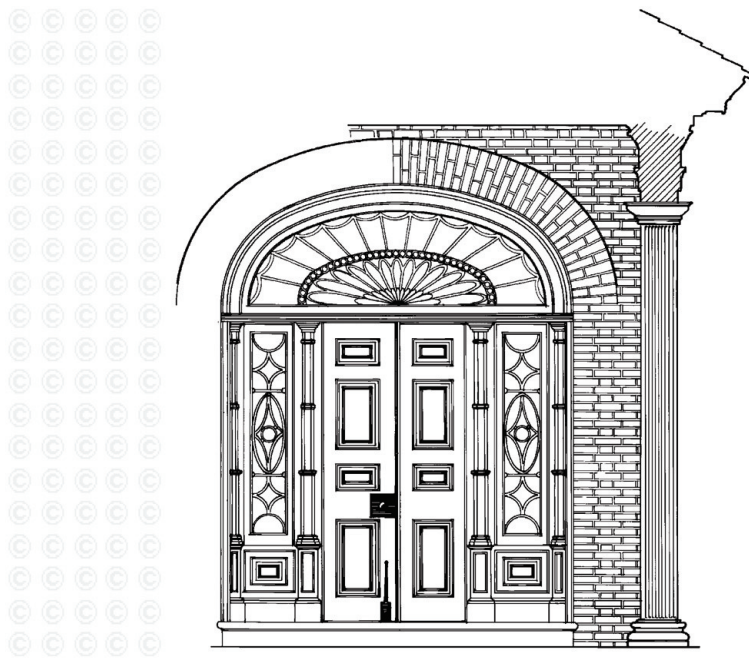


PREPARING FOR ARCHITECTURAL WORKS COPYRIGHT LITIGATION

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LITIGATION PRIMER

Builders likely “save” millions of dollars each year by using illegal and unlicensed designs for new home construction. In 1990, Congress amended the Copyright Act to provide significantly more protection for architectural works copyrights. The courts are slowly taking notice. Certain steps will allow you to fully enforce your copyrights and will assist you in avoiding the full brunt of the law if accused of infringement.

I. Preparation

The most important thing a home designer can do regarding litigation is prepare. If it has not already occurred, someone will likely illegally copy a plan you authored and will profit from either reselling the plan or building from the plan. The extent to which you prepare for this occasion may determine whether you can enforce your copyrights and will certainly impact the strength and value of those rights in litigation. Similarly, basic precautions significantly decrease the likelihood of your being sued for copyright infringement and decrease your ultimate exposure.

A. Preparing to enforce your copyrights.

The most important preparation to take in anticipation of your designs being improperly copied is to register your designs with the Library of Congress. You should register every design you author where there is any possibility of it being built more than once. If you cannot afford to register all of your plans, you should initiate a program to register a fixed number each month, starting with your most popular plans. The benefit of a prior registration or registrations in just a single lawsuit is substantial. Prior registrations literally increase the potential value of your lawsuit by tens of thousands to hundreds of thousands of dollars. Further, you will be required to obtain a federal copyright registration in any event prior to filing a lawsuit. You may want to consult an experienced copyright attorney to assist you with filing for registrations, or, you can find free instructions on how to do so in the book *Copyright Basics for Home Designers & Publishers*, authored by David E. Bennett, and available free of charge at www.coatsandbennett.com/articles.html. You can also obtain information and instructions at www.copyright.gov. Given the low costs, there is simply no excuse for not routinely registering your plans.

Including your title block on every design and draft that you author may prove valuable in future litigation. Include a notice statement that the plan is not to be reproduced, copied, modified or used to build more than a single structure. Include on the title block a copyright symbol (“©”) together with the year of creation and the copyright owner’s name. An example would be as follows: © 2004 Coats & Bennett, PLLC. Study copies should be marked with a notation such as “NOT FOR CONSTRUCTION.”

Endeavor to maintain written records of your fee schedule for designs, reprints, and for advertising prints for real estate agents. Dated records of your fee schedule will be relevant and important evidence in proving your damages in a future lawsuit. Maintain these records for at least three years.

B. Precautions against being sued.

Copying of home designs is a self-perpetuating cycle. By some estimates, over 75% of all new home construction is based on unlicensed copies of designs, which means the original author did not receive due compensation. Obviously, such practices severely impact the money designers earn. In an effort to make-up for the artificially low demand for paid licenses, many designers feel financially compelled to assist their clients in copying or modifying another designer's work. Put simply, they need the money. This is always a bad decision for two reasons. First, it significantly increases the likelihood of your being sued for copyright infringement. If the design you copy or modify was previously registered with the Library of Congress, your actions may have severe financial repercussions that could lead to bankruptcy. Second, such copying and modification only perpetuates the self-defeating cycle.

You can still help your clients without modifying or copying another's design. Foremost, copyright law does not prohibit you from using a design idea or concept. Simply have the client explain to you the concept he or she wants without telling you how to draft or specifically dimension that concept. Second, whenever the client asks you to copy or modify a design you did not draft, ask the client or prospective client to sign an agreement where they promise to fully indemnify and defend you against any future allegations of copyright infringement. If they refuse to protect you from any consequences of doing what they ask, do not take the job.

Despite all precautions, you may still find yourself accused someday of copyright infringement. In such an event, it will be very important whether you have an insurance policy that pays for an attorney and indemnifies for advertising injuries. You should maintain commercial general liability insurance coverage and review the policy in detail to ensure that it does not contain exemptions for advertising injuries caused by copyright infringement. If it does, find another policy or carrier.

