THE ART LAW REVIEW

Editors
Lawrence M Kaye and Howard N Spiegler

THE LAWREVIEWS

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PREFACE

We are pleased to introduce you to the very first edition of *The Art Law Review*. The field of art law has developed over many years to become a significant speciality in the law, as collectors, galleries, auction houses, museums and everyone else involved with art have expanded their collections and businesses throughout the world. Besides involving billions of dollars in the trade, art law has become the means by which the diverse cultures of our societies are governed and encouraged to develop.

We have invited leading practitioners in the field of art law around the world to detail the key developments in their respective countries pertaining to this dynamic and growing area of legal expertise. We have also asked that other leaders in the field focus on particular important issues in this area of law. We thank all our distinguished authors for their fine contributions. We hope you will find them informative, instructive and interesting.

By way of introduction, a brief overview of developments in this field during the past 50 years in the United States, where we practise, seems a good place to begin. Considering that English common law, upon which US law is based, originated in the early Middle Ages, the field of art law in the United States can rightly be characterised as a newborn. The roots of art law in the United States began in the form of intermittent cases in the early to mid twentieth century when visual artists began confronting problems in protecting their work – and themselves – particularly in the areas of copyright and obscenity.[1] Indeed, a body of law that could be characterised as art law did not really begin to take hold in the United States until the 1960s, and even then in a most disorganised fashion. The late and renowned Professor John Henry Merryman, who in 1972 offered at Stanford Law School the first formal art law class in a US law school entitled 'Art and the Law', wrote a few years later that he started the course partly out of 'a desire to determine whether "art law" really was a field' and noted that he 'took a good deal of ridicule from colleagues who thought the whole enterprise frivolous and insubstantial'.[2]

We have come a long way since then. A multitude of art law courses are now taught at US and European law schools and other institutions, such as the major auction houses.[3] And although in the late 1960s and early 1970s, when we began practising art law, one would have

1 See generally Joan Kee, *Models of Integrity: Art and Law in Post-Sixties America*, Introduction, 1-42 (University of California Press, 2019).

2 John Henry Merryman, 'Art and the Law, Part I: A Course in Art and the Law', 34 *Art Journal* 332, No. 4, 332 to 334 (Summer 1975).

3 See, e.g., Center for Art Law, 'Art Law Courses and Programs Worldwide', at www.itsartlaw.org (last accessed 29 October 2020).

been hard pressed to find anyone in the Martindale Hubble Law Directory designated as an 'art lawyer', today art lawyers proliferate in the directory; and for the New York area alone, where we practise, there are several pages listing lawyers who call themselves art lawyers.

So, what is art law? Professor Merryman observed that a primary reason for creating his new and novel art law curriculum was that 'the growth of American art and the emergence of the United States as a major art market involved problems and interests that were sufficiently substantial and complex to call for the services of specially attuned and trained practicing lawyers'.[4] Well, Professor Merryman's observation was quite prescient, for that is exactly what has happened during the past 45 years in the United States, and indeed throughout the world. Art law became a respected discipline within the law, and more and more practitioners around the globe began to specialise in the field as the nexus between art and law became more clearly defined.[5]

What had previously consisted of random cases involving visual artists and emerging issues affecting the growing art market started to morph into a cogent body of law. Even before Professor Merryman started his course and wrote the textbook to accompany it (*Law, Ethics and the Visual Arts*), in 1966 Scott Hodes published a book on the law of art and antiquities.[6] Many other texts followed.[7] Art law seminars and symposia began to proliferate and now take place almost every day somewhere in the world.

As the international art market grew and became more sophisticated, so did the practice of art law and the number of practitioners who began to devote themselves to the field. Today, art law is an amalgam of myriad legal areas that academicians, practitioners, lawmakers and judges have adapted to the specific needs of stakeholders in the art world, and art law specialists have learned how to apply traditional legal principles to art market disputes and transactions as the art world became more prevalent and more complex. The stakeholders in need of special art law expertise range from the poorest artists to the most sophisticated corporations and government entities. Even a partial list is daunting: museums, collectors, importers and exporters, galleries and dealers, auction houses, living artists (and even dead ones), including digital artists, families and family offices, estates, trusts and foundations, insurance companies, appraisers, art advisers, experts, consultants, corporate art collections, and national and state governments. To address the needs of these varied stakeholders, the experts in the field have taken general legal principles and areas of practice and applied them to the unique needs of the art law stakeholders, in addition to creating new specialities uniquely applicable to art law disputes and transactions. Among many others, these include property law, the law of contracts, consignments, torts, intellectual property, tax, trusts and estates, authentication, insurance, cultural property, moral rights, resale rights, free speech, sales and other commercial law, warranties, conflicts of law, private international law, comparative law, customs, criminal law and securities law. And the list goes on.

