WHAT YOU DON'T KNOW ABOUT COPYRIGHT IN BUILDINGS COULD COST YOU, SO HERE'S WHAT YOU NEED TO KNOW

Posted on January 30, 2018

Categories: Insights, Publications

The *Lainco* case, which awarded nearly $750,000 for the infringement of copyright in an architectural work, is a warning to those involved in architectural design, engineering, and the construction fields that copying a building design can lead to unpleasant consequences.[1]

As fully discussed in our earlier bulletin The-Kick-that-Got-the-Ball-Rolling-Copyright-in-Architectural-Works-is-Gaining-Traction-in-Canada, *Lainco* signals that the courts are prepared to award significant damages against multiple parties for the breach of copyright in an architectural work (in that case, a soccer stadium). While the statutory requirements to obtain copyright in architectural works were made less onerous in 1988, it is only in the past few years that the trend in enforcing rights has begun to increase.[2] *Lainco* serves as a stark reminder of the importance of staying abreast of developments in the law, and not simply relying on past practice.

Key players therefore ought to revisit their agreements to better understand who owns the copyright, what restrictions exist on the copyright, and to create a framework for the management of copyright in architectural works and the related artistic works in the form of the plans and drawings. The following lessons, in conjunction with counsel's advice, can help those in the building professions stay out of hot water.

The Basics – Copyright in Architectural Works:

- Copyright arises automatically in a person's original fixed expression (i.e. the idea must exist in a tangible form and cannot simply exist in a person's mind). Originality requires that the author exercise more than a trivial amount of skill and judgment.[3] By skill, we mean the use of one's knowledge, a developed aptitude or a practised ability in production must be put forth; and, by judgment, we mean the use of one's capacity for discernment or ability to form an opinion or evaluation by comparing different possible options in producing the work must be shown.
- The recognized categories of copyrightable works include, but are not limited to, literary works and artistic works, with architectural works being a subset of the latter. An architect may have copyright in building plans as a "literary work" but also in the design of the building as an "artistic work" once it is actually built. Copyright lasts for the life of the author plus 50 years.

- It is not necessary to mark the copyrighted work with the word "copyright" or adopt the © symbol to gain protection. In fact, the courts have specifically held that the failure to mark ownership on building plans does not defeat the right to claim copyright.[4] Section 34.1(1)(a) of the *Copyright Act*, creates a presumption in favour of the existence of copyright and the author's ownership, thus placing the burden on the defendant to prove otherwise (for example, by proving insufficient originality of the work).[5]
- Copyright is infringed when a work in its entirety, or a substantial portion of it, is reproduced without the authorisation of the owner. Therefore, making minor changes to another's building design does not necessarily avoid copyright infringement.[6] Relevant questions that the courts consider include: Are the buildings substantially similar in feel and look? What was the source of inspiration for the design? Were sites visited, photos taken, or written works consulted? Are there heritage designations at play, or other zoning bylaws which may restrict variations and encourage mimic architecture?[7] Of note, the *Copyright Act* contains provisions that limit the circumstances in which photos can be taken or drawings made of architectural works, notably, when they are being used as an architectural drawing or plan.[8] In circumstances where the skeleton of the building is visible (as was the case for the *Lainco* soccer stadium), taking photographs should be approached with caution.
- The plethora of architectural works can make it difficult to trace the identity of the author or owner of the copyright, as does the growing rate at which buildings are being erected. While works can be registered on the Canadian Intellectual Property Office ("**CIPO**") database, few authors or owners register their copyright, making it even more challenging to determine to whom the copyright belongs.

Remember the Default Position – Who owns the Copyright in Architectural Works?:

- The default position at law is that it is the architect, and not the builder, who has a primary claim to ownership of the copyright given that the copyright vests in the person who creates the drawings (the original fixed expression) giving rise to the building.[9]
- This default position of ownership changes if the architect is an employee (as opposed to an independent contractor), in which case the employer of the architect owns the rights in the work. Section 13(3) of the *Copyright Act* provides that if the work is created in the course of employment under a contract of service, and absent any agreement to the contrary, the employer will be the owner of the copyright in the work created by the employee without the need for a formal assignment.
- Irrespective of whether the author is an employee, the moral rights in the work always remain with the author.[10] Moral rights encompass the author's right to maintain the integrity of the work and the right to be cited as its author. Moral rights cannot be assigned, they can at most be waived by the author; [11] however, such waiver must be explicit in an agreement in order for it to be enforceable.

Things to Contemplate for the Assignment or Licensing of Copyright:

- Architects may license or assign their copyright through an agreement. A license allows for a restrictable use of the copyrighted work and does not involve a transfer of ownership, whereas an assignment transfers ownership and all accompanying rights from the assignor to the assignee (excluding moral rights which remain with the author unless they are waived).
- Pursuant to s. 13(4) of the Copyright Act, the assignment must be in writing and signed by the author in order for it to be considered legally valid. Unlike other areas of the law where consent can be implied, the absence of a signature has been found to be fatal because the *Copyright Act* specifies a signature in writing is required.[12] Consideration, even if it is nominal, must be exchanged in order for the agreement to be valid in all provinces except Quebec.
- If you are entering a license agreement, consider what limitations you might want to implement: Do you want the rights to revert back to you if the work is not used? Do you want to restrict the number of reproductions? Or limit the geographic scope in which the work can be reproduced? Do you want to maintain your rights to pursue an action in the event of third-party infringement?
- To avoid future costly ambiguities, specify who can apply for copyright registration in other countries, and who has the right to sue, settle and release others from claims of copyright infringement. In the event of a buyout, does the author's consent transfer to the new copyright owner?
- Ensure that there are strong indemnification provisions for any copyright infringement arising from the unauthorised reproduction or use of the work.
- Include a governing law clause, bearing in mind that the rights of the author are more fervently protected in Quebec (as evidenced by their increased propensity to award punitive damages for infringement). If the selected governing law is somewhere in the US, be cautioned that moral rights are not recognised there and thus are unenforceable.

