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# “From my cold, dead hands” – addressing the moral rights of design consultants

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*After over a decade, the moral rights provisions of the Copyright Act 1968 (Cth) (the Act) still have not been the subject of significant judicial comment. High profile disputes have thrown up a number of issues about their application to the construction industry and yet, there is still no definitive guide for parties on how to address them – either during the drafting process or when substantive alteration or demolition of structures is contemplated. This article discusses moral rights in the context of the construction industry and provides some practical suggestions as to how the processes envisioned by the Act may work in practice.*

## INTRODUCTION

“The dead hand of an architect cannot stay clamped on a building forever. Buildings change, and can change back again.”<sup>1</sup>

– Betty Churcher, former director, National Gallery of Australia

When ill-managed, moral rights entitlements of design consultants can harbour most of the properties of silent, ticking time bombs for building owners – a charge may be set before the contractual ink has dried, but its effects may not be felt for decades to come.

One notorious casualty of such a device, as perhaps the quotation above attests, was the renovation proposal for the National Gallery of Australia in Canberra. In 2000, architect firm Tonkin Zulaikha Greer was engaged by the gallery to replace Colin Madigan’s original and allegedly “dysfunctional entry sequence”<sup>2</sup> 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.<sup>3</sup>

The practical effect of the moral rights provisions of the *Copyright Act 1968* (Cth) (the Act) is to require building owners to give original architects a seat at the table whenever considering renovating, adjusting or demolishing the structure that sprang from their designs.

Just how far owners are required to go, and precisely what an architect aggrieved about the treatment of his or her legacy can do to thwart their intentions, remains unclear. There has been no superior court consideration of the provisions in Australia.<sup>4</sup>

The legislation in question appears largely (almost unduly) prescriptive, but upon closer inspection contains a number of significant ambiguities. This article will consider the requirements of the Act for those contracting with design consultants. Its particular focus is:

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<sup>1</sup> Meacham S, “Designs on his Landmark Leave Architect in Distress”, *The Sydney Morning Herald* (25 September 2006), <http://www.smh.com.au/news/national/designs-on-his-landmark-leave-architect-in-distress/2006/09/24/1159036415563.html?from=rss> viewed 8 February 2012.

<sup>2</sup> Tonkin Zulaikha Greer, <http://www.tzg.com.au/projects/national-gallery-of-australia> viewed 8 February 2012

<sup>3</sup> Martin L, “Gallery Defiant Over Redesign”, *The Sydney Morning Herald* (19 October 2005), <http://www.smh.com.au/news/arts/gallery-defiant-over-redesign/2005/10/18/1129401253238.html> viewed 8 February 2012.

<sup>4</sup> The legislation is referred to but not analysed in the cases of *Wills v Australian Broadcasting Corporation (No 3)* (2010) 89 IPR 252 (in which the court refused leave to rely on the moral rights provisions of the Act because of the stage in the

- the consultation regime, whereby owners of buildings are, subject to compliance with the statutory procedure, permitted to change, relocate, demolish or destroy any structure without infringing the moral rights of those individuals involved in its design; and
- ways in which parties can contract out of the moral rights provisions of the Act.

It is timely to examine these issues. Owners of many buildings completed prior to the enactment of the moral rights provisions (and before they could possibly have been dealt with contractually) will be considering renovation. Notwithstanding the fact that 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" regarding the evolutionary properties of buildings more an article of faith (and a naïve one at that) than a legal truism.

## THE LEGISLATION

### A word on plans and buildings

The concepts adopted in the moral rights provisions of the Act substantially derive their nomenclature from the law of copyright. Accordingly, an appropriate starting point is to consider what sorts of works are the subjects of copyright under the Act. Relevantly, s 10 of provides:

Artistic work means:

- (a) a painting, sculpture, drawing, engraving or photograph whether the work is of artistic quality or not;
- (b) a building or a model of a building, whether the building or model is of artistic quality or not ...

Building includes a structure of any kind.

