

# Circular

## Architects and Intellectual Property: Protecting Your Building Plans and Designs



### Introduction

Architects are engaged to provide a wide range of services including preparing drawings, designs, plans and/or models of buildings to enable development approvals to be obtained, and construction to occur. One issue that arises from time to time is what are the parties respective rights when the architect's retainer is terminated prior to completion of the services. It is important to understand who rightfully owns copyright and moral rights which are referred to as the intellectual property in the work produced by the architect prior to termination, and the protections afforded an architect to protect his or her work. The purpose of this paper is to examine architects' intellectual property rights in relation to their works. In doing so, it will consider copyright law under the *Copyright Act 1968* (Cth) (Act) and moral rights under the *Copyright Amendment (Moral Rights) Act 2000* (Cth). The paper will also address the issue of a clients' implied licence to use the product of the works they commission, and provide guidance to architects on how they can appropriately protect their rights so as to prevent unauthorised use of their works.

### Copyright law

In Australia, intellectual property protection is derived from the Act and the various court determinations which have interpreted and applied the Act. Whilst the Act relates to copyright and the protection of a broad range of criteria, this paper will focus on copyright protection in relation to architectural works, in particular, building plans and designs.

### Copyright law - does it protect architectural works?

Prior to 1968, copyright in buildings and other structures subsisted only in "architectural works of art", which were defined as buildings or structures having artistic character or design. This protection was quite restricted, and led to many disputes regarding interpretation. With the passing of the Act, copyright was found to subsist in a broader range of architectural works. By virtue of section 10, "artistic work" (to which copyright is afforded) is defined to mean:

(a) a painting, sculpture, drawing (which is defined to include diagrams, maps, charts or plans), engraving or photograph, where the work is of artistic quality

or not;

(b) a building or model of a building, whether the building or model is of artistic quality or not; or

(c) a work of artistic craftsmanship to which neither of the last two preceding paragraphs apply. Therefore, a wide range of architectural works, including drawings, sketches and models of buildings, as well as the actual building itself, are now afforded protection under the definition of copyright. Copyright protection will be afforded regardless of whether the item is hand drawn or created by software.

### Copyright law - what it does not protect

Copyright does not protect ideas, information or concepts, nor does it extend to all features of architectural works which are generic to all buildings, such as doors, windows and roofs. Rather, it is the form of expression whether it be an idea, style or information which copyright protection is given. For example, if an architect formulates an idea of an open plan house with high ceilings, arched doorways and a flat roof, the idea is not in itself protected by copyright. However, a drawing or model which incorporates these features of the idea will be protected.

In the case of *Beck v Montana Constructions Pty Ltd (1963) 80 WN (NSW) 1578 (Beck Case)*, Justice Jacobs considered the scope of protection afforded by the law of copyright with respect to architectural plans, noting:

*It is clear I think that the degree of protection of an architectural plan must of its nature be very limited and it seems to me that one of the reasons for the severe limitation in the degree of protection under the law of copyright is that in an architectural plan more than any other form of literary or artistic production there is a greater element which may be described as common to all plans and that the particular portion of the plan which may be regarded as belonging to the owner of the copyright, the particular features of it and of the expression must consequently be more limited.*

It was determined in *Inform Design and Construction Pty Ltd v Boutique Homes Melbourne Pty Ltd [2008] FCA 912*, following the Beck Case that copyright law does not extend to protect any philosophy or design principle - they are viewed as just mere ideas.

## Copyright protection

Under the Act, copyright owners have exclusive rights to use their works in certain ways, including:

- (a) to reproduce the work in a material form (including photocopying, scanning or printing the work);
- (b) to publish the work; and
- (c) to communicate the work to the public (for example, emailing or posting the work on the internet or social media). There is no formal registration process that an architect must follow in order to gain the benefit of copyright. Rather, copyright protection arises automatically from the time the architectural work is given “material form” (an architectural work is given “material form” when an architect creates a sketch or model, or saves a design as a digital file), on the premise that the work is “original”. Copyright owners may also utilise the symbol © to notify others that the work is protected by copyright although the work remains protected by copyright regardless of whether or not there is notice by the placement of this symbol.

