Begged, Borrowed or Stolen: Whose Art is It, Anyway - An Alternative Solution of Fine Art Licensing

Judith Bresler

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INTRODUCTION

In 1999, Judge Alex Kozinski of the Ninth Circuit Court of Appeals delivered a Brace Memorial Lecture\(^1\) which posed a provocative proposition: featuring the Ninth Circuit case of *Dr. Seuss Enterprises v. Penguin Books*\(^2\) (discussed later) as the centerpiece of his talk, Judge Kozinski proposed that the Copyright Act be revised to permit infringing derivative works to enter — and presumably enhance — the intellectual marketplace. Hand in hand with this permissiveness and in the interests of fair play, Judge Kozinski also suggested that the author of the original work, which by virtue of spawning derivative works creates value, be paid by the creator of the derivative work, infringing profits attributable to the infringement, along with any actual damages "suffered as a result of the infringement."\(^3\)

The remedies of injunction and impoundment (§§ 502 and 503, respectively, of the Copyright Act) would not be available under Judge Kozinski's proposal unless "there is strong reason to believe that damages will be inadequate."\(^4\) In his Lecture, the Judge goes on to suggest that either party — the copyright holder or prospective derivative user — can offer to enter into a license with the other, and that any offeree who refuses will have to bear the costs and attorney's fees of any subsequent in-

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\(^3\) Kozinski & Newman, *supra* note 1, at 526. The authors did exclude from damages "those damages attributable to critical evaluation of the copyrighted work." *Id.*

\(^4\) *Id.* at 525.
fringement trial that fails to award the offeree terms more favorable than that offered by the original license.\textsuperscript{5}

The central concept of Judge Kozinski's proposal—eliminating the copyright owner's right to control the uses to which her published work is put while fortifying her right to compensation for value created—while admirable in some respects is nevertheless troubling. For one, eliminating \textit{in toto} a copyright owner's right to control the use to which her published work is put, seems too radical an abridgement of the intellectual property rights of the creator, whatever the benefit to the intellectual marketplace. For another, Judge Kozinski's proposal does not do away with the burdensome and costly process of copyright litigation. To illustrate with Judge Kozinski's own example: if Seuss Enterprises offered to grant a license to Penguin Books for the work in question, \textit{The Cat NOT in the Hat!} by Dr. Juice, and Penguin refused to pay, Seuss Enterprises may sue Penguin for copyright infringement and Penguin would have to pay court costs and attorneys fees in the event the court found the work to be infringing and Seuss's offer reasonable.\textsuperscript{6} That being said, certain elements of Judge Kozinski's proposal are rooted in the ideas presented in this paper, and seem to speak with particular resonance to the copyright-based products of fine art.

The visual artist does not create in a void: generally, her point of departure is an earlier image, whether that image, for example, is an oil painting in the public domain, a political cartoon under copyright protection, or an image of a natural setting once seen by the artist and now residing in the artist's memory. The earlier image, expressed by means of the artist's particular stylistic vocabulary and filtered through the artist's unique set of perceptions, is now transformed into a new image which, in turn, will serve as a point of departure for future images.\textsuperscript{7}

\textbf{I. HISTORICAL EXAMPLES OF ARTISTIC BORROWINGS}

The use of an artist's work by another artist to create a subsequent work, has abounded through the ages. Consider, for example, the French artist Edouard Manet's famous Impressionist painting \textit{Luncheon on the Grass}, first exhibited in the 1860s, portraying two fully clothed gentlemen and a nude woman seated in a sylvan clearing enjoying a picnic lunch. The painting was derived from a depiction of classical deities in a Raphael-like engraving made centuries earlier, and those figures, just as derivative,
stemmed from sources dating from ancient Roman art. As another example, consider the famous oil-on-canvas painting done in 1851 by the American artist Emanuel Leutze and based on an incident in American history: *Washington Crossing the Delaware*. Approximately one hundred years later — 1953 — the late American artist Larry Rivers created a painting similarly entitled *Washington Crossing the Delaware* which differed both compositionally and stylistically from Leutze’s image. In 1956, the playwright Kenneth Koch wrote a one-act play derived from Larry Rivers’ painting. When the play was performed six years later at the Maidman Theatre in New York City, it featured a stage set created in 1961 by set designer Alex Katz. In his tableau, Katz reversed the direction of the crossing from that in Leutze’s image to represent movement from Pennsylvania to New Jersey more accurately. As Katz’s stage set was created around the time that the movement of Pop Art was emerging in the United States, his tableau, using a vocabulary consistent with that of numerous works of the genre, incorporated alongside the painted forms a number of real objects: a china tea pot and two cups and saucers. The decade of the 1970s, which included the celebration of the United States Bicentennial, brought still another wave of *Delaware* images. Now, Leutze’s iconic work provided the springboard for the artist Peter Saul’s highly expressive painting of 1975: *George Washington Crossing the Delaware*. This *Delaware* packs a visual wallop of day-glo colors and distorted, rubbery figures, transforming the Leutze image into a frenetic depiction of mayhem. That same year, Leutze’s image also served as a point of departure for the artist Robert Colescott: his unsettling work, entitled *George Washington Carver Crossing the Delaware: Page from an American History Textbook*, depicts not George Washington but rather, a benign, bespectacled, Carver, along with other Afro-American figures portraying, in exaggerated fashion, such stereotypical roles as the nanny, cook and banjo player. His satirical image was a particularly keen comment on racial attitudes in the United States during the time of Carver.