Section 32(3) of the Act confirms that copyright subsists in:

- (a) an original artistic work that is a building situated in Australia; or
- (b) an original artistic work that is attached to, or forms part of, such a building.

In the case of a completed building, copyright may therefore 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.<sup>5</sup>

Section 36 of the Act provides that:

... copyright in a[n] ... artistic work is infringed by a person who, not being the owner of the copyright, and without the licence of the owner of the copyright, does in Australia, or authorises the doing in Australia of, any act comprised in the copyright.

Section 21(3) of the Act provides that:

... an artistic work shall be deemed to have been reproduced:

- (a) in the case of a work in a two-dimensional form – if a version of the work is produced in a three-dimensional form;
- (b) in the case of a work in a three-dimensional form – if a version of the work is produced in a two-dimensional form;

and the version of the work so produced shall be deemed to be a reproduction of the work.

It follows that 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

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proceedings in which they were raised) and *Ogawa v Spender* (2006) 151 FCR 228 (which discusses whether the doctrine of judicial immunity extends to infringements of moral rights). Two decisions of the Federal Magistrates Court relating to moral rights are discussed below.

<sup>5</sup> For a discussion on the meaning of "originality" in the context of the Act, see *Mirror Newspapers v Queensland Newspapers Pty Ltd* [1982] Qd R 305 at 307 (Connolly J).

- 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.

Naturally, there are grey areas where questions of degree of reproduction will determine whether the provisions of the Act are triggered. As Street J (as he then was) said in *Ancher, Mortlock, Murray & Wooley Pty Ltd v Hooker Homes Pty Ltd*:

There is undoubted force in the contention that the field of architecture is traditionally one in which new ideas are constantly evolving and being developed. Applications of new architectural ideas and concepts by those who follow the leaders in their profession are legitimate, and will not be restrained by the copyright laws. There is a clear distinction between the protection which the law will afford to an architect’s plans on the one hand, and, on the other hand, the absence of any protection to the architectural idea or concept which may happen to be expressed in a given set of plans. The same distinction applies in the case of a completed house.

The copyright law will prevent the building of another house which reproduces a substantial part of the original house where such reproduction comes about as a result of a copying of the physical object itself. But the law does not restrict the application and development of architectural concepts and styles: original concepts and styles may, without risk of infringement, be applied and developed by other architects in subsequent buildings. The law does not prevent one architect from following in the footsteps of a colleague; it does prevent him from copying the plans of his colleague so as to enable him to follow those footsteps; and it does prevent him from physically reproducing those footsteps and thereby following them.<sup>6</sup>

The resolution of such difficulties is beyond the scope of this article. Nevertheless, an understanding of the application of principles of copyright to the design and construction process is fundamental to an appreciation of the manner in which the moral rights provisions of the Act are engaged.

## Moral rights

Moral rights attach to the author under s 190 of the Act, provided the author is a natural person, of any work in which copyright subsists. If, in proceedings regarding the infringement of moral rights in respect of a work, copyright is presumed or proved to have subsisted in that work, moral rights are presumed (under s 195AZE) to have subsisted in the work as well.

Moral rights only attach to natural persons and are incapable of assignment or devolution by will under 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 (see s 195AZI). In this respect, moral rights differ from copyright in that the latter is more likely to attach to a single person or entity and is capable of being transferred from the holder to another.

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 (see s 33). Upon the death of the author, moral rights may be exercised by the author’s legal personal representative. If an author’s affairs are being lawfully administered by another person (except a trustee in bankruptcy), the author’s moral rights may be enforced by that person under s 195AN(2).

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.

## Commencement of moral rights

The rights of attribution (including not to have a work falsely attributed) and integrity are deemed to subsist in artistic works created before or after the commencement of the amending provisions of the Act (that is, 21 December 2001). However, those provisions only apply to infringements occurring

<sup>6</sup> *Ancher, Mortlock, Murray & Wooley Pty Ltd v Hooker Homes Pty Ltd* [1971] 2 NSWLR 278 at 284.



after their commencement.<sup>7</sup> This is significant because it means that moral rights are now taken to apply to works created pursuant to contracts that could not have contemplated their application or taken advantage of the contracting out provisions of the Act.

