreements in connection with each such Rollout (collectively, “Rollout Agreements”). Upon completion of the Architect’s services in connection with Rollout No. 8 and payment by the Owner of all amounts due and owing under the corresponding Rollout Agreement, the Architect shall execute a separate assignment of all of its rights, title and interest in the Documents, including copyright, to the Owner (“Assignments of Rights”).

1.3 In connection with the Assignment of Rights by the Architect, the Owner agrees to indemnify, hold harmless and defend the Architect from claims arising from any reuse of the Documents by any Local Architect.

1.4 After said Assignment of Rights by the Architect, the Owner agrees to indemnify, hold harmless and defend the Architect from claims arising from any reuse of the Documents by any other project or for further replications of the Prototype store.

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**Document Use on Other Projects: From the Architect’s Perspective**

Participation in Rollouts allows the Architect to share financially with the Owner in the income stream derived from a successful “design idea.” That sharing of revenues may take the form of ongoing professional fees in connection with a specified number of Rollouts; a license or Rollout fee; or some combination of these. Occasionally, the Architect will receive an equity participation in the entity that owns the Rollouts as part of his compensation. This is most common in situations where the Architect qualifies as a “signature architect” and allows his name to be used for promotional purposes in connection with the Rollouts. Equity interests are typically in addition to fees for professional services, although sometimes the compensation package involves a combination of equity interest and payment of fees at reduced rates.

The Architect’s substantive involvement only continues for the first few Rollouts. Although the number of Rollouts in which the Architect participates varies from project to project and is the source of considerable negotiation, both parties recognize that after replicating the same design multiple times, the Owner will eventually be able to construct the Rollouts on its own while still maintaining the original Architect’s design intent. Ownership of the copyright in the Prototype design is typically transferred to the Owner at the point in time that the Architect’s active involvement in the Rollouts ends.

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**Document Use on Other Projects: From the Owner’s Perspective**

The Owner’s goals in connection with Rollouts are typically to gain the in-house ability to implement the Architect’s design aesthetic, as embodied in the Prototype design, as quickly as possible and to control design fees by negotiating a transfer of the copyright from the
Architect after the minimum number of Rollouts. The Owner also may try to control design fees by engaging the local design professional to do as much of the document preparation as possible for each Rollout, while retaining the Architect only to review those documents for “conformity with design intent.”

A variation on the Rollout idea with which practitioners in this area should be familiar is the so-called kit-of-parts concept. The Architect designs multiple discrete components for a particular type of project, including a number of variations on each of those components. The Owner then combines the components as it sees fit in connection with individual Rollouts, so that no two Rollouts are exactly alike, but all of the pieces of the “kit” nonetheless work together. The kit-of-parts concept is frequently used in connection with interior design projects, such as in-store installations for retailers.

Negotiating Tips Related to Document Use on Other Projects

The following are negotiating tips to use when negotiating terms and conditions related to the reuse of design documents on other projects.

1. Both the original Architect’s Agreement and any separate Rollout Agreements should protect the original Architect from errors and omissions in Construction Documents prepared by local design professionals in connection with individual Rollouts. This is true even if the Architect is reviewing those Construction Documents for “conformity with the Architect’s design intent.” Such a review is for aesthetic purposes only and should not extend to substantive aspects of the Construction Documents.

2. Continuing the same idea, it is important that the Architect’s scope of services in connection with each Rollout be carefully described in the Architect’s Agreement and/or any separate Rollout Agreements, so that all parties, including the local design professional and the contractor (if the Architect’s design intent review function continues in the construction phase), understand the necessary limitations of the Architect’s role. The contractor should know to go to the local design professional (who also is typically the architect of record) with substantive questions.

3. When the Architect’s name is being used in connection with the Owner’s marketing program, counsel for the Architect should make sure that adequate protections are in place to protect the use of that name, including the requirement that the Architect shall have the right to review all marketing materials before they are released to the public.

Avoiding Pitfalls

Ownership of a building is not as complete as it might appear, because it does not necessarily mean ownership of the copyright in the building. If owners fail to address copyright ownership or licensing in their agreements with design professionals, owners may not be getting everything they could have bargained for. They may not have the right to reuse the building designs or to prevent others from doing so. In extreme situations, they may not even have the right to construct the contemplated building. Conversely, design professionals may end up with more rights than they are aware of, but they, too, are vulnerable to unexpectedly being divested of important rights. Once the principles of copyright ownership are understood, as applied in the construction context, both property owners and design professionals can not only avoid these pitfalls, but find opportunities to better position themselves during the negotiation process and beyond.