Image appropriation flourished throughout the twentieth century. The early 1900s witnessed a burgeoning of popular culture that was disseminated to the public by such media as photography, advertising, magazine illustrations, and comic strips. The growth in popular culture amid the backdrop of despair over the hitherto unsurpassed mechanized killings of
World War I produced the short-lived philosophical movement of Dadaism. A declared purpose of Dadaism was to demonstrate that all moral and aesthetic values had been rendered meaningless by the Great War.\textsuperscript{14} Dada art, brought to the United States in 1915 by the French artist Marcel Duchamp, preached a type of anti-art exemplified by Duchamp's "improved" reproduction of Leonardo da Vinci's \textit{Mona Lisa}, complete with moustache, goatee, and a caption that amounted to a tasteless French pun: LHOOQ.\textsuperscript{15} Another example of Duchamp's "borrowing" is the photo-collage \textit{Monte Carlo} Bond. Duchamp established a roulette society and sold bonds to finance his playing. The face of the bond uses a Man Ray photograph of Duchamp with a lathered head, his hair sculpted into the winged head of Mercury, Roman god of commerce and patron of thieves.\textsuperscript{16}

Dadaism was the patron saint of Pop Art, which developed in England in the mid-1950s and emerged in the United States in the early 1960s.\textsuperscript{17} Pop artists were generally not satirical: essentially, such artists examined and depicted the objects and images of their world with an intensity designed to make the viewer uniquely conscious of the reality of such objects and images. To that end, Pop Art, even more than Dadaism, relied on images disseminated by the mass media,\textsuperscript{18} including the cinema, visual art, and such mundane items as kitchen appliances and household goods. Famous examples of Pop Art are the comic-strip paintings with benday dots by Roy Lichtenstein and Andy Warhol's repetitive depictions on canvas of Campbell's soup cans.

The post-modernist art movement, which emerged in the 1980s, is rooted in Dadaism and Pop Art. Many artists who achieved particular prominence in the 1980s share a postmodernist belief that Western societies foster image-saturated cultures that promote deterioration in the quality of life. Such artists frequently express that observation by plucking preexisting images from the mass media, high art, pulp romances, and mass culture and recontextualizing those images in their own work, often by the use of photography, video, and other reproductive techniques. The boldness of these borrowings, coupled with the pervasive use of reproductive techniques gave rise to the term "appropriation art."\textsuperscript{19} The artist Barbara Kruger is a postmodernist. Typically, in much of her work, she appropriates a black and white photograph from a magazine or a newspa-

\textsuperscript{14} \textsc{Janson, supra} note 7, at 528.
\textsuperscript{15} Roughly translated, the pun is "she has a hot ass."
\textsuperscript{16} \textsc{Janis Mink Taschen, Marcel Duchamp} 73 (2000).
\textsuperscript{17} \textsc{H. Harvard Arnason, History of Modern Art/Painting Sculpture Architecture Photography} 448 (3d ed. 1986).
\textsuperscript{18} \textsc{Janson, supra} note 7, at 547.
\textsuperscript{19} \textsc{Arnason, supra} note 17, at 636.
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per, carefully crops the desired image, blows it up to such monumental proportions that the viewer cannot escape, and then juxtaposes as a caption a bit of unrelated feminist text. One highly publicized example of her work, *Untitled (Your gaze hits the side of my face)* depicts a close-up of a female image in profile, with the caption juxtaposed in vertical fashion and the unmistakable implication that a (male) stare directed at the subject is violative. In another well-known piece, *Untitled (Your body is a battleground)* the image is a close-up frontal view of a female face, bisected so that the left side of the image is in normal black and white, and the right side of the image appears as a black-and-white negative. The resulting image is a female face ravaged by all manner of (sexist) tensions.

II. ARTISTIC BORROWINGS AS ADDRESSED BY COPYRIGHT LAW

The tradition of image appropriation must be examined in the context of copyright law. Under current United States law, a copyright proprietor of a pictorial, graphic or sculptural work can generally assert the following exclusive rights: to reproduce, adapt, distribute and publicly display such a work. The post-modernist Jeff Koons, in appropriating a photograph by a professional photographer for use as the basis of the creation of a limited-edition sculpture, was found liable for copyright infringement in the famous Second Circuit case of *Rogers v. Koons*, an early 1990s case that transfixed both the art world and the copyright legal community. The case involved a lawsuit by Art Rogers, a professional photographer, whose photograph *Puppies* (depicting a couple seated on a bench and holding their new litter of eight German Shepherd puppies) was the basis of a sculpture subsequently created by Koons in an edition of three entitled *String of Puppies*. The sculpture was exhibited by the Sonnabend Gallery in New York City, and the edition sold for a total of $367,000. The finding of copyright infringement by the Second Circuit, affirming a New York federal district court decision, included, along with a cogent analysis of the then-current matrix of factors comprising the defense of fair use, a condemnationary speculation about Koons's motives in committing the infringement:

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21 17 U.S.C. § 106 (2000). A “work of visual art” as defined in 17 U.S.C. § 101 includes some but not all “pictorial, graphic and sculptural works” as also defined in 17 U.S.C. §101. The author of a work of visual art, whether or not s/he remains the copyright proprietor of such a work, may exercise the rights of paternity and integrity, as defined in 17 U.S.C. § 106A in and to that work.
The key to this copyright infringement suit . . . is [Koons's] borrowing of plaintiff's expression of a typical American scene. . . . The copying was so deliberate as to suggest that [Koons] resolved so long as he [was a] significant [player] in the art business, and the copies [he] produced bettered the price of the copied work by a thousand to one, [his] piracy of a less well-known artist's work would escape being sullied by an accusation of plagiarism.24