### **The 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.

The form in which identification could occur is the subject of a number of rather confusing provisions of the Act. First, s 195(1) provides that, subject to the following, the author may be identified by any reasonable form of identification. The qualification to that proposition is where the author has made known “either generally or to a person required under [the Act] to identify the author, that the author wishes to be identified in a particular way” and the “identification of the author in that way is reasonable in the circumstances”, then the identification is to be made in that way.

Section 195AA then goes on to require that the identification be clear and reasonably prominent. The only assistance provided by the Act in identifying what this might entail is section 195AB, which relevantly states:

When a[n] ... artistic work is reproduced in a material form ... an identification of the author is taken to be reasonably prominent if it is included on each reproduction of the work ... in such a way that a person acquiring the reproduction ... will have notice of the author’s identity.

Whilst such a test could be readily satisfied in the case of a set of architectural plans, in the case of a building (which as we have seen, is considered pursuant to s 21(3) to be a reproduction of two-dimensional plans under the Act), 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.

The obligation not to falsely attribute authorship of a work is more straightforward. Section 195AC of the Act provides that an author has a right not to have authorship of his or her work falsely attributed. Section 195AE provides that it is an act of false attribution to insert or affix (or authorise the inserting or affixing) of a person’s name in or on a work or to use the name in connection with a work in such a way as to imply falsely that the person is an author of the work. The obligation extends to *dealing* with the work in such a manner or *communicating* the work in such a manner to the public.

### **The 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.

“Derogatory treatment” is further defined in the following terms in s 195AK:

- (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.

It is scarcely possible to conceive of a more controversial forum in which an investigation of the themes involved in this part of the legislation may be explored than that of architecture. Importantly, the right of integrity (as with the right of attribution) can be enforced by the author against whosoever is currently the owner of the work. In the context of plans and buildings this of course may not be the

<sup>7</sup> Copyright Act 1968 (Cth), ss 195AZM, 195AZN and 195AZO.

person or entity that commissioned them. Given the regularity with which commercial structures can change hands, significant problems can arise. Residential buildings have a further difficulty in this regard because not only do they change hands regularly, but with strata titles, ownership of different parts of buildings can be split between successive strata owners and bodies corporate.

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. Presumably the court would need to rely heavily on expert evidence. In any event, the Act goes on to clarify that a person will not have breached the right of integrity if they can establish that “it was reasonable in all the circumstances to subject the work” to the derogatory treatment in question.

### ***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 was reasonable. These are:

- (a) the nature of the work;
- (b) the purpose for which the work is used;
- (c) the manner in which the work is used;
- (d) the context in which the work is used;
- (e) any practice, in the industry in which the work is used, that is relevant to the work or the use of the work;
- (f) any practice contained in a voluntary code of conduct of practice, in the industry in which the work is used, that is relevant to the work or the use of the work;
- (g) whether the work was made:
  - (i) in the course of the author’s employment; or
  - (ii) under a contract for the performance by the author of services for another person;
- (h) whether the treatment was required by law or was otherwise necessary to avoid a breach of any law;
- (i) if the work has 2 or more authors – their views about the treatment.

Further, s 195AT contains express exclusions to the operation of the right of integrity, which apply in the case of any change in, relocation, demolition or destruction of buildings. Provided that the owner of the building complies with the procedure identified in the section (consultation process), such acts will be deemed not to infringe an author’s right of integrity. The procedures apply to artistic works affixed to or forming part of buildings (s 195AT(2)), the buildings themselves and plans or instructions used in the construction of the building or part of the building (s 195AT(3)).

