

Appendix A

Eighth Circuit Panel Opinion
(Jan. 14, 2025)

United States Court of Appeals
For the Eighth Circuit

No. 23-3402

Designworks Homes, Inc.; Charles Lawrence James

Plaintiffs - Appellants

v.

Columbia House of Brokers Realty, Inc., doing business as House of Brokers, Inc.,
doing business as Jackie Bulgin & Associates; Shannon L. O'Brien; Nicole
Waldschlager; Deborah Ann Fisher; John Doe I; Jacqueline Bulgin, doing
business as Jackie Bulgin; Carol S. Denninghoff

Defendants - Appellees

Kieran Joseph Liebl, Inc., d/b/a Royal Oaks Design, Inc.

Amicus on Behalf of Appellant(s)

National Association of Realtors

Amicus on Behalf of Appellee(s)

No. 23-3403

Designworks Homes, Inc.; Charles Lawrence James

Plaintiffs - Appellants

v.

Susan Horak, doing business as The Susan Horak Group Re/Max Boone Realty;
Boone Group, Ltd., doing business as Re/Max Boone Realty

Defendants - Appellees

Kieran Joseph Liebl, Inc., d/b/a Royal Oaks Design, Inc.

Amicus on Behalf of Appellant(s)

National Association of Realtors

Amicus on Behalf of Appellee(s)

Appeals from United States District Court
for the Western District of Missouri - Jefferson City

Submitted: November 19, 2024

Filed: January 14, 2025

Before SHEPHERD, ARNOLD, and ERICKSON, Circuit Judges.

ARNOLD, Circuit Judge.

Charles James is a home designer who claims that real estate agents infringed his copyrights by including floorplans of his homes in resale listings. The district

court¹ granted summary judgment to the real estate agents and associated defendants in these cases because it concluded that their inclusion of floorplans in resale listings was a fair use of the homes' designs. We agree and affirm.

Nearly thirty years ago, James designed a home featuring a triangular atrium and stairs. He built six homes using the design or variations of it, and, over many years, he registered copyrights in the design and its derivatives, depositing photographs and detailed architectural plans with the Copyright Office. He does not appear to have licensed floorplans for any of the homes.

In 2010, a real estate agent named Susan Horak listed one of James's triangular atrium homes for resale. She prepared a floorplan for the home by hand and included it in the listing. The floorplan depicted a top-down, two-dimensional outline of each of the home's floors and rooms, labeled with the names and rough dimensions for each of the rooms. The home sold, and Horak earned a commission, though her listing remained online for years afterward.

In 2017, a real estate agent named Jackie Bulgin listed another one of James's triangular atrium homes for resale. A contractor prepared a floorplan for the home that was similar in format and detail to the floorplan prepared by Horak, as is evident from the copies of the floorplans reproduced in the appendix to this opinion. Bulgin, like Horak, incorporated the floorplan in her listing. Although Bulgin's agency stood to earn a commission if the home sold, the listing was unsuccessful.

James alleges he discovered Horak's and Bulgin's listings online in 2017. According to him, someone could build homes from floorplans like the ones used in their listings, although it appears homes built this way might have the corresponding floorplans without replicating all the features of the full three-dimensional designs that the floorplans simplify.

¹The Honorable Brian C. Wimes, United States District Judge for the Western District of Missouri.

Following his discovery, James and his company, Designworks Homes, Inc., took action. This pair, whom we collectively call Designworks, sued Horak and Bulgin separately, naming associated individuals, entities, or both as defendants in each suit. Designworks alleged that the defendants in these suits, whom we call the agents, directly, contributorily, and vicariously infringed its copyrights in its home designs by using floorplans in home listings. The agents did not access Designworks's architectural plans, and any copyrights in these are not at issue. The agents answered Designworks's complaints and asserted fair use as a defense. They also argued that they were entitled to the protections of § 120(a) of the Copyright Act, which states that a "copyright in an architectural work that has been constructed does not include the right to prevent the making, distributing, or public display of pictures, paintings, photographs, or other pictorial representations of the work, if the building in which the work is embodied is located in or ordinarily visible from a public place."

The district court granted the agents summary judgment under § 120(a), but we reversed. *Designworks Homes, Inc. v. Columbia House of Brokers Realty, Inc.*, 9 F.4th 803, 805–06 (8th Cir. 2021). We observed, however, that the agents' fair use defense might still succeed. *Id.* at 811. On remand, the district court denied Designworks's motions to reopen discovery for the purpose of exploring the fair use issue, and the parties filed supplemental summary judgment briefs. The summary judgment orders that prompted this appeal then followed.

A fair use defense presents a mixed question of law and fact. *Google LLC v. Oracle Am., Inc.*, 593 U.S. 1, 24 (2021). We apply the "same standard applied by the district court" in reviewing a summary judgment ruling on fair use, asking whether "there is no genuine issue as to any material fact" and "the moving party is entitled to a judgment as a matter of law." *See United Tel. Co. v. Johnson Publ'g Co.*, 855 F.2d 604, 607 (8th Cir. 1988).

Congress codified the fair use defense in § 107 of the Copyright Act. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994). Under that section, fair use of

a copyrighted work is not infringement. To determine whether a use is fair use, we must consider (1) "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes," (2) "the nature of the copyrighted work," (3) "the amount and substantiality of the portion used in relation to the copyrighted work as a whole," (4) and "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107. After weighing these considerations in the current factual context, we conclude that the agents' use of floorplans to resell existing Designworks homes was a fair use of the homes' designs.

We start with the first of these considerations, which favors the agents. Whether the purpose and character of a new use of a work favor a finding of fair use depends on whether the resulting "new work merely supersedes the objects of the original creation" or "instead adds something new, with a further purpose or different character." *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508, 528 (2023). "A use that has a further purpose or different character is said to be transformative," though "transformativeness is a matter of degree." *Id.* at 529. A transformative use furthers the goals of copyright by promoting "the progress of science and the arts, without diminishing the incentive to create." *Id.* at 531. If a use is commercial, this weighs against the degree to which it is transformative. *Id.* For the reasons that follow, we think the agents' use of Designworks's home designs was transformative to a degree that outweighs the commerciality of the use and other purportedly countervailing circumstances Designworks cites.

The agents' use of the designs to make and share floorplans was transformative because the floorplans had an informational purpose that the designs lacked. The agents created floorplans from the designs to show the layouts and dimensions of the homes to potential buyers and help them decide whether they were interested in buying the homes at resale. The designs themselves, by contrast, facilitated the construction of the homes for sale and occupation. Use of the designs thus yielded end products with functional and aesthetic benefits, while use of the floorplans

identified and advertised those products and benefits. This informational purpose of the floorplans was new and went beyond the purpose of the designs. *See Stern v. Lavender*, 319 F. Supp. 3d 650, 681 (S.D.N.Y. 2018); *Noland v. Janssen*, 2020 WL 2836464, at *4 (S.D.N.Y. June 1, 2020).

That the agents incorporated the floorplans in commercial advertising counterbalances the transformativeness of their use of the designs only in part. Commercial uses of a work are less favored than noncommercial uses, and we view commercial advertising uses with some skepticism. *See Campbell*, 510 U.S. at 585. But the commerciality of a use is troubling primarily when the use displaces the work or derivative works in the market. *Patry on Fair Use* § 3:4 (May 2024 update). Then, the use might frustrate the objectives of copyright by reducing the incentive to create new works. Because this concern about market substitution is absent here, we weigh the commerciality of the agents' use of floorplans less heavily than the transformativeness of the use. The agents did not copy advertisements to produce their own advertisements. *Cf. Maui Jim, Inc. v. SmartBuy Guru Enters.*, 459 F. Supp. 3d 1058, 1102 (N.D. Ill. 2020). Nor did they use their advertisements to promote the sale of new or otherwise infringing homes in competition with Designworks. *Cf. Rosen v. R & R Auction Co.*, 2016 WL 7626443, at *9 (C.D. Cal. Aug. 31, 2016). They used floorplans for existing homes to resell the homes. Any substitution in the resale market for similar homes is substitution blessed by copyright's first sale doctrine, which allows the owner of a home to resell it "without the authority of the copyright owner" so long as the home was "lawfully made." 17 U.S.C. § 109(a). And any substitution in the market for floorplans is speculative because Designworks has long abstained from that market.

A review of other facts to which Designworks calls attention does not change our view that the purpose and character of the agents' use of floorplans favors a finding of fair use. Designworks emphasizes Horak's failure to take down a floorplan in an online home listing for years after the listing expired, but we do not think this significantly changed the purpose or character of the floorplan's use. Both before and

after the listing expired, the floorplan informed potential buyers of the layout and dimensions of the listed home. There is no indication it ever had an additional function, nor did this informational function lose its practical value. It is true that the owner of the listed home may not have been looking to resell the home after the listing expired, but that does not mean the owner would have declined a purchase offer at the right price. By showing potential buyers the home's layout and dimensions, the online floorplan made it more likely one of them would make an acceptable offer and thus made the resale market more efficient.

We are also unpersuaded by Designworks's argument that the agents' public use of floorplans weighs against them. Public dissemination of the floorplans did not alter their purpose or character. The floorplans showed information about homes no matter how many people saw them. If anything, wider dissemination of the floorplans brought this information to more people it could benefit. *See Consumers Union of United States, Inc. v. Gen. Signal Corp.*, 724 F.2d 1044, 1049 (2d Cir. 1983). Insofar as Designworks contends that *Sony Corp. of America v. Universal City Studios, Inc.* establishes a categorical preference for private uses, we disagree. 464 U.S. 417 (1984). In *Sony*, the Supreme Court held that home recording of broadcasts for later viewing was fair use in part because the record showed that "private home use must be characterized as a noncommercial, nonprofit activity." *Id.* at 449. The privacy of the use was thus relevant as evidence concerning the commerciality of the use. That is no help to Designworks since we have already considered the commerciality of the agents' use of floorplans here. On the facts before us, the purpose and character of the agents' use of Designworks's designs to make and share floorplans favor a finding of fair use.