The Rogers v. Koons decision was controversial for a number of reasons: for one, its analysis of the fair use factors ignored in toto the artistic process of creation and the historical tradition of image appropriation. A second reason the decision was controversial was that the Second Circuit did not recognize Koons's sculpture as being a parody of Rogers's photograph. Although parody had been recognized in the Second Circuit, as well as in other United States circuit courts25 as a form of comment or criticism capable of passing muster under the fair-use defense in an infringement suit, the Supreme Court did not address the issue directly until the 1994 watershed case of Campbell v. Acuff-Rose Music, Inc.26 Here, in holding that a popular rap group's commercial song parody of the Roy Orbison rock ballad Oh Pretty Woman may be a fair use within the meaning of the 1976 Copyright Act, the Supreme Court, in the course of its analysis, revised the matrix of factors to be considered in conducting a fair use evaluation. Of the revisions set forth in Acuff-Rose, a far-reaching development — on occasion with paradoxical results — was the Supreme Court's distinction between parody and satire:

[T]he heart of any parodist's claim to quote from existing material, is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works. . . . Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's . . . imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing.27

Thus, in the wake of Acuff-Rose, a photograph commissioned by Paramount Pictures to advertise the slapstick comedy movie Naked Gun 33 1/3 was found to be a fair use parody of an image created by the photogra-
pher Annie Leibovitz: a nude and pregnant Demi Moore which appeared on the cover of the August 1991 issue of *Vanity Fair* magazine. The fact that virtually the only visual difference between the two photographs was that the later photograph was graced with the head of a smirking Leslie Nielsen (starring in the motion picture) rather than a serious Demi Moore, seemed to bother the courts not at all. The Second Circuit, in affirming a New York federal district court’s dismissal of Liebovitz’s copyright infringement suit, found that Nielsen’s smirk was a comment on the seriousness of Liebovitz’s work, and did not interfere with any of Liebovitz’s potential markets. On the other hand, in 1997 the Ninth Circuit, in the earlier referred to *Dr. Seuss Enterprises v. Penguin Books*, held that a book written by Katz and Wrinn entitled *The Cat NOT in the Hat!* satirizing the O.J. Simpson double-murder trial in rhyming verse, could not claim a parodic fair use of Dr. Seuss’s earlier book, *The Cat in the Hat*. Never mind that the third page, for example, in Katz and Wrinn’s work reads, in describing the murder of Simpson’s wife Nicole Brown, “One Knife? / Two Knife? / Red Knife / Dead Wife” evoking the first part of the first poem in Seuss’s book *One Fish Two Fish Red Fish Blue Fish*: the Ninth Circuit noted that:

> [a]lthough *The Cat NOT in the Hat!* does broadly mimic Dr. Seuss[’s] characteristic style, it does not hold up his style to ridicule.

In addition, the Ninth Circuit found that in view of

> [t]he good will and reputation associated with Dr. Seuss[’s] work . . . . Penguin[’s] . . . nontransformative and admittedly commercial [use permits the conclusion] that market substitution is at least more certain and market harm may be more readily inferred.

It seems fair to call into question the Ninth Circuit’s perception that a versified recounting of the O.J. Simpson double murder trial would undercut the market for the typical reader of Dr. Seuss. It also seems fair to question the Ninth Circuit’s finding that Katz and Wrinn’s piece lacked transformativeness because “the substance and content of *The Cat in the*...
Hat is not conjured up by the focus on the Brown-Goldman murders or the O.J. Simpson trial."

A second, apparently far-reaching, development in Acuff-Rose was the Supreme Court's reconfiguration of the first fair use factor — the purpose and character of the use. In analyzing this first factor, the Court stated that the central issue posed is the following: does the new work merely supersede the original work, or does it contribute something new with a further purpose or different character — that is, is the new work transformative? The Court further noted that the more transformative the new work, the less significant are other factors, such as commercialism, that may militate against a finding of fair use. A key question in light of Acuff-Rose is this: does the transformative requirement in a fair-use defense threaten the historical — and creative — tradition of image appropriation?

A. Hoepker v. Kruger

Barbara Kruger, a postmodernist noted earlier in this article, was sued inter alia on a theory of copyright infringement in a New York federal district court in the recent case of Hoepker v. Kruger and escaped liability on a copyright technicality. Here, Kruger, a well-know postmodernist, created in 1990 an untitled collage work, incorporating into this work a photographic image of plaintiff Charlotte Dabney created in 1960 by a well-known German photographer, Thomas Hoepker. Hoepker's image, entitled Charlotte As Seen By Thomas, pictures Dabney from the waist up, holding a large magnifying glass over her right eye. Dabney's eye fills the lens of the magnifying glass, and the lens covers a large portion of Dabney's face. The image was published once in 1960 in the German photography magazine Foto Prisma. Kruger created her work thirty years later by cropping and enlarging the Hoepker image, transferring it to silkscreen and, in keeping with her artistic style, superimposing three large red blocks containing words that can be read together as, "It's a small world but not if you have to clean it." The image and the superimposed lettering comprised the sum and substance of her collage.