In the case of the latter, the procedure, in summary form, is as follows:

- 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; *or* (having identified the author(s)),
- the owner has, before the change, relocation, demolition or destruction, given the author(s) a written notice stating the owner’s intention to carry out the act; and
- the written notice stated that the author may, within three weeks from the date of the notice, seek to have access to the building for either or both of the following purposes:
  - making a record of the work; or
  - consulting in good faith with the owner about the change, relocation, demolition or destruction; and
- the notice contained such other information prescribed by the *Copyright Regulations 1969* (Cth) (the Regulations); and
- where the author notifies the owner within the three-week period that he or she wishes to have access to the building for either or both of the purposes referred to above, the owner has given the person a reasonable opportunity within a further period of three weeks to have such access; and



- where in the case of a change or relocation, the author notifies the owner that he or she requires the removal from the building of the author's identification as the author of the work – the owner has complied with the requirement.

The consultation process set out in s 195AT(3) is discussed in more detail below.

### **Consent provisions**

Section 195AWA(2) provides that it is not an infringement of a moral right of an author to do, or omit to do, something the subject of a written consent genuinely given by the author or his or her representative.

However, s 195AWA(3) goes on to state that such consent is without effect unless it is given:

- (a) in relation to specified acts or omissions, or specified classes or types of acts or omissions, whether occurring before or after the consent is given; and
- (b) in relation to either of the following:
  - (i) a specified work or specified works existing when the consent is given; or
  - (ii) a specified work, or works of a particular description, the making of which has not begun or that is or are in the course of being made.

The consent is invalidated if it is given as a consequence of duress or based upon a false or misleading representation.

Section 195AWA(4) represents an exception to subs (3) insofar as it permits employees to give consents for the benefit of his or her employer in relation to any acts or omissions and all works made or to be made in the course of his or her employment.

A consent given in accordance with s 195AWA is presumed under subs (5) to extend to licensees and successors in title unless the instrument of consent provides otherwise.

### **Remedies for infringement**

Section 195AZA(1) of the Act provides far-reaching remedies for infringements of moral rights, including:

- an injunction (subject to any terms that the court thinks fit);
- damages for loss resulting from the infringement;
- a declaration that a moral right of the author has been infringed;
- an order that the defendant make a public apology for the infringement; and
- an order that any false attribution of authorship, or derogatory treatment, of the work be removed or reversed.

An issue arises as to whether an injunction can be obtained in respect of a threatened breach of the Act, although s 195AZ of the Act provides:

If a person infringes any of the moral rights of an author in respect of a work, the infringement is not an offence but the author or a person representing the author may bring an action in respect of the infringement,

it must be assumed that the usual principles relating to injunctive relief in respect of statutory infringements apply.<sup>8</sup>

The Act also prescribes in s 195AZA(3) matters that may be taken into account by a court in the exercise of its discretion to grant relief in respect of an infringement of a moral right. These are:

- whether the defendant was aware, or ought reasonably have been aware, of the author's moral rights;
- the effect on the author's honour or reputation resulting from any damage to the work;
- the number and categories of people who have seen or heard the work;
- anything done by the defendant to mitigate the effects of the infringement;
- if the moral right that was infringed was a right of attribution of authorship – any cost or difficulty that would have been associated with identifying the author;

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<sup>8</sup> See *General and Lumley v TS Gill & Son Pty Ltd* [1926] VLR 414 at 416-417 (Dixon AJ).



- any cost of difficulty in removing or reversing any false attribution of authorship, or derogatory treatment, of the work; and
- in the case of an application for an injunction, whether the parties have made any attempt to negotiate a settlement of the action and whether the parties should be provided with a further period to negotiate or attend mediation.

## THE APPROACH OF THE COURTS

Infringements of the moral rights provisions of the Act are the subject of two decisions of the Federal Magistrates Court.

It appears that the only reported decision in relation to proceedings based upon an infringement of moral rights is that of *Meskenas v ACP Publishing Pty Ltd*.<sup>9</sup> The moral right concerned was that of attribution (the subject matter of the proceedings was a publication which misidentified the author of a painting in the background of a photograph). The defendant, it was alleged, not only failed to attribute the painting to its rightful artist, but misattributed it to another. In a decision that has been the subject of academic criticism,<sup>10</sup> the Federal Magistrate ordered that the defendant pay damages in the sum of \$9,100 (which included \$8,000 in respect of aggravated damages arising from the conduct of the defendant – a refusal to apologise or print a retraction – after the false attribution was made known).

