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# Art Law in Transactional Practice

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## ART LAW IN TRANSACTIONAL PRACTICE

**Jeff W. Slattery<sup>†</sup>**

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## INTRODUCTION

*Artists are increasingly important players in the economic, social, and cultural development of communities throughout the United States. Unfortunately, a lack of adequate funding and appreciation of their legal needs often means artists do not seek or receive transactional legal assistance when it would be beneficial. Attorneys, meanwhile, may perceive the needs of artists as very specialized, and thereby well beyond the scope of services the attorney can provide. For these reasons, artists may find themselves without legal assistance, to the detriment of their business, their creative output, and their community. This article seeks to demystify a number of the transactional issues faced by visual artists working in communities across the country, suggesting how attorneys versed in other industries and a variety of doctrinal areas might be able to assist.<sup>1</sup> By helping local artists, attorneys can foster community development in economic, social, and cultural terms. In the interest of brevity, this article will focus on transactional issues commonly encountered by relatively unknown artists creating works in the present day, selling those works for profit, and earning a modest living from their efforts. On the practitioner side, it will focus on attorneys working in a solo or small firm environment.*

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<sup>1</sup> For “[a]rt law, simply put, is a body of law, involving numerous disciplines, that protects, regulates and facilitates the creation, use and marketing of art. Art law is not a separate jurisprudence or unified legal doctrine that applies to all of the issues confronting those in the art world. Those involved in the practice of art law look to a variety of disciplines, such as intellectual property, contract, constitutional, tort, tax, commercial and international law to protect the interests of their clients. Some of these legal principles are national in scope, while others vary according to the development of state law.” ROBERT C. LIND, ROBERT M. JARVIS & MARILYN E. PHELAN, *ART AND MUSEUM LAW* 3 (2002).

## I. THE VALUE OF VISUAL ARTISTS

Throughout human history and around the globe, visual artists have played an important role in the development of society, culture, and community.<sup>2</sup> Drawings, paintings, sculpture, and other forms of art have served to record historical events, forge identities, and express the views of people, both individually and in groups.<sup>3</sup> From prehistoric pictographs and carvings adorning caves and temples to digital creations making rounds of the Internet, visual art has long influenced human development.

Today, community-focused leaders, planners, developers, and scholars acknowledge the important role artists play in community development on a number of levels. Cities and towns across the United States and around the world are increasingly working to develop “creative economies,” that is, economies built around creative people and their work product, ranging from paintings and sculpture to graphic and industrial design.<sup>4</sup> Even where a creative economy is not the goal of a particular community, artists and their work can enhance the desirability of living in or visiting that community, indirectly facilitating economic development.<sup>5</sup>

When viewed broadly, there are many artistic parts and players in a thriving, creative community, including individual artists, collectives of multiple artists, arts organizations (such as theatre and dance companies), performance and exhibition spaces (such as galleries, museums, halls, and theaters), and educational institutions. While these individuals and entities have certain legal needs in common, their specific needs are diverse enough to warrant a focused approach in this article. With visual artists working independently as painters, photographers, sculptors, and the like in cities and towns throughout the country, their transactional needs provide that focus.

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<sup>2</sup>See Ellen Dissanayake, *The Universality of the Arts in Human Life*, in UNDERSTANDING THE ARTS AND CREATIVE SECTOR IN THE UNITED STATES 61 (Joni Maya Cherbo, Ruth Ann Stewart & Margaret Jane Wyszomirski, eds. 2008).

<sup>3</sup>See MARJORIE MAYO, CULTURES, COMMUNITIES, IDENTITIES: CULTURAL STRATEGIES FOR PARTICIPATION AND EMPOWERMENT 101 (Jo Campling ed., 2000).

<sup>4</sup>See generally RICHARD FLORIDA, THE RISE OF THE CREATIVE CLASS: AND HOW IT'S TRANSFORMING WORK, LEISURE, COMMUNITY AND EVERYDAY LIFE (2d ed. 2002); JOHN HOWKINS, THE CREATIVE ECONOMY: HOW PEOPLE MAKE MONEY FROM IDEAS (2d ed. 2007).

<sup>5</sup>See Maria Rosario Jackson, *Art and Cultural Participation*, in UNDERSTANDING THE ARTS AND CREATIVE SECTOR IN THE UNITED STATES, *supra* note 2, at 94-95.

## II. THE TRANSACTIONAL NEEDS OF VISUAL ARTISTS

Generally speaking, the transactional needs of individual, working, visual artists are much the same as those of any small business. Each must focus on revenue, bringing in money to continue developing, marketing, and selling their products and services. The particular circumstances may warrant formation of a partnership, corporation, or limited liability company. Written contracts should be used to memorialize the rights and responsibilities in their business arrangements. Permits and licenses are often required to provide their goods and services. Artists are sometimes employees, but more often create their works independently, doing so under their own name.

Of course, artists also have concerns involving areas of the law not necessarily shared by other businesspeople. Their creative output often involves copyright, moral rights, publicity rights, the First Amendment, and may, in some parts of the country, require a certificate of authenticity.<sup>6</sup> Each of these areas, both common and particular, will be discussed in turn.

### A. Legal Concerns Common to Creative and Other Industries

#### 1. *Business Entity Formation and Operation*

Visual artists who provide goods or services to others at a price are businesspeople. The solo artist who paints, photographs, or sculpts the world or their vision into a work of art, and subsequently sells that work, is most often operating as a sole proprietor. Insofar as there are neither partners involved nor assets to protect, such artists may need little more from their attorney than an explanation of the benefits and detriments of operating as a sole proprietor versus forming a corporation or limited liability company. Asking the client about income, expenses, profits, and losses, and encouraging the creation of a business plan can foster a focus on the financial realities of their enterprise, however large or small. Connecting the client with an accountant or small business services organization<sup>7</sup> can add to the

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<sup>6</sup>*E.g.*, CAL. CIV. CODE §§ 1742,1744 (West 2012); N.Y. ARTS & CULT. AFF. §§ 15.01, 15.03 (McKinney 2012).

<sup>7</sup>*E.g.*, SCORE (the Service Corps of Retired Executives) is a nationwide, non-profit association dedicated to helping small businesses get started, grow, and achieve their goals through education and mentorship. SCORE is supported by the U.S. Small Business Administration, and with a network of more than 13,000 volunteer mentors working in 364 chapters across the country, the association is able to deliver services at low or no cost. *See* SCORE, <http://www.score.org> (last visited May 15, 2012).

client's knowledge and further hone their business acumen. While these discussions and referrals do not necessarily result in immediately billable time for the attorney, they make longevity of the client's enterprise far more likely, benefiting the client, attorney, other professionals, and the community at large. If all goes well, the client's income will grow, perhaps resulting in business expansion, an increase in assets, and a commensurately greater need for limited liability protection. Should the client opt for a limited liability entity, articles will probably need to be filed with the Secretary of State, and the usual startup documents drafted.<sup>8</sup>

Attorneys with experience forming entities for clients not involved in the arts are well prepared to do so for artists. The majority of concerns that artists have and the provisions used to address those concerns are common to many other industries. The most notable additions will tend to focus on the ownership of artwork created during the life of the entity, and what happens to such works in the event of dissolution.<sup>9</sup> The ownership question is often answered in one of two ways: either the artist holds title to the works and licenses their use to the entity, or the entity holds title to the works.<sup>10</sup> From a legal perspective, ownership of copyright may be influenced by the question of liability, after examining the likelihood of a lawsuit.<sup>11</sup> There are also financial considerations that an accountant can be helpful in addressing, such as the viability of licensing the use of works to the entity, resulting in royalty or flat-fee payments to the artist, whether in addition to or in lieu of other compensation.

