Addressing the moral rights of design consultants

Practitioners need to advise building owners to consult the original architects of their building when considering renovating, adjusting or demolishing.

By ANDREW MURRAY

Andrew Murray is special counsel with Colin Biggers & Paisley. *The author would like to acknowledge the significant contribution of Avendra Singh to the preparation of this article.*

In 2000, architect firm Tonkin Zulaikha Greer was engaged by the National Gallery of Australia to replace Colin Madigan's original and allegedly "dysfunctional entry sequence"[2] of the 1960s with a multi-level foyer through which visitors could access all floors of the collection. After years of wrangling and attempts to reconcile the creative intentions of the original and new design teams, the project was abandoned. The whole process repeated itself in 2005, this time with a new set of architects and Mr Madigan being paid a consultancy fee of approximately $40,000 before having his retainer terminated by a gallery director willing to chance the uncertainties of novel litigation rather than compromise his vision for the renovations.[3]

The National Gallery was one of the first iconic Australian buildings to be the subject of threatened litigation over the alleged infringement of the (then recently enacted) moral rights provisions of the *Copyright Act 1968* (Cth) (the Act).

The practical effect of the moral rights provisions is to require building owners to give original architects a seat at the table when proposing to renovate, adjust or demolish a structure they designed.

Just how far owners are required to go, and precisely what an architect aggrieved about the treatment of their legacy can do to thwart their intentions, remains unclear. Despite prominent disputes, such as the one involving the National Gallery, there has been no superior court consideration of the moral rights provisions in the field of building law in Australia and the two recorded decisions of the Federal Magistrates Court provide scant direction regarding the application of moral rights within a building industry context.[4]

Owners of many buildings completed prior to the enactment of the provisions in December 2000 (and before they could possibly have been dealt with contractually in the ways suggested in this article) will be considering renovation. Even though a building may have been constructed before moral rights had any force in Australia, the provisions will apply to such renovations.

In many respects, Australian moral rights legislation renders Betty Churcher's cri du coeur (see box) regarding the evolutionary properties of buildings more an article of faith (and a naive one at that) than a legal truism.

Moral rights in the Copyright Act

The concepts adopted in the moral rights provisions of the Act substantially derive their meaning from the law of copyright.

In the case of a completed building, copyright may inhere in plans produced by an architect and in the structures created in accordance with those plans – provided such plans and structures are original works of the architect and not themselves copies of other material.

If a person, without being the owner or licensee of copyright in a set of plans or in a building reproduces the plans, reproduces the building, creates a building from the plans or creates plans from the building, that person infringes the owner's copyright in those plans or in that building and will be liable to the owner for copyright infringement in accordance with the Act.

Under s.190 of the Act, moral rights in any work in which copyright subsists attach to the author, provided the author is a natural person.

Moral rights only attach to natural persons and are incapable of assignment or devolution by will (s.195AN(3)). Where a work is the product of one or more authors, moral rights apply jointly to each author. Any consent of one author to engage in conduct which might infringe that author's moral rights does not affect the moral rights of another joint author (s.195AZI).