In April 1990, Kruger sold her collage to defendant Museum of Contemporary Art L.A. (MOCA) and granted MOCA a non-exclusive license to reproduce the work. From mid-October 1999 through mid-February 2000, MOCA displayed the Kruger work as one of sixty-four works of art in an exhibition dedicated to Kruger. In conjunction with the exhibition,

33 Id.
35 Id.
MOCA sold gift items in its museum shop in the form of postcards, note cubes, refrigerator magnets and t-shirts featuring this particular Kruger work. Additionally, MOCA published jointly with defendant M.I.T Press a 200-plus page catalog of Kruger's works and ideas entitled *Barbara Kruger*, containing three separate depictions of the Kruger work in issue. MOCA's net revenues from sales of the gift items were approximately $15,000,\(^{37}\) and its net revenues from sales of the catalog were approximately $54,000.\(^{38}\) MIT Press's net revenues from its sales of the catalog were approximately $40,000.\(^{39}\) After closing in Los Angeles, the Kruger exhibit was shown at defendant Whitney Museum of American Art (the "Whitney") from mid-July 2000 through mid-October 2000. The Whitney advertised the Kruger exhibit by way of newsletters and brochures incorporating the Kruger work, as well as a five-story high billboard of a reproduction of the Kruger work in "one or more locations in Manhattan"\(^{40}\) affixed to sides of buildings. Additionally, the Whitney purchased from MOCA an inventory of the Kruger catalog and a number of the MOCA gift items to sell in its museum store in conjunction with the Kruger exhibition. The Whitney's approximate profits from sales of the Kruger catalog were less than $37,000\(^{41}\) and profits from its sales of gift items were less than $800.\(^{42}\) Moreover, a reproduction of the Kruger work appeared from June 1997 through mid-December 2000 on a now-retired Web site entitled "American Visions" maintained by defendant Education Broadcasting System (EBS), use of the image having been licensed by defendant Mary Boone Gallery, Kruger's agent.\(^{43}\)

In granting the dismissal of Hoepker's copyright claim on the defendants' motion for summary judgment, the New York federal district court noted that both Kruger and MOCA were reliance parties to a restored copyright. That is, when Hoepker's work was first published in Germany in 1960, according to the Uniform Copyright Convention, to which both Germany and the United States are signatories, Hoepker's work was accorded in the United States the same protection as the United States accorded works of domestic nationals first published in the United States.\(^{44}\) Therefore, Hoepker obtained a copyright in the United States simultaneously with his copyright in Germany. The Copyright Act of 1909 (which governed Hoepker's United States copyright) accorded Hoepker copy-

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\(^{37}\) *Id.* at 343.

\(^{38}\) *Id.*

\(^{39}\) *Id.*

\(^{40}\) *Id.*

\(^{41}\) *Id.*

\(^{42}\) *Id.*

\(^{43}\) *Id.*

\(^{44}\) *Id.* at 344.
right protection for an initial term of twenty-eight years, subject to renewal for another twenty-eight years. When Hoepker failed to renew his copyright in 1988 (when his initial term, running from 1960 to 1988 expired), the copyright protection to his work in the United States ended, his work was injected into the public domain, and Kruger was free to appropriate Hoepker’s photograph and incorporate it into her own work. Kruger’s work was created in 1990. In 1994, the United States’ current Copyright Act was amended to restore copyright protection to a work of foreign origin still protected in its source country but injected into the public domain in the United States for failure to comply with certain formalities of U.S. copyright law.\textsuperscript{45} Hoepker’s work, \textit{Charlotte As Seen By Thomas}, qualified as a restored work.\textsuperscript{46} However, the amended Copyright Act restores copyright only for prospective acts of infringement.\textsuperscript{47} Therefore, as the court noted, Hoepker had no cause of action against Kruger for any acts of infringement occurring between 1988 and 1994.\textsuperscript{48} As for alleged acts of infringement occurring after the restoration of Hoepker’s copyright, the court noted that Kruger was a reliance party: that is, (1) by creating her collage in 1990 she clearly would have violated Hoepker’s exclusive right to create a derivative work based on his photograph, had his image been protected by copyright in the United States at that time, and (2) according to Hoepker’s allegations, Kruger continued to engage in infringing acts after Hoepker’s U.S. copyright had been restored. As a reliance party, Kruger may engage in acts which infringe Hoepker’s restored work for a period that ends twelve months after she is served with formal notice by Hoepker of his intent to enforce his restored copyright.\textsuperscript{49} Since Hoepker neither gave Kruger the requisite notice, nor filed such a notice of intent with the Copyright Office,\textsuperscript{50} the court held that Hoepker, at this time, was barred from seeking redress for any alleged acts of infringement by Kruger.

Although, as noted earlier, a technicality in current U.S. copyright law interposed itself between Kruger’s appropriation of Hoepker’s photo-

\textsuperscript{46} When Hoepker’s photograph was first published in Germany in 1960, its term of copyright protection was twenty-five years. The German law was subsequently revised to accord a term of protection of life of the author plus seventy years. See Hoepker, 200 F. Supp. 2d at 345.
\textsuperscript{48} Actually, the effective date of restoration is January 1, 1996, as adopted by the Copyright Office and by independent issuance by then-President Clinton of a proclamation adopting that date.
\textsuperscript{50} Hoepker, 230 F. Supp. 2d at 345. See 17 U.S.C. § 104A(h)(4) (2000), which sets forth the requirements for initiating an infringement action against a reliance party.
graph and deeds of actionable infringement, such was not the case in another recent controversy, this one involving the professional photographer Lauren Greenfield and the artist Damian Loeb.

B. Greenfield v. Loeb

Here, Lauren Greenfield, a young photographer and photojournalist who has attained a measure of distinction in her field, authored a book entitled *Fast Forward: Growing Up in the Shadow of Hollywood* which was published in 1997 by Alfred Knopf, Inc. The book, which consists of color photographs and copious text created over a five-year period, addresses the topic of young people from a variety backgrounds growing up in Los Angeles and how the youth culture in this geographic area is affected by Hollywood. The book, when published, as well as Greenfield, received considerable publicity: the book was reviewed in a number of publications such as *The New York Times*, *The Washington Post*, *The Los Angeles Times*, *Harvard Magazine* and *New York Magazine* and Greenfield was interviewed over television and radio on, for example, *Good Morning America*, *The News Hour with Jim Lehrer* and *All Things Considered*.