We next consider the nature of Designworks's designs and conclude that it weighs slightly against a finding of fair use. The nature of the designs matters because "some works are closer to the core of intended copyright protection than others." *Campbell*, 510 U.S. at 586. Thus, use of a work is less likely to be fair when the work "serves an artistic rather than a utilitarian function." *See Google*, 593 U.S.

at 20. In evaluating the nature of a work, we focus at least primarily on the portion of the work actually copied. *See* 4 Nimmer on Copyright § 13F.06[A][2] (2024); *SOFA Ent., Inc. v. Dodger Prods., Inc.*, 709 F.3d 1273, 1279 (9th Cir. 2013). While the agents copied some artistic expression from Designworks's designs, this does not, standing alone, weigh heavily against a finding of fair use.

Designworks's designs contain some artistry that disfavors a finding of fair use. As do many works, the designs mix creative features, like a triangular atrium, with standard utilitarian features, like rectangular bedrooms. *See Zalewski v. Cicero Builder Dev., Inc.*, 754 F.3d 95, 103–04 (2d Cir. 2014). On the whole, the designs are not so utilitarian as to occupy merely the periphery of copyright protection. *See Ranieri v. Adirondack Dev. Grp., LLC*, 164 F. Supp. 3d 305, 353 (N.D.N.Y. 2016). That is true, though perhaps less so, even of the simplified two-dimensional cross-sections of the designs that the agents copied to make floorplans.

But the nature of the designs carries little weight. The nature of a work has "rarely played a significant role in the determination of a fair use dispute." *Authors Guild v. Google, Inc.*, 804 F.3d 202, 220 (2d Cir. 2015). Although there are exceptions to this generalization, *see Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 564 (1985); *Google*, 593 U.S. at 27–29, and each case deserves individualized analysis, the parties identify nothing that makes this case unusual.

Designworks invokes the rule that "the scope of fair use is narrower with respect to unpublished works," *Harper & Row*, 471 U.S. at 564, but we think it a poor fit for the facts. We need not decide, despite Designworks's suggestion, whether Designworks published its designs within the meaning of the word "publication" as defined in the Copyright Act and used in some of its provisions. *See* 17 U.S.C. § 101. Section 107(2) of the Act, the provision stating that the nature of a work is relevant to the fair use defense, does not use the term "publication" or anything like it. Accordingly, courts applying that section "commonly look past the statutory definition" of publication and instead ask whether a use of a work deprives the work's

owner of control over "the first public appearance of its expression." *See Swatch Grp. Mgmt. Servs. Ltd. v. Bloomberg L.P.*, 756 F.3d 73, 87–88 (2d Cir. 2014). In this case the answer is no. Designworks built six homes using its designs, and there is no indication it restricted the homeowners' right to open the homes to the public. This sharing of the designs and surrender of control over the public's access to them confirms that the nature of the designs weighs only slightly against a finding of fair use.

Turning to the third fair use consideration, we conclude that the extent of the agents' copying of Designworks's designs does not significantly favor or disfavor a finding of fair use. The question that guides us is "whether the amount and substantiality of the portion" of each of the designs copied by the agents, judged in relation to the design as a whole, were "reasonable in relation to the purpose of the copying." *Campbell*, 510 U.S. at 586; *Google*, 593 U.S. at 34. They were here because the agents tailored their copying from Designworks's designs to make floorplans to their legitimate purpose of supplying information to potential homebuyers.

The agents could not have achieved their goal of effectively sharing the layouts and dimensions for the homes they were reselling to potential buyers without copying the elements of the homes' designs that appear in their floorplans. The floorplans showed the homes' layouts, dimensions, and virtually nothing else. Even if Designworks were right that the agents copied its designs in their entirety, we would not weigh the extent of the agents' copying strongly in favor of either side given the close fit between the agents' valid informational purpose and their copying. *See Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1167–68 (9th Cir. 2007).

In fact, what the agents did was less substantial than complete copying because they reproduced only the top-down layout and dimensions of the designs. Substantiality usually varies with the extent to which copying reproduces distinctive creative expression, *see Harper & Row*, 471 U.S. at 564–65, or material that

substitutes for the copied work or derivative works. *See Campbell*, 510 U.S. at 587; 4 Nimmer, *supra*, § 13F.07[A][2]. The agents' two-dimensional floorplans omit at least some of the three-dimensional creativity of Designworks's designs, *see Ranieri*, 164 F. Supp. 3d at 353, and they do not substitute for homes built using the designs or for the detailed plans used to build such homes. At most, they might substitute for other floorplans of the designs, but Designworks does not compete in the market for floorplans. While the agents still copied a nontrivial portion of the designs, and we decline to weigh the extent of their copying strongly in favor of a finding of fair use, these facts further persuade us that the extent of their copying does not strongly disfavor such a finding either.

We lastly conclude that the effect of the agents' use of floorplans on the market for and value of Designworks's designs favors a finding of fair use. In weighing this final consideration, we look not only to the extent of the market harm caused by the use but also to whether "unrestricted and widespread" conduct of the same type would result in "a substantially adverse impact on the potential market." *Campbell*, 510 U.S. at 590. Additionally, we consider "harm to the market for derivative works," *id.*, and benefits to the public. *Google*, 593 U.S. at 35–38. The extent of the market harms and benefits is the "most important element of fair use." *Harper & Row*, 471 U.S. at 566. Because fair use is an affirmative defense, its proponent often needs to present some "favorable evidence about relevant markets." *Campbell*, 510 U.S. at 590. On the current record, use of floorplans in home resale listings like the agents' does not harm Designworks in its existing markets, threatens at most speculative harm to Designworks in its potential markets, and likely benefits Designworks outright by increasing the resale value of its designs. Accordingly, the market effects of the use weigh solidly in the agents' favor.

Even unrestricted and widespread use of floorplans in home resale listings would not displace Designworks's products in Designworks's existing markets. Designworks makes homes and home designs, and a floorplan is not a substitute for either. No buyer could use a floorplan in place of a home. A buyer might purchase a

home advertised with a floorplan in the resale market, but Designworks has no legitimate interest in preventing resales because the first sale doctrine allows homeowners to resell their homes without its permission. 17 U.S.C. § 109(a). As for designs, they contain much detail a floorplan omits. Thus, James testified that he could build homes from various floorplans, but he never testified that he could build them to match the full three-dimensional designs from which the floorplans derived. It seems, as review of the plans for Designworks's designs suggests, that a buyer who wanted to build a home using the designs or derivative designs would need more than the floorplans.

Reliance on the floorplans does not even seem to be a useful shortcut to the preparation of full plans. Construction of a home from the completed plans would likely infringe Designworks's copyrights, 17 U.S.C. § 106(1), and plans that cannot be built have minimal value, no matter how much more cheaply they might be made using floorplans as a starting point. Perhaps in different circumstances builders would risk the consequences of infringement to take advantage of that starting point, but, nearly fifteen years after Designworks floorplans first landed on the internet, there is not even an allegation that any builder has done so here. We therefore view the risk of downstream copying of Designworks's designs by builders as speculative. *Cf. Authors Guild*, 804 F.3d at 229.

Outside Designworks's existing markets, circumstances are no less favorable to a finding of fair use. Though Designworks maintains that unrestricted and widespread use of floorplans in home resale listings will hurt its prospects in potential markets for floorplans used in such listings and for floorplans used in other unspecified ways, we view these potential markets as irrelevant because any harm to Designworks in them is speculative.

We start with the potential market for floorplans used in home resale listings, where Designworks's theory of injury falls flat because it simply repackages its infringement claims. Designworks first assumes that use of floorplans in home resale

listings is infringing and observes that the agents used floorplans in home resale listings. This is the essence of its infringement claims. It then concludes that the lost opportunity to license floorplans to the agents and others like them tends to negate the fairness of their use. The flaw in this reasoning is so common that it has a name in copyright law: circularity. The lost opportunity to license an allegedly infringing use of a work cannot tilt the fair use inquiry against the alleged infringer because this loss does not distinguish any one allegedly infringing use of a work from another. After all, in every fair use case, a "plaintiff suffers a loss of a potential market if that potential is defined as the theoretical market for licensing the very use at bar." *Swatch*, 756 F.3d at 91; 4 Nimmer, *supra*, § 13F.08[B].

Mindful of the circularity difficulty and the folly of allowing purely hypothetical market injuries to influence our assessment of fair use, we credit a plaintiff's assertion of harm in a potential market only if the harm is nonspeculative. This usually means that the market must be "traditional, reasonable, or likely to be developed." *Swatch*, 756 F.3d at 91; *Bell v. Eagle Mountain Saginaw Indep. Sch. Dist.*, 27 F.4th 313, 325 (5th Cir. 2022). But we do not consider injuries in any potential market unless the plaintiff "would have licensed, not just could have licensed" in that market or the plaintiff refused to license in that market because it sought to increase the value of the work by eliminating the market. *See Patry, supra*, § 6:9. And delay in exploiting a potential market will, eventually, constitute a "decision to leave the market untapped." *Id.*; *see also Bell*, 27 F.4th at 325.

Designworks's conduct in the potential market for floorplans used in home resale listings is a textbook example of such delay. Designworks has apparently never licensed floorplans of its designs for use in home resale listings. That period of inactivity includes the nearly thirty years since Designworks created its original design and the more than six years since it sued the agents for using floorplans of the original and derivative designs. If Designworks intended to exploit the market for floorplans used in home resale listings, there was no reason to allow this much time to pass. Designworks does not, for example, suggest that it refrained from licensing

such floorplans until licensing became practical. If Designworks instead intended to shut down the licensing market to increase the value it got from its designs in other markets, it has not said so. In these circumstances, any harm to Designworks in the potential market for home resale listing floorplans that would follow from widespread use of such floorplans is speculative. We give it no weight.