In respect of the contravention of the right of attribution, his Honour stated:

The publication of the portrait gives rise to a requirement for an attribution of authorship under s 194(2)(d). It is clear from the photograph that the portrait itself is of significant importance and is not just incidental to the composition of the photograph. I infer from the fact that an attribution was made, albeit the wrong one, that the respondent accepted it was bound by s 194(2)(d) ...

The right of attribution expressed in s 193 is a positive right and prima facie was breached by the publication. The publication did not identify Vlasas Meskenas as the author. In looking at the matters to be taken into account in deciding whether or not it was reasonable not to identify Mr Meskenas in s 195AR(2), I cannot see there is anything in the nature of the work which would prevent him from being properly identified. As I understand the evidence the portrait was signed. There was no evidence provided to me by the respondents to indicate that there was anything difficult arising out of the purpose for which the work was used in identifying him nor in respect of the manner or context in which it was used. The identification of another artist would seem to indicate that the magazine had no trouble about making an identification, albeit a wrong one. There was no evidence about any practice in the industry which was relevant, nor was there any evidence of a voluntary code or difficulty or expense as a result of identifying the author. I would not be inclined to hold that it was reasonable in all the circumstances not to identify the author.<sup>11</sup>

Damages in the case were substantially based upon damages payable as a consequence of breach of copyright, which was the other basis upon which the plaintiff put his claim. No substantive discussion of damages payable for breaches of moral rights was embarked upon because neither his Honour, nor counsel had identified any authorities dealing with the issue.<sup>12</sup> The decision has not been the subject of an appellate judgment and is not referred to in any other reported case.

In early 2012, another decision of the Federal Magistrates Court was delivered in respect of the moral rights provisions of the Act. In *Perez v Fernandez*,<sup>13</sup> Federal Magistrate Driver was required to decide whether the respondent's alteration to and publication of a sound recording infringed the applicant's moral rights in that recording. The alteration consisted of deleting lyrics from the song known as *Bon, Bon* and replacing them with the words “Mr 305 and I am putting it right down with

<sup>9</sup> *Meskenas v ACP Publishing Pty Ltd* (2006) 70 IPR 172.

<sup>10</sup> See Adeney E, “Australia's First Moral Rights Decision: A Critical Approach to *Meskenas v ACP Publishing*” (2008) 19 AIPJ 74.

<sup>11</sup> *Meskenas v ACP Publishing Pty Ltd* (2006) 70 IPR 172 at [16], [18].

<sup>12</sup> *Meskenas v ACP Publishing Pty Ltd* (2006) 70 IPR 172 at [39].

<sup>13</sup> *Perez v Fernandez* [2012] FMCA 2.

DJ Suave” (the audio drop). “Mr 305” is the well-known stage name of the applicant. “DJ Suave” is the stage name of the respondent. The replacement words had in fact been recorded by the applicant ahead of a proposed Australian tour involving the respondent, a DJ. The tour did not proceed and the respondent had separately commenced proceedings in the Supreme Court of New South Wales against the applicant as a consequence.

The court found that the respondent had used the audio drop as an “act of retribution” for the applicant’s cancellation of the proposed tour. The question of whether the alteration constituted the “material distortion of, the mutilation of, or a material alteration to” the applicant’s work, within the meaning of s 195AJ of the Act (which applies to musical works), was concisely addressed by the court:

Here, the act in question undertaken by Mr Fernandez consisted of the deletion of a prominent part of *Bon, Bon* (the Spanish words *je, je, je, je, je, mira que tu estas rica*) and its replacement with words performed in an entirely different context ... this made it appear that Mr Fernandez was the subject of the song. This alteration was carried out skilfully ... [and] created the impression that the author had authored the altered content himself and included it in the song ... The change made to the song by Mr Fernandez must be regarded as a “distortion” or “alteration” (if not a “mutilation”) of the work, which is material, thereby satisfying that element of s 195AJ.<sup>14</sup>