## 2. *Regulatory*

As people variously engaged in providing services and selling

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<sup>8</sup> For corporations, such documents typically include bylaws, initial shareholder and board meeting notices and minutes, and perhaps a shareholder buy-sell agreement; limited liability companies typically entail an operating agreement and minutes of an initial member meeting, together with relevant notices or waivers of notice, and the like.

<sup>9</sup> A common provision is that copyright in all works reverts to the author of the work upon dissolution of the entity.

<sup>10</sup> In situations where the entity owns all copyrights, the question becomes whether such ownership is from inception of the work (as a work made for hire), or after their completion (as the subject of a copyright transfer agreement). Copyright ownership is discussed more fully in a separate section of this article. *See* discussion *infra* Part II.B.1.c.

<sup>11</sup> For example, visual artists whose work integrates, borrows from, or is heavily influenced by the work of others are more likely to find themselves defending a complaint than artists who create works that are entirely original. In the former situation, ownership of copyright by a separate entity may be desirable.

goods, artists must often comply with the same regulations as many other businesses. Transactional attorneys can help artists interpret the applicable regulatory requirements, and secure permits and licenses as needed.

Common regulations at the local level involve zoning and business permits. As to zoning, artists who conduct their work in or from a personal residence, whether leased or owned, should be sure the creation and sale of their work takes place in geographic areas where such activities are allowed.<sup>12</sup> Looking at creation, the concerns are often greatest for sculptors, whose work may involve tools and materials that local government feel are better suited to an industrial rather than residential neighborhood.<sup>13</sup>

Sales of an artist's work might also involve permits at the local and state level.<sup>14</sup> Most cities and counties require individuals or entities that provide goods or services to hold the relevant permits and licenses, and pay any associated fees or taxes.<sup>15</sup> One example is local registration of a fictitious business name, though artists will often be exempt from this requirement, as they conduct business under their actual name. Regardless of the name an artist does business under, the sale of goods will often require a business license, seller's permit, or the like. Such documents may also be required at the state level.<sup>16</sup>

### 3. *Contracts*

Written agreements of all sorts are important for artists, just as they are for other businesspeople. Examples of agreements commonly

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<sup>12</sup> *Zoning Laws for Home Based Businesses*, U.S. SMALL BUSINESS ADMINISTRATION, <http://www.sba.gov/content/zoning-laws-home-based-businesses> (last visited May 25, 2012).

<sup>13</sup> Such as cutting, grinding, or welding equipment, a kiln or furnace, and molten glass or metal.

<sup>14</sup> See *infra* Part II.B.4, discussing seller's permits more fully in the section on First Amendment Concerns.

<sup>15</sup> E.g., SAN DIEGO, CAL. MUN. CODE § 31.0121 (2004) ("No person shall engage in any business, trade, calling or occupation required to be taxed under the provisions of this Article until a certificate of payment is obtained." Such a certificate is available to anyone who pays the relevant fee.); S.F., CAL. POLICE CODE art. 13, § 869 (1982) ("[I]t shall be unlawful for any person to peddle goods, wares or merchandise, or any article, material or substance, of whatsoever kind . . . on the public streets or sidewalks of the City and County of San Francisco without first having obtained a permit from the Chief of Police and having paid the fees and been granted a license as required by law.").

<sup>16</sup> See, e.g., CAL. REV. & TAX. CODE § 6226 (West 2012) ("Every retailer selling tangible personal property for storage, use, or other consumption in this State shall register with the board . . .").

needed by artists include those between the artist and individual customers, galleries, dealers, and others interested in purchasing, displaying, or further exploiting their work, such as coffee houses, bars, restaurants, hotels, creators of merchandise, and the like.

Attorneys can help artists by reviewing contracts already entered into, in addition to negotiating and drafting contracts to memorialize deals made in the future, just as they do with other clients. The sort of help an attorney can provide with contract interpretation, negotiation, and drafting is primarily based on knowledge of contract law in their jurisdiction, as applied to particular industries.

There are particular sorts of contracts unique to arts-oriented clientele, at least by name. Examples include gallery or dealer consignment agreements, art sales and leasing agreements, and art commission agreements. While these agreements are somewhat specialized, an attorney experienced with similar agreements in other industries will find the fundamentals to be largely the same. For such practitioners, adapting existing forms to the world of visual art is a straightforward matter, involving the use of readily available forms and practice guides.<sup>17</sup>

For example, in a typical consignment arrangement, an artist provides a gallery or dealer with one or more works of art, on the understanding that the gallery or dealer will try to sell the works, splitting the proceeds with the artist. While the client will have likely thought through the issues of selling price and payment percentages, their attorney should highlight additional issues to consider, such as the duration of the consignment, responsibility for the cost of advertising and promoting the work for sale, whether such efforts will require making reproductions of the work in print or digital media,<sup>18</sup>

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<sup>17</sup> See, e.g., 6 ALEXANDER LINDEY & ARTHUR LANDAU, LINDEY ON ENTERTAINMENT, PUBLISHING AND THE ARTS: AGREEMENTS AND THE LAW §§ 16.4–.23 (3d ed. 2012), *available at* Westlaw LINDEY3D (discussing the elements of art work contracts); 5-28 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 28.02 (2012), [hereinafter, NIMMER] (discussing the sale of art, including a form bill of sale); 1 RALPH E. LERNER & JUDITH BRESLER, ART LAW: THE GUIDE FOR COLLECTORS, INVESTORS, DEALERS, AND ARTISTS Appendix 1-1 (3d ed. 2005), *available at* Westlaw PLIREF-ART (artist consignment with security agreement); TAD CRAWFORD, BUSINESS AND LEGAL FORMS FOR FINE ARTISTS (3d ed. 2005) (includes CD-ROM with forms); SUSAN M. BIELSTEIN, PERMISSIONS, A SURVIVAL GUIDE: BLUNT TALK ABOUT ART AS INTELLECTUAL PROPERTY (2005) (includes forms and sample permission log).

<sup>18</sup> If so, the agreement may need to include a limited copyright license allowing reproduction and distribution of copies under 17 U.S.C. § 106 (2006). Copyright will be discussed more fully in a separate section of this article. See discussion *infra* Part II.B.1.



attribution of the work to the artist,<sup>19</sup> the particular means of display,<sup>20</sup> transportation, and insurance for loss or damage. Similar agreements can also be used with retail shops, bars, restaurants, hotels, and other places where an artist's work might be displayed with an accompanying price tag.

In an art sale or leasing agreement, an artist either sells their work outright, or lends it to another for a fixed term and price, respectively. Here again, such agreements will be largely the same as sales or leasing agreements for other sorts of personal property,<sup>21</sup> with additional provisions relating to copyright and moral rights.<sup>22</sup>

In an art commission agreement, an artist creates a work at the behest of a particular customer, whether an individual collector, a local business, a branch of the government, or the like. Practitioners familiar with independent contractor agreements in other industries will have little difficulty adapting an existing form to an art commission agreement because the fundamentals are similar,<sup>23</sup> with copyright and moral rights again figuring in as important, additional concerns.

Most contracts involving works of art will speak to the ownership of copyright in the relevant works, and permitted uses invoking copyright or moral rights, which stand to apply long after the work is sold.<sup>24</sup> The particular needs depend largely on the scope of the agreement, and while copyright and moral rights can be very nuanced, the majority of arts-related contracts will involve a handful of fundamentals, as discussed elsewhere in this article. Still, there are areas where more specialized issues will arise, and practitioners should be aware of them.<sup>25</sup>

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<sup>19</sup> As may be required by 17 U.S.C. § 106A(a)(1) (2006).

