

NEWS & INSIGHTS

Who Owns the Design?

INSIGHTSARTICLE

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You have just been invited to bid on the design of a new project. You are hopeful with the submission of the design you will be selected by the developer to construct and build the project. You submit your design. Unfortunately, you learn that the developer is using your design for the project even though you were not chosen to proceed forward.

What can you do?

The Copyright Act protects original works of authorship fixed in a tangible medium. Although mere ideas, concepts, and factual information are not able to be protected, engineering drawings, specifications, design plans, blueprints, architectural plans, and models *are* protected. Copyright protection begins once the work is tangible so there is no need to file for a copyright protection unless you plan on suing someone for infringement.

A **copyrighted work** is owned by the author of the design at the time it is completed in hard copy or digital form. Absent a written agreement to the contrary, the owner of the copyright is the engineer, architect, or designer who produced the design. If this individual is employed and the design is created within the scope of their employment, then the employer owns the rights to the copyright in the design. If the engineer, architect, or designer is an independent contractor — absent an agreement to the contrary — the rights stay with the engineer, architect, or designer, *even if the developer paid for the design*.

When two or more individuals contribute in a material way to the development of a copyrightable work, both individuals are owners in equal parts of the joint work. Design concepts or factual information given by the developer or approvals by the developer are not enough of a contribution to vest ownership to the developer in the copyrightable work.

The owner of a copyrighted work holds, among other exclusive rights, the rights to reproduce, modify, prepare derivative works, and distribute copies of the work. If someone other than the copyright owner does any of these things without the permission of the copyright owner, infringement may be found and the owner could be entitled to actual damages, or statutory damages, as well as possibly attorney's fees. Infringement can be shown without specific intent to do so. Infringement is possible if there was access to the work and substantial similarity between the copyrighted work and the alleged infringing work.

Often, bid documents contain explicit language that specifically transfers the designer's rights in the design or plans to the developer when the designs are submitted to the developer for consideration. *Bid documents need to be carefully reviewed.*

If there is not a signed agreement transferring ownership, the developer may still have an implied non-exclusive license to use the design, plans, or models for the purpose submitted. Such rights are limited and depend upon the totality of the circumstances surrounding the submission.

So, how do you avoid the issue of the developer using your design *without using your construction services*?

1. Obtain all bid documents.
2. Confirm with the developer that you can use any copyrighted information that is provided in the bid package when you create your design so that you are not liable for copyright infringement.
3. Carefully read the bid documents to make sure that they do not grant the developer any rights to use the design that you are submitting if you are not awarded the project. If the bid documents do grant such rights, you may have to approach the developer and negotiate prior to the submission or realize that you are losing your rights in the design by submission of the plans or drawings in response to the bid without any guarantee of obtaining the build contract. If you are required to relinquish the rights, make sure that you obtain a release and indemnification from the developer if the developer is using your design without going forward with you on the build of the project.
4. If the bid documents do not specify that the developer will obtain rights to the design, *be proactive*. Accompany any submission with a statement that no rights are granted by the submission other than the right to review the design and that further agreements as to the use of the design will be negotiated in the future. *Mark all drawings and models as proprietary information.*

5. Understand that collaborating with other parties in submitting bids may create issues of joint ownership.

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