For similar reasons we give no weight to harm Designworks might suffer in the potential markets for floorplans used outside of home resale listings. Designworks does not appear to have licensed, intended to license, or tried to prevent the licensing of such floorplans any more than it licensed, intended to license, or tried to prevent the licensing of floorplans used in home resale listings. Even if third parties were using the agents' floorplans outside of listings for existing homes, an assumption for which there is no evidence, any injuries Designworks might suffer in the potential markets for such floorplans would be as speculative as the injuries it might suffer in the potential market for floorplans used in listings for existing homes.

Though the circumstances just summarized convince us that unrestricted and widespread use of floorplans in home resale listings will cause Designworks no cognizable harm, we would be remiss if we did not mention the benefits that the use of floorplans offers Designworks. *See Google*, 593 U.S. at 35–38. Because putting floorplans in listings for existing Designworks homes makes it less costly for potential buyers to discover the homes' layouts and dimensions, it tends to increase the number of potential buyers willing to consider buying the homes. The result is that the homes should, on average, resell more quickly or for a higher price than they would absent the use of floorplans. This benefits Designworks because it can capture a share of the price or liquidity premium by charging more for its designs and homes in the initial markets for these products. A buyer in the initial markets expects homes built using the designs will ultimately return the price or liquidity premium at resale and is therefore more likely to pay the higher charge.

Considering the market benefits to Designworks from unrestricted and widespread use of floorplans in home resale listings and the absence of

nonspeculative market harms to Designworks from such use, we conclude that the effect of such use on the market for and value of Designworks's designs decidedly favors a finding of fair use.

Having now reviewed the enumerated statutory considerations that guide our assessment of fair use, we hold that the agents are entitled to judgment on their fair use defenses. Though they do not uniformly favor the agents, these considerations favor the agents on balance. We note, too, that our holding comports with the opinions of leading commentators, who have endorsed, or hinted at endorsing, a finding of fair use in these very cases. Patry, *supra*, § 3:4; 1 Nimmer, *supra*, § 2A.09[B][4][c] & n.286.17.

Our finding leaves only one loose end to tie up: Designworks's demand for further discovery concerning fair use, which we reject. After we reversed earlier judgments for the agents and remanded with a note that the agents' fair use defenses remained in play, Designworks moved to reopen discovery concerning fair use, and the district court denied the motions. Designworks says this decision was a mistake, but we are not inclined to disturb it because Designworks has not developed any argument for doing so.

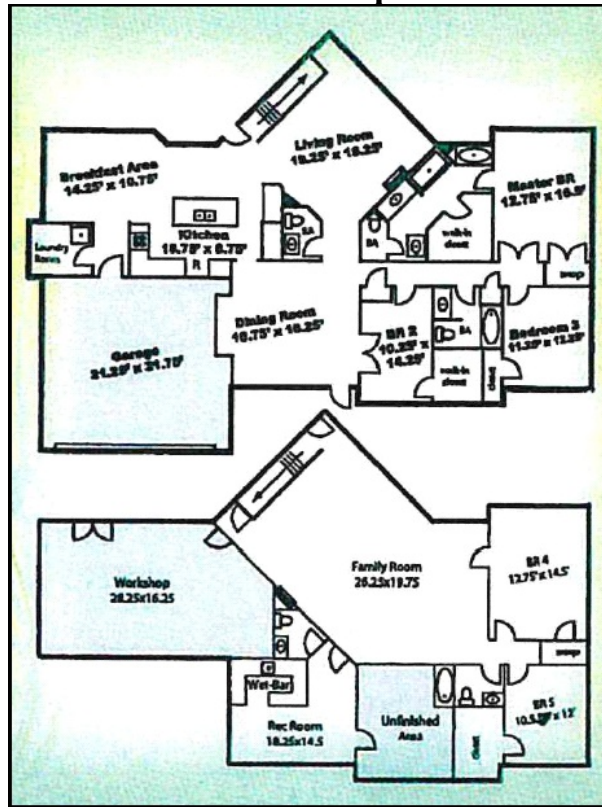
Reviewing the merits of the decision nonetheless, we see no abuse of discretion in the district court's refusal to reopen discovery. Designworks identifies nothing it might learn through further discovery that it did not and should not have been expected to learn during the discovery period that already closed. Without more, the fact that we remanded to the district court after the close of discovery while leaving the fair use issue open hardly justifies additional discovery. *See Level 3 Commc'ns, L.L.C. v. City of St. Louis*, 540 F.3d 794, 796–97 (8th Cir. 2008); *Ty, Inc. v. Publ'ns Int'l, Ltd.*, 2003 WL 21294667, at *7 (N.D. Ill. June 4, 2003). Fair use, we note, has been at issue since the pleading stage.

This exhausts Designworks's challenges to the district court's judgments. For the reasons we have stated, none persuades us that the district court erred in its conclusions.

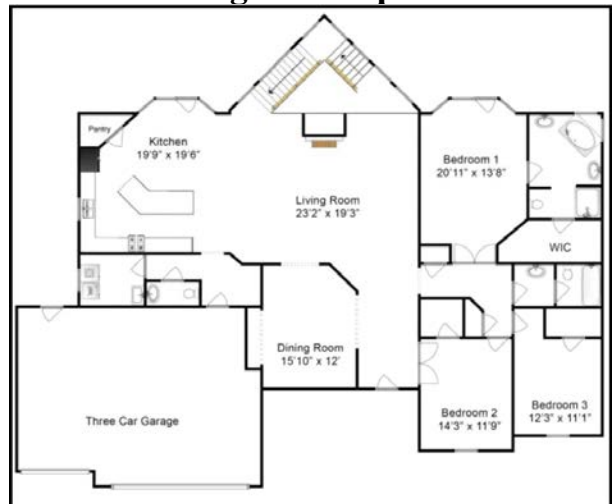
Affirmed.

APPENDIX

Horak Floorplan



Bulgin Floorplan



Appendix B

District Court Orders
(Sept. 28-29, 2023)

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
CENTRAL DIVISION**

DESIGNWORKS HOMES, INC., et al.,)	
)	
Plaintiffs,)	
)	
v.)	Case No. 2:18-CV-04090-BCW
)	
COLUMBIA HOUSE OF)	
BROKERS REALTY, INC., et al.,)	
)	
Defendants.)	

ORDER

Before the Court is, on remand from the Court of Appeals for the Eighth Circuit, Defendants’ Motion for Summary Judgment (Doc. #72), Plaintiffs’ Supplemental Motion for Summary Judgment (Doc. #145), and Defendants’ Supplemental Motion for Summary Judgment (Doc. #151). The Court, being duly advised of the premises, grants Defendants’ motions and denies Plaintiffs’ motion on the basis of fair use.

BACKGROUND

On November 6, 2019, this Court granted Defendants’ motion for summary judgment on Plaintiffs’ complaint alleging (I) copyright infringement; (II) contributory copyright infringement; (III) vicarious infringement; and (IV) violation of the Visual Artists Rights Act, 17 U.S.C. § 106A (VARA). (Doc. #106). Plaintiffs’ claims stem from their copyright interests in an original expression home configuration, embodied in a residential structure that Defendants were hired to market and sell.

In its original Order, the Court found Defendants entitled to summary judgment on Count I because Plaintiffs did not show access for purposes of their copyright infringement claim as to Registration C and Registration U. (Doc. #106). The Court also found Defendants entitled to

summary judgment as to Registration K under 17 U.S.C. § 120(a) (excluding pictorial representation of architectural works from copyright protection). The Court further found Defendants entitled to summary judgment on Count II and III alleging secondary copyright infringement because the Court granted summary judgment for Defendants on Count I. Finally, the Court granted Defendants' motion for summary judgment as to Count IV that the Design, as incorporated into the structure at 1713 Kenilworth, was not protected by VARA. (Doc. #106).

Plaintiffs appealed the Court's Order. (Doc. #108). On August 16, 2021, the Eighth Circuit reversed this Court's decision granting summary judgment for Defendants under § 120(a). The Eighth Circuit stated:

[I]n sum, we hold that § 120(a) does not provide a defense to copyright infringement to real estate companies, their agents, and their contractors when they generate and publish floorplans of homes they list for sale. Our decision does not preclude the district court on remand from considering whether some other defense might apply or whether the plaintiffs have demonstrated a claim of copyright infringement in the first place.

(Doc. #130-3 at 13). The Eighth Circuit issued its mandate on October 13, 2021 (Doc. #137).

On November 2, 2021 and December 10, 2021, this Court held status conferences with the parties to determine how this matter would proceed after reversal and remand of the summary judgment Order. On December 10, 2021, the Court entered an Order denying Plaintiffs' oral motion to re-open discovery, granting in part Plaintiffs' motion for supplemental briefing, and staying the matter, pending a decision from the Supreme Court of the United States on Defendants' petition for writ of certiorari. (Doc. #143). The Supreme Court denied Defendants' petition for cert on June 27, 2022, and the parties filed supplemental briefing in this Court on the affirmative defense of fair use. (Docs. #145, #151).

LEGAL STANDARD

A party is entitled to summary judgment if there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56 (citing Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986)). The moving party bears the burden to establish both that there exists no genuine issue of material fact and entitlement to judgment as a matter of law. Celotex, 477 U.S. at 323. For purposes of summary judgment, the non-moving party is entitled to the benefit of all reasonable factual inferences. Mirax Chem. Prods. Corp. v. First Interstate Commercial Corp., 950 F.2d 566, 569 (8th Cir. 1991).