<sup>20</sup> *Id.* § 106A(a)(2).

<sup>21</sup> Typical clauses for sales agreements include payment amount and method, delivery, representations and warranties, and conditions to be met; leasing agreements often also include stipulations of the lease duration, renewal options, maintenance and repair provisions, insurance requirements, and a purchase option.

<sup>22</sup> See *infra* Parts II.B.1-2 (discussing copyright and moral rights more fully in their respective sections).

<sup>23</sup> Typical clauses for commission agreements include identifying the parties, defining the scope of services, setting the price and payment terms, specifying a delivery date, clarifying that the artist will provide all materials and tools, will work according to their own schedule, can hire assistants, will pay their own taxes, obtain their own insurance, and the like.

<sup>24</sup> 17 U.S.C. § 106A(d)(1) (moral rights apply for the life of the author); *id.* § 302(a) (the term of copyright for works created after January 1, 1978 is the life of the author plus 70 years); *id.* § 202 (copyrights are distinct from title in the physical work itself, and are not automatically transferred when the physical work is sold).

<sup>25</sup> See, e.g., *id.* § 106A(a)(3)(d) (discussing the rights of artists to prevent  
*continued . . .*

When it comes to particular agreements and provisions, including those briefly discussed above, there are numerous resources available for attorneys to consult, including treatises, practice guides, annotated forms, checklists, and guidelines.<sup>26</sup>

#### 4. *Landlord / Tenant*

Like most other people who provide goods and services to others, artists need space to conduct their business. When starting out, many artists will create their work at home, then sell that work at street festivals and art fairs, in local shops, or on the Internet.<sup>27</sup> For artists creating works in a rented home, language in the lease agreement explicitly allowing them to do so is often advisable. Likewise, artists who seek to sell their works from home should ensure the lease allows for such activity. While artists may feel it wise to conceal their business from their landlord, doing so could well violate provisions common in many residential lease agreements.<sup>28</sup>

As their business grows, artists may seek out commercial space to create or sell their works. Here again, the lease agreements will be very similar to those used with clientele in other industries.

#### 5. *Employment Status*

Transactional attorneys can help artists address employment concerns by discussing the differences between working as an employee and an independent contractor, perhaps reviewing, negotiating, and drafting relevant agreements. In practice, most artists conduct their business as independent contractors: they control the manner and means of their work, provide their own facilities and materials, work for numerous clients at any given time, and set aside money for income tax purposes. Attorneys who have worked with independent contractors in other industries will already understand the majority of relevant issues. Of course, there are issues that will require specific knowledge of a particular client's industry and particular laws not applicable in other industries, though that is the

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modification, mutilation, or destruction of works that are affixed to buildings); *id.* § 113(d) (including, for example, a mural painted on the wall of a building).

<sup>26</sup> See generally sources cited *supra* note 17.

<sup>27</sup> See, e.g., ETSY, <http://www.etsy.com> (last visited May 21, 2012) (example of an internet website facilitating the sale of work by individual artists).

<sup>28</sup> See, e.g., *Residential Lease Agreement*, LEGAL FORMS, <http://www.legalforms.name/lease-agreement-forms/residential-lease-agreement.pdf> (last visited May 21, 2012) (“[t]enants shall use the premises for residential purposes only and for no other purpose . . .”).

circumstance with clients working in many different fields. For attorneys working with visual artists, the top industry-specific concerns are likely to be copyright and moral rights. Each of those areas will be discussed more fully in a later section of this article, and here again, there are numerous resources that practitioners may rely upon for guidance.<sup>29</sup>

## 6. Trademark

Transactional attorneys can help artists protect their trademark rights by explaining trademark rights generally, preparing and filing applications to register those rights with the United States Patent and Trademark Office,<sup>30</sup> and maintaining registrations once issued.<sup>31</sup> With a trademark registration in hand, artists can prevent others from providing similar goods and services under a confusingly similar name.<sup>32</sup>

Artists generally create and sell their works under their personal name, which is capable of federal trademark protection.<sup>33</sup> One potential wrinkle is that many artists sign their works using only their surname, and the use of a surname alone requires a showing that it is

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<sup>29</sup> See generally sources cited *supra* note 17.

<sup>30</sup> Most states also provide trademark registrations on a statewide basis. See 3 THOMAS J. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 22:10 (4th ed. 2012), available at Westlaw MCCARTHY (featuring a table showing each state affording trademark protection). This article will focus solely on the standards for federal registration, because in most states, registration does little more than establish that a given person was using a particular mark as of a certain date. *Id.* § 22:1. In addition, “[i]n most states, courts have held that the state trademark common law and statutes on trademark law are to be given the same meaning and interpretation as the mainstream principles of common law and federal trademark law.” *Id.*

<sup>31</sup> Maintenance of a federal registration entails filing affidavits of continued use in the sixth and every tenth year. See 15 U.S.C. § 1058(a) (2006); an application for renewal of the registration is also required every tenth year. See 15 U.S.C. § 1059(a).

<sup>32</sup> *Id.* § 1125.

<sup>33</sup> Federal trademark law provides that where a personal name identifying a particular person is used as a trademark, the consent of that person is required. See *id.* § 1052(c). Attorneys filing an application to register trademark rights on behalf of an artist must be sure to obtain the consent of the applicant in order to secure a registration. See TMEP § 1206.04(b) (8th ed. Oct. 2011) (stating that “[c]onsent may be presumed only where the individual whose name or likeness appears in the mark personally signs the application. If the application is signed by an authorized signatory, consent to register the name or likeness must be obtained from the individual. This is true even where the name or likeness that appears in the mark is that of the individual applicant.”).

not “primarily merely a surname . . . .”<sup>34</sup>

At common law, trademark rights apply to personal names when the name has been used long enough to develop what is known in trademark parlance as “secondary meaning.”<sup>35</sup> In sum, the public must come to recognize the name as indicating the sole source of particular goods or services.<sup>36</sup>

As a general rule, the United States Patent and Trademark Office will presume secondary meaning on a showing that a personal name has been used in connection with offering particular goods or services for five years.<sup>37</sup> Additional evidence of secondary meaning is often helpful, and can include: direct consumer testimony; consumer surveys; exclusivity, length, and manner of using the mark; the amount and manner of advertising; the amount of sales and number of customers; an established place in the market; and proof of intentional copying.<sup>38</sup>

However, as noted above, the user of a surname alone must also show that the name is not “primarily merely a surname,”<sup>39</sup> so the focus is on the primary significance of the name to the purchasing public, not the secondary significance.<sup>40</sup> Government attorneys examining an application for trademark registration in the United States Patent and Trademark Office rely on the following five factors in making this determination: (1) whether the surname is rare; (2) whether the term is the surname of anyone connected with the applicant; (3) whether the term has any recognized meaning other than as a surname; (4) whether it has the “look and feel” of a surname; and (5) whether the stylization of lettering is distinctive enough to create a separate commercial impression.<sup>41</sup>

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<sup>34</sup> 15 U.S.C. § 1052(e)(4) (2006).

<sup>35</sup> MCCARTHY, *supra* note 30, § 13:1 (“The basic rules pertaining to the protection of personal names as marks are these: (1) Proof of secondary meaning is required for protection. (2) Even where a likelihood of confusion is shown, the junior user who uses his own personal name as a mark will receive preferential judicial treatment in the framing of an injunction.”) (citations omitted).