The court then proceeded to consider whether the second element of s 195AJ, namely whether the treatment of the work was “prejudicial to the author’s honour or reputation”, had also been made out. In concluding that it had, his Honour accepted that the audience for the altered version of *Bon, Bon*, would likely fall into one of two categories: the first, who would have presumed that the audio drop constituted part of the authentic, original work and that the respondent was the subject of the song written about him by the applicant; and the second, more sophisticated listener, who would have been familiar with the original work, aware of the dispute between the applicant and respondent over the failed tour and would have understood the altered version of the work as being one through which the respondent was mocking the applicant.<sup>15</sup>

In relation to the former, “unsophisticated” class, his Honour accepted affidavit evidence to the effect that “associations between artists and DJs in the hip-hop/rap genre are highly significant. Artists go to great lengths to choose whom they associate with, and these associations form an essential part of their reputation”.<sup>16</sup> Curiously, his Honour went on to find that:

- it followed from these circumstances that the reference to the respondent in the altered version of the song should be regarded as prejudicial to the applicant per se; and
- if this was not the case, it was clear from the affidavit of the applicant’s American attorney, which had been filed in the proceedings, that “the association with [the respondent] is one which [the applicant] himself strongly considered to be prejudicial to his reputation and which caused him anger and distress”<sup>17</sup> (the applicant himself did not give evidence in the proceedings).

Putting to one side issues associated with the probative value of the evidence relied upon by the court, it is difficult to understand why the implicit association between the applicant and the respondent that this class of listener would have assumed, was necessarily prejudicial to the applicant’s honour or reputation. The court here seems to have operated under the assumption that the applicant’s view that his honour and reputation had been tarnished was sufficient evidence of the fact that it had. There is, with respect, nothing in the Act which suggests that it is appropriate to subjectively approach the test to be applied when determining whether the infringing conduct is prejudicial to the honour or reputation of an author.

In relation to the “sophisticated” class of listener, the court seems to have held that proof of prejudice to honour and reputation was sufficiently apparent from such a listener being seized of the knowledge that the applicant would place significance upon his professional associations and the

<sup>14</sup> *Perez v Fernandez* [2012] FMCA 2 at [84].

<sup>15</sup> *Perez v Fernandez* [2012] FMCA 2 at [86], [88].

<sup>16</sup> *Perez v Fernandez* [2012] FMCA 2 at [87].

<sup>17</sup> *Perez v Fernandez* [2012] FMCA 2 at [87].

respondent’s alterations to *Bon, Bon* being of a mocking nature. No explanation is given as to why the concept of an association between the applicant and respondent per se would necessarily be prejudicial to the applicant (the parties had, after all, initially proposed to jointly participate in a tour of Australia by the applicant and the applicant had recorded the audio drop for the benefit of the respondent and the promotion of the tour). Why the alteration to *Bon, Bon* would have been considered “mockery” and prejudicial to the honour and reputation of the applicant was similarly not explored. The court appears only to have had regard to the contentions contained in the affidavit of the applicant’s American attorney on these questions and does not appear to have relied upon any evidence from witnesses within either of the two assumed classes.

On the issue of damages, the court held that an action for infringement of moral rights is actionable as a breach of statutory duty without proof of damage. It also considered that the Act did not require the applicant to establish that his reputation had been *prejudiced*, merely that the respondent’s infringing conduct was *prejudicial* to the applicant’s honour or reputation.<sup>18</sup>

The applicant had initially sought \$35,000 for harm to his reputation and \$50,000 aggravated damages for his distress. The court found that the applicant’s reputation had not suffered any lasting damage but that his right of integrity had been infringed in circumstances which caused him distress and which were serious. Taking into account the respondent’s “grudging” apology, an award of \$10,000 was made.<sup>19</sup>

For the reasons set out above, the approach of the court in *Perez v Fernandez* to determining whether a right of integrity has been infringed appears open to serious question. The test to be applied under the Act in relation to infringement of the right of integrity in designs and in buildings includes the same elements as were considered in *Perez*.<sup>20</sup> However, in the case of designs and buildings, compliance with the “consultation process” under the Act will excuse a person from conduct which may otherwise constitute an infringement of an author’s moral rights in such works.