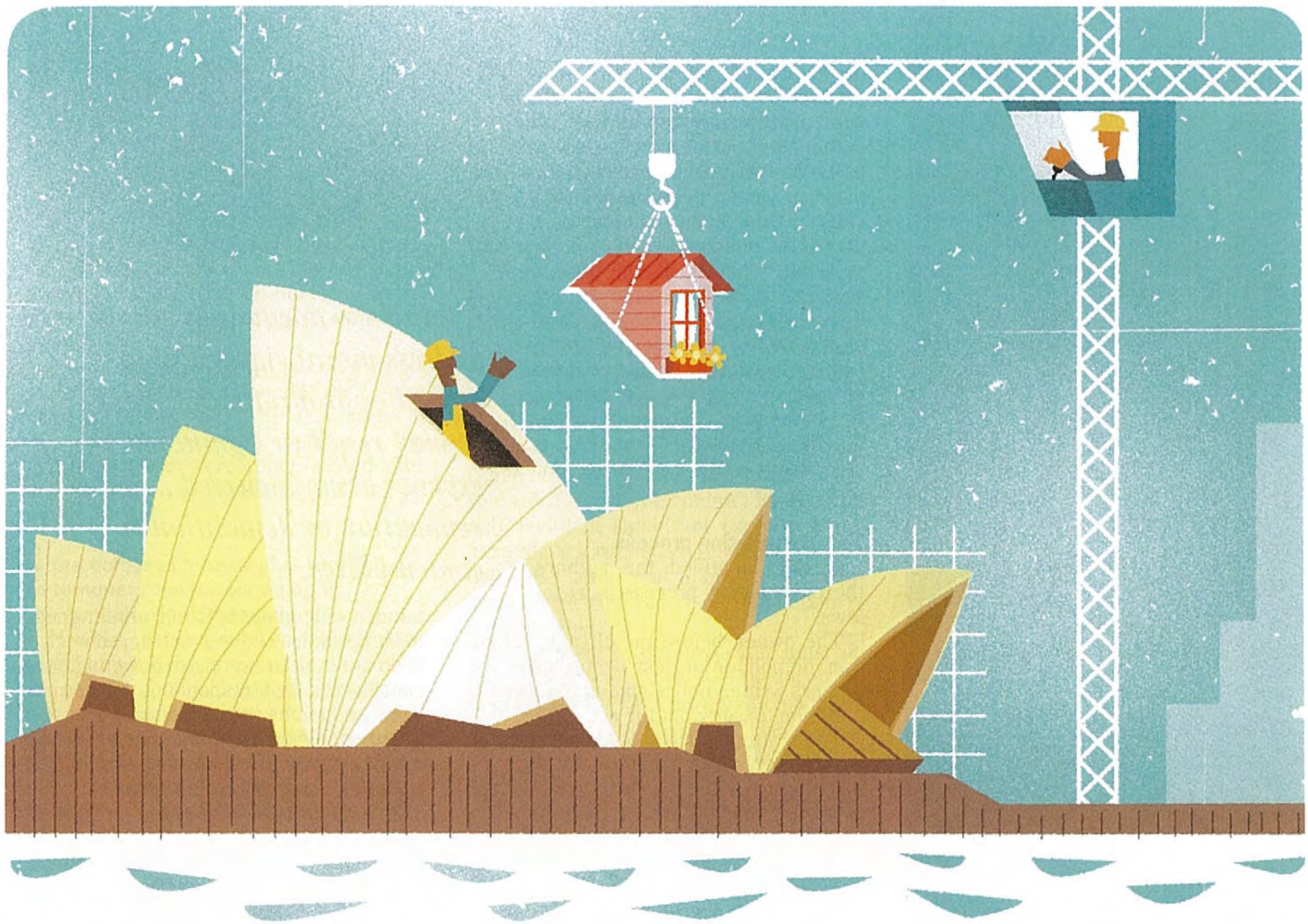

ILLUSTRATION: DEAN GORISSEN

Other than moral rights in respect of a film, moral rights subsist for the same period as copyright, namely, until 70 years after the end of the calendar year in which the author died (s.33). Upon the death of the author, moral rights may be exercised by the author's legal personal representative.

Moral rights fall within two broad categories:

- ☐ the right of attribution of authorship (including the right not to have a work falsely attributed); and
- ☐ the right of integrity of authorship.

Author's right of attribution

The right of attribution of an author is the right to be identified as an author of the work. The obligation arises under s.194(2) if any of the following acts are undertaken in respect of the work:

- ☐ reproducing the work in material form;
- ☐ publishing the work;
- ☐ exhibiting the work to the public; or
- ☐ communicating the work to the public.

While such a test could be readily satisfied in the case of a set of architectural plans, in the case of a building, the section, in particular, the words "a person acquiring the reproduction", do not make much sense. Does it mandate a plaque at the entrance to every home, identifying the members of the design team who prepared the original plans? A plain reading of the legislation would make it appear so.