<sup>36</sup> *Id.* at § 13:2 (“Personal names are one of the classes of marks that do not have the status of a protectable mark upon mere adoption and use. They acquire legally protectable status only after they have had such an impact upon a substantial part of the buying public as to have acquired ‘secondary meaning.’ That is, the public has come to recognize the personal name as a symbol that identifies and distinguishes the goods or services of only one seller.”) (citation omitted).

<sup>37</sup> *See* 15 U.S.C. § 1052(f).

<sup>38</sup> *Echo Travel, Inc. v. Travel Assocs, Inc.*, 870 F.2d 1264, 1267 (7th Cir. 1989) (citations omitted).

<sup>39</sup> 15 U.S.C. § 1052(e)(4).

<sup>40</sup> TMEP § 1211.01 (8th ed. 2011).

<sup>41</sup> *Id.* (citations omitted).

Another caveat with regard to using a personal name as a trademark is that courts will often make allowances for another individual who shares and conducts business under the same name.<sup>42</sup> That is, even where a likelihood of confusion is established, the courts may give preferential treatment to the newcomer when crafting an injunction.<sup>43</sup>

## **B. Legal Concerns More Particular to Creative Clientele**

### *1. Copyright*

Transactional attorneys can help artists understand copyright law as applied to the business of creating and selling works of art, with an emphasis on registration of rights and drafting contractual provisions. In addressing these topics, it will be helpful to first explain how a few copyright fundamentals apply to visual artists and their work.

#### *a. Subject Matter of Copyright*

Works created by visual artists are most often within the subject matter of federal copyright law, as “pictorial, graphic, and sculptural works.”<sup>44</sup>

To qualify for copyright protection, such works must be (1) original and (2) fixed in a tangible medium of expression.<sup>45</sup> First, a work is “original” when it is the product of a person’s own intellect and creative efforts, as opposed to being copied from another, already existing work.<sup>46</sup> Second, a work is fixed in a tangible medium of expression when it is “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.”<sup>47</sup>

Where a visual artist sets about drawing, painting, photographing, or sculpting something from their mind or the world, without reference to another, similar work already created by someone else, the result will typically satisfy the originality and fixation requirements for copyright protection. The average still life or landscape painting, for

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<sup>42</sup> MCCARTHY, *supra* note 30, § 13:2.

<sup>43</sup> *Id.*

<sup>44</sup> 17 U.S.C. § 101 (2006) (defining “pictorial, graphic, and sculptural works” as including “two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans.”).

<sup>45</sup> *Id.* § 102.

<sup>46</sup> *See* Feist Publ’ns Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 345 (1991).

<sup>47</sup> 17 U.S.C. § 101.

example, is the product of the artist's perception and hand, making it an original work. When assessing creativity, the courts look for a bare minimum, and will steer clear of making any determinations based on aesthetic beauty or lack thereof.<sup>48</sup> Thus, and by example, it does not matter how well or poorly executed a given painting is. Finally, the fact that such a painting is on paper, board, canvas, or some other substrate will constitute being "fixed in a tangible medium," as it can be perceived (e.g., by looking at it), reproduced (e.g., by photographing or scanning it), or otherwise communicated (e.g., by showing it to others with a webcam).

The originality analysis becomes more complicated when works borrow from or combine existing, copyrighted works. In this context, permissions from the authors of existing works are strongly advised: the defense of fair use,<sup>49</sup> while tempting when viewed from the ivory tower, involves a complicated,<sup>50</sup> ad hoc analysis,<sup>51</sup> and is expensive to assert.<sup>52</sup>

The key questions involve the purpose and character of the use, the nature of the original work, the amount and substantiality of what was borrowed, and the impact on the market for the original.<sup>53</sup> From a

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<sup>48</sup> See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 220, 251–252 (1903) ("It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learned the new language in which their author spoke. It may be more than doubted, for instance, whether the etchings of Goya or the paintings of Manet would have been sure of protection when seen for the first time. At the other end, copyright would be denied to pictures which appealed to a public less educated than the judge. Yet if they command the interest of any public, they have a commercial value – it would be bold to say that they have not an aesthetic and educational value – and the taste of any public is not to be treated with contempt. It is an ultimate fact for the moment, whatever may be out hopes for a change.").

<sup>49</sup> 17 U.S.C. § 107.

<sup>50</sup> See *NIMMER*, *supra* note 17 at § 13.05 ("One case calls this obscure doctrine of fair use 'the most troublesome in the whole law of copyright.' [citing *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661 (2d Cir. 1939) (per curiam)]. Another notes that the 'doctrine is entirely equitable and is so flexible as virtually to defy definition.' [citing *Time, Inc. v. Bernard Geis Assocs.*, 293 F. Supp. 130 (S.D.N.Y. 1968)].").

<sup>51</sup> See *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 581 (1994) (clarifying that every fair use claim "has to work its way through the relevant factors, and be judged case by case, in light of the ends of the copyright law.").

<sup>52</sup> Informal inquiries of copyright practitioners in 2012 ranged between \$200,000 and \$500,000 to litigate such a defense in a complex case, and \$25,000 to \$50,000 in a simple one.

<sup>53</sup> 17 U.S.C. § 107.

transactional perspective, artists can be counseled to entirely avoid the difficulty and expense of a fair use analysis by obtaining written permission to use a pre-existing work. Such permissions involve a copyright license, discussed in more detail below.

*b. Rights and Registration*

The owner of copyright in a given work has the exclusive rights to reproduce, distribute, display, and prepare derivatives of that work.<sup>53</sup> Any or all of these rights may be licensed<sup>54</sup> or transferred<sup>55</sup> to a third party, as discussed more fully in the next section.

It is important to understand that while copyright law requires fixation for protection,<sup>56</sup> the rights described above are afforded to the owner of the intangible, underlying work, not the person who owns a particular, physical embodiment of that work.<sup>57</sup> Thus, where a visual artist creates and sells a painting or sculpture, the purchaser of the physical piece does not own any copyright interest by virtue of having purchased the piece.<sup>58</sup> That said, purchasing a physical piece of artwork does limit the reach of copyright in a couple of important ways.

The most salient limitations on an artist's copyright stem from the so-called "first sale doctrine." The first limitation goes to the right of distribution, as the owner of a lawfully acquired physical copy of a work of visual art is allowed to lend, lease, or resell that particular copy of the work to another person.<sup>59</sup>

The second limitation goes to the right of display, as the owner of a lawfully acquired piece of art, whether a painting, photograph, sculpture, or the like, is entitled to publicly display that piece of art without permission from the copyright owner.<sup>60</sup> This public display limitation is itself limited, however, to the physical purchased piece or a single projection of it, and only to people who are present where the

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<sup>53</sup> *Id.* § 106(1), (2), (3), (5).

<sup>54</sup> *Id.* (stating that the owner of copyright has the exclusive right "to authorize" reproduction, distribution, display, or the creation of derivative works).

<sup>55</sup> *Id.* § 201(d).

<sup>56</sup> *Id.* § 102.

<sup>57</sup> *Id.* § 202 (stating that "Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied.").

<sup>58</sup> *Id.* (stating that "Transfer of ownership of any material object . . . does not of itself convey any rights in the copyrighted work embodied in the object . . .").

<sup>59</sup> *See id.* § 109(a).

<sup>60</sup> *Id.* § 109(c).

purchased, physical piece is located.<sup>61</sup> These limitations serve to resolve natural tensions between copyright law and traditional property rights. Without them, purchasers of art would not be able to do things they are used to being able to do with other purchased goods, which could impact the market for sales of art. Such an impact could, in turn, result in fewer works of art being created, which would be counter to the core purpose of copyright law: encouraging the proliferation of creative works in order to facilitate a culturally rich society.<sup>62</sup>

Transactional attorneys can help artists a great deal by drafting language to include in receipts for the sale of their works, clarifying the rights of the purchaser and those retained by the artist.