## THE CONSULTATION PROCESS

The consultation process was not included in the initial draft of the *Copyright Amendment (Moral Rights) Bill 2000* (Cth) (the Original Bill). The Original Bill merely provided that:

A change in, or the demolition of, a building that is an artistic work is not an infringement of the author’s right of integrity in respect of the work or in any plans or instructions used in the construction of the building or a part of the building.<sup>21</sup>

The amendments to the Original Bill, which are included in the Act in its current form, were introduced subsequently. In his Second Reading Speech, the then Attorney-General made the following comments in respect of those amendments:

... It was always the government’s intention that changes to buildings would not infringe the moral rights of authors of artistic works affected by such changes. That was the intention behind the corresponding provision of the original legislation. A respected copyright commentator expressed doubt that this intention was clear in the original provision. Consequently, in proposing subsections 195AT(2) and 195AT(3), the government has taken the opportunity to clarify the original intention that changes in buildings would not infringe the moral rights of the authors of artistic works so affected. Having said that, the government has accepted some submissions that owners of buildings could reasonably be made to show greater consideration to these authors. The amendments I will move to section 195AT will address these submissions.<sup>22</sup>

It appears tolerably clear from the foregoing that it is the intention of the Act that owners consult with moral rights holders about proposed works with a view to making those works, where practicable, sensitive to the original design.

<sup>18</sup> *Perez v Fernandez* [2012] FMCA 2 at [97].

<sup>19</sup> *Perez v Fernandez* [2012] FMCA 2 at [107].

<sup>20</sup> Compare ss 195AJ and 195AK of the Act (the latter applying to artistic works).

<sup>21</sup> *Copyright Amendment (Moral Rights) Bill 2000* (Cth), Sch 1, s 195AT(3).

<sup>22</sup> Commonwealth House of Representatives, *Copyright Amendment (Moral Rights) Bill 1999*, Second Reading Speech, the Hon Daryl Williams, Attorney-General (31 October 2000) p 21714.

The consultation provisions of the Act give rise to a number of difficult questions. These include:

- what constitutes “consulting in good faith”?;
- what information needs to be included about the proposed works to satisfy the “brief description” requirements of the Regulations?;
- what happens if the owner decides to make amendments to the proposed works after the consultation has taken place?;
- is the holder of moral rights entitled to remuneration for engaging in the consultation?;
- what happens if there are disagreements between co-holders of moral rights?; and
- what is the status of amendments made to the proposed works as a consequence of the consultation process?

### 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:<sup>23</sup>

- 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.

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 author(s);
- responding to the suggestions made by the original author(s); and
- accommodating the suggestions of the original author(s) where it is, in all circumstances, reasonable to do so.

### What constitutes a “brief description”?

It follows from the foregoing that 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

This is a further area in which the legislation provides little guidance.

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.

The prospects of success of any action by the holder are likely to depend on the scope of the changes made and, potentially, the more fundamental analysis by the court of whether the holder’s right of integrity has in fact been infringed by the works, taking into account the matters referred to in s 195AS(2).

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<sup>23</sup> See the discussion in *Brownley v Western Australia* (1999) 95 FCR 152 at [16]-[27] (Lee J).

In any event, it would be prudent practice on the part of an owner to at least 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 makes any provision for remuneration to the moral rights holder for his or her participation in the consultation process so there is no recognised entitlement for the moral rights holder to be compensated for participation in this process.

