

Designworks Homes Inc. v. Columbia House of Brokers Realty, Inc.
126 F.4th 589 (8th Cir. 2025)

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| Year | 2025 |
| Court | United States Court of Appeals for the Eighth Circuit |
| Key Facts | Charles James designed a series of homes with unique triangular atria, registering those designs by depositing photographs and detailed architectural plans with the Copyright Office. Over the years, James built six homes based on his designs, but did not appear to have licensed floor plans for any of the homes. In 2010, a real estate agent listed and earned a commission on the resale of one of the homes. For the listing, the agent prepared a floor plan that depicted a top-down, two-dimensional outline of each of the home’s floors and rooms, labeled with names and rough dimensions for each space. In 2017, a different agent listed another James-designed home for resale and included a similar floor plan in the listing. After discovering both listings online in 2017, Plaintiffs James and his company, Designworks Homes, Inc., sued both agents, along with associated individuals and entities (collectively, “Defendants”), alleging that the floor plans infringed the copyrights in James’s designs. Defendants asserted fair use. After the circuit court reversed summary judgment on an alternative defense, the district court granted summary judgment in favor of Defendants on fair use. Plaintiffs appealed. |
| Issue | Whether using home designs to create and share floor plans to facilitate resale of existing homes based on the designs constitutes a fair use. |
| Holding | Considering the first factor, the purpose and character of the use, the court found that the agents’ use was transformative because, while the purpose of the designs was to facilitate home construction and “yield[] end products with functional and aesthetic benefits,” the floor plans served a new informational purpose—advertising those homes to resale buyers. Although the use’s commerciality partly counterbalanced its transformativeness, the court found that the first factor overall favored fair use. The panel held that the second factor, the nature of the copyrighted work, weighed slightly against fair use because “the designs mix[ed] creative features . . . with standard utilitarian features.” Without deciding whether home construction constituted “publication” of the underlying designs, the court observed that Plaintiffs shared the designs when building the homes and the homes appeared to be publicly accessible. Next, the panel found that the third factor, the amount and substantiality of the portion used, did not significantly favor or disfavor a finding of fair use because the copying was reasonable in relation to the purpose of facilitating home resales. Further, while Defendants copied “nontrivial” elements of the designs, the floor plans did not include the detail necessary to replicate and serve as substitutes for the designs. Finally, the court concluded that fourth factor, the effect upon the potential market for or value of the original works, also favored fair use because the use of floor plans in home resale listings did not harm existing markets for Plaintiffs’ homes and home designs. In addition, any potential harm to licensing markets was merely “speculative” as Plaintiffs never, over the course of thirty years, sought to license the designs to create floor plans. The court noted that the use might even benefit Plaintiffs by making the homes more marketable at resale, which in turn would allow Plaintiffs to charge higher prices for initial construction based on the designs. In conclusion, the court held that “on balance” the factors favored fair use and affirmed the judgment. |
| Tags | Internet/Digitization; Painting/Drawing/Graphic |
| Outcome | Fair use found |

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