As to copyright registration, works created after January 1, 1978 need not be registered with the Copyright Office to have copyright protection,<sup>63</sup> but registration does have significant benefits. In sum, registration puts the public on notice that the artist is claiming copyright in their work, allows access to federal courts in the event of infringement,<sup>64</sup> creates a rebuttable presumption of ownership and validity,<sup>65</sup> and if done within three months after making the work widely available to the public, allows relief in the form of statutory damages and attorneys fees.<sup>66</sup>

Copyright registration should be applied for as soon as a work is created, and if possible, no later than three months after the work is made available to the public. While such immediate registration is not

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<sup>61</sup> *Id.*

<sup>62</sup> *See* Twentieth Century Music Corp., v. Aiken, 422 U.S. 151, 156 (1975) (stating that “Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability to literature, music, and the other arts. The immediate effect of our copyright law is to secure a fair return for an ‘author’s’ creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good.”).

<sup>63</sup> 17 U.S.C. § 408(a).

<sup>64</sup> *Id.* § 411(a).

<sup>65</sup> *Id.* § 410(c) (“In any judicial proceedings the certificate of a registration made before or within five years after first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate. The evidentiary weight to be accorded the certificate of a registration made thereafter shall be within the discretion of the court.”). The courts may, in their discretion, extend the presumption beyond the five year period set forth in the Copyright Act, or reduce it. *See* NIMMER, *supra* note 17, at § 12.11(A)(1).

<sup>66</sup> 17 U.S.C. § 412. On the issue of damages, plaintiffs who have applied for registration within three months after making the work widely available to the public are entitled to claim either their losses and defendant’s profits, or statutory damages. *Id.* § 504(a). As losses and profits are often nominal, plaintiffs frequently opt for statutory damages, which range from \$200 to \$150,000 per infringed article, depending largely on the knowledge and intent of the defendant. *See id.* § 504(c).



required for access to federal courts,<sup>67</sup> registering more than three months after making the work available to the public means the artist cannot claim statutory damages or attorneys fees in an infringement action.<sup>68</sup> Finally, civil actions for copyright infringement are subject to the relevant statute of limitations, currently set at three years after a claim accrues.<sup>69</sup>

Applying for copyright registration is very straightforward and relatively inexpensive. There is a printable form for works of visual art available on the Copyright Office website,<sup>70</sup> and an online system for electronic filing.<sup>71</sup> For entirely original works by a living artist, the information required includes: the name of the artist, year of birth, country of citizenship, title of the work, artistic medium, contact information for the copyright owner (if different than the artist), contact information for a correspondent the Copyright Office may contact, and an address where a resulting certificate of registration should be sent.<sup>72</sup> The applicant will also need to include two copies of the work in question<sup>73</sup> and pay the requisite application processing fee, which should be no more than \$35 in most circumstances.<sup>74</sup>

In addition, for artists who have created a large number of works, it is possible to register any number of unpublished works as a collection, all for a single application processing fee.

As previously discussed, artists who create works based upon or incorporating the works of others need to be particularly aware of copyright laws, as they may need to seek permission for such use.

### *c. Ownership of Copyright*

Assuming the work of a given visual artist falls within the subject

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<sup>67</sup> *Id.* § 411(a).

<sup>68</sup> *Id.* § 412.

<sup>69</sup> *Id.* § 507(b).

<sup>70</sup> *Form VA*, U.S. COPYRIGHT OFFICE, <http://www.copyright.gov/forms/> (last visited on May 22, 2012).

<sup>71</sup> ELECTRONIC COPYRIGHT OFFICE, <http://www.copyright.gov/eco/> (last visited on May 22, 2012).

<sup>72</sup> *See, e.g., supra* note 70.

<sup>73</sup> 17 U.S.C. § 407. Note that photographic, video, or other images of works are acceptable, making it easy to deposit copies of large, odd shaped, three dimensional, or limited edition works. *Circular 40a: Deposit Requirements for Registration of Claims to Copyright in Visual Arts Material*, U.S. COPYRIGHT OFFICE, <http://www.copyright.gov/circs/circ40a.pdf> (last visited May 22, 2012).

<sup>74</sup> *See* 17 U.S.C. § 708. Application processing fees currently range from \$35 for a typical online filing, to \$65 for a paper filing, with a \$760 fee for expedited processing. *Fees*, U.S. COPYRIGHT OFFICE, <http://www.copyright.gov/docs/fees.html> (last visited on May 22, 2012).

matter of copyright, the artist will typically be the copyright owner from the moment of creation,<sup>75</sup> though it is possible to have joint ownership where another person is involved in creating the work,<sup>76</sup> or ownership entirely by a third party, where the work is “made for hire.”<sup>77</sup>

For jointly owned works, each owner shares equally in the resulting copyright.<sup>78</sup> Further, joint owners cannot be liable to one another for infringement, and so are equally entitled to independently use the work themselves, or license the work to third parties on a non-exclusive basis, though any profits earned must be apportioned among all joint owners.<sup>79</sup> In addition, each joint owner is entitled to transfer their ownership interest in the copyright, without consent of the other joint owner.<sup>80</sup> Consent of all joint owners is, however, required for the grant of an exclusive license to a third party.<sup>81</sup>

Transactional attorneys can encourage joint owners to have an administration agreement, whereby the consent of all joint authors for any sort of license or transfer may be required, depending on their preference. Such an agreement is a particularly good idea for exclusive licensing of jointly owned works, and may be insisted upon by a third party licensee.

Rather than being owned by an artist, copyright in a work of art may be owned entirely by a third party from the moment of creation, where the work is “made for hire.”<sup>82</sup> Under the Copyright Act, there are two ways a work is made for hire: first, where the work is created by an employee, within the scope of their employment; or second, where the work has been specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, but only if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.<sup>83</sup> Importantly, though, the parties in either

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<sup>75</sup> 17 U.S.C. § 201(a).

<sup>76</sup> *Id.* Joint works involve more than one author, each having the intent to merge their creative efforts into a single work. *Id.* § 101.

<sup>77</sup> *Id.* § 201(b).

<sup>78</sup> *See id.* § 201(a); *Richlin v. Metro-Goldwyn-Mayer Pictures, Inc.*, 531 F.3d 962, 968 (9th Cir. 2008).

<sup>79</sup> *Oddo v. Ries*, 743 F.2d 630, 633 (9th Cir. 1984).

<sup>80</sup> *Davis v. Blige*, 505 F.3d 90, 98 (2d Cir. 2007).

<sup>81</sup> *Id.* at 100 n.10.

<sup>82</sup> 17 U.S.C. § 201(b).

<sup>83</sup> *Id.* § 101.

circumstance may agree in writing to another form of ownership.<sup>84</sup>

Looking first at employment, the courts typically use multi-factor tests from agency law to determine whether an artist is working as an employee or an independent contractor,<sup>85</sup> and if found to be an employee, to determine whether the work was within the scope of employment.<sup>86</sup> Keeping these tests in mind will assist a transactional attorney asked to negotiate or draft an agreement for a visual artist working for a third party. By drafting contractual provisions that speak directly to control, supervision, tools, materials, taxation, and the like, the attorney can help ensure that a statement of copyright ownership elsewhere in the agreement is properly supported.

Turning to agreements for the creation of works to become a part of a statutory category set out above, transactional attorneys can again help ensure the wishes of the parties are supported by an appropriate description of the works and statement of copyright ownership.

