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Understanding Artists' Rights in Contracts for Building Art

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Last year the New York Law Journal published the authors' primer on the federal Visual Artists Rights Act of 1990 (VARA) which protects visual artists' "moral rights" by prohibiting the destruction of "visual art," including paintings, drawings, sculptures or photographs, of "recognized stature."[1]

That article focused primarily on educating landlords on the issues raised by VARA. Given the increase in the use of art to market hotels, offices and apartment buildings, this article will address a number of issues that artists may raise when given agreements by landlords commissioning their work.

VARA Overview

VARA, 17 U.S.C. §101 et seq., was enacted by Congress in 1990 to protect the "moral rights" of certain artists by "afford[ing] protection for the author's personal, non-economic interests in receiving attribution for her work, and in preserving the work in the form in which it was created."[2] VARA permits the author of a work of visual art to prevent the use of his or her name as the author of the work of visual art in the event of a "distortion, mutilation, or other modification of the work that would be prejudicial to his or her honor or reputation,"[3] excepting modifications due to the passage of time or the inherent nature of the materials."[4]

Art of "recognized stature" (defined as art that "art experts, the art community, or society in general views as possessing stature"[5]) is entitled to protection under VARA, and the creator of such qualifying art will have the right to sue to prevent its destruction or, if the damage has already occurred, to sue for actual or statutory damages ranging from $750 to more than $30,000, and increasing to $150,000 for willful infringements and decreasing to $200 for innocent infringements.[6] VARA rights are non-transferrable, and are exercisable only by the artist.[7] The rights last only for the duration of the artist's life, or for joint works, through the life of the last surviving artist.[8] Copyright registration is not required to bring a VARA infringement action, or to secure statutory damages and attorney fees.[9]

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VARA also recognizes and protects works of visual art that have been "incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work"[10] (Building Art). Examples of Building Art include murals, frescoes and sculptures and, more recently, street or graffiti art, that have been affixed or embedded into a building's floors, walls or ceilings. In *Cohen v. G&M Realty L.P.*, the court determined that at least some of the 24 graffiti art works, which plaintiffs contend were of recognized stature, were "sufficiently serious questions going to the merits to make them a fair ground for litigation."[11] In *Carter v. Helmsley-Spear*,[12] the art consisted of sculptures, glass mosaics and other permanent installations that were affixed to the building's walls, ceilings and floors, and in *Board of Managers of Soho International Arts Condominium v. City of New York*,[13] the work consisted of aluminum bars attached to the steel reinforcement braces of the outer walls of a building.

Note that VARA protection, unless waived, will survive the sale of the real property. Below are some ways that artists may waive their rights under VARA as it relates to Building Art.

Explicit Waiver: Artists can explicitly waive their VARA rights for Building Art that cannot be safely removed from the property and which was installed after June 1, 1991,[14] by executing a written instrument signed by both artist and building owner.

The instrument must:

1. specifically identify the work and use of the work to which the waiver applies; and
2. specify that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal.[15]

For joint works prepared by two or more artists, a waiver made by one will waive the rights of all. It is therefore critically important that joint artists have a prior agreement regarding their VARA rights since the unilateral exercise of a waiver by one will effect a waiver for all artists involved.[16]

Joie de Vivre' (Joy of Life), an outdoor sculpture by Mark di Suvero, is located at Zuccotti Park in the Financial District of Lower Manhattan.

De Facto Waiver: For Building Art that *can* be safely removed, VARA only requires that building owners make a "diligent, good faith" attempt to notify the artist of its intention to remove the work.[17] There is a presumption of such attempt if the building owner sends notice by registered mail to the artist at his most recent address as recorded by the Register of Copyrights.[18] No VARA claim shall lie if such attempts at contacting the artist were unsuccessful, or if the owner provides notice, but the artist fails to remove the work or to pay for its removal within 90 days after receiving notice.[19]

For this reason and others detailed below, artists should diligently maintain their forwarding address information with the Register of Copyrights.

