

## **Lessons Learned – For Maximum Protection Record Your Copyright Plans**

By Eric J. von Vorys

As most builders and design professionals know, unique building designs are eligible for copyright protection. In fact, under the current Copyright Act, architectural plans are automatically copyrighted from the moment they are preserved in a fixed form, for example, once the creative designs have been put down on paper. What many people may not know is that unless the design professional or builder records their architectural plans with the Copyright Office (which is part of the Library of Congress), this automatic copyright does not grant much protection from today's infringers.

Kenneth Bonner, a self employed architect and owner of the Metropolitan Architectural Group in Reston, Virginia, learned this lesson. According to court documents, Mr. Bonner was hired by American Woodmark Corporation to create the company's new customer service center on a parcel of land owned by Dawson Investments. Dawson hired Terry Bishop to erect the new building based on Bonner's architectural plans.

Once completed, American Woodmark was so pleased with the new building that it contacted Dawson to build a second building adjacent to the first building. This second building would have identical elevations as the first building, but the interior would be changed to accommodate tenants. Dawson agreed to build the second building, and once again contracted with Bishop for the construction. However, no one contacted Bonner.

While driving past the original building later that year, Bonner suspected that his architectural plans for the first building were being copied, and thus, infringed upon by the construction of the second building. He immediately recorded his architectural plans for the first building with the Copyright Office and sued Dawson and Bishop for copyright infringement. In his complaint, Bonner requested that he be deemed the owner of the architectural design for the second building and that Dawson and Bishop be required to pay actual damages for his lost services as well as lost "infringer's profits."

The infringer's profits sought by Bonner were the profits received by Dawson and Bishop from the construction and lease of the building. Courts often liken infringer's profits to unjust enrichment. In other words, Bonner claimed that Dawson and Bishop should not be able to unjustly profit from their infringement. Indeed, courts have struggled with the concept of infringer's profits for some time now. How do you deter copyright infringement of architectural works if the only award of damages is the cost of the plans when the infringer's profits from a commercial building can be ten times that much?

At the trial's close, U.S. District Judge Glen E. Conrad found that Dawson and Bishop had indeed infringed upon Bonner's architectural plans when they built the second building. However, the Court held that a second trial must be conducted on the issue of damages. Under U.S. copyright law, if a copyright owner records his claim with

the Copyright Office before the infringement occurs, the owner can receive statutory damages. These range from \$3,000.00 to \$150,000.00 per instance of infringement depending upon a number of factors, including whether the infringement was willful. In addition, courts generally award attorneys' fees and costs to the aggrieved party.

However, if the copyright owner records his claim after the infringement occurs, as Bonner did, the owner cannot receive statutory damages or attorneys' fees, but must prove the exact amount he was damaged by the infringement. In other words, Bonner had to prove that he was entitled to Dawson's and Bishop's income from the second building because Dawson and Bishop would not have received that income had it not been for Bonner's unique building design. At trial, the only evidence Bonner submitted was the amount of Bishop's profits from the building construction and the amount of Dawson's profits from tenant rents. Apparently, the jury was not convinced because it simply awarded Bonner \$10,707.00 in actual damages, but declined to award infringer's profits.

Bonner requested a new trial, but Judge Conrad denied the request, holding that Bonner could not recover Dawson's and Bishop's profits from building and leasing the building as a matter of law because Bonner had not proven that Dawson's and Bishop's income from the building was a direct result of the unique building design and not some other reasonable factor. With only \$10,707.000 to show after two trials, Bonner appealed to the United States Court of Appeals for the Fourth Circuit.

The appellate court disagreed with the lower court and stated that the Copyright Act contains an initial presumption that a copyright owner is entitled to infringer's profits when the copyright owner presents proof of a reasonable relationship between the infringement and the profit stream. This Bonner did by showing that Bishop's construction profits and Dawson's leasing profits were directly generated by the infringing building. So, Bonner was entitled to the benefit of this presumption.

However, this was a hollow victory for Bonner because the court continued that once a copyright owner meets his initial burden of showing a reasonable relationship between the infringement and the profit stream, the burden then shifts to the infringer to proffer evidence that the profits were attributable to other factors. This Dawson and Bishop did by having witnesses testify at trial that they would have leased the building even if it was designed differently. Thus, after three years of litigation, the only thing Bonner had to show was his \$10,070.00 award.

If there is any lesson to be learned from this case it is that builders and design professionals must record their architectural works with the Copyright Office as soon as possible after they are created to give them the right to recover the statutory benefits under the Copyright Act instead of the often limited (and hard to prove) actual damages.

Eric J. von Vorys is an attorney with the law firm of Shulman, Rogers, Gandal, Pordy & Ecker, P.A., concentrating on intellectual property matters.