UNCONTROVERTED FACTS¹

In 1996, Plaintiffs Designworks Homes, Inc. and its sole shareholder Charles Lawrence James (“Plaintiffs”) designed and constructed a home at 4306 Melrose Drive in Columbia, Missouri. The home design is configured and described as a “triangular atrium design with stairs” (hereinafter, “the Design”). Between 1996 and 2001, Plaintiffs used the Design in at least four other residential builds.

In 1999, Plaintiffs designed a constructed a home, using the Design, at 1713 Kenilworth in Columbia, Missouri. The completed structure at this location is visible from a public street.

In 2004, Plaintiffs applied for and received a copyright registration for a house in which it used the Design located at 4804 Chilton Court, Columbia, Missouri. The copyright application was titled “Atrium ranch on walk out; Angular atrium ranch.” The registration number for this copyright for “Architectural work,” effective May 10, 2004, is VAu 623-402² (“Registration C”).

¹ The Court denied Plaintiffs’ motion to re-open discovery on remand. Therefore, the uncontroverted material facts remain unchanged from those set forth in the Court’s initial ruling. (Doc. #106).

² Copyright Registration Number VAu000623402

Type of Work: Visual Material

Date: May 10, 2004

Application Title: Atrium ranch on walkout; Angular atrium ranch

The deposit materials for Registration C are photographs of the exterior and interior structure at 4804 Chilton and drawings.

In 2013, Plaintiffs applied for and received a copyright registration for an architectural work that used the Design. The copyright application was titled “2,187SF.” The registration number for this copyright for an architectural work, effective June 6, 2013, is VAu-1331-136³ (“Registration U”). The architectural work for Registration U was never built. The deposit materials for Registration U are drawings.

On February 23, 2017, Defendants listed the home at 1713 Kenilworth for \$465,000.00. Defendant House of Brokers was the designated broker for 1713 Kenilworth and the real estate agents for the listing were Jackie Bulgin, Shannon O’Brien, and Debbie Fisher.

On February 15, 2017, Sphero Tours / Shawn Ames (“Sphero”) sent an invoice to Defendant House of Brokers, care of Jackie Bulgin, for Sphero’s work measuring the interior dimensions and creating a computer aided design drawing of the interior of 1713 Kenilworth.⁴

On February 23, 2017, Defendant Jackie Bulgin completed a Residential Property Data Entry Form, MLS #308591, for 1713 Kenilworth in the Flexmls/MLS system. Bulgin selected the option to export the listing for 1713 Kenilworth to all available options, including Realtor.com,

Title: 4804 Chilton Court, lot 108
Description: Architectural work
Copyright Claimant: Charles Lawrence
Date of Creation: 2002

³ Copyright Registration Number VAu001133136
Type of Work: Visual Material
Date: June 6, 2013
Application Title: 2,187SF – not yet constructed.
Title: 2,187SF
Description: Electronic file (eService)
Copyright Claimant: Charles James
Date of Creation: 2012

⁴ This drawing is the “Floorplan” on which Plaintiffs’ claims are based.

Supra, Zillow, and Homes.com. Pursuant to Bulgin's authorization on the MLS, the Floorplan was distributed to Realtor.com, where Plaintiffs discovered it. Defendants marketed 1713 Kenilworth using the Floorplan from February 2017 to July 2017. The house did not sell during that time period.

In April 2018, Plaintiffs registered copyrights in the technical drawings for 4306 Melrose and for 1713 Kenilworth. The copyright application for 1713 Kenilworth was titled "1713 Kenilworth / Heritage Meadows." The registration number for this copyright for a work of visual art is VAu 1-329-938, with a year of completion of 1999.⁵ ("Registration K"). The deposit materials for Registration K are drawings. In contrast with Registration C and Registration U, which are both registered as architectural works, Registration K is registered as a technical drawing and a work of visual art.

ANALYSIS

Defendants argue there is no genuine issue of material fact and they are entitled to judgment as a matter of law because the Floorplan does not infringe on Plaintiffs' copyrights in the Design, the Floorplan does not infringe based on § 120(a), and the Floorplan constitutes fair use. (Docs. #72, #151). Because the Court granted summary judgment for Defendants on the issue of copyright infringement based on § 120(a), the Court declined to consider Defendants' other arguments. (Doc. #106).

⁵ Copyright Registration Number VAu1329938
Type of Work:
Date: April 22, 2018
Application Title: 1713 Kenilworth / Heritage Meadows
Title: 1713 Kenilworth / Heritage Meadows
Description:
Copyright Claimant: Charles Lawrence James
Year of Completion: 1999

In reversing the Court's Order to the extent it was premised on § 120(a), the Eighth Circuit stated:

[n]othing we say in this opinion is meant to undermine any defense other than the one found in § 120(a). It may be that many of the hypothetical uses that the defendants posit would be protected by some other defense. The fair-use defense immediately comes to mind. See 17 U.S.C. § 107. In fact, the defendants here raised fair use below, but the district court need not reach its potential application because it concluded that § 120(a) applied. We need not resolve that matter because we leave it to the district court on remand to do so in the first instance. Just because we close one door to protection from liability mean that others aren't standing open.

(Doc. #130-3 at 11-12). The Court now considers, with the benefit of the parties' supplemental briefing on the issue (Docs. #145 & #151), whether Defendants are entitled to summary judgment that the Floorplan constitutes fair use of Plaintiffs' copyrights in the Design.

The Copyright Act protects "original works of authorship fixed in any tangible medium of expression," and confers upon the copyright holder exclusive rights to publish, copy and/or distribute the original work. 17 U.S.C. § 102(a); Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 547 (1985). A prima facie case of copyright infringement requires a plaintiff to demonstrate: (1) ownership of a valid copyright; and (2) defendant's copying, displaying, or distributing protected elements of the copyrighted work without authorization. Taylor Corp. v. Four Seasons Greetings, LLC, 315 F.3d 1039, 1042 (8th Cir. 1992).

The fair use doctrine is an affirmative defense to copyright infringement, codified in 17 U.S.C. § 107. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 590 (1994). Fair use "confers a privilege to use copyrighted material in a reasonable manner without the owner's consent." Belmore v. City Pages, Inc., 880 F. Supp. 673, 676 (D. Minn. 1995) (citing Hustler Mag., Inc. v. Moral Majority, Inc., 796 F.2d 1148, 1151 (9th Cir. 1986)). "This doctrine is a means of balancing the need to provide individuals with sufficient incentives to create public works with the public's interests in the dissemination of information." Id. at 676-77.

Title 17 U.S.C. § 107 sets forth “Limitations on exclusive rights: Fair use.” The statute states in full:

Notwithstanding the [the exclusive rights held by a copyright owner] the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

17 U.S.C. § 107.

Because fair use is an affirmative defense, Defendants bear the burden to prove that the allegedly infringing use was fair. N. Jersey Media Grp., Inc. v. Pirro, 74 F. Supp. 3d 605, 614 (S.D.N.Y. 2015) (citing Swatch Grp. Mgmt. Servs. Ltd. v. Bloomberg L.P., 756 F.3d 73, 81 (2d Cir. 2014; NXIVM Corp.v. Ross Inst., 364 F.3d 471, 476-77 (2d Cir. 2004), cert. denied, 543 U.S. 1000 (2004)). However, they need not show that each listed factor weighs in their favor. Id. “Instead, the factors are to be explored, and the results weighed together, in light of the purposes of copyright.” Id. (citing Campbell, 510 U.S. at 578). Further, these statutory factors are non-exclusive, and certain considerations may be relevant to more than one factor. Swatch, 756 F.3d at 81; Pirro, 74 F. Supp. 3d at 614. The issue of fair use, though a mixed question of law and fact,

may be resolved on summary judgment if the material facts are not in genuine dispute. Pirro, 74 F. Supp. 3d at 614; Harper & Row, 471 U.S. at 560.

Defendants argue there is no genuine issue of fact and they are entitled to judgment as a matter of law on Plaintiffs' claims for copyright infringement because the Floorplan constitutes fair use under § 107. As to the first statutory factor, Defendants argue the Floorplan's use was transformative of the Design, the type of commercial use at issue favors a finding of fair use, and Defendants acted in good faith. As to the second statutory factor, Defendants argue the nature of the Design favors a finding of fair use. As to the third statutory factor, Defendants argue the Floorplan used a minimal and insubstantial portion of the Design. As to the fourth statutory factor, Defendants argue the Floorplan does not affect the potential market value of the Design. (Doc. #151).

In opposition, Plaintiffs argue the Floorplan does not constitute fair use. (Doc. #145). As to the first statutory factor, Plaintiffs argue the Floorplan's use was indisputably commercial in nature, as well as non-transformative. As to the second statutory factor, Plaintiffs argue the Design is entitled to "maximal" copyright protection because it is an unpublished, award-winning, creative work. As to the third statutory factor, Plaintiffs argue the Floorplan represents "wholesale copying." As to the fourth statutory factor, Plaintiffs argue the Floorplan is a superseding use that limits the licensing value of the Design. Plaintiffs also assert other factors weigh against a finding of fair use: (a) Defendants made no attempt to obtain permission for use of the Design or to attribute the Design to Plaintiffs; (b) Defendants made no attempt to limit Plaintiffs' harm; (c) publicly available interior home layouts present privacy issues for homeowners; and (d) the record does not demonstrate the homeowners' consent to the publication of the Floorplan. (Doc. #145).

A. Purpose and character of the Floorplan's use

Defendants argue the purpose and character of the Floorplan's use was transformative of the Design, the type of commercial use at issue here supports a finding of fair use, and Defendants' good faith supports a finding of fair use. In opposition, Plaintiffs argue the Floorplan was a "commercial, non-transformative, superseding" use of Plaintiffs' copyrighted material, which is not fair use.