Work for Hire: Just as the Copyright Act does not grant the artist a copyright for works "made for hire," VARA also does not apply to such work, which is defined as *either*:

1. a work prepared within the scope of an employee's employment; or
2. a work specially ordered or commissioned as part of a collective work … [or a compilation, that has been agreed in writing, signed by both parties, to be work made for hire."[20]

With respect to the first prong, courts will consider many factors in its determination of whether an artwork is a "work for hire" (in which case the artwork is owned by the hiring party), and the mere use of the words "work for hire," "employee" or "employment," without the presence of any of the factors named above, will be insufficient to designate it as such.[21]

If the work was created by an independent contractor, then it can only be deemed "work made for hire" if (a) it falls within one of nine categories delineated in the Copyright Act, including among them "collective work" or "compilations" *and* (b) there is a written agreement between the parties specifying that the work is a "work made for hire."[22] A "compilation" is work "formed by the collection and assembling of preexisting materials … selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." A "collective work" is work in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.[23] Examples of "collective work" include a periodical issue, anthology and encyclopedia.

Based on the above and contrary to popular belief, the "work for hire" exception to VARA protection is quite narrow and most Building Art will likely not qualify as "work for hire."

VARA affords artists additional protections not previously given under statute. Its application and scope, however, are ultimately rather limited; it applies only to visual art and may be waived. Artists in other countries receive much more extensive protections, some of which extend moral rights to non-visual art and also requires by statute that such rights be permanent and inalienable.[24] In addition, many countries have enacted legislation for resale royalty rights ("droit de suite"), which entitles artists to compensation in the sale of their work in secondary markets.[25]

In the United States, the Copyright Act (of which VARA is a part) does the most to protect artists. Among the rights granted to artists under the Copyright Act is the automatic and exclusive right to reproduce all or portions of their work, to prepare derivative works, and to use or sell those reproductions, regardless of whether the physical work of art has been sold and is now belonging to another, or whether the work has been registered with the Copyright Office. Copyright protection applies upon the creation of the work, even if it has been sold; mere physical ownership of a work of art does not grant the possessor a copyright unless it has been expressly granted. The duration of copyright protections vary depending on the date of the work's creation but if the work was created on or after Jan. 1, 1978, then it is protected for the life of the longest living artist (for joint artwork) plus 70 years.[26]

Many mural and graffiti artists have recently sued under a claim of copyright infringement for unauthorized use of their work which, while publicly displayed, remained under copyright protection. The artist Maya Hayuk recently sued pop star Sara Bareilles and the luxury brand Coach for copyright infringement, alleging that defendants used her mural "Chem Trails NYC" (2014) as the backdrop for advertisements without her permission.[27] In a similar lawsuit, street artist Craig Anthony Miller recently sued a real estate developer for using "very recognizable" images of his "Elephant Mural" (2009) in the developer's advertisements without his permission.[28]

Practical Considerations

While an artist's work enjoys automatic copyright protection, an artist may inadvertently waive or transfer any or all of his copyright to another. Here are a few practical tips for the preservation of an artist's VARA rights and copyright in Building Art:

1. A contract for the commission of Building Art should not include a transfer or waiver of the artist's copyright in the work. Note, however, that waiver language may not necessarily include or reference the words "copyright." It could simply grant the commissioning party the right to "reproduce," "replicate," "duplicate," or "publish" the commissioned art. For the avoidance of doubt, consider including the following language in any contract for the commissioning of Building Art:

> Notwithstanding anything herein contained to the contrary, the [Artist] hereby reserves his/her full rights under copyright law to the commissioned work, including without limitation the exclusive right to, in whole or in part, reproduce, duplicate, publish or license the use of such commissioned work.

2. Artist's work shown in public should have the following information near the art and in any catalogue:

i. artist's name
ii. the title (in italics)
iii. materials used
iv. the year of creation, and
v. that no one shall use the artist's work without written permission or license from the artist.

3. Registering the work with the U.S. copyright authorities is also critically important. Firstly, registration is required before an infringement suit may be filed. Secondly, it is generally advisable to create a public record of such copyright, though the right springs from the moment of its creation. Thirdly, if registration is made within three months after publication of the work or prior to the alleged infringement, statutory damages and attorney fees will be available; otherwise, only actual damage and profits will be available. Registration information may be found at http://copyright.gov/eco/.

4. Artists should also diligently maintain and update their forwarding address with the Register of Copyrights to avoid a "de facto" waiver of the artist's VARA rights as described above. Instructions to update addresses may be found at http://www.copyright.gov/circs/sl30a.pdf.