Endnotes

3. 3. The Lanham Act, 15 U.S.C. §§ 1051, et seq. An architectural work (i.e., a building or part thereof) may be eligible for trademark (or trade dress) protection if it meets the elements of trademarkability and is used in such a way that it is, or could be, perceived as a mark. U.S. PATENT AND TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1301.2(c) [hereinafter TRADEMARK MANUAL]. In order for an architectural work to function as a trademark, it would have to be used as a source identifier for goods or services. The trademark must create “a separate and distinct commercial impression, which . . . performs the trademark function of identifying the source of the merchandise to the customers.” Rock & Roll Hall of Fame & Museum, Inc. v. Gentile Prod., 134 F.3d 749, 752 (6th Cir. 1998). It should be noted, however, that plans and drawings related to the architectural work will likely not be eligible for trademark protection, unless the plans themselves are used as a source identifier of goods or services. The creation of a mark does not automatically vest trademark protection in its creator; instead, basic trademark protection is afforded to the first user of the mark in commerce. 15 U.S.C. § 1051. Normally, the owner of a mark is the person who applies the mark to goods that he or she produces, or uses the mark in the sale of advertising services that he or she performs. TRADEMARK MANUAL, supra, § 803.01. Consequently, because the owner of the tangible architectural work (i.e., the building or part thereof) is the “user,” ownership of trademark rights in the building, if any, will likely vest in the owner and not the design professional. Basic trademark protection extends for so long as the trademark owner uses the mark in commerce. TRADEMARK LAW: A PRACTITIONER’S GUIDE, PRACTICING LAW INSTITUTE, § 1:5.5[E] (4th ed.) (citing United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 97 (1918)).

4. The Patent Act, 35 U.S.C. Patent protection may apply to an architectural work, its elements, or its construction. U.S. PATENT AND TRADEMARK OFFICE, MANUAL OF PATENT EXAMINING PROCEDURE § 1501 (8th ed.) [hereinafter PATENT MANUAL]; 35 U.S.C. § 171; 35 U.S.C. §§ 101, et seq. A design patent provides its owner the right to protect only the novel and nonobvious ornamental design of an original article of manufacture (not its structural or utilitarian features). PATENT MANUAL, supra, § 301(l) (citing Beech Aircraft Corp. v. EDO Corp., 990 F.2d 1237, 1248 (Fed. Cir. 1993)). It is possible to obtain a design patent on a building or its elements. See Pure Oil Co. v. Ruthsatz, 27 F. Supp. 688, 689 (D. Mich. 1939) (holding that a service station of “distinctive design” and “color combination” was a “good and valid” patent). By contrast to a design patent, a utility patent is provided for any “new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof. . . .” 35 U.S.C. § 101. A utility patent may apply to elements of a building or its manufacture. Only a natural person may be an inventor in a patent application; however, the inventor’s rights may be assigned by contract to a third party (or in the context of an employment relationship, an employee’s rights may be automatically assigned to the employer if the employee was “hired to invent”). A patent can be granted before the invention (i.e., the building or part thereof) is actually constructed so long as all of the patent application requirements are met. Pfaff v. Wells Elecs., Inc., 525 U.S. 55 (1998) (an invention may be constructively reduced to practice if the inventor provides a written description and drawings that would enable someone with ordinary skill in the art to understand, reproduce, and operate the invention). To avoid arguments that the design professional owns patent rights in an invention by the design professional, the owner could include in
the governing written agreement between the owner and the design professional an express assignment of all inventions.


6. 17 U.S.C. § 102(a). The statute affords copyright protection to the following categories of works: (1) literary works; (2) musical works, including any accompanying words; (3) dramatic works, including any accompanying music; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; (7) sound recordings; and (8) architectural works.

7. Id. § 101.

8. Id.

9. Pursuant to 17 U.S.C. § 101, “technical drawings, including architectural plans” are part of the statutory definition of “Pictorial, graphic, and sculptural works.”

10. Id. § 106.

11. Id. § 101. “A ‘Useful Article’ is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a ‘useful article.’”

12. The test was codified in the Copyright Act of 1976 (see the definition of pictorial, graphic, or sculptural work). The test asks courts to grant copyright protection only to those elements and “features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” For more on the “separability test,” see Kiesielstein-Cord v. Accessories by Pearl, Inc., 632 F.2d 989 (2d Cir. 1980); Carol Barnhart Inc. v. Economy Cover Corp., 773 F.2d 411 (2d Cir. 1985).