1. The Floorplan's use is transformative.

The "purpose and character" factor of § 107, "which addresses the manner in which the copied work is used, is the heart of the fair use inquiry." Cariou v. Prince, 714 F.3d 694, 705 (2d Cir. 2013) (citing Blanch v. Koons, 467 F.3d 244, 249-50 (2d Cir. 2006)). This factor asks "whether the new work merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message." Pirro, 74 F. Supp. 3d at 614; Campbell, 510 U.S. at 579.

"Added value or utility is not the test: a transformative work is one that serves a new and different function from the original work and is not a substitute for it." Authors Guild, Inc. v. HathiTrust, 755 F.3d 87, 96 (2d Cir. 2014). "[E]ven making an exact copy of a work may be transformative so long as the copy serves a different function than the original work." Kennedy v. Gish, Sherwood & Friends, Inc., 143 F. Supp. 3d 898, 910 (E.D. Mo. 2015) (citing Kelly v. Arriba Soft Corp., 336 F.3d 811, 818-19 (9th Cir. 2003) (small, low-resolution reproductions of copyrighted photographs transformative because the reproductions "improv[ed] access to information on the internet versus [the original photograph's purpose of] artistic expression").

Under the uncontroverted facts, Defendants only had access to the structure at 1713 Kenilworth, and the copying that occurred involved Defendants hiring a contractor to generate a

computer aided sketch of the interior floor plan. There is no dispute Defendants had no other access to structures where the Design was used, nor Plaintiffs' drawings prepared for use in the construction of 1713 Kenilworth or elsewhere.

The Floorplan is a two-dimensional floorplan, drawn from a three-dimensional structure. While Plaintiffs' copyright in the Design includes drawings, there is no dispute Defendants did not have access to those drawings. Therefore, any infringement arises only from Defendants' access to 1713 Kenilworth.

The 2-D Floorplan is thus transformative of the 3-D structure embodying the Design at 1713 Kenilworth. The Floorplan's use is functional, informing potential buyers of the interior layout of 1713 Kenilworth. Conversely, the Design's use is artistic and/or structural for a residential home for someone to live in. The Floorplan does not supersede the structure incorporating the Design at 1713 Kenilworth and it is not a substitute for the completed construction. Authors Guild v. Google, Inc., 804 F.3d 202, 223 (2d Cir. 2015).

The Floorplan's use is also transformative of the 3-D structure at 1713 Kenilworth because it represents only a small portion of the structure embodying the Design. Similarly, the drawings for the interior layout at 1713 Kenilworth are only a small portion of the material required for a home construction. There is no dispute Defendants did not attempt to construct anything from the Floorplan, and much more architectural expertise would be necessary to replicate the Design embodied in the structure at 1713 Kenilworth, even if the Floorplan provided the dimensions for the interior layout.

Additionally, the Floorplan's use is transformative of the Design because its purpose is the sale of 1713 Kenilworth by the homeowners. Defendants did not copy and publicize the Design to reduce the Design's marketability. Rather, the purpose of the Floorplan was to provide information

to prospective homebuyers of the interior layout of 1713 Kenilworth. Defendants were hired by the homeowners to market and sell the house and the Floorplan was part of those efforts.

Even if the Floorplan reflects the interior layout of 1713 Kenilworth just as Plaintiffs' drawings reflect the interior layout, the Floorplan's use is to inform the home-buying public, while Plaintiffs' drawings contribute to the completed structure embodying the Design. Kennedy, 143 F. Supp. 3d at 910. Further, the Floorplan is one aspect of Defendants' marketing efforts for the sale of 1713 Kenilworth – photos, an internet listing, and descriptions the residential structure's features were also part of Defendants' marketing efforts to sell the house for the homeowner. Like these other marketing tools, the Floorplan served interests of transparency for potential homebuyers for the structure located at 1713 Kenilworth, as opposed to serving any interests to negatively impact the Design's licensing value. The use of the Floorplan does not overlap with the Design's aesthetic use in the marketplace. Indeed, Plaintiffs' interior layout drawings for 1713 Kenilworth are only part of the architectural plans, making up only part of the copyrightable material, which requires layers of other technical drawings, site plans, foundational layout plans, roof layouts, elevation studies, electrical plans, and other details manifesting as the completed residential construction. The Floorplan's use does not overlap with the Design's use nor its market; therefore, the Floorplan is transformative of the Design, which favors fair use.

2. The Floorplan's commercial use supports a finding of fair use.

Section 107's first statutory factor also requires the Court to "consider whether the allegedly infringing work has a commercial . . . purpose." Cariou, 714 F.3d at 708. "This consideration arises when a secondary user makes unauthorized use of copyrighted material to gain profit through copying the original work." Pirro, 74 F. Supp. 3d at 618. The relative importance of the commercial purpose of the allegedly infringing use is "determined on a sliding

scale: the more transformative the work, the less important the commercial purpose.” Id. Further, the secondary use’s commercial purpose may be less important “where the link between the defendant’s commercial gain and its copying is attenuated” Id.

Under the uncontroverted facts, the Floorplan was part of Defendants’ marketing materials for 1713 Kenilworth. Defendants did not sell the Floorplan, nor did they duplicate or sell completed structures. Moreover, the Floorplan conveyed information about 1713 Kenilworth to the home-buying public. While there is no dispute the Floorplan helped Defendants market 1713 Kenilworth, Defendants’ presumed eventual commission from the sale of the structure embodying the Design has an attenuated relationship to the copying at issue. The Floorplan’s commercial use weighs in favor of fair use. This conclusion is consistent with the Court’s conclusion as to the Floorplan’s transformative use.

3. Defendants’ good faith supports a finding of fair use.

Section 107’s purpose and use factor carries a “subfactor pertaining to defendant’s good or bad faith” relative to the copying at issue. NXIVM Corp., 364 F.3d at 478.

The undisputed facts do not suggest Defendants conducted themselves in bad faith. Defendants were hired to market 1713 Kenilworth for sale in 2017. Plaintiffs applied for and received Registration K in 2018. The record does not otherwise suggest Defendants’ knowledge of Plaintiffs’ copyright interest in the Design at the time Defendants made the Floorplan. Defendants’ good faith supports a finding of fair use.

B. Nature of the Design

Defendants argue the nature of the Design supports a finding of fair use because the Design has only thin copyright protection. In opposition, Plaintiffs argue the Design is an award-winning, unique home design “afforded maximal protection” in copyright.

The “nature of the copyrighted work” relates to “the value of the materials used.” Campbell, 510 U.S. at 586. “This factor calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied.” Id. Whether a work is unpublished “is a critical element of its nature” and “the scope of fair use is narrower with respect to unpublished works.” Harper & Row, 471 U.S. at 564.

Plaintiffs’ copyrights in the Design include the overall form and the arrangement and composition of the spaces, but does not include “individual standard features and architectural elements classifiable as ideas or concepts [that] are not themselves copyrightable. Intervest Constr., Inc. v. Canterbury Est. Homes, Inc., 554 F.3d 914, 919 (11th 2008). An architectural work “closely parallels that of a ‘compilation’” of standard elements, arranged in a particular way. Id. Copyright protection in a compilation is “thin.” Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 349 (1991).

Defendants argue that once the unprotectable features of the Design, i.e. kitchen, living room, dining room, bedrooms, windows, doors, and other standard components are excluded, only the triangular atrium remains potentially protectable in copyright. In Sturdza v. United Arab Emirates, the D.C. Circuit found “domes, wind-towers, parapets, arches, and Islamic patterns” to be unprotectable ideas. 281 F.3d 1287, 1297 (D.C. Cir. 2002). The Sturdza court did not, though it could have, include atriums in this list of non-protectable architectural elements. Id. This ruling thus suggests at least the possibility that Plaintiffs’ triangular atrium is protectable in copyright as an artistic element which may enjoy more than “thin” copyright protection.

Even so, the nature of the Design overall weighs in favor of a finding of fair use, even if the triangular atrium element gets broader copyright protection as an artistic element. For one

thing, Plaintiffs' argument assumes the Floorplan reflects a triangular atrium for the casual observer. The Floorplan depicts the interior layouts of the lower and main floors of the residential structure and there is no dispute the residential structure at 1713 Kenilworth includes a triangular atrium. Therefore, the Floorplan depicts the triangular atrium, but in a utilitarian and inartistic way. Further, there is no dispute Plaintiffs have used the Design in other constructions, thus reducing its uniqueness, and undercutting Plaintiffs' argument that the Design is unpublished. Even assuming the triangular atrium is entitled to broader copyright protection as an artistic element, it is one part of a compilation of unprotectable elements, such that the nature of the Design factor nonetheless weighs in favor of a finding of fair use.

C. Amount and substantiality of the Floorplan versus the Design

Defendants argue the Floorplan copied only a minimal, insubstantial portion of Design. In opposition, Plaintiffs argue the Floorplan is a wholesale copy.

The amount and substantiality factor for fair use asks "whether the quantity and value of the materials used are reasonable in relation to the purpose of the copying." Pirro, 74 F. Supp. 3d at 620 (citing Campbell, 510 U.S. at 586). "[T]he extent of permissible copying varies with the purpose and character of the use." Campbell, 510 U.S. at 586-57. "The crux of the inquiry is whether no more was taken than necessary." Pirro, 74 F. Supp. 3d at 620 (citing id. at 589).

Plaintiffs' argument is demonstrably unsupported by this record. Under the uncontroverted facts, there is no evidence Defendants otherwise had access to or copied the drawings underlying the Design incorporated into the structure at 1713 Kenilworth. The copying at issue arose from Defendants' access to the interior of 1713 Kenilworth. A "wholesale copy" in this context would be a copy of the structure at 1713 Kenilworth, within which the Design is incorporated. The Floorplan represents the structure's dimensional layout as it exists compared to the completed

structure. This copying is minimal and insubstantial when compared to all of the technical drawings and architectural plans underlying the Design.