## Copyright owners - who are they?

The owner of copyright will generally be the person who created the copyright work. Therefore, an architect who “creates”, owns the copyright of the work, unless the architect is an employee, in which case (and depending on the employment contract) his or her employer will own the copyright of the work; or the architect has entered into an agreement, the terms of which require the architect to assign copyright to the person who has commissioned the work.

Additionally, where architects prepare plans based on the ideas of their client, despite the client having formulated the ideas, it is the architect who owns the copyright of the plans as it is he or she who has given the plans “material form”. If there is no term of the agreement which provides for an assignment of the copyright, the architect gains the benefit of copyright protection and can prevent people from using or reproducing his or her works.

However, the retainer agreement may expressly provide that copyright rests with the person who has commissioned the services and copyright is licenced back to the architect. An agreement may provide for an express licence in two forms. An exclusive licence or a non-exclusive licence. An exclusive licence enables the licensee to exercise the rights granted to the exclusion of all others. This enables the licensee to take action against others infringing copyright, including the former copyright owner. An exclusive licence can only be granted in writing and requires a signature from the original copyright owner.

A non-exclusive licence allows the licensee to use the work in a way that is negotiated between the copyright owner and the licensee. Under a non-exclusive licence, the copyright owner may continue to use the works and has the ability to grant others a non-exclusive licence to the works. Non-exclusive rights need not be in writing (although it is advisable that they are) and can be implied (see below - the exception: implied licence).

## The exception: implied licence

Architects own the copyright in building plans and architectural works that they create. However, circumstances arise where there is an implied licence to use the works to which copyright has attached. As a general rule, regardless of whether a client has paid an architect or not, a client may have an implied licence to use the architect’s work for the purposes for which the client commissioned the preparation of the works by the architect, unless there is a written agreement, that expressly states the contrary position between the architect and the client.

The implication of an implied licence is that in the event the relationship between an architect and a client ceases, no matter what the reason, a client subject to the terms of the agreement may retain the right to take the architect’s work and complete construction based on the architect’s design (even if the work is completed by another architect or builder).

The notion that a client has an implied licence to use the work of an architect they have commissioned, is set out in the judgment in *Gruzman Pty Ltd v Percy Marks Pty Ltd (1989) 16 IPR 87* where Justice McLelland held that:

*When an architect contracts with a building owner to produce plans for the purpose of being used to carry out construction work at a particular site, there arises, subject to any contractual provisions to the contrary, an implied licence from the architect for the use of the plans for that purpose.*

It is often difficult to establish the precise terms and scope of an implied licence. This is because the content of an implied licence is determined by the particular circumstances surrounding the relationship between the architect and the client, including documents that have been exchanged and the discussions that have taken place between the architect and the client. A common issue that arises is that often the client’s recollection of a conversation will not align with the architect’s recollection, thereby making it difficult to determine how the implied licence should operate.

However, as a general rule, implied licences are narrow in scope and do not extend beyond what is necessary to give the agreement between the architect and the client business efficacy. This was affirmed in *Acohs Pty Ltd v R A Bashford Consulting Pty Ltd (1997) 37 IPR 542*, where it was held that the scope of an implied licence is delineated by:

*the purpose of the original commission, which is to be determined objectively by reference to the contract and the parties' circumstances at the time architectural or other consultancy services were commissioned.*

Generally, a client has an implied licence to use the plans to build the building only once, unless an agreement authorises the repeated use of the architect's design. Also, the implied licence will not extend to the client using the plans that have been commissioned for the construction of the building on another site.

This reflects the decision in the Beck Case where the Court held that:

*...the engagement for reward of a person to produce material of a nature which is capable of being the subject of copyright implied a permission or consent or licence in the person making the engagement to use the material in the manner and for the purpose in which and for which it was contemplated between the parties that it would be used at the time of the engagement.*

Based upon the above, it is unlikely that a client would be able to rely upon an implied licence if the client has built a replica of the architect's design on the same site unless the construction of a replica building was originally contemplated.

### Can the implied licence be revoked?

The implied licence may be revoked or terminated pursuant to an agreement between the client and the architect. An example would be a specific clause in the architect/client agreement stating that any licence - express or implied - will terminate if the client fails to pay the architect for his or her services and as a consequence the agreement can be terminated.