Author's right of integrity

The right of integrity is easy to define but difficult to apply. Section 195AI of the Act states:

"(1) The author of a work has a right of integrity of authorship in respect of the work.

(2) The author's right is the right not to have the work subjected to derogatory treatment."

"The dead hand of an architect cannot stay clamped on a building forever. Buildings change, and can change back again."[1]
- Betty Churcher, former director, National Gallery of Australia

Derogatory treatment is further defined in the following terms in s.195AK as:

"(a) the doing, in relation to the work, of anything that results in a material distortion of, the destruction of, the mutilation of, or a material alteration to, the work that is prejudicial to the author's honour or reputation; or ...

(c) the doing of anything else in relation to the work that is prejudicial to the author's honour or reputation."

Two questions immediately arise. Is the demolition of a building invariably prejudicial to the honour or reputation of its architect? And how would a court evaluate whether an alteration to a building is prejudicial to the "honour or reputation" of its architect?

Neither of these questions has been the subject of judicial comment in this context.

When is derogatory treatment permissible?

Section 195AS(2) of the Act identifies a non-exhaustive list of matters to be taken into account when determining whether derogatory treatment is reasonable.

Separately, provided that the owner of the building can identify all relevant authors and thereafter complies with the

procedure in s.195AT(3A) (the consultation process), such acts will be deemed not to infringe an author's right of integrity 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, after having made reasonable inquiries, the owner cannot discover the identity and location of the author or a person representing the author or of any of the authors or a person representing the authors, as the case may be, the owner is absolved from further compliance with the consultation process.

"A failure to adequately address moral rights and to extract appropriate consents ... may result in significant expense being incurred ... once renovation or demolition is contemplated."

The consultation process

Having identified the authors, the consultation process is as follows:

☐ The owner, before the change, relocation, demolition or destruction, gives the authors written notice stating the owner's intention to carry out the act.

☐ The written notice should state that the author may, within three weeks from the date of the notice, seek to have access to the building, either for the purpose of making a record of the work, or for the purpose of consulting in good faith with the owner about the change, relocation, demolition or destruction, or for both of these purposes.

☐ The notice should contain such other information prescribed by the Copyright Regulations 1969 (Cth) (reg.25AA).

☐ Where the author notifies the owner within the three-week period that they wish to have access to the building for either or both of the purposes referred to above, the owner gives the person a reasonable opportunity within a further period of three weeks to have such access and, if applicable, consulted in good faith with the authors.

☐ Where in the case of a change or relocation, the author notifies the owner that they require the removal from the building of the author's identification as the author of the work – the owner complies with the requirement.

Consulting in good faith

The courts have thus far not considered what "consult in good faith" under the Act actually means.

Some guidance can be obtained from the courts' consideration of the phrase "negotiation in good faith" appearing in other legislation. In such cases, parties have been held to have discharged a good faith obligation if they:

☐ act honestly, with no ulterior motive or purpose;

☐ approach the discussions with an open mind, a willingness to listen, a willingness to compromise and to reach agreement;

☐ do not seek to exercise a power without considering and responding to submissions put to it by the other party; and

☐ do not engage in conduct that serves an ulterior, undisclosed purpose antithetical to the reaching of a compromise.[5]

If it is assumed that the criteria of consulting in good faith are those set out above, then the process under s.195AT(3A) will involve at least:

☐ providing sufficient details of the proposed works to enable the original authors to engage in a meaningful dialogue about them;

☐ actively listening to the suggestions made by the original authors;

☐ responding to the suggestions made by the original authors; and

☐ accommodating the suggestions of the original authors where it is, in all circumstances, reasonable to do so.

What constitutes sufficient details?

Sufficient information about the proposed works needs to be included to enable the moral rights holder to engage meaningfully in the consultation process. Admittedly, what would constitute sufficient would be a matter of judgment on a case by case basis.

Amendments to the proposed works after consultation

A further area in which the legislation provides little guidance is where there is a need to amend the proposed works after the consultation process is complete.