Further, Defendants' contractor measured the interior layout as it already existed, which supports the conclusion that Defendants took no more of Plaintiffs' copyrighted material than was necessary for purposes of providing information to the homebuying market about 1713 Kenilworth's interior layout. This factor weighs in favor of fair use.

D. Effect on the potential market for the Design

Defendants argue the effect upon the potential market for the sale of the Design weighs in favor of a finding of fair use because the Floorplan is not a substitute for the Design. In opposition, Plaintiffs argue the Floorplan is a superseding use that limits the licensing value of Plaintiffs' copyrights in the Design.

"[T]he effect of the use upon the potential market for or value of the copyrighted work" is "undoubtedly the single most important element of fair use." Harper & Row, 471 U.S. at 566. This factor evaluates the extent of market harm caused by the alleged infringing use and "whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the potential market for the original." Campbell, 510 U.S. at 590.

Because the Floorplan is transformative, it is not a substitute for the original work. HathiTrust, 755 F.3d at 99. The Floorplan does not supersede or replace Plaintiffs' work; architectural expertise would be required to replicate the Design. The market for the Floorplan does not overlap with the market for the Design as an artistic expression. This factor tends toward fair use.

The Copyright Act "reflects a balance of competing claims upon the public interest: Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the

cause of promoting broad public availability of literature, music, and the other arts.” Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 143 S. Ct. 1258, 1273 (2023). The fair use doctrine reflects “[t]his balancing act between creativity and availability” Id.; Hustler, 796 F.2d at 1151 (fair use seeks to balance creative incentives with public interest in dissemination of information). Under the circumstances presented here, the functional nature of the Floorplan in connection with the marketing and sale of the residential structure, at the homeowners’ request and with their consent, combined with policy and efficiency interests associated with transparency of real estate transactions, Defendants’ Floorplan is fair use and, on the balance, is not an infringement of Plaintiffs’ copyrights in the Design.

For all of these reasons, with the Court having also considered the additional factors suggested by Plaintiffs, the Floorplan falls within the doctrine of fair use. Therefore, Defendants’ motion for summary judgment is granted on the affirmative defense of fair use as to Count I, and in turn as to Counts II and III. To the extent the Court’s analysis in its original Order was not based on § 120(a), the Court incorporates that analysis here, with fair use providing an additional and alternative basis for Defendants’ right to judgment as a matter of law on Counts I-IV. (Doc. #106). Accordingly, it is hereby

ORDERED Defendants’ Motion for Summary Judgment (Doc. #59) and Supplemental Motion for Summary Judgment (Doc. #151) are GRANTED. It is further

ORDERED Plaintiffs’ Supplemental Motion for Summary Judgment (Doc. #145) is DENIED.

IT IS SO ORDERED.

DATED: September 29, 2023

/s/ Brian C. Wimes
JUDGE BRIAN C. WIMES
UNITED STATES DISTRICT COURT

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
CENTRAL DIVISION**

DESIGNWORKS HOMES, INC., et al.,)	
)	
Plaintiffs,)	
)	
v.)	Case No. 2:18-CV-04093-BCW
)	
SUSAN HORAK, doing business as)	
The Susan Horak Group Re/Max)	
Boone Realty, et al.,)	
)	
Defendants.)	

ORDER

Before the Court is, on remand from the Court of Appeals for the Eighth Circuit, Defendants’ Motion for Summary Judgment (Doc. #59) and Plaintiffs’ Supplemental Motion for Summary Judgment (Doc. #119). The Court, being duly advised of the premises, grants Defendants’ motion and denies Plaintiffs’ motion on the basis of fair use.

BACKGROUND

On December 17, 2019, this Court granted Defendants’ motion for summary judgment on Plaintiffs’ complaint alleging (I) copyright infringement; (II) contributory copyright infringement; (III) vicarious infringement; and (IV) violation of the Visual Artists Rights Act, 17 U.S.C. § 106A (VARA). (Doc. #79). Plaintiffs’ claims stem from their copyright interests in an original expression home configuration, embodied in a residential structure that Defendants were hired to market and sell.

In its original Order, the Court found Defendants entitled to summary judgment on Count I because Plaintiffs did not show access for purposes of their copyright infringement claim as to the Chilton Registration and/or the Never Built Registration. (Doc. #79). The Court also found

Defendants entitled to summary judgment as to the Melrose Registration under 17 U.S.C. § 120(a) (excluding pictorial representation of architectural works from copyright protection). The Court further found Defendants entitled to summary judgment on Count II and III alleging secondary copyright infringement because the Court granted summary judgment for Defendants on Count I. Finally, the Court granted Defendants' motion for summary judgment as to Count IV that the Design, as incorporated into the structures at 4804 Chilton and 4306 Melrose, was not protected by VARA. (Doc. #79).

Plaintiffs appealed the Court's Order. On August 16, 2021, the Court of Appeals for the Eighth Circuit reversed this Court's decision granting summary judgment for Defendants under § 120(a). The Eighth Circuit stated:

[i]n sum, we hold that § 120(a) does not provide a defense to copyright infringement to real estate companies, their agents, and their contractors when they generate and publish floorplans of homes they list for sale. Our decision does not preclude the district court on remand from considering whether some other defense might apply or whether the plaintiffs have demonstrated a claim of copyright infringement in the first place.

(Doc. #100-3 at 13). The Eighth Circuit issued its mandate on October 13, 2021 (Doc. #108).

On November 2, 2021 and December 10, 2021, this Court held status conferences with the parties to determine how this matter would proceed after reversal and remand of the summary judgment Order. On December 10, 2021, the Court entered an Order denying Plaintiffs' oral motion to re-open discovery, granting in part Plaintiffs' motion for supplemental briefing, and staying the matter, pending a decision from the Supreme Court of the United States on Defendants' petition for writ of certiorari. (Doc. #114). The Supreme Court denied Defendants' petition for cert on June 27, 2022, and the parties filed supplemental briefing in this Court on the affirmative defense of fair use. (Docs. #115, #119, #121).

LEGAL STANDARD

A party is entitled to summary judgment if there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56 (citing Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986)). The moving party bears the burden to establish both that there exists no genuine issue of material fact and entitlement to judgment as a matter of law. Celotex, 477 U.S. at 323. For purposes of summary judgment, the non-moving party is entitled to the benefit of all reasonable factual inferences. Mirax Chem. Prods. Corp. v. First Interstate Commercial Corp., 950 F.2d 566, 569 (8th Cir. 1991).

UNCONTROVERTED FACTS¹

In 1996, Plaintiffs Designworks Homes, Inc. and its sole shareholder Charles Lawrence James (“Plaintiffs”) designed and constructed a home at 4306 Melrose Drive in Columbia, Missouri, using a “triangular atrium design with stairs” (hereinafter, “the Design”). The structure’s main floor occupied 2,227 square feet. Between 1996 and 2001, Plaintiffs used the Design in at least 4 other residential builds, including for a residence constructed at 4804 Chilton Court in Columbia, Missouri.

The structure located at 4306 Melrose sits on and is visible from a public street. Both the structure at 4306 Melrose and the structure at 4804 Chilton use the Design. However, there are several differences between the two structures, including the arrangement and placement of the bedrooms, the setup of the stairs, the shape of the great rooms, the garage size, the location of the laundry room, the location and design elements of the master bedroom, the location of the main-level half bathroom, as well as other differences. (Doc. #60 at 11-13).

¹ The Court denied Plaintiffs’ motion to re-open discovery on remand. Therefore, the uncontroverted material facts remain unchanged from those set forth in the Court’s initial ruling. (Doc. #79).

In 2010, Defendant Susan Horak was hired to list for sale the home at 4306 Melrose. As part of the marketing materials for the real estate listing, Horak made and/or caused to be made and/or to be published a drawing of the layout for the interior main and lower levels of 4306 Melrose. Horak used a tape measure to measure the interior rooms of the structure and drew the floorplan on graph paper (“the Floorplan”). Horak measured the main floor to occupy 2,341 square feet. Defendants used the Floorplan in their marketing materials for the home at 4306 Melrose.

In 2017, Plaintiffs discovered the Floorplan for 4306 Melrose published online. While Defendants had access to the interior of 4306 Melrose, there is no evidence Defendants had access to any architectural drawings of 4306 Melrose, 4804 Chilton, or any other architectural drawings that used the Design. Additionally, there is no evidence Defendants had access to the interior of 4804 Chilton, or apart from 4306 Melrose, any other structure that used the Design. Finally, there is no evidence Defendants drafted any architectural plans or any construction based on the Floorplan.

Plaintiffs’ claims relate to the following asserted copyrights to the Design:

1. Copyright for plans and drawings for 4306 Melrose
2. Copyright for the completed structure for 4306 Melrose
3. Copyright Registration No. VAu623-402 (“Chilton Registration”)
 - a. Title: Atrium ranch on walk-out; Angular atrium ranch
 - b. Type: Architectural work
 - c. Effective Date: May 10, 2004
 - d. Deposit materials: photographs of the interior and exterior structure at 4804 Chilton, and architectural drawings
4. Copyright Registration No. VAu-1-133-136 (“Never Built Registration”)
 - a. Title: 2,187SF
 - b. Type: Architectural work
 - c. Effective Date: June 5, 2013
 - d. Deposit materials: architectural drawings
5. Copyright Registration No. VAu-1-330-891 (“Melrose Registration”)

- a. Title: Bedford Walk – 4306 Melrose Drive
- b. Type: Work of visual arts
- c. Effective Date: April 22, 2018
- d. Deposit materials: architectural drawings.