II. Your Own Personal Subpoenas

Think of a subpoena with your name on it as an incoming artillery round: take cover. Friends do not send subpoenas to friends. Despite what anyone tells you, if you receive a subpoena commanding you to produce documents and provide sworn testimony about design work you have done, there is always a possibility you will be named the next contestant in someone's copyright infringement lawsuit. If the person serving the subpoena were "friendly" he or she could simply call you on the telephone and request you to voluntarily provide copies of the documents and voluntarily sign an affidavit. Although there are certainly many exceptions to the general rule, you should proceed with much caution upon receiving a subpoena regarding your professional services, particularly if the builder that used your designs is a defendant in a lawsuit.

The first thing you should do is consult a copyright litigation attorney, preferably one with experience in litigating architectural works disputes. Do not hesitate in this regard, and do not, whatever you do, ignore the subpoena. Failure to comply with a subpoena is treated as contempt of court. Failure to timely serve written objections constitutes a waiver of most objections.

When you receive a subpoena that commands your testimony, the subpoena has been written and signed by an attorney with a duty to advocate his client's case. It is most likely that he wants your testimony and/or evidence to further his client's interest. The attorney is not on a "Perry Mason" quest for truth. Although the truth is highly relevant and important, the attorney is obligated to further his client's interest, typically financial interests. What this means is that your goal is not to explain the big picture or present your side of the story. Your objective is to comply with the subpoena to the extent required by law, testify truthfully, and limit your exposure to the extent possible.

When a person is arrested, he commences a criminal proceeding. In the criminal context, the law requires that the arrested party be read his rights. You have likely heard it on television (if not in person): "You have the right to remain silent. Anything you say can and will be used against you in a court of law." When you receive a subpoena, you are in a civil proceeding. Do not be misled by the name. Instead of handcuffs and bars, you will face Rolexes and pinstripe suits. Anything you say, however, in a civil deposition can and will be used against you in a court of law. The opposing attorney is under no obligation to tell you this. The criminal defendant does not have to testify or answer questions. There's no such luxury in the civil context. You must answer the questions. Listen to the question asked, answer only and precisely that question, and say nothing further. Do not feel compelled to say more if and when the opposing attorney stares at you in silence or asks "What else?" As long as you truthfully answer the question asked, you need not say anything else. The bottom line: treat subpoenas seriously and with great caution.

III. You've Been Robbed!

The day a designer discovers he has been the victim of widespread copying, is too often the day before he realizes he really ought to have registered his designs a long time ago. That realization becomes a sickening feeling in the stomach about ten minutes into his first conversation with an attorney experienced in architectural works copyright litigation. Even if you have not obtained registrations, all is not lost. There are still certain basic steps you should take to improve your legal position. Foremost, begin aggressively but quietly collecting evidence. Obtain copies of infringing building plans from wherever you can without disclosing your motive, if possible. Go to the building inspection department to review and copy the filed plans. Take photographs and find marketing material. Take a picture of infringing structures, particularly pictures of the infringing structure with real estate signs and/or the builder's name on it. Any sign with the builder's name on it next to the construction site may become relevant for collecting against that builder's insurance policy. Serial copyright infringers are often not of the highest moral caliber. The same type person that will egregiously steal and copy your plans is also, typically, the same type person that will egregiously and deliberately destroy evidence of his wrongdoing. During this investigation in the collection stage, resist the urge to make threats or provide warning. Do not remove plans from the construction site.

The next important step is to find and secure litigation counsel with experience in architectural works copyright infringement to review your design against the accused plans.

IV. You've Been Sued!

Once threatened with a lawsuit, do not play Enron. Stay away from the shredder and remove the "Delete" key from your keyboard. Preserve all potentially relevant documents and information as soon as you believe you might be involved in a lawsuit. Destruction of evidence can lead to adverse evidentiary rulings and presumptions all the way to criminal prosecution against you.

Find a competent lawyer, following the guidance above. Tell your insurance broker to notify all your relevant insurance policy underwriters. If the allegations against you span many years, make sure to notify the relevant insurance carrier for each year, not just the current carrier(s). Ask your attorney for help.

Anthony J. Biller

Anthony Biller won a \$3,000,000 patent infringement judgment against Sears, Roebuck & Co — on summary judgment — representing a small textile manufacturer. Mr. Biller successfully defended another client in a trade dress lawsuit by convincing the court to cancel the plaintiff's ten-year-old, incontestable federal trademark registration. Again, Mr. Biller won the case at summary judgment, saving the client considerable cost and anxiety.

Mr. Biller's practice includes intellectual property litigation and representation of clients before relevant administrative agencies, including trademark disputes before the United States Patent & Trademark Office. Mr. Biller also assists clients with selecting, clearing and maximizing protection of their brands. He also assists clients in drafting franchising and licensing agreements.



Mr. Biller represents clients in patent, trademark, and copyright infringement litigation throughout the United States. He has experience litigating unfair trade practices, franchise disputes, false advertising, trade secrets, defamation, cyberpiracy, and trademark dilution. Mr. Biller served as a US District Court judicial clerk for the Honorable William L. Osteen, Sr. in the Middle District of North Carolina and is admitted to the practice of law in the State of North Carolina, before the U.S. District Courts for the Eastern, Middle, and Western Districts of North Carolina and before the Federal Courts of Appeal for the Federal and Fourth Circuits.

Mr. Biller received his J.D. magna cum laude from Campbell University where he was the managing editor of the Campbell Law Review and a member of the school's John Marshall moot court team. He earned his undergraduate degree from Purdue University where he was a Distinguished Military Graduate. Mr. Biller served four years as an officer in the US Army and, as a Jumpmaster and Ranger, led soldiers in the 82d Airborne Division. He is the President of the Triangle Federalist Society, and a member of the North Carolina and Wake County Bar Associations, the American Bar Association litigation and intellectual property practice groups, the International Trademark Association, the Christian Legal Society, and Colonial Baptist Church.

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