From a theoretical standpoint, it is likely to follow from the criteria of consulting in good faith that in order to take the benefit of the protection afforded by the procedure, the owner must provide sufficient information regarding the proposed works to permit the holder of moral rights

to engage properly in the consultation process.

If, after the consultation process, a material change is made to the proposed works, an owner would be at risk of being unable to rely upon the provisions of s.195AT(3) (that is, deeming there to have been no infringement to the right of integrity if the procedure is followed) if the owner did not afford the holder of moral rights a further opportunity to consult in good faith.

It would be prudent practice on the part of an owner at least to provide the holder of moral rights with a further notice in the event that material changes to the proposed works were contemplated after the completion of any initial consultation under the Act.

Is the holder of moral rights entitled to remuneration for engaging in the consultation process?

Neither the Act nor the Regulations make any provision for remuneration to the moral rights holder for their participation in the consultation process, so there is no recognised entitlement for the moral rights holder to be compensated. However, care should be taken to avoid the creation of multiple holders of copyright (and additional moral rights).

The problem of multiple holders of copyright could easily arise. Take, for example, a situation in which a holder of moral rights (say, an original architect), during the consultation process, provides designs identifying the manner in which the proposed works can be amended to harmonise them with the existing building. These designs are then incorporated into the plans for the works by the new architect engaged by the owner.

On one view, depending on the detail of the involvement of the original architect in this process and the designs produced (but subject to the terms of any contract governing the process), the amended plans may be taken to be a product of joint authorship between the original architect and the new architect and copyright will inhere in those plans and the building constructed based on them. In such circumstances, the original architect and the new architect may even be taken jointly to hold moral rights in the new plans and building.

Contracting out of the moral rights provisions

It is possible to contract out of the operation of the moral rights provisions of the Act. Indeed, many contracts now contain such provisions. However, clear words consenting to the doing of the very thing that may infringe are required in order to satisfy the requirements of s.195AWA, and the consent must be in writing from each author.

For parties entering into contracts with designers, it is strongly recommended that the contracts contain express provisions which comprehensively address moral rights issues.

Conclusion

Because of the breadth and inherent ambiguities in the application of moral rights provisions of the Act, it is important that practitioners advising parties to any construction contract involving design elements give consideration to them at the time the contract is drafted.

A failure to adequately address moral rights and to extract appropriate consents at the time the contract is prepared may result in significant expense being incurred at a later stage (including, potentially, the defence of injunctive proceedings), once renovation or demolition is contemplated.

In the case of developers, it must be recognised that there is little incentive to grapple with such issues when a building is being commissioned because it is unlikely that they will be the building owners subsequently faced with ensuring that changes to the building are undertaken in compliance with the Act. It does call upon developers to take a long-term view because there are indirect benefits associated with doing so. Does a developer conscious of its reputation for delivering quality and trouble-free residential buildings wish to bestow upon the successor owners, corporations and strata owners the ticking time-bomb of a future moral rights dispute?

For other principals and, in particular, government agencies procuring iconic works, the consequences of not addressing moral rights of design consultants comprehensively at the outset of a project can be far reaching, costly and very public, as the tribulations of the National Gallery of Australia have illustrated. □

This article is an abridged version of one that was first published in Thomson Reuters' Building and Construction Law, (2012) 28 BCL 189.

ENDNOTES

1. S. Meacham, "Designs on his Landmark Leave Architect in Distress", 25 September 2006, The Sydney Morning Herald, viewed 8 February 2012 (*tinyurl.com/9p627dr*).
2. Tonkin Zulaikha Greer, *tinyurl.com/bls5wyn*, viewed 8 February 2012.
3. L. Martin, "Gallery Defiant Over Redesign", 19 October 2005, The Sydney Morning Herald, viewed 8 February 2012 (*tinyurl.com/9adlowc*).
4. See *Meskenas v ACP Publishing Pty Ltd* (2006) 70 IPR 172; and *Perez v Fernandez* [2012] FMCA 2.
5. See the discussion in *Brownley v Western Australia* (1999) 95 FCR 152, per Lee J, at [16]-[27]. □