It follows that there is nothing to prevent a moral rights holder from proposing a fee or retainer agreement for the purposes of the consultation. Acceptance of such a proposal is a matter for the owner. 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 pursuant to 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.

The point at which input from the original architect into the design of the proposed works itself gives rise to copyright is not easy to define. Were it simply a matter of the original architect expressing certain conceptual ideas to the new architect which the latter could adopt or adapt, then the issue is likely to be resolved in a manner analogous to that identified in *Ancher, Mortlock, Murray & Wooley Pty Ltd v Hooker Homes*, discussed above, in which Street J went on to state:

An architect may legitimately inspect an original plan or house and then, having absorbed the architectural concept and appreciated the architectural style represented therein, return to his own drawing board and apply that concept and style to an original plan prepared by him and in due course to a house built to such plan. There is a dividing line separating such a legitimate process from inspection followed by a later copying of a substantial part of the physical object inspected, even though the copying be from memory; the latter exercise does infringe. In many instances it will be difficult to state categorically whether the dividing line has been crossed. Cases will not always be black or white where the alleged copying is from memory. The borderline area is clouded by a band of grey within which opinions and conclusions may differ. Within this grey band conflicting answers could without error be given to the questions – is that plan or house only a copy of the concept or style of the original and hence legitimate?, or is it a copy of the author’s manifestation of that concept or style and hence an infringement.<sup>24</sup>

In making those remarks, his Honour was considering a case in which two separate buildings were constructed pursuant to two separate sets of plans. The issue was whether one was a copy of a substantial part of the other. The issue currently being considered is the point at which the original architect’s input becomes a contribution and subject to copyright. It will inevitably be a question of degree of detail and owners engaging in the consultation process must be mindful of this at all times.

### **What happens if there are disagreements between co-holders of moral rights?**

Where multiple holders of moral rights are engaged in the consultation process with the owner, it is entirely possible that there will be disagreement between them but it is likely that the owner’s

<sup>24</sup> *Ancher, Mortlock, Murray & Wooley Pty Ltd v Hooker Homes Pty Ltd* [1971] 2 NSWLR 278 at 284.

obligations will be satisfied by listening to the submissions made by each holder and providing reasons to that holder as to why or why not it proposes to adopt the submissions.

Additionally, s 195AS(2)(i) of the Act appears to contemplate the possibility that divergent opinions by co-holders of moral rights may be used in aid of a “reasonableness” defence to derogatory treatment of an artistic work.

## CONTRACTING OUT

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.

The personal nature of moral rights must be ever present in the minds of those who commission and those who own or intend to purchase buildings. Each holder of moral rights in respect of the building must be identified for the purpose of the notice under s 195AT(3) and, where contracting out is contemplated, enter into an agreement to contract out.

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

1. In the case of contracts with individuals, ensure provision of those individuals’ consents to the principal:

- changing;
- relocating;
- demolishing; or
- destroying,

any building constructed pursuant to the designs prepared by those the individuals, whether or not such change, relocation, demolition, or destruction would, but for the giving of the consent, infringe the moral rights of the individuals.

2. In the case of contracts with corporations or large unincorporated entities, ensure provision of:
  - warranties that each employee involved in the project has given a consent in writing for the benefit of the entity in respect of all or any acts or omissions in relation to all works made or to be made by the employee in the course of his or her employment in accordance with s 195AWA(4) of the Act; and
  - indemnities in favour of the principal respect of any proceedings brought by holders of moral rights in any of the material produced by the entity pursuant to the contract.

Principals entering into large construction contracts should:

- where a head contractor has responsibility for design, include in the head contract, sufficient safeguards to ensure that the head contractor obtains adequate consents from all design consultants and that the principal and its successors and assigns are given the benefit of those consents; and
- where design consultants are initially retained by the principal and then novated to a building contractor, make express provision in the consultancy agreement for consents in the above terms to be given by those consultants and express provision in the deed of novation for those consents to survive the novation of the consultancy agreement.

## CONCLUSION

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

A failure adequately to 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, 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.