ANALYSIS

Defendants argue there is no genuine issue of material fact and they are entitled to judgment as a matter of law because the Floorplan does not infringe on Plaintiffs' copyrights in the Design, the Floorplan does not infringe based on § 120(a), and the Floorplan constitutes fair use. (Doc. #59). Because the Court granted summary judgment for Defendants on the issue of copyright infringement based on § 120(a), the Court declined to consider Defendants' other arguments.

In reversing the Court's Order to the extent it was premised on § 120(a), the Eighth Circuit stated:

[n]othing we say in this opinion is meant to undermine any defense other than the one found in § 120(a). It may be that many of the hypothetical uses that the defendants posit would be protected by some other defense. The fair-use defense immediately comes to mind. See 17 U.S.C. § 107. In fact, the defendants here raised fair use below, but the district court need not reach its potential application because it concluded that § 120(a) applied. We need not resolve that matter because we leave it to the district court on remand to do so in the first instance. Just because we close one door to protection from liability mean that others aren't standing open.

(Doc. #100-3 at 11-12). The Court now considers, with the benefit of the parties' supplemental briefing on the issue (Docs. #119 & #121), whether Defendants are entitled to summary judgment that the Floorplan constitutes fair use of Plaintiffs' copyrights in the Design.

The Copyright Act protects "original works of authorship fixed in any tangible medium of expression," and confers upon the copyright holder exclusive rights to publish, copy and/or distribute the original work. 17 U.S.C. § 102(a); Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 547 (1985). A prima facie case of copyright infringement requires a plaintiff to demonstrate: (1) ownership of a valid copyright; and (2) defendant's copying, displaying, or

distributing protected elements of the copyrighted work without authorization. Taylor Corp. v. Four Seasons Greetings, LLC, 315 F.3d 1039, 1042 (8th Cir. 1992).

The fair use doctrine is an affirmative defense to copyright infringement, codified in 17 U.S.C. § 107. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 590 (1994). Fair use “confers a privilege to use copyrighted material in a reasonable manner without the owner’s consent.” Belmore v. City Pages, Inc., 880 F. Supp. 673, 676 (D. Minn. 1995) (citing Hustler Mag., Inc. v. Moral Majority, Inc., 796 F.2d 1148, 1151 (9th Cir. 1986)). “This doctrine is a means of balancing the need to provide individuals with sufficient incentives to create public works with the public’s interests in the dissemination of information.” Id. at 676-77.

Title 17 U.S.C. § 107 sets forth “Limitations on exclusive rights: Fair use.” The statute states in full:

Notwithstanding the [the exclusive rights held by a copyright owner] the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

17 U.S.C. § 107.

Because fair use is an affirmative defense, Defendants bear the burden to prove that the allegedly infringing use was fair. N. Jersey Media Grp., Inc. v. Pirro, 74 F. Supp. 3d 605, 614 (S.D.N.Y. 2015) (citing Swatch Grp. Mgmt. Servs. Ltd. v. Bloomberg L.P., 756 F.3d 73, 81 (2d Cir. 2014; NXIVM Corp.v. Ross Inst., 364 F.3d 471, 476-77 (2d Cir. 2004), cert. denied, 543 U.S. 1000 (2004)). However, they need not show that each listed factor weighs in their favor. Id. “Instead, the factors are to be explored, and the results weighed together, in light of the purposes of copyright.” Id. (citing Campbell, 510 U.S. at 578). Further, these statutory factors are non-exclusive, and certain considerations may be relevant to more than one factor. Swatch, 756 F.3d at 81; Pirro, 74 F. Supp. 3d at 614. The issue of fair use, though a mixed question of law and fact, may be resolved on summary judgment if the material facts are not in genuine dispute. Pirro, 74 F. Supp. 3d at 614; Harper & Row, 471 U.S. at 560.

Defendants argue there is no genuine issue and they are entitled to judgment as a matter of law on Plaintiffs’ claims for copyright infringement because the Floorplan constitutes fair use under § 107. As to the first statutory factor, Defendants argue the Floorplan’s use was transformative of the Design, the type of commercial use at issue favors a finding of fair use, and Defendants acted in good faith. As to the second statutory factor, Defendants argue the nature of the Design favors a finding of fair use. As to the third statutory factor, Defendants argue the Floorplan used a minimal and insubstantial portion of the Design. As to the fourth statutory factor, Defendants argue the Floorplan does not affect the potential market value of the Design. (Doc. #121).

In opposition, Plaintiffs argue the Floorplan does not constitute fair use. As to the first statutory factor, Plaintiffs argue the Floorplan’s use was indisputably commercial in nature, as well as non-transformative. As to the second statutory factor, Plaintiffs argue the Design is entitled to

“maximal” copyright protection because it is an unpublished, award-winning, creative work. As to the third statutory factor, Plaintiffs argue the Floorplan represents “wholesale copying.” As to the fourth statutory factor, Plaintiffs argue the Floorplan is a superseding use that limits the licensing value of the Design. Plaintiffs also assert other factors weigh against a finding of fair use: (a) Defendants made no attempt to obtain permission for use of the Design or to attribute the Design to Plaintiffs; (b) Defendants made no attempt to limit Plaintiffs’ harm even after the sale of 4306 Melrose; (c) publicly available interior home layouts present a privacy issue for homeowners; and (d) the record does not demonstrate the homeowners’ consent to the publication of the Floorplan. (Doc. #119).

A. Purpose and character of the Floorplan’s use

Defendants argue the purpose and character of the Floorplan’s use was transformative of the Design, the type of commercial use at issue here supports a finding of fair use, and Defendants’ good faith supports a finding of fair use. In opposition, Plaintiffs argue the Floorplan was a “commercial, non-transformative, superseding” use of Plaintiffs’ copyrighted material, which is not fair use.

1. The Floorplan’s use is transformative.

The “purpose and character” factor of § 107, “which addresses the manner in which the copied work is used, is the heart of the fair use inquiry.” Cariou v. Prince, 714 F.3d 694, 705 (2d Cir. 2013) (citing Blanch v. Koons, 467 F.3d 244, 249-50 (2d Cir. 2006)). This factor asks “whether the new work merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” Pirro, 74 F. Supp. 3d at 614; Campbell, 510 U.S. at 579.

“Added value or utility is not the test: a transformative work is one that serves a new and different function from the original work and is not a substitute for it.” Authors Guild, Inc. v. Hathitrust, 755 F.3d 87, 96 (2d Cir. 2014). “[E]ven making an exact copy of a work may be transformative so long as the copy serves a different function than the original work.” Kennedy v. Gish, Sherwood & Friends, Inc., 143 F. Supp. 3d 898, 910 (E.D. Mo. 2015) (citing Kelly v. Arriba Soft Corp., 336 F.3d 811, 818-19 (9th Cir. 2003) (small, low-resolution reproductions of copyrighted photographs transformative because the reproductions “improv[ed] access to information on the internet versus [the original photograph’s purpose of] artistic expression”).

Under the uncontroverted facts, Defendants only had access to the structure at 4306 Melrose, and the copying that occurred involved Defendants’ measuring of the interior layout and transposing the interior layout onto graph paper. There is no dispute Defendants had no other access to structures where the Design was used, nor Plaintiffs’ architectural drawings prepared for use in the construction of 4306 Melrose or elsewhere.

The Floorplan is a two-dimensional floorplan, drawn from a three-dimensional structure. While Plaintiffs’ copyright in the Design as an architectural work includes drawings, there is no dispute Defendants did not have access to those drawings. 17 U.S.C. § 102(a)(8); § 101 (architectural work is “the design of a building as embodied in a tangible medium of expression, including a building, architectural plans, or drawings”). Therefore, any infringement arises only from Defendants’ access to 4306 Melrose.

The 2-D Floorplan is thus transformative of the 3-D structure embodying the Design. The Floorplan’s use is functional, informing potential buyers of the interior layout of 4306 Melrose. Conversely, the Design’s use is artistic and/or structural for a residential home for someone to live in. The Floorplan does not supersede the structure incorporating the Design at 4306 Melrose and

it is not a substitute for the completed construction. Authors Guild v. Google, Inc., 804 F.3d 202, 223 (2d Cir. 2015).

The Floorplan's use is also transformative of the 3-D structure at 4306 Melrose because it represents only a small portion of the structure embodying the Design. Similarly, the drawings for the interior layout at 4306 Melrose are only a small portion of the material required for a home construction. There is no dispute Defendants did not attempt to construct anything from the Floorplan, and much more architectural expertise would be necessary to replicate the Design embodied in the structure at 4306 Melrose, even if the Floorplan provided the dimensions for the interior layout.

Additionally, the Floorplan's use is transformative of the Design because its purpose is the sale of 4306 Melrose by the homeowners. Defendants did not copy and publicize the Design to reduce the Design's marketability. Rather, the purpose of the Floorplan was to provide information to prospective homebuyers of the interior layout of 4306 Melrose. Defendants were hired by the homeowners to market and sell the house and the Floorplan was part of those efforts.

Even if the Floorplan reflects the interior layout of 4306 Melrose just as Plaintiffs' drawings reflect the interior layout, the Floorplan's use is to inform the home-buying public, while Plaintiffs' drawings contribute to the completed structure embodying the Design. Further, the Floorplan is one aspect of Defendants' marketing efforts for the sale of 4306 Melrose – photos, an internet listing, and brochure describing the residential structure's features were also part of Defendants' marketing efforts to sell the house for the homeowner. Like these other marketing tools, the Floorplan served interests of transparency for potential homebuyers for the structure located at 4306 Melrose, as opposed to serving any interests to overexpose the Design to negatively impact its licensing value. The use of the Floorplan does not overlap with the Design's aesthetic

use in the marketplace. Indeed, Plaintiffs’ interior layout drawings for 4306 Melrose are only part of the architectural plans, making up only part of the copyrightable material, which requires layers of other technical drawings, site plans, foundational layout plans, roof layouts, elevation studies, electrical plans, and other details manifesting as the completed residential construction. The Floorplan’s use does not overlap with the Design’s use nor its market; therefore, the Floorplan is transformative of the Design, which favors fair use.