Included in Greenfield’s book and featured on the front of the book’s dust jacket is a photograph entitled *Mijanou and Friends from Beverly Hills High School on Senior Beach Day, Will Rogers State Park* (“the Photograph”). The Photograph depicts a number of high school students dressed in shorts or beachwear seated in or standing around three horizontally parked cars, one in front of another. [see Fig. 1] The car in the foreground is a convertible, affording a clear, open and detailed view of the three students seated within, one of whom is a full-chested girl in a bikini top. All of the material in Greenfield’s book, including the Photograph, is protected by copyright and was registered with the U.S. Copyright Office in 1997.

In 1998, the defendant Damian Loeb, a well-known appropriation artist living in New York City, created a painting entitled *Sunlight Mildness* (“the Painting”) in a manner typical of much of his other work. That is, Loeb, as a “photorealist,” frequently appropriates images or portions of images from other sources, such as works of art, advertisements or motion pictures, and incorporates these images into his own work: depictions of

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51 First Amended Complaint, Feb. 20, 2001, Lauren Greenfield v. Damian Loeb, 99 Civ 5836 (LMM). The pleadings and a redacted copy of the settlement agreement were made available to me with the gracious cooperation of Gloria C. Phares, Esq., of Patterson, Belknap, Webb & Tyler LLP, attorneys for Plaintiff.

52 Id. at 4.

53 Id.
In creating *Sunlight Mildness*, Loeb appropriated a portion of Greenfield’s Photograph — that portion depicting the convertible and three teen-agers in the foreground — and juxtaposed that image with an image of a South African death squad created by another photographer and made a painting of the composite. [see Fig. 2] In July 1998, Loeb wrote to Greenfield seeking permission to include her image in his painting, and within days, Greenfield wrote back to Loeb, expressly denying him this permission.\(^5\) Greenfield was unaware at this time that what was described as a “doctored version” of *Sunlight Mildness* had earlier appeared on the cover of the May-June 1998 issue of *Flash Art*, arguably the leading international contemporary art magazine currently in circulation. That issue of *Flash Art* also included an article about Damian Loeb. In 1999, *Sunlight Mildness* (which included Loeb’s appropriation of Greenfield’s image despite her refusal of permission) was exhibited and sold by the Mary Boone Gallery.

Greenfield sued Loeb, along with other related parties, for willfully infringing her copyright in the Photograph by reproducing it, preparing a derivative work of the Photograph, that is, the Painting, publicly displaying the Painting and selling it.\(^6\) After Greenfield filed her original Complaint, Loeb reproduced and displayed the Painting on his Web site. In February 2001, Greenfield amended her complaint to add a charge of willful infringement by Loeb of her Photograph in that he reproduced and displayed the Painting on his Web site.\(^7\) At the time, Loeb’s Web site included photographs of Loeb, reproductions of his work, and contact information about his dealers.\(^8\) In her suit against Loeb and related parties, Greenfield sought injunctive relief, actual damages and infringing profits or statutory damages for the parties’ willful acts of infringement, impoundment, court costs and attorney’s fees, notification to current and all future owners that the Painting is an infringing work and cannot be lawfully displayed, and that the defendants be required to reclaim the Painting and all existing copies for impoundment, destruction or such other disposition as Greenfield would elect.\(^9\)

*Greenfield v. Loeb* was ultimately settled in November 2001.\(^60\) The settlement agreement included, among other terms: i) payment of a settle-
ment fee to Greenfield; ii) retitling of the Painting to acknowledge reliance on Greenfield's Photograph; and iii) indicating on the back of the Painting the name of the Photograph on which the Painting is based and the name of the book in which the Photograph is found.

III. AN ALTERNATIVE TO LITIGATION

There is little reason to anticipate either that the time-honored process of artistic creation, including image appropriation, will change in the foreseeable future or that our current copyright laws will serve as an absolute deterrent to appropriation by artists of images that may still be under copyright protection. Notwithstanding Damian Loeb in the Greenfield case described above (and Damian Loeb, at the time he sought the use of Greenfield's photograph, was represented by an agent who may have advised him), most artists in the process of creating an artwork simply appropriate the images that suit and address the securing of permissions as an afterthought. Many never consider permissions. What has evolved in recent years is i) the pervasive use of Internet technologies and ii) the duration of United States copyright protection for hundreds of thousands of images originating in this country — a term of protection affirmed in January 2003 by the Supreme Court in Eldred, reinforcing the additional twenty-year term of protection for published works under existing copyright. These two developments ensure not only that copyrighted images will continue to be appropriated in abundance but that awareness of the appropriations will be fostered far and wide. This, in turn, will give rise to increasing exposure on the part of artists to copyright infringement suits — a costly, time-consuming and often emotionally wrenching experience that both parties might seek to avoid if there were another alternative. That alternative is proposed here in the form of a “Fine Art License.” (See Appendix A)

A. What is a “Fine Art License”?

A Fine Art License would apply only to a work of art created and published in the United States and under copyright protection at the time of its appropriation (“Protected Work”). It would be a license to incorporate the Protected Work either in full or in a “recognizable amount” into a subsequent work of fine art. This subsequent work must be either a single piece of fine art such as a painting, sculpture, photograph, or drawing, or a

61 In a conversation on December 18, 2002, Gloria Phares advised this author that the Painting has physically been retitled to accord Greenfield credit in the Painting's new title.
62 The agent referred to in this context was not the Mary Boone Gallery.
signed and numbered, limited edition fine print or sculpture multiple that shall in no event exceed 500 in the edition ("Subsequent Work"). The Fine Art License would include the right to incorporate the image of the Protected Work into the Subsequent Work, publicly display the Subsequent Work, advertise and promote the Subsequent Work in all media and sell (or lease) the Subsequent Work. The Fine Art License would be issued by the clearing-house administering such a license, upon payment to the clearing-house of a Fine Art License Fee as herein described.