In every contract involving the creation of copyrightable subject matter, it is crucial to clearly identify the owner of copyright and the basis for their ownership. Identifying the basis for copyright ownership will help to prevent problems, including a potentially overreaching use of the work made for hire doctrine. In particular, practitioners negotiating a work made for hire agreement should ensure that the artist's working relationship will satisfy the relevant agency test factors, or that the work falls within one of the nine statutory categories.

Finally, attorneys should be sure to research applicable state laws, as there may be additional rights and responsibilities that flow from

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<sup>84</sup> *Id.* § 201(b).

<sup>85</sup> *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 751-52 (1989) (“Among the other factors relevant to this inquiry are the skill required; the source of the instrumentalities and tools; the location of the work; the duration of the relationship between the parties; whether the hiring party has the right to assign additional projects to the hired party; the extent of the hired party's discretion over when and how long to work; the method of payment; the hired party's role in hiring and paying assistants; whether the work is part of the regular business of the hiring party; whether the hiring party is in business; the provision of employee benefits; and the tax treatment of the hired party . . . [n]o one of these factors is determinative.”) (citations omitted); *but see infra* note 88 (identifying state laws defining “employee” and “employer” for purposes of the work made for hire doctrine).

<sup>86</sup> *Reid*, 490 U.S. at 740; *City of Newark v. Beasley*, 883 F. Supp. 3, 7 (D.N.J. 1995) (quoting the RESTATEMENT (SECOND) OF AGENCY § 228 (1958) for the proposition that a work is within the scope of employment where: it is of the kind of work the employee is employed to perform; creation of the work occurs substantially within authorized work hours and space; and such creation is actuated, at least in part, by a purpose to serve the employer).

reliance on a work made for hire provision to establish third party copyright ownership.<sup>87</sup>

*d. Transfer and License*

The rights to reproduce, distribute, adapt, or display a particular work may be transferred<sup>88</sup> or licensed<sup>89</sup> to others. Any transfer of copyrights must be in a signed writing,<sup>90</sup> though a license may be oral. Nevertheless, artists are well advised to memorialize all transactions involving their copyrights and third parties in writing.

With an understanding of the particular copyrights at issue (such as reproduction, distribution, display, or the creation of derivative works), basic contract drafting principles, and relevant industry practices, copyright transfer and license agreements are a straightforward staple for transactional attorneys representing visual artists. A typical transfer agreement will identify the parties, the work, the particular rights being transferred or licensed, and the payment amount and terms. A license agreement should also delineate the scope of media and technology allowed, license duration and territory, and clarify issues of ownership, exclusivity,<sup>91</sup> and revocability.

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<sup>87</sup> *E.g.*, CAL. LAB. CODE § 3351.5(c) (West 2012) (defining an “employee” as: “[a]ny person while engaged by contract for the creation of a specially ordered or commissioned work of authorship in which the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire, as defined in Section 101 of Title 17 of the United States Code, and the ordering or commissioning party obtains ownership of all the rights comprised in the copyright in the work.”); CAL. UNEMP. INS. CODE § 686 (defining an “employer” as “any person contracting for the creation of a specially ordered or commissioned work of authorship when the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire, as defined in Section 101 of Title 17 of the United States Code, and the ordering or commissioning party obtains ownership of all of the rights comprised in the copyright in the work. The ordering or commissioning party shall be the employer of the author of the work for the purposes of this part.”). Thus, reliance on the work made for hire language to establish copyright ownership by the commissioning party in an independent contractor agreement can automatically render the commissioned party an employee for purposes of unemployment insurance and other privileges of employment under California law.

<sup>88</sup> 17 U.S.C. § 201(d)(1).

<sup>89</sup> *See id.* § 106 (“[T]he owner of copyright under this title has the exclusive rights . . . to authorize any of the following . . .”) (emphasis added).

<sup>90</sup> *Id.* § 204(a).

<sup>91</sup> Notably, an exclusive copyright license is considered a transfer of ownership. *Id.* § 101 (“A ‘transfer of copyright ownership’ is an assignment, mortgage, *exclusive license*, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license.”)

Whether a transfer or license, the attorney may also include provisions common in other agreements.<sup>92</sup>

In order to avoid pitfalls, practitioners with experience drafting contracts in other industries would be well served to review some of the numerous treatises or practice guides devoted to copyright law<sup>93</sup> or the visual arts.<sup>94</sup>

## 2. *Moral Rights*

Codified within the Copyright Act is the Visual Artists Rights Act of 1990 (known as “VARA”), providing the additional rights of attribution and integrity to visual artists.<sup>95</sup> While several states promulgated similar legislation prior to VARA,<sup>96</sup> this article will focus solely on federal law.

Only paintings, drawings, prints, sculptures, and still photographic images can receive protection under VARA.<sup>97</sup> To receive protection, such a work must exist in fewer than 200 copies, each of which is consecutively numbered and signed by the artist.<sup>98</sup> Finally, if the work in question is a photograph, it must also have been created for exhibition purposes.<sup>99</sup>

Assuming the statutory definition is met, the artist who created the relevant work holds the rights of attribution and integrity.<sup>100</sup> Put

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(emphasis added).

<sup>92</sup> *E.g.*, representations and warranties, indemnification, assignment, insurance, remedies for breach, integration, severability, choice of venue, and dispute resolution.

<sup>93</sup> *E.g.*, LINDEY & LANDAU, *supra* note 17.

<sup>94</sup> *E.g.*, LERNER & BRESLER, *supra* note 17.

<sup>95</sup> 17 U.S.C. § 106A.

<sup>96</sup> States with statutory moral rights for artists include: California, Connecticut, Georgia, Louisiana, Maine, Massachusetts, Montana, Nevada, New Jersey, New Mexico, New York, Pennsylvania, Rhode Island, and Utah.

<sup>97</sup> 17 U.S.C. § 101. The statute further clarifies that “[a] work of visual art does not include—

(A)(i) any poster, map, globe, chart, technical drawing, diagram, model, applied art, motion picture or other audiovisual work, book, magazine, newspaper, periodical, data base, electronic information service, electronic publication, or similar publication;

(ii) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container;

(iii) any portion or part of any item described in clause (i) or (ii);

(B) any work made for hire; or

(C) any work not subject to copyright protection under this title.”

<sup>98</sup> *Id.*

<sup>99</sup> *Id.*

<sup>100</sup> *Id.* § 106A.

plainly, the right of attribution gives an artist the right to claim authorship of works they created,<sup>101</sup> and to prevent the use of their name in connection with any works the artist did not create.<sup>102</sup> In addition, the artist has the right to prevent the use of their name in connection with their work “in the event of a distortion, mutilation, or other modification of the work which would be prejudicial to his or her honor or reputation . . . .”<sup>103</sup>

The right of integrity allows an artist to prevent the intentional distortion, mutilation, or other modification of his or her work.<sup>104</sup> It further allows an artist to prevent the destruction of their works, when such works have achieved “recognized stature,”<sup>105</sup> presumably without regard to the artist’s honor or reputation.

The rights of attribution and integrity are called “moral rights,” in homage to their origins under the body of French law known as “*droit moral*.”<sup>106</sup> These rights are particular to the artist, not the copyright holder.<sup>107</sup> Thus, they remain with an artist after the sale or license of their work—or any related copyrights—to a third party.<sup>108</sup>

While moral rights provide protection beyond traditional copyright, they are subject to exceptions. For example, the right of integrity does not extend to changes in the work resulting from the passage of time, the nature of the medium or materials, conservation efforts, or public presentation.<sup>109</sup> Furthermore, when a work of visual art is incorporated into or made a part of a building, and the work can be removed without alteration or harm, it may be removed by the building owner only after providing the artist with 90 days notice and opportunity to remove the work themselves.<sup>110</sup>

Importantly, the rights of attribution and integrity may be waived in a written agreement.<sup>111</sup> This helps resolve tension between the expectations of those who purchase property, whether tangible or intellectual, and rights that are otherwise personal to the artist. Transactional attorneys can help artists understand their moral rights, and may wish to include language in sales receipts, license and transfer agreements, and other documents, making the artist’s

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<sup>101</sup> *Id.* § 106A(a)(1)(A).