2. The Floorplan’s commercial use supports a finding of fair use.

Section 107’s first statutory factor also requires the Court to “consider whether the allegedly infringing work has a commercial . . . purpose.” Cariou, 714 F.3d at 708. “This consideration arises when a secondary user makes unauthorized use of copyrighted material to gain profit through copying the original work.” Pirro, 74 F. Supp. 3d at 618. The relative importance of the commercial purpose of the allegedly infringing use is “determined on a sliding scale: the more transformative the work, the less important the commercial purpose.” Id. Further, the secondary use’s commercial purpose may be less important “where the link between the defendant’s commercial gain and its copying is attenuated” Id.

Under the uncontroverted facts, the Floorplan was part of Defendant’s marketing materials for 4306 Melrose. Defendants did not sell the Floorplan, nor did they duplicate or sell completed structures. Moreover, the Floorplan conveyed information about 4306 Melrose to the home-buying public. While there is no dispute the Floorplan helped Defendants market 4306 Melrose, Defendants’ eventual commission from the sale of the structure embodying the Design has an attenuated relationship to the copying at issue. The Floorplan’s commercial use weighs in favor of fair use. This conclusion is consistent with the Court’s conclusion as to the Floorplan’s transformative use.

3. Defendants' good faith supports a finding of fair use.

Section 107's purpose and use factor carries a "subfactor pertaining to defendant's good or bad faith" relative to the copying at issue. NXIVM Corp., 364 F.3d at 478.

The undisputed facts do not suggest Defendants conducted themselves in bad faith. Defendants were hired to market 4306 Melrose for sale in 2010. The effective date for the Melrose Registration is April 2018. The record does not otherwise suggest Defendants' knowledge of Plaintiffs' copyright interest in the Design at the time Defendants made the Floorplan. Defendants' good faith supports a finding of fair use.

B. Nature of the Design

Defendants argue the nature of the Design supports a finding of fair use because the Design has only thin copyright protection. In opposition, Plaintiffs argue the Design is an award-winning, unique home design "afforded maximal protection" in copyright.

The "nature of the copyrighted work" relates to "the value of the materials used." Campbell, 510 U.S. at 586. "This factor calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied." Id. Whether a work is unpublished "is a critical element of its nature" and "the scope of fair use is narrower with respect to unpublished works." Harper & Row, 471 U.S. at 564.

Plaintiffs' copyrights in the Design as an architectural work includes the overall form and the arrangement and composition of the spaces, but does not include "individual standard features and architectural elements classifiable as ideas or concepts [that] are not themselves copyrightable." Intervest Constr., Inc. v. Canterbury Est. Homes, Inc., 554 F.3d 914, 919 (11th 2008). An architectural work "closely parallels that of a 'compilation'" of standard elements, arranged in a

particular way. Id. Copyright protection in a compilation is “thin.” Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 349 (1991).

Defendants argue that once the unprotectable features of the Design, i.e. kitchen, living room, dining room, bedrooms, windows, doors, and other standard components are excluded, only the triangular atrium remains potentially protectable in copyright. In Sturdza v. United Arab Emirates, the D.C. Circuit found “domes, wind-towers, parapets, arches, and Islamic patterns” to be unprotectable ideas. 281 F.3d 1287, 1297 (D.C. Cir. 2002). The Sturdza court did not, though it could have, included atriums in this list of non-protectable architectural elements. Id. This ruling thus suggests at least the possibility that Plaintiffs’ triangular atrium is protectable in copyright as an artistic element which may enjoy more than “thin” copyright protection.

Even so, the nature of the Design overall weighs in favor of a finding of fair use, even if the triangular atrium element gets broader copyright protection as an artistic element. For one thing, Plaintiffs’ argument assumes the Floorplan reflects a triangular atrium for the casual observer. The Floorplan depicts the interior layouts of the lower and main floors of the residential structure and there is no dispute the residential structure at 4306 Melrose includes a triangular atrium. Therefore, the Floorplan depicts the triangular atrium, but in a utilitarian and inartistic way. Further, there is no dispute Plaintiffs have used the Design in other constructions, thus reducing its uniqueness, and undercutting Plaintiffs’ argument that the Design is unpublished. Even assuming the triangular atrium is entitled to broader copyright protection as an artistic element, it is one part of a compilation of unprotectable elements, such that the nature of the Design factor nonetheless weighs in favor of a finding of fair use.

C. Amount and substantiality of the Floorplan versus the Design

Defendants argue the Floorplan copied only a minimal, insubstantial portion of Design. In opposition, Plaintiffs argue the Floorplan is a wholesale copy.

The amount and substantiality factor for fair use asks “whether the quantity and value of the materials used are reasonable in relation to the purpose of the copying.” Pirro, 74 F. Supp. 3d at 620 (citing Campbell, 510 U.S. at 586). “[T]he extent of permissible copying varies with the purpose and character of the use.” Campbell, 510 U.S. at 586-57. “The crux of the inquiry is whether no more was taken than necessary.” Pirro, 74 F. Supp. 3d at 620 (citing id. at 589).

Plaintiffs’ argument is demonstrably unsupported by this record. Under the uncontroverted facts, there is no evidence Defendants otherwise had access to or copied the drawings underlying the Design incorporated into the structure at 4306 Melrose. The copying at issue arose from Defendants’ access to the interior of 4306 Melrose. A “wholesale copy” in this context would be a copy of the structure at 4306 Melrose, within which the Design is incorporated. The Floorplan represents the structure’s dimensional layout as it exists compared to the completed structure. This copying is minimal and insubstantial when compared to all of the technical drawings and architectural plans underlying the Design.

Further, Defendants took their own measurements of the interior layout as it already existed, which supports the conclusion that Defendants took no more of Plaintiffs’ copyrighted material than was necessary for purposes of providing information to the homebuying market about 4306 Melrose’s interior layout. This factor weighs in favor of fair use.

D. Effect on the potential market for the Design

Defendants argue the effect upon the potential market for the sale of the Design weighs in favor of a finding of fair use because the Floorplan is not a substitute for the Design. In opposition,

Plaintiffs argue the Floorplan is a superseding use that limits the licensing value of Plaintiffs' copyrights in the Design.

“[T]he effect of the use upon the potential market for or value of the copyrighted work” is “undoubtedly the single most important element of fair use.” Harper & Row, 471 U.S. at 566. This factor evaluates the extent of market harm caused by the alleged infringing use and “whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the potential market for the original.” Campbell, 510 U.S. at 590.

Because the Floorplan is transformative, it is not a substitute for the original work. HathiTrust, 755 F.3d at 99. The Floorplan does not supersede or replace Plaintiffs' architectural work; architectural expertise would be required to replicate the Design. The market for the Floorplan does not overlap with the market for the Design as an artistic expression. This factor tends toward fair use.

The Copyright Act “reflects a balance of competing claims upon the public interest: Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts.” Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 143 S. Ct. 1258, 1273 (2023). The fair use doctrine reflects “[t]his balancing act between creativity and availability” Id.; Hustler, 796 F.2d at 1151 (fair use seeks to balance creative incentives with public interest in dissemination of information). Under the circumstances presented here, the functional nature of the Floorplan in connection with the marketing and sale of the residential structure, at the homeowners' request and with their consent, combined with policy and efficiency interests associated with transparency of real estate transactions, Defendants' Floorplan is fair use and, on the balance, is not an infringement of Plaintiffs' copyrights in the Design.

For all of these reasons, with the Court having also considered the additional factors suggested by Plaintiffs, the Floorplan falls within the doctrine of fair use. Therefore, Defendants' motion for summary judgment is granted on the affirmative defense of fair use as to Count I, and in turn as to Counts II and III. To the extent the Court's analysis in its original Order was not based on § 120(a), the Court incorporates that analysis here, with fair use providing an additional and alternative basis for Defendants' right to judgment as a matter of law. (Doc. #79). Accordingly, it is hereby

ORDERED Defendants' Motion for Summary Judgment (Doc. #59) is GRANTED. It is further

ORDERED Plaintiffs' Supplemental Motion for Summary Judgment (Doc. #119) is DENIED.

IT IS SO ORDERED.

DATED: September 28, 2023

/s/ Brian C. Wimes

JUDGE BRIAN C. WIMES

UNITED STATES DISTRICT COURT

Appendix C

Eighth Circuit Order Denying Rehearing
(Mar.26, 2025)

**UNITED STATES COURT OF APPEALS
FOR THE EIGHTH CIRCUIT**

No: 23-3402

Designworks Homes, Inc. and Charles Lawrence James

Appellants

v.

Columbia House of Brokers Realty, Inc., doing business as House of Brokers, Inc., doing
business as Jackie Bulgin & Associates, et al.

Appellees

Kieran Joseph Liebl, Inc., d/b/a Royal Oaks Design, Inc.

Amicus on Behalf of Appellant(s)

National Association of Realtors

Amicus on Behalf of Appellee(s)

No: 23-3403

Designworks Homes, Inc. and Charles Lawrence James

Appellants

v.

Susan Horak, doing business as The Susan Horak Group Re/Max Boone Realty and Boone
Group, Ltd., doing business as Re/Max Boone Realty

Appellees

Kieran Joseph Liebl, Inc., d/b/a Royal Oaks Design, Inc.

Amicus on Behalf of Appellant(s)

National Association of Realtors

Amicus on Behalf of Appellee(s)

ORDER

The petition for rehearing en banc is denied. The petition for rehearing by the panel is also denied.

March 26, 2025

Order Entered at the Direction of the Court:
Clerk, U.S. Court of Appeals, Eighth Circuit.

/s/ Susan E. Bindler