The Fine Art License Fee would be a revenue-based fee, subject to a three-tier floor as follows: the lowest floor, perhaps $1,000, would apply to a Subsequent Work that is or will be a single work of fine art; a higher floor, perhaps $5,000, would apply to a Subsequent Work that is or will be a signed and numbered fine art multiple in a limited edition not to exceed 100. The highest floor, perhaps $10,000, would apply to a Subsequent Work that is or will be a signed and numbered fine art multiple in a limited edition exceeding 100 but in no event exceeding 500. Once revenue generated by the sale, lease or other commercial use of the Subsequent Work has met the applicable floor (and this minimum sum must be paid by the author of the Subsequent Work ("Licensee") to the author of the Protected Work through the clearing-house before any use can be made of the Subsequent Work), then the author of the Protected Work will receive payment in the amount of 8% of any overage — either as a lump sum, or in the form of a royalty, depending on the nature of both the Subsequent Work and the transaction in question. For example, if the Subsequent Work is a single painting, the Fine Art License would trigger an immediate payment to the author of the Protected Work in the amount of $1,000. If the Subsequent Work then sells for $100,000, the author of the Protected Work would receive an additional $7,920: that is, 8% of $99,000, for an eventual total Fine Art License Fee of $8,920. To take another example, if the Subsequent Work is a limited-edition sculpture multiple in an edition of three, the Fine Art License would trigger an immediate payment to the author of the Protected Work of $5,000. If all three works in the limited edition were to sell for a total of, say, $367,000 (as in the case of Rogers v. Koons), then the Fine Art License would cause Art Rogers (to extend the hypothetical) to realize additional monies in the amount of $28,960 — that is, 8% of $362,000, for a total Fine Art License Fee of $33,960. Of course, if a Subsequent Work fails to generate any revenue, then the Fine Art License Fee to the author of the Protected Work is the applicable floor fee.

Royalty rate is based on information derived from G.J. Battersby & C.W. Grimes, Licensing Royalty Rates (2000), an excellent treatise on the subject.
In addition to the payment of monies to the author of a Protected Work, the Fine Art License includes an option to accord credit to the author of the Protected Work, as discussed below. The Fine Art License would include a waiver of any right by the Licensee to make any derivative works based on the Subsequent Work. It would also include a waiver of any right by the Licensee to sue for copyright infringement of the Subsequent Work, such right to belong solely to the author of the Protected Work. The Fine Art License includes solely the right to incorporate the image of a Protected Work into the Subsequent Work, and the exploitation of the Subsequent Work within the parameters noted above: the Subsequent Work expressly excludes, by definition, any item of "merchandise" including posters, note cards, tee shirts, and the like. Any use of a Protected Work on any items of merchandise, or for any other commercial purpose would require, as is currently the case, the negotiation and procurement of a license from the copyright proprietor of the Protected Work, or the copyright proprietor's agent.

1. Works Qualifying for a Fine Art License

In order for a prospective appropriated work to qualify as the subject of a Fine Art License, it must be i) a Protected Work, that is, a work originating and published in the United States and under copyright protection in the United States at the time of the appropriation, and ii) registered with the U.S. Copyright Office. Since the copyright registration of an image is a public record, an artist interested in appropriating such an image for incorporation into a Subsequent Work can readily ascertain if that image would be eligible for a Fine Art License. While registration of an image with the U.S. Copyright Office would constitute permission for use of the image solely in a Subsequent Work upon payment to the artist clearing-house (which would forward payment, net of a service charge, on to the copyright proprietor) for a Fine Art License, all other rights in a work accruing to the copyright proprietor upon copyright registration, including initiating a copyright infringement action for use other than in a Subsequent Work, are preserved.

2. Administration of the Fine Art License

The Fine Art License would be administered through an artist's copyright clearing-house such as, for example, the Artists Rights Society (ARS), an organization that represents many prominent twentieth century artists and artist estates such as Jackson Pollock, Marc Chagall, Pablo Picasso, Mark Rothko, and Georgia O'Keeffe in negotiating and granting permissions to those desirous of reproducing artworks of such artists in printed and electronic media as well as on various products. However, unlike the current practice at ARS — which is an appointed representa-
tive of the respective member artists and artist estates — the copyright clearing-house that administers the Fine Art License will automatically represent each copyright proprietor of a Protected Work in connection with anyone desirous of incorporating that Protected Work into a Subsequent Work.

When a prospective Licensee wishes to use a Protected Work in a Subsequent Work, the Licensee will send the appropriate Fine Art License Fee floor amount (that is, $1,000, $5,000 or $10,000) to the copyright clearing-house in question, along with a form (which could be made available online at the clearing house’s Web site) indicating the title of the Protected Work, the copyright proprietor (usually the artist) of the Protected Work, the author of the Protected Work (if different from the copyright proprietor), the prospective title of the Subsequent Work, whether the Subsequent Work will be a single work or a signed and numbered limited edition, and, if the latter, the prospective edition size. In addition to the Fine Art License Fee floor amount and the copyright clearing-house form, the prospective Licensee will forward to the clearing-house two (2) color photographs of the Subsequent Work. If the copyright proprietor and author of the Protected Work are different parties (which will not usually be the case), then the prospective Licensee will forward three (3) photographs to the clearing-house. The clearing-house will deduct a small service charge and remit the balance of the Fine Art License Fee floor amount, along with the Fine Art License and one of the photographs to the copyright proprietor. The Fine Art License includes an opt-out provision notifying the copyright proprietor of the Protected Work that she will receive a credit in the title of the Subsequent Work and in all advertising and promotion of the Subsequent Work unless the copyright proprietor indicates a refusal to be associated with the Subsequent Work by checking off a box on the Fine Art License and returning it to the clearing-house within one week following the copyright proprietor’s receipt of the form. In the event the author of the Protected Work and the copyright proprietor of the Protected Work are different parties, then each of the two parties receives a copy of the Fine Art License and a photograph of the Subsequent Work, the copyright proprietor receives the Fine Art License Fee floor amount, and the author has the right to fill out the opt-out provision and return the Fine Art License to the copyright clearing-house.