In the absence of a specific contractual right, the ability to revoke or terminate the implied licence is available to the client but it is a right which is only temporary. This temporary right is because, following natural progression, there comes a stage where the objective has been achieved and the entitlement has passed. This was demonstrated in the case of *Concrete Pty Ltd v Parramatta Design & Developments Pty Ltd [2006] HCA 55 (Concrete)*, where it was held that an implied licence may become irrevocable:

*...once the development consent has been granted, the implied licence or consent to the owners must be irrevocable, because one of the purposes for which the plans and drawings were prepared has been achieved.*

In that case the High Court of Australia held that the irrevocability of an implied licence to use copyright plans runs with the land. It was determined that an owner who sells land with the benefit of development consent, can be taken to have passed on the benefit of the implied consent to the purchaser. To further explain this concept, if a client commissions an architect to design renovations and obtains approval from the Council for those renovations and the client subsequently decides to sell the house, the house can be sold with an entitlement to use the plans (subject, of course, to the provisions of the architect/client agreement).

However, the High Court of Australia did note that all of the circumstances relating to each event must be taken into account when determining whether an implied licence exists and can be applied. Whether an implied licence applies will depend on the particular facts and circumstances of each individual case. According to the decision in *Gruzman Pty Ltd v Percy Marks Pty Ltd (1989) 16 IPR 87*, once a licence is granted and acted upon by the commencement of work, the licence becomes irrevocable notwithstanding any subsequent failure by the client to pay the architect's fee.

This notion was followed in *Concrete*, where it was held that where there is no express limitation to the contrary, and an architect has prepared plans for the purpose of an owner obtaining development consent, the implied licence can be assigned to a new owner upon sale of the development without any further permission or fee where the development has not yet been completed. If there are no express provisions in the architect/client agreement revoking the client's implied licence for specific reasons such as where the client has failed to pay, the only remedy available for an architect is to sue for debt and not for breach of copyright.

### Additions or modifications to original plans

Generally, making additions or modifications to a plan or work will not avoid infringing copyright particularly where distinctive or important elements of the original plan or work are replicated in the "new" plan. All features of the "new" plan will be taken into consid-

eration when determining whether or not a copyright has been infringed. The plan need not be reproduced in its entirety for it to infringe copyright - even if a plan replicates a small part of a copyrighted plan, if the small part contains an important feature or element of the original plan, this may be viewed as infringing copyright.

The *Copyright Amendment (Moral Rights) Act 2000* (Cth) came into effect in 2000 and amended the Act by recognising the moral rights of authors including the works of architects. Moral rights are personal legal rights belonging to the creator of copyright works. These rights apply to the creator of the work, including where the creator of the work may not necessarily be the copyright owner of the work.

Moral rights differ from copyright protection, in that moral rights remain with the creator of the work even though copyright may have been assigned or licenced. Moral rights extend the law in relation to copyright to make it a personal right. Moral rights cannot be transferred, assigned or sold. Architects can exercise moral rights irrespective of who owns the copyright of the works they created. Moral rights arise automatically and continue until copyright ceases to subsist in the particular works. Pursuant to Schedule 1 of the Act, a moral right means that an architect who has created artistic work has the right:

- (a) to be attributed (or credited) for their work;
  - (b) not to have their work falsely attributed; and
  - (c) not to have their work treated in a derogatory way.
- Moral rights do not protect features of works which are generic or common but protect features of works which are individual, unique or artistic.

### Right of attribution

Pursuant to sections 193 and 194 of the Act, an architect who creates a work, has a right to attribution of authorship, if the work is reproduced in material form, published, exhibited in public or communicated to the public. Section 195AA provides that a right of attribution must be “clear and reasonably prominent”. There are two exceptions to this moral right: if the creator has consented in writing not to be identified and if it is reasonable in all the circumstances not to credit the creator.

### Right not to have work falsely attributed

Pursuant to section 195AC, the creator of a work has a right not to have authorship falsely attributed. Essentially this means that a creator of copyright work has a right to have their work credited to them as the creator and not to a person who did not create the work, and in instances such as where a person has altered

a copyright work, that person has a right to be credited for their work in addition to the original creator of the work. In accordance with section 195AE, it is also an infringement of the moral rights to knowingly deal with or transmit a falsely attributed work. The exception to this moral right is when the creator of the copyright work has given written consent to attribute the work to another.