<sup>102</sup> *Id.* § 106A(a)(1)(B).

<sup>103</sup> *Id.* § 106A(a)(2).

<sup>104</sup> *Id.* § 106A(a)(3)(A).

<sup>105</sup> *Id.* § 106A(a)(3)(B).

<sup>106</sup> *Carter v. Helmsley-Spear, Inc.*, 71 F.3d 77, 81 (2d Cir. 1995).

<sup>107</sup> 17 U.S.C. § 106A(b) (2006).

<sup>108</sup> *Id.* § 106A(e)(2).

<sup>109</sup> *Id.* § 106A(c).

<sup>110</sup> *Id.* § 113(d)(2)(B).

<sup>111</sup> *Id.* §§ 113(d)(1)(B), 106A(e)(1)-(2).

customers and clients aware of the applicable rights and responsibilities.

### 3. *Privacy and Publicity Rights*

Rights of privacy and publicity are creatures of state law, and though many have been codified,<sup>112</sup> treatment of them is inconsistent enough to warrant calls from scholars for a federal standard.<sup>113</sup> As they stand, however, these state rights typically protect individuals from the use of their name, image, or likeness in certain circumstances.<sup>114</sup> In some states, such rights pass to the heirs of an individual after death.<sup>115</sup> Artists need to be aware of privacy and publicity rights when creating works that involve the name, image, likeness, or voice of an actual person, as the artist may be liable for damages or injunctive relief.<sup>116</sup>

While there are statutory exceptions for certain uses,<sup>117</sup> and the First Amendment may provide a defense,<sup>118</sup> transactional attorneys can help artists avoid the hassle and expense of litigation by drafting model releases for signature by people featured in works of art, or the heirs of such people.

### 4. *First Amendment*

Works of visual art are natural candidates for First Amendment protection and often constitute protectable expression.<sup>119</sup> As a result, courts have found the First Amendment broadly applicable to visual art, though not in all forms or circumstances.<sup>120</sup> In particular,

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<sup>112</sup> See, e.g., N.Y. CIV. RIGHTS LAW § 50 (McKinney 2012) (right of privacy); N.Y. CIV. RIGHTS LAW § 51 (McKinney 2012) (right of publicity); CAL. CIV. CODE § 3344 (West 2012) (right of publicity).

<sup>113</sup> See, e.g., LERNER & BRESLER, *supra* note 17, at 990.

<sup>114</sup> See, e.g., N.Y. Civ. Rights Law §§ 50-51; CAL. CIV. CODE § 3344.

<sup>115</sup> See, e.g., CAL. CIV. CODE § 3344.1 (West 2012).

<sup>116</sup> See, e.g., *id.* § 3344.

<sup>117</sup> Limited use of the likeness or image of a deceased person may be allowed in some states. See, e.g., *id.* § 3344.1 (allowing such use in a “single and original work of art . . .”).

<sup>118</sup> See, e.g., LERNER & BRESLER, *supra* note 17, at 990-1005.

<sup>119</sup> The general subject of visual art and the First Amendment is vast, interesting, and beyond the scope of this article. For a more comprehensive discussion of the various issues and their nuances in a variety of contexts, including art as threat and social commentary, the use of third party trademarks and trade dress, the American flag and other emblems, defamation, obscenity, and others. See *id.* at 887-1028.

<sup>120</sup> See, e.g., *Bery v. City of N.Y.*, 97 F.3d 689, 696 (2d Cir. 1996) (clarifying that “paintings, photographs, prints and sculptures . . . always communicate some

transactional attorneys can help visual artists address First Amendment concerns in the context of certain public displays and sales of visual art.

First, the removal of publicly displayed visual art has resulted in First Amendment claims, even where the display occurred under an appropriate permit or agreement.<sup>121</sup> In each case, it was not until the work was unveiled for the public that removal was sought. Transactional attorneys advising visual artists can help reduce the likelihood of such a dispute by encouraging their clients to provide draft versions of the proposed artwork before committing to a final piece. To formalize that approach, provisions may be drafted into commission agreements giving approval rights to the commissioning party.

Second, artists who seek to sell their work in public may have a First Amendment right to do so without a permit,<sup>122</sup> depending on whether and to what extent the work is expressive,<sup>123</sup> the wording of the permitting requirement,<sup>124</sup> and the process by which permits are issued.<sup>125</sup> In short, the analysis of each prong is ad hoc,<sup>126</sup> and

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idea or concept to those who view it, and as such are entitled to full First Amendment protection” while “the crafts of the jeweler, the potter and the silversmith . . . may at times have expressive content.”); *Mastrovincenzo v. City of N.Y.*, 435 F.3d 78, 85 (2d Cir. 2006) (noting that “the *Bery* Court foreclosed the categorical placement of ‘all visual expression’ outside the reach of the First Amendment . . . .”); *Roth v. U.S.*, 354 U.S. 476, 483 (1957) (reaffirming that neither obscenity nor libel are protected under the First Amendment). Specific to obscenity, the law has changed much over time, with courts and a number of state legislatures variously enlarging and contracting the scope of protection for visual art over time. See LERNER & BRESLER, *supra* note 17, at 971-90.

<sup>121</sup> See, e.g., *Claudio v. U.S. Gen. Servs. Admin.*, 836 F. Supp. 1219 (E.D.N.C. 1993), *aff’d*, 28 F.3d 1208 (4th Cir. 1994); *Serra v. U.S. Gen. Servs. Admin.*, 847 F.2d 1045 (2d Cir. 1988); *Lebron v. Nat’l R.R. Passenger Corp.*, 811 F. Supp. 993 (S.D.N.Y. 1993), *rev’d*, 12 F.3d 388 (2d Cir. 1993), *rev’d*, 513 U.S. 374 (1995).

<sup>122</sup> The relevant governmental authorities may variously require a permit, license, or business tax certificate for sales within their jurisdiction. For brevity, this article will refer to each as a “permit.”

<sup>123</sup> *Mastrovincenzo*, 435 F.3d at 95 (differentiating “a small set of presumptively expressive items - such as paintings, photographs, prints and sculpture - from other, potentially expressive items [the court] characterized as ‘crafts’ - such as those of the jeweler, the potter, and the silversmith” on the basis of the “dominant purpose” served by a particular item). Insofar as the item has a utilitarian purpose, that will be weighed against expressive characteristics. See *id.*

<sup>124</sup> *Bery*, 97 F.3d at 698-99 (concluding that a city license requirement for the sale of visual art was an unconstitutional infringement of the artist’s First Amendment rights, in part because the sale of written material, such as newspapers, books, and other written matter, did not require such a license).

<sup>125</sup> *White v. City of Sparks*, 341 F. Supp. 2d 1129, 1143-1144 (D. Nev. 2004) (concluding that a city license requirement for the sale of visual art was an

*continued . . .*



transactional attorneys should be prepared to conduct a brief analysis when counseling visual artists on the question of whether to obtain a permit to sell their work in public. Assuming a given artist's work is entirely expressive, any permitting scheme controlling the time, place, and manner of selling that work must not be based on the content of the work, must be narrowly tailored to serve a significant governmental interest, and must leave open ample alternatives for communication.<sup>127</sup> Of course, city attorneys across the country are well aware of these requirements, and draft all-encompassing permit requirements for selling goods in public places that should easily survive a First Amendment challenge.<sup>128</sup> As a result, attorneys will often counsel artists to apply for the relevant permit or license before selling their work in public.