Where revenue generated by a Subsequent Work exceeds the Fine Art License Fee floor amount paid to the copyright proprietor of the Protected Work, it will be up to the Licensee to make the applicable payments to the copyright proprietor of the Protected Work, through the clearing-house. The clearing-house will have the right to examine periodically the Licensee’s (and Licensee’s agent’s) relevant books and records to ensure compliance in payment of the full Fine Art License Fee. Evidence of
fraud or other malfeasance on the part of the Licensee in evading payment of the full Fine Art License Fee could result in the imposition of monetary sanctions, such as, for example, payment of triple the amount found to be due and owing to the copyright proprietor of the Protected Work.

3. Rights and Remedies

If the creator of a Subsequent Work incorporating at least a "recognizable amount" of a Protected Work, publicly displays, disseminates or reproduces the Subsequent Work without securing a Fine Art License, the copyright proprietor of the Protected Work should automatically be entitled to sue either for enhanced statutory damages or actual damages that factor in the willful failure to secure a Fine Art License, and there should be a rebuttable presumption that the copyright proprietor of the Protected Work will prevail.

B. Benefits of a Fine Art License

It seems clear that reconfiguring the scope of fair use to accommodate the issuance of compulsory Fine Art Licenses for the creation and exploitation of art works as described in this article would work to the benefit of all concerned.

1. From a Societal Perspective

The fundamental principle animating United States copyright law, unlike that of nations whose jurisprudence is grounded in civil law, is the provision of financial inducement to artists, authors and composers to create works for the ultimate benefit of society. A Fine Art License is in consonance with U.S. copyright law objectives: that is, it will permit, for society's ultimate benefit, the lawful creation of a number of artworks that otherwise would be enjoined and impounded. The existence of more art not only creates an enriched artistic heritage serving to engage and educate the public, but provides, as well, an enhanced body of work to serve as a source of study and inspiration for future artists.

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65 If necessary, this could be determined by arbitration.

66 In civil law countries as well as under the Berne Convention, the core rationale for copyright law is the protection of the author's rights. See Preamble of the Berne Convention ("The countries of the Union, being equally animated by the desire to protect, in as effective and uniform a manner as possible, the rights of authors in their literary and artistic works . . . have agreed as follows. . . .") For an excellent discussion of certain differences in the core principles underlying U.S. copyright law and the copyright laws of civil law nations, see Robert J. Sherman, The Visual Artists Right Act of 1990: American Artists Burned Again, 17 CARDOZO L. REV. 373 (1995).
2. From the Perspective of the Author of the Protected Work

A Fine Art License would inure to the benefit of the author of the Protected Work by ensuring that such an artist would be both paid a reasonable, revenue-based license fee for a limited commercial use of the artist’s Protected Work and receive, if the artist so desires, credit in the title of the Subsequent Work. This would appear to be far more advantageous to the artist than the consequences of such an appropriation under the scenarios possible under our current legal construct: that is, i) the Protected Work of an artist is appropriated for commercial use, the artist never discovers the appropriation, and consequently receives nothing while the appropriator is enriched; ii) the Protected Work of an artist is appropriated for commercial use, the artist discovers the appropriation, sues the appropriator for copyright infringement, the appropriator convinces the finder of fact that the Subsequent Work is a fair use parody or some other fair use, and consequently is enriched while the artist of the Protected Work receives nothing and may well have incurred sizable legal expenses to boot; or iii) in the best-case scenario, the Protected Work of an artist is appropriated for commercial use, the artist discovers the appropriation, initiates an infringement suit and either prevails or the appropriator agrees to a settlement. In this last scenario, the artist will receive (actual or statutory) damages and injunctive relief. However, this result will be achieved only after a considerable expenditure of time and money. Were the Fine Art License a reality at the time of Greenfield v. Loeb, for example, Ms. Greenfield would have received payment of a license fee and credit, if she so wished, on the Subsequent Work as the author of the Protected Work. That is, she would have automatically have been in a position similar to that she achieved through settlement — minus the expenditure of time and money. And if the Fine Art License fee payable to Ms. Greenfield (under this construct, $1,000 plus 8% of the purchase price of the Subsequent Work minus the floor) is not as sizable a sum as was the negotiated settlement — and, depending on the settlement sum, perhaps it is — the disparity is more than offset by the monies saved by her in court costs and attorneys’ fees.

Moreover, and in keeping with the spirit of U.S. copyright law, if the author of the Protected Work, upon viewing a photograph of the Subsequent Work, elects not to be associated with it, the author need only sign and return the opt-out provision to the Fine Art License clearinghouse.

It should be stressed that the author of a Protected Work retains all other rights in and to his or her work, including the right to sue for any infringements or use of such a work that lie beyond the scope of the Fine Art License.