### Right of integrity or right not to have work treated in a derogatory manner

Section 195AK of the Act defines derogatory treatment in relation to artistic work to mean:

- (a) the doing, in relation to the work, of anything that results in a material distortion of, the destruction or mutilation of, or a material alteration to, the work that is prejudicial to the author’s honour or reputation; or
- (b) an exhibition in public of the work that is prejudicial to the author’s honour or reputation because of the manner or place in which the exhibition occurs; or
- (c) the doing of anything else in relation to the work that is prejudicial to the author’s honour or reputation.

According to the Australian Copyright Council, simply altering a work, or treating it in a way the creator is not happy with, will not necessarily infringe the creator’s moral rights it is necessary to look to the particular circumstances and determine whether there has been some objective damage to the creator’s reputation or honour. There has been no case in the courts which has considered what constitutes behavior that is prejudicial to a creator’s reputation or honour. Relevantly for architects, the Act provides a special exception to infringement of the right of integrity in respect of building works.

Pursuant to section 195AT, a “change in, or the relocation, demolition or destruction of, a building” will not be an infringement of the architect’s right of integrity of authorship “in respect of the building, or in respect of any plans or instructions used in the construction of the building or a part of the building” if:

- (a) the owner of the building, after making reasonable inquiries, cannot discover the identity and location of the author or a person representing the author; or
- (b) if paragraph (a) does not apply - the owner complies with subsection (3A) in relation to the change, relocation, demolition or destruction. Section 195AT(3A) goes on to say that the subsection will be complied with if the owner has given written notice to the author stating the owner’s intention to carry out the change, relocation, demolition or destruction and the notice stated that the person to whom the notice was given could, within three weeks from the

date of the notice, seek to have access to the work for the purposes of making a record of the artistic work and consulting in good faith with the owner about the change, relocation, demolition or destruction. Consequently, moral rights are not infringed if the creator has consented to something that would otherwise infringe his or her rights. Architects may commence proceedings seeking injunctive relief or damages against a party where they have failed to recognise his or her moral rights.

### Summary

Copyright law protects the owner of copyright works, whether it be a person or a company, and moral rights protect the creator of the copyright works.

For a particular work to be considered a copyright work, it needs to feature more than common or generic ideas - there must be some individual or unique feature to the works that requires protection. Whilst copyright and moral rights are designed to automatically protect the interest of creators such as architects, it is necessary for architects to be proactive in order to maximise protection over their works.

When entering into an architect/client agreement with a client, an architect should be mindful that a client who commissions the architectural works is likely to have an implied licence to use those works for the purpose in which they were commissioned. In addition, architects should be aware that a client's failure to pay for the service does not disentitle a client from relying on the implied licence.

The implied licence is irrevocable but only at particular stages.

In circumstances where a client has failed to pay for an architect's services, the architect retains the right to recover the fee under the contract by pursuing a claim in court. Architects should be aware of the potential issues surrounding the ownership of the copyright of their works and may consider practical steps to balance appropriate access to electronic files, while protecting their rights over their works when preparing a written agreement with a client.

### Practical tips

To ensure architects balance appropriate access for clients, with protection of their rights over their works, consideration should be given to the following:

- A written agreement between the architect and the client must at all times be entered into which clearly outlines each party's obligations. This agreement should comply with Section 7 of the NSW Architects Code of Professional Conduct.
- The agreement should contain express terms that deal with copyright and moral rights of the works.
- The agreement may also state the conditions under which a licence is granted or implied under the agreement, and that any licence granted by the architect may be revoked in circumstances where the client has refused to pay or, in the event that there is a change in the client's ownership or legal interest in the site.
- Changes to the original agreement that arise after the parties have entered into the agreement should always be properly documented as a variation to the agreement so as to minimise the risk of later disputes.
- Although notice is not required, it is good practice for architects to use the copyright symbol, ©, to remind users of the works that the creator owns the copyright for the works. Architects should use the symbol on documents, plans, sketches, photographs and designs, especially where they are supplied to other persons such as clients or builders. This may be located in the titleblock where the architects name, contact details and Architects Registration Number are also found (see Part 6, Section 17 of the NSW Architects Code of Professional Conduct).