13. U.S. Const. Art. I, § 8, cl. 8. This clause serves as the basis for patent and copyright laws.

14. See Imperial Homes Corp. v. Lamont, 458 F.2d 895, 899 (5th Cir. 1972) (holding that “no copyrighted architectural plans . . . may clothe their author with the exclusive right to reproduce the dwelling pictured”); see also Donald Frederick Evans & Assoc., Inc. v. Cont’l Homes, Inc., 785 F.2d 897, 902 (11th Cir. 1986) (holding that a “building itself has ‘an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information,’ 17 U.S.C. § 101, and as such is a useful article not susceptible to copyright”).

15. The Berne Convention for the Protection of Literary and Artistic Works, accepted by 163 nations, is the preeminent, and oldest, international copyright legislation in effect. The Convention guarantees authors in member states certain minimum protections, and was originally adopted in 1886.

16. There are several substantive differences between the Berne Convention and U.S. copyright law, including broader subject matter definition, standing for foreign nationals, lack of formalities, and the inclusion of “moral rights”—the latter being the most objectionable to the United States. See Berne Convention for the Protection of Literary and Artistic Property, Sept. 9, 1886, art. 6 bis, 828 U.N.T.S. 221, 235 (Paris Revision, July 24, 1971).


18. Id. § 102.


20. Id. § 202.11(d)(1)(2).

21. 17 U.S.C. § 106. The owner of a copyright “has the exclusive rights to do and to authorize any of the following: (1) to reproduce the copyrighted work in copies or phonorecords; (2) to prepare derivative works based upon the copyrighted work.”

22. Id. § 120.

23. Id. § 120(a). The reasoning behind this is explained in the House Report accompanying the bill. “Architecture is a public art form and is enjoyed as such. Millions of people visit our cities every year and take back home photographs, posters, and other pictorial representations of prominent works of architecture as a memory of their trip. Additionally, numerous scholarly books on architecture are based on the ability to use photographs of architectural works. These uses do not interfere with the normal exploitation of architectural works.” H.R. Rep. No. 101-735, 101st Cong., 2d Sess. 22 (1990).


25. Architectural Works Copyright Protection Act, Pub. L. No. 101-650, 104 Stat. 5089, 5133. See also Richard J. Zitz, Inc. v. Pereira, 232 F.3d 290 (2d Cir. 2000), holding that a building that was “substantially complete as of December 1, 1990, was excluded from coverage under the Architectural Works Copyright Protection Act and, therefore . . . had no valid copyright.”

26. See U.S. Copyright Office, Circular 41. Construction of the building alone does not constitute publication unless multiple copies are constructed.

27. 17 U.S.C. § 411. The only action that does not require registration is a section 106A(a) action for violation of rights of attribution and integrity.

28. Id. § 412.

29. Id. §§ 504, 505. See Guillot-Vogt Assoc. v. Holly & Smith, 848 F. Supp. 682, 690 (D. La. 1994), where failure to register the architectural work within the time period (three months) left plaintiff without statutory damages or attorney fees. When registering a work, it is also important that the copyright holder register the work in the correct category. There are two separate causes of action under the Copyright Act for architectural plans—as either “pictorial, graphic, or sculptural works” or “architectural works.” In order to proceed in an action that includes the actual building structure, one must register the plans as “architectural works.” A work may be registered under both categories, but just registering the work as “technical drawings” under the “pictorial, graphic, or sculptural works” scheme does not invoke the protections of the AWCPA. Dual registration puts the copyright holder in the strongest position for redress should another party infringe its copyright.


32. Id.

33. Id.

34. See 17 U.S.C. § 202. “Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied. Transfer of ownership of any material object, including the copy or phonorecord in which the work is first fixed, does not of itself convey any rights in the copyrighted work embodied in the object; nor, in the absence of an agreement, does transfer of ownership of a copyright or of any exclusive rights under a copyright convey property rights in any material object.”

35. Id. Giving the documents (or the “instruments of service”) over to the owner does not, therefore, vest the copyrights in the owner. Copyrights are retained by the author/architect unless specifically assigned in writing.

36. Id. § 201(a).

37. Id. § 201(d). Note that the transfer may be subject to a “termination right” whereby, under certain circumstances, the copyright reverts back to the original author or heirs who have obtained the “termination right.” See id. § 203.

38. See id. § 204.

39. Id. § 201(a).

40. See id. §§ 101 (“work made for hire”), 201(b).

41. See id. § 201(b).

42. While there are no negative consequences to owning the copyright, it may not be worth it for the owner to bargain for it if ownership means so much to the design professional. Such a case would be the one-off building that the owner has no plans to ever repeat—something that is standardized and simple that has little intrinsic value.