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3. From the Perspective of the Author of the Subsequent Work

The Fine Art License provides the author of a Subsequent Work with the right, upon payment of a reasonable license fee, to appropriate material from a Protected Work for incorporation into his or her Subsequent Work for purposes of commercial exploitation without fear of incurring legal liability in the form of a copyright infringement suit. Payment of the Fine Art License will be more than offset by the costs avoided in defending such a suit. Moreover, net solely of the 8% over floor payable to the author of the Protected Work, the Licensee is entitled to keep all profits arising from the sale or lease of such a work.

IV. COPYRIGHT PROTECTION AND FIRST AMENDMENT CONSIDERATIONS

Admittedly, implementation of a Fine Art License for commercial use of a Subsequent Work would tend to narrow the scope of the fair use defense as it now exists. For one, it does away with the distinction between parody and satire. However, as illustrated earlier in this article, the rationale for such a distinction is not always clear and the results are not necessarily logical. For another, it chips away at the concept of "transformativeness" in connection with commercial use. That is, provided that a "recognizable likeness" of an Original Work is incorporated into a Subsequent Work for commercial purposes, it matters little whether the Subsequent Work is slightly or largely transformative: a Fine Art License should be secured. Of course, for all non-commercial use of a Subsequent Work, that is, reportage, archival use, research, teaching and the like, a Fine Art License would not apply, and current fair use principles would remain intact. Moreover, for all uses of a Subsequent Work beyond the scope of a Fine Art License, the defense of fair use and the matrix of factors currently comprising such a defense, would remain available for assertion by the creator or exploiter of the Subsequent Work. Similarly, and under the same circumstances, the right by the copyright proprietor of the Protected Work to instigate an action in copyright infringement would be preserved. To clarify this last point: if a third party appropriates material from the Subsequent Work that had originally appeared in the Protected Work, the copyright proprietor of the Protected Work — not the creator of the Subsequent Work — may sue for copyright infringement and, if successful, retain all monetary awards. On the other hand, if a third party appropriates only material from the Subsequent Work that had originally appeared in the Subsequent Work, such an appropriation is not actionable, as the creator of the Subsequent Work cannot register such a work with the U.S. Copyright Office. A final point in closing: the implementation of a Fine Art License should not act as a disincentive to artists to create works of visual art. The artist of a Protected Work is assured, for
a limited use of the artist's work, a license fee that, at minimum, falls within the range of statutory damages codified in the current U. S. Copyright Act.\textsuperscript{68} Such an artist is also assured, at the artist's election, credit in connection with any resultant Subsequent Work. By the same token, upon payment of a reasonable license fee, the artist of a Subsequent Work, in the course of creating such a work, may appropriate images or portions of images, as she deems artistically necessary, from a Protected Work, stand to gain a financial benefit from the sale or other dissemination of such a work, and to do so without the fear, cost or burden of an infringement suit.

\textsuperscript{68} Id. § 504(c)(1).
FIGURES 1 AND 2
I. PLEASE PROVIDE THE FOLLOWING INFORMATION

- Title of Protected Work:
- Copyright registration number of Protected Work:
- Copyright Proprietor of Protected Work
- Author of Protected Work (if different from directly above)
- Prospective title of your Work:
- Your Work shall be (check one):
  - a single piece of fine art (e.g., painting, sculpture, drawing, photograph)
  - a signed and numbered limited edition fine print or sculpture multiple of 100 or few
  - same as directly above in an edition size of 500 or fewer (but over 100)

II. TERMS AND CONDITIONS:

1. The Fine Art License Fee includes:
   (a) a "Floor Amount" of
      (i) $1,000 if your Work is to be a single piece of fine art;
      (ii) $5,000 if your Work is to be a signed and numbered limited edition fine print or
            sculpture multiple of 100 or fewer; or
      (iii) $10,000 if your Work is to be a signed and numbered limited edition fine print or
            sculpture multiple of 500 or fewer but over 100; plus
   (b) Eight (8%) Percent of all revenues, if any, earned on the sale or lease of your Work, in
       excess of your recoupment of the Floor Amount ("Overage").

2. By forwarding this document to ARS along with payment to ARS of the applicable Floor
   Amount, you are hereby granted the right to (i) incorporate the Protected Work, in whole or
   in part, into your Work; (ii) publicly display your Work; (iii) advertise and promote your
   Work in all media; and (iv) sell or lease your Work. Your expression of your Work is hereby
   limited to one of the three (3) categories set forth in Paragraph 1(a) above. All rights in and
   to, and all uses of, the Protected Work not granted to you in this document are, as between
   you and the copyright proprietor, reserved to the copyright proprietor.

3. You hereby waive the right and to agree not to: (i) create any derivative works based on your
   Work; and (ii) initiate any lawsuit for copyright infringement of your Work, it being
   understood that such right vests solely in the copyright proprietor of the Protected Work.

4. You hereby agree to make timely payment(s) and applicable payments of any Overage
   through ARS to the copyright proprietor of the Protected Work. ARS or its agent may
   examine all portions of your books and records from time to time and at various times that
   relate to the sale or lease of your Work, in order to ensure your compliance with this Fine Art
   License. Failure by you to pay the full Fine Art License Fee shall result in liquidated
   damages of triple the amount found to be due and owing to the copyright proprietor of the
   Protected Work, plus all costs and expenses of the audit.

5. You agree to accord credit by name to the author of the Protected Work in the title of your
   Work (such as for example, "[Title of your Work], based on a painting by [name of author of
   the protected Work],") unless such author has elected not to receive such credit by checking
   the space provided in Paragraph 6 below.

6. By placing a check in the following space____ I elect not to receive credit in connection with
   your Work.

ACCEPTED AND AGREED TO:

Your signature
Print your name and address and phone number
Author of Protected Work