### 5. *Certificates of Authenticity*

California and New York require a certificate of authenticity when art dealers sell a work of fine art that has been produced in multiples.<sup>129</sup> The relevant California statute also extends that requirement to artists.<sup>130</sup> Both states entail the disclosure of certain information to the purchaser, such as the name of the artist and title of the work, the artistic medium or process, the number of multiples in the edition, the existence of other editions, the date of creation,

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unconstitutional infringement of the artist's First Amendment rights, in part because works of art intended for sale required the approval of a three-member panel, who would determine whether the works to be sold conveyed "a religious, political, philosophical or ideological 'message.'")

<sup>126</sup> See, e.g., *Mastrovincenzo*, 435 F.3d at 95-96 (asserting "confidence that district courts will prove capable of making such determinations in much the same way that we distinguished between categories of goods in *Bery*, and in the way that courts have dealt on a case-by-case basis with difficult line-drawing problems in other First Amendment contexts.").

<sup>127</sup> See *Forsyth Cnty., Ga. v. Nationalist Movement*, 505 U.S. 123, 130 (1992) (citing *U.S. v. Grace*, 461 U.S. 171, 177 (1983)).

<sup>128</sup> E.g., SAN DIEGO, CAL. MUN. CODE § 31.0121 ("No person shall engage in any business, trade, calling or occupation required to be taxed under the provisions of this Article until a certificate of payment is obtained." Such a certificate is available to anyone who pays the relevant fee.); S.F., CAL. POLICE CODE art. 13, § 869 ("[I]t shall be unlawful for any person to peddle goods, wares or merchandise, or any article, material or substance, of whatsoever kind . . . on the public streets or sidewalks of the City and County of San Francisco without first having obtained a permit from the Chief of Police and having paid the fees and been granted a license as required by law.").

<sup>129</sup> CAL. CIV. CODE § 1742 (West 2012); N.Y. ART & CULT. AFF. § 11.01-13.01 (McKinney 2012).

<sup>130</sup> CAL. CIV. CODE § 1742(e).

whether the master has been destroyed, whether the artist is deceased, and the like.<sup>131</sup>

While not required in every state, certificates of authenticity can be helpful for artists across the country. Purchasers of art may view such certificates as both legitimizing their purchase and maintaining the value of it by limiting future reproductions. If an artist who is not required to provide a certificate of authenticity perceives value in having such a document, their transactional attorney can easily help draft one. The relevant statutes are easy to follow or use as a guide, and examples are widely available on the Internet.<sup>132</sup>

### III. ARTISTS AND ATTORNEYS: WORKING TOGETHER

Artists are some of the most interesting clients an attorney can have. Artists are invariably focused on their creative process and output, actively contributing to the richness of our lives in a very tangible sense. That energy can be infectious, and attorneys will doubtless find parallels between their clients' approach to their work, and the attorney's own approach to the art of lawyering. Meanwhile, artists can learn a great deal about being a businessperson from working with their attorney.

Many artists simply wind up being businesspeople, as their hobby becomes their means of earning a living. They often view their work product as the core of their success, and rightfully so. Their business acumen develops with time and experience, just as with any other client. In working with an attorney, artists may be forming one of their first professional relationships. Taking the time to educate artists on how to be clients can help them build solid relationships with agents, dealers, accountants, investors, bank managers, and other professionals.

From a monetary perspective, artists often have little in the way of financial resources, especially early in their careers. As a result, they simply lack the means to hire professionals to manage their business and legal affairs. From an attorney's perspective, this is particularly problematic in light of the relatively large number of legal issues and potential pitfalls an artist faces. The good news is that most transactional attorneys can begin representing artists in an efficient, cost-effective manner. Assuming the attorney has a background in

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<sup>131</sup> CAL. CIV. CODE § 1744; N.Y. ART & CULT. AFF. § 15.03 (for works other than sculpture); *see also* N.Y. CLS ART & CULT. AFF. § 15.10 (for works of sculpture).

<sup>132</sup> *See, e.g.,* John Vias, *Certificate of Authenticity*, JOHN VIAS NIGHT PHOTOGRAPHY, <http://www.johnvias.com/coa.php> (last visited May 18, 2012).

transactional practice and a collection of forms developed while representing clients from other industries,<sup>133</sup> access to just a few of the many art-specific legal resources available today<sup>134</sup> should be all that is necessary to achieve the requisite competence for effective representation.

Once competent, there are many ways attorneys can help economically disadvantaged artists receive the legal assistance they need. For example, attorneys can offer free consultations and lower billing rates for artists, whether on an hourly or flat-fee basis. Attorneys can also present workshops and seminars at local art schools and arts-focused non-profit organizations, write articles for publication in newsletters and blogs read by artists, join attorney referral services that specifically target visual artists,<sup>135</sup> and mentor students providing assistance in arts-focused law school clinics.<sup>136</sup>

#### IV. CONCLUSION

Whether they know it or not, visual artists living and working in communities across the country face a number of legal issues, and transactional attorneys with existing practices can help. By thinking

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<sup>133</sup> Such forms include corporate bylaws, limited liability operating agreements, sales and leasing agreements, independent contractor agreements, and the like.

<sup>134</sup> See *supra* note 17.

<sup>135</sup> Independently organized “Lawyers for the Arts” programs exist in more than two dozen states nationwide, providing free and low cost legal services to artists. *E.g.*, CALIFORNIA LAWYERS FOR THE ARTS, [http://www.calawyersforthearts.org/lawyer\\_referral](http://www.calawyersforthearts.org/lawyer_referral) (last visited May 22, 2012); COLORADO LAWYERS FOR THE ARTS, <http://www.coloradolawyersforthearts.org/> (last visited May 22, 2012); FLORIDA LAWYERS FOR THE ARTS, <http://www.artslawfl.org/> (last visited May 22, 2012); VOLUNTEER LAWYERS FOR THE ARTS (MASSACHUSETTS), <http://www.artsandbusinesscouncil.org/programs/volunteer-lawyers-for-the-arts.html> (last visited May 22, 2012); VOLUNTEER LAWYERS FOR THE ARTS (NEW YORK), <http://www.vlany.org/legalservices/index.php> (last visited May 22, 2012).

<sup>136</sup> While not as common as lawyers for the arts programs, law schools with clinical programs focused on providing services to visual artists exist across the country. *E.g.*, Columbia Law School in New York, New York, <http://www.law.columbia.edu/focusareas/clinical/arts> (last visited May 22, 2012); Texas–Wesleyan School of Law in Fort Worth, Texas, <http://txwesclip.org/default.asp?page=5> (last visited May 22, 2012); Thomas Jefferson School of Law in San Diego, California, <http://www.tjsl.edu/academics/jd-programs/clinical-programs/art-entertainment-law> (last visited May 22, 2012); Wake Forest University School of Law in Winston Salem, North Carolina, <http://community-clinic.law.wfu.edu/about/> (last visited May 22, 2012); Vanderbilt Law School in Nashville, Tennessee, <http://law.vanderbilt.edu/academics/curriculum/elective-courses/intellectual-property-and-the-arts-clinic/index.aspx> (last visited May 22, 2012).

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creatively about the relationship, attorneys can help artists address their needs, facilitating the development of not only the artist's business, but the attorney's own practice, and the communities they live and work within.