5. Although the United States has not yet enacted any resale royalty legislation (except for the state of California), artists may perhaps achieve by contract what other countries have provided for by statute by including in any commission agreement/contract of sale the requirement that subsequent contracts of sale designate the artist (and his successor and assigns) as third-party beneficiaries entitling them to a percentage of the resale price.

6. To ensure the application of VARA protections in Building Art regardless of whether the work would be held by a court to be of "recognized stature," consider including in a contract for Building Art:

> Notwithstanding anything to the contrary contained herein, the [commissioning party and building owner] agree not to cause or permit the [commissioned work] to be removed, destroyed, distorted, mutilated or otherwise modified, except as may be due to the passage of time or inherent nature of the materials. Prior to any planned removal, destruction, distortion, mutilation or other modification of the [commissioned work], the [commissioning party and building owner] shall provide the [Artist] written notice of such intention, to be delivered at the [Artist's] address as provided herein, which may be updated from time to time. Within ninety (90) days after the [Artist's] receipt thereof, the [Artist] shall have the right to remove or to pay for the removal of the work, at the [Artist's] sole discretion, after which time the [commissioned work] shall belong to the [Artist]. There shall be a presumption of such attempt if the [commissioning party and building owner] send notice by registered mail to the Artist's last known address, including any address as recorded by the Register of Copyrights. Failure by the [commissioning party and building owner] to observe this covenant shall subject the [commissioning party and building owner, jointly and severally] to the damages set forth under Visual Artists Rights Act of 1990 ("VARA") only, whether or not the commissioned work is deemed to be of "recognized stature" under VARA.

7. Finally, artists may also consider contractually expanding their rights and protections beyond VARA, such as the right to dictate the time, location and/or manner of display of their work.

Endnotes:

1. 17 U.S.C. 106A(a)(3)(B).
2. *Pollara v. Seymour,* 344 F.3d 265, 269 (2d Cir. 2003).
3. 17 U.S.C. §106A(a)(2).
4. Id. at § 106(A)(c).
5. *Carter v. Helmsley-Spear*, 861 F. Supp. 303, 324-25 (S.D.N.Y. 1994).
6. 17 U.S.C. 504(b) and (c).
7. 17 U.S.C. 106A(e)(1).
8. Id.
9. 17 U.S.C.A. §106A(a)(3).
10. 17 U.S.C. §113 (d)(1)(A); see generally *Cohen v. G&M Realty LP*, 988 F. Supp. 2d 212, 214 (E.D.N.Y. 2013) (citation omitted).
11. *Cohen*, 988 8 F. Supp. at 225.
12. *Carter*, 861 F. Supp. at 324-25.
13. No. 01 Civ.1226 (DAB), 2003 WL 2140333 (S.D.N.Y. June 17, 2003).
14. VARA applies only to art installed its effective date (June 1, 1991).
15. See 17 U.S.C. §113(d)(1)(B).
16. 17 U.S.C. §106(A)(e).
17. 17 U.S.C. §113(d)(2).
18. Id.
19. Id.
20. See 17 U.S.C. §101.
21. Id. at 87 ("use of these terms does not transform them into "magic words" imbued with legally controlling significance").
22. See 17 U.S.C. §101.
23. Id.
24. See e.g., CODE DE LA PROPRIÉTÉ INTELLECTUELLE [Intellectual Property Code], enacted July 1, 1992, as amended by Decree No. 2012-634 of 3 May 2012, art. L121-1 (French law granting moral rights to artists which are perpetual (i.e., an artist's heirs may assert the right), inalienable (i.e., an artist may not waive such right by contract) and imprescriptible (i.e., the right may be asserted even if the work is no longer in use)).
25. U.S. Copyright Office. Resale Royalties: An Updated Analysis, at 17. Revised. Washington: Government Printing Office, December 2012.
26. U.S. Copyright Office. Duration of a Copyright, Circular 15A, at 1. Washington: Government Printing Office, August 2011. http://www.copyright.gov/circs/circ15a.pdf.
27. *Hayuk v. Coach Services, et al.*, No. 1:14-cv-06668 (S.D.N.Y. Aug 19, 2014); *Hayuk v. Sony Music Entertainment et al.*, No. 1:14-cv-06659 (S.D.N.Y. Aug. 19, 2014).
28. *Miller v. Toll Brothers,* No. 1:15-cv-00322 (E.D.N.Y. Jan. 21, 2015).