44. 17 U.S.C. § 201(a).
47. See Danielson, 322 F.3d at 40 (citing SmithKline Beecham Consumer Healthcare, L.P. v. Watson Pharms., Inc., 211 F.3d 21, 25 (2d Cir. 2000)).
48. Nelson-Salabes, Inc. v. Morningside Dev., LLC, 284 F.3d 505, 514–16 (4th Cir. 2002); Foad Consulting Group v. Musil Govan Azzalino, 270 F.3d 821, 828–32 (9th Cir. 2001); Johnson v. Jones, 149 F.3d 494, 500–02 (6th Cir. 1998); I.A.E., Inc. v. Shaver, 74 F.3d 768, 775–76 (7th Cir. 1996); and Danielson, 322 F.3d at 40.
49. Danielson, 322 F.3d at 40.
50. Id. at 41 (citing Nelson-Salabes, 284 F.3d at 516). The AIA contract will be discussed at length later in this article.
51. Id. (citing Foad, 270 F.3d at 821; Johnson, 149 F.3d at 494.)
52. Id. (citing Johnson, 149 F.3d at 500). The existence of a signed (or unsigned) contract can often work against the party seeking a finding of an implied license, as is the case for the AIA, which states that the plans “shall not be used . . . for other projects, for additions to this Project, or for completion of this Project by others . . . except by agreement in writing and with appropriate compensation.”
53. Id. at 42.
54. Id.
55. Id. (citing I.A.E., Inc. v. Shaver, 74 F.3d 768, 777 (7th Cir. 1996)).
56. Id.
57. See Foad Consulting Group v. Musil Govan Azzalino, 270 F.3d 821 (9th Cir. 2001); Johnson v. Jones, 149 F.3d 494 (6th Cir. 1998).
60. Erickson v. Trinity Theatre, 13 F.3d 1061, 1069 (7th Cir. 1994). “To be a [joint] author, one must supply more than mere direction or ideas: one must translate an idea into a fixed, tangible expression entitled to copyright protection.” S.O.S., Inc. v. Payday, Inc., 886 F.2d 1081, 1087 (9th Cir. 1989).
61. Id.
63. See M.G.B. Homes, Inc. v. Aameron Homes, Inc., 903 F.2d 1486, 1492–93 (11th Cir. 1990); Aitken, 542 F. Supp. at 259; Cardinal Indus. v. Anderson Parrish Assocs., 230 U.S.P.Q. 678 (M.D. Fla. 1986), aff’d, 811 F.2d 609 (11th Cir. 1987) (finding that owner’s representatives were sole owners of plans, even though plans had similarities to plans of design firm that ultimately was not engaged).
64. See M.G.B. Homes, 903 F.2d at 1492; Aitken, 542 F. Supp. at 259.
66. M.G.B. Homes, 903 F.2d at 1492–93. Note that these joint ownership decisions are all pre-AWPCA, so they apply strictly to the copyright in the architectural plans. This analysis will likely prevail for buildings as well, with the copyright vesting in the design professional who draws the plans. See 5 STEVEN STEIN, CONSTRUCTION LAW ¶ 20.03[5] (2005).
68. Id. § 101(2).
69. See id. § 101(2): “A work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.”
70. See Aitken, Hazen, Hoffman, Miller, P.C. v. Empire Constr. Co., 542 F. Supp. 252, 257 (D. Neb. 1982) (“the architectural plans in question are not a commissioned work as defined by § 101, because they do not fall within any of the listed categories”); M.G.B. Homes, Inc. v. Aameron Homes, Inc., 903 F.2d 1486, 1492 (11th Cir. 1990) (“architectural drafting does not fall within the nine enumerated categories of activities which may be done by independent contractors ‘for hire’”); J.R. Lazarro Builders, Inc. v. R.E. Ripberger Builders, Inc., 883 F. Supp. 336, 341 (S.D. Ind. 1995) (“clearly, neither a house design nor a house itself fits into any of the nine categories of ‘specially ordered or commissioned’ works set forth in the second prong of § 101. Therefore . . . the only relevant prong of the definition of a work for hire is the first or ‘employee’ prong.”).
75. Johnson v. Gordon, 409 F.3d 12, 17 (1st Cir. 2005).
76. Id.
78. Johnson, 409 F.3d at 18–19.
80. Id. at 102.
81. Id. at 104.
82. Id. at 106.
83. Id. at 107–08, 116.
84. Id. at 109–10. The court also noted that the AWPCA’s legislative history indicates that “[t]he phrase ‘arrangement and composition of spaces and elements’ recognizes that: (1) creativity in architecture frequently takes the form of a selection, coordination, or arrangement of unprotectable elements into an original, protectible whole; (2) an architect may incorporate new, protectible design elements into otherwise standard, unprotectable building features; and (3) interior architecture may be protected.” Id. at 110 (citing H.R. REP. NO. 101-735, reprinted in 1990 U.S.C.C.A.N at 6949).
85. Id.
86. Id. at 113. The court listed seven similarities and four differences.
87. Id. at 114.
89. Id. at 115.
90. Id. (citing 17 U.S.C. § 101).
91. Id. at 115–16.
92. This right extends to “joint owners” as well, who may institute an action with or without the support of other joint owners. See 17 U.S.C. §§ 201(a), 501(b).
93. Full transfer shifts ownership of all of the section 106 exclusive rights. Assignment of one or more rights can also be done while maintaining ownership of the underlying copyright. The section 106 rights of the 1976 act that have to do with architectural works are (1) the derivative works right, (2) the right of reproduction, and (3) the distribution right. Id. § 106.
94. While desirable, copyright ownership may not always be worthwhile to bargain for if the building is generic or if the building owner has no real interest in copying the design or preventing others from doing so.
95. The fee is currently $45. See www.copyright.gov/fees.html.
97. Id.; see also ABKCO Music, Inc. v. Harrisonsongs Music, Ltd., 944 F.2d 971 (2d Cir. 1991).
98. Id. Note that it is not possible to assign the right to sue without also assigning either a share in the copyright or an exclusive license.
100. Id. § 504(b)–(c).
101. Id. § 503(a)–(b).
103. The standard for evaluating an injunction is the “balance-of-hardship” test. See Blackwelder Furniture Co. v. Seifig Mfg. Co., 550 F.2d 189, 194–95 (4th Cir. 1977). In the copyright context, it is much easier to get an
injunction because of the nature of the copyrighted works. See Concrete Mach. Co., Inc. v. Classic Lawn Ornaments, Inc., 843 F.2d 600, 611 (1st Cir. 1988). The commercial value of the copyright owner’s tangible (artistic) expression, appropriated by an infringer, may be lost by the time litigation on the claim is complete. Furthermore, monetary recovery at that point may be inadequate to redress the harm.” Id.