Tips of the Trade – Copyright Peculiarities:

- One oddity of the *Copyright Act* is s. 14(1), which specifies that if the author is the first owner of copyright, the rights will automatically revert to the author's estate 25 years after the author dies, regardless of any agreement to the contrary (there are limited exceptions in instances of collective works or licenses to publish works).
- Further complications arise if the work qualifies as a "work of joint authorship" (author contributions are not distinguishable from one another's) or a "collective work" (author contributions are distinguishable). If the work was jointly authored, there are restrictions on licensing as the authors are considered to be tenants in common.[13] One example of a restriction is that both joint authors must consent in order to assign or license the work.

What You Might Do When You Smell Something Fishy, and What Could Minimize Damages:

- If you realise your building plans looks suspiciously familiar with another's, discuss with your lawyer as to whether steps should be taken to obtain a license or assignment. Tackling the potential infringement head on will be looked upon favourably in the event the matter goes to court. Should a settlement be reached, obtain proof of payment and a written declaration that the use is authorised.
- Do not assume you can escape liability because you were not directly involved in the infringement – in the *Lainco* decision, a school board, architectural firm, engineering firm and general contractor were all held liable for copying the structural design of a neighbouring soccer complex.
- Ensure your commercial general liability insurance policies cover architectural copyright infringement, or review your professional liability insurance to see if there is relevant coverage.
- An inference of copying can be displaced by evidence of independent creation, but not if the copyrighted work was registered.[14] It is important to consult with counsel to see whether this applies to your situation, and to also consider the potential implications of s. 40 of the *Copyright Act* that relate to injunctions.

How to Ensure Your Copyright Is Protected:

- If you are an employee and the author of a work but wish to maintain ownership of the copyrighted work, carefully review your employment agreement and explain your daily responsibilities to counsel to determine whether a separate agreement is needed to clarify who owns the work.
- In the event you want to license your work, instruct your lawyer to draft an as narrow license as possible and avoid assignments. If an assignment is the most appropriate option, insist that you not waive your moral rights.
- Register your copyright with CIPO, as well as all assignment and licenses – it costs little over $50 and creates evidentiary presumptions in your favour.
- Document when people come to visit your building, take photographs or ask for plans.
- Send demand letters and keep a paper trail of your efforts (this tactic seems to have benefited the plaintiff in the *Lainco* decision).

This article is meant to be a jumping off point for discussions with counsel, and should *not* be acted upon before your lawyer can assess the bigger picture. Time will tell as to whether infringement cases for copyright in architectural work will pick up steam, but, in the interim, dusting off your tried and true precedents and having counsel review them is a sensible step towards risk mitigation.

by Christie Bates

[1] *Lainco inc. c. Commission scolaire des Bois-Francs, 2017* CF 825.
[2] To name a few: *Construction Denis Desjardins inc. c. Jeanson* , 2010 QCCA 1287 ; *Evans and Hong v. Upward*

Construction, 2017 BCPC 247; *Oakcraft Homes Inc v. Ecklund*, 2013 CanLII 41981; *Ankenman Associates Architects Inc v. 0981478 B.C. Ltd*., 2017 BCSC 333.
[3] *CCH Canadian Ltd. v. The Law Society of Upper Canada, 2004 SCC 13 at para 16.*
[4] Oakcraft Homes Inc v. Ecklund, 2013 CanLII 41981.
[5] S. 34.1(1)(a) of the *Copyright Act*, RSC 1985 c C-42.
[6] In the case of *Webb & Knapp v. Edmonton (City)* (S.C.C.), [1970] S.C.R. 588, 1970 CarswellAlta 67, at para 43, Justice Hall held that using architectural plans as a basis to draft new plans when the new plans are only a modified reproduction of a substantial part of the original plans constitute copyright infringement. Note, this decision predates the 1988 amendments to the *Copyright Act* and therefore adopts a more rigorous assessment as a higher bar for "artistic architectural works" was in place.
[7] In MacNutt v. Acadia University, 2016 NSSC 160, the court, in assessing whether there were similarities between the buildings, considered whether they were as a consequence of the mimic architecture required by Acadia and the Town of Wolfville.
[8] S. 32.2(1)(b(i) of the *Copyright Act*.
[9] Hay v. Sloan, [1957] O.W.N. 445, at para 7.
[10] S. 14.1(2) of the *Copyright Act*.
[11] S. 14.1 of the *Copyright Act*.
[12] *Tremblay v. Orio Canada Inc.*, 2013 FC 109 and s. 13(4) of the Copyright Act.
[13] *Lauri v Renad,* [1892] 3 Ch. 402 (Eng. C.A.).
[14] S. 39 of the *Copyright Act*.

A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.