106. See Value Group, Inc. v. Mendham Lake Estates, L.P., 800 F. Supp. 1228, 1234–35 (D.N.J. 1992). The Value Group court took the position that it “should not consider balancing of the hardships as a determining factor in granting copyright relief in a copyright matter” because otherwise, “a knowing infringer could construct its entire business around infringement.” Id. (citing Apple Computer, Inc. v. Franklin Computer Corp., 714 F.2d 1240, 1254 (3d Cir. 1983)).


108. Space limitations prevent a discussion here of the document ownership of “instruments of service” scheme utilized under the Associated General Contractors (AGC) and Engineers Joint Contract Documents Committee (EJCDC) form contract documents. For an excellent review of the pertinent provisions in these documents, the reader should consult the Forum on Construction’s recent publication: THE CONSTRUCTION CONTRACTS BOOK: HOW TO FIND COMMON GROUND IN NEGOTIATING DESIGN AND CONSTRUCTION CLAUSES (2004).


110. The reason for the assignment of all rights in the second part is because, as mentioned earlier, architectural designs are not one of the nine enumerated categories of “works for hire” in section 101, and therefore can only qualify under the Copyright Act if there is an employer/employee relationship. There have been a couple of instances where courts have ignored the requirement that an architectural design fit into one of the nine categories and have looked only at the contractual terms. See Guillot-Vogt Assocs. v. Holly & Smith Architects, 848 F. Supp 682 (E.D. La. 1994); Bryce & Palazzola Architects & Assocs. v. A.M.E. Group, 865 F. Supp. 401 (E.D. Mich. 1994). The assignment safeguards the owner regardless of how a court comes down on this issue.

111. Whenever the Architect is subject to the Work for Hire option, counsel for the Architect should try to negotiate a “termination fee” that the Owner would be required to pay in the event of a termination for convenience by the Owner. Such a termination fee is typically a fixed amount that does not decrease over the course of the project. In addition to guaranteeing the Architect payment for the “design idea” embodied in the Documents, the termination fee also serves as a disincentive to any Owner contemplating a termination for convenience in order to engage a less-expensive design professional to complete the Architect’s Documents.

112. Note that it is also possible to exclude the Architect’s copyright from the scope of the Document transfer. Ownership of the physical Documents can be transferred to the Owner, with the proviso that they may be used by the Owner only in connection with the Project for which they were created. The Architect can retain ownership of the copyright for use in developing derivatives of the design for use on other projects. In such a case, however, the Owner may want to impose restrictions on the geographic area within which the Architect may design a similar project based on a derivative of the original design.