4 Merryman (footnote 2), at 332 to 333.

5 A practical and informative guide to the development of art law can be found in Kee (footnote 1). The early roots of art law are also explored in James J Fishman, 'The Emergence of Art Law', 26 *Clev. St. L. Rev.* 481 (1977).

6 *The Law of Art & Antiques: A Primer for Artists and Collectors* (Oceana Publications, 1966).

7 Notable among the many are Franklin Feldman and Stephen Weill, *Art Works, Law, Policy, Practice* (New York Practicing Law Institute 1974); Leonard Duboff, *Deskbook of Art Law* (Washington DC Federal Publications, 1977); and the seminal text on art law, Ralph E Lerner and Judith Bresler, *Art Law: The Guide for Collectors, Investors, Dealers & Artists* (Practicing Law Institute 1989), which is now in its fifth edition.

We have been practising art law since before it became a field, having started in the early 1970s. We believe our own professional journeys serve to illustrate some of the ways this area of law has grown and developed, so we would like to briefly share some of our experiences.

Larry first entered this field as a summer associate at the firm of Botein, Hays, Sklar and Herzberg in 1969. On reporting for duty at this first legal job, he was introduced to a brilliant attorney, who ended up serving as a revered mentor for both of us for many years to come, Harry Rand. Harry was representing the Weimar Art Museum, located in what was then East Germany, which was seeking to recover two paintings by Albrecht Dürer that were taken during the Second World War by US soldiers from a castle in which the paintings had been placed for safekeeping. East Germany (officially the German Democratic Republic), which owned the museum, sued a negligence lawyer residing in Brooklyn, New York, who had purchased the works from a US soldier who appeared at his door one day in 1946.

As it turned out, this was the first case of a foreign sovereign suing in the United States to recover cultural property. It involved many legal issues that took some 15 years to resolve finally in favour of East Germany, to which the paintings were ordered to be returned. The legal principles established in the *Weimar Museum* case continue to be cited in cases involving the recovery of artwork and other cultural property, especially those relating to the statute of limitations, and *Weimar Museum* stands as one of the iconic cases in this area of law.

During the pendency of the case, Howard joined Botein and started a professional relationship with Larry that has spanned many decades.

Our success in the *Weimar Museum* case and the publicity surrounding it attracted the interest of the Republic of Turkey, which was in a dispute with the Metropolitan Museum of Art (the Met) regarding a remarkable collection of ancient jewellery and other artefacts on display in the Met, which had been looted from caves in Turkey many years before. It turned out to be one of the leading cases involving the restitution of antiquities looted from foreign sovereigns, which led to a worldwide interest in trying to prevent such looting from countries around the world.

We sued the Met on behalf of Turkey and a six-year litigation ensued, largely spent defending dismissal motions brought by the Met on the grounds of the statute of limitations and other technical defences. But after we got past all that time-consuming and expensive motion practice, we then commenced the long discovery process, whereby we obtained information from the Met's own files about its knowledge of the objects' provenance or history, and its conduct in acquiring them. Nonetheless, the case presented significant obstacles for us. It was, after all, one of the first major cases brought against a major museum by a foreign government to reclaim looted cultural property. Indeed, at the time of its inception, most commentators were openly questioning how a previously undiscovered and undocumented collection of antiquities could be identified as having been looted from Turkey, let alone recovered.

However, we did prevail and the antiquities, known as the Lydian Hoard, were returned to Turkey in 1993 and exhibited at one of the great Turkish antiquity museums, the Museum of Anatolian Civilizations in Ankara, where it was greeted with great interest and excitement by Turkish visitors to the museum as well as those from other countries. We were privileged to visit the museum when the objects were displayed there, and we cannot adequately describe the excitement displayed by the Turkish viewers. Once the director revealed to them that we and our colleagues had assisted the government in securing the return of the objects, many people came over to thank us personally for helping to ensure that this important part of their heritage had been returned, to be viewed and appreciated by the Turkish people. The Lydian

Hoard case is considered by many as the starting point for the efforts by art-rich countries to reclaim their cultural property, which have continued and increased to this day.

As that case was ending, Botein closed shop and we joined our current firm, Herrick, Feinstein. We brought what was now a growing caseload of restitution work to Herrick, which until that time was a very successful firm that had no experience with art law. Indeed, there were still only a very few attorneys who regularly practised in this area of law.

By the mid 1990s, we were certainly known as art lawyers, particularly in the area of restituting looted antiquities to their country of origin. But then, for various reasons, the world's attention started to turn back to the Nazi era before and during the Second World War, and it became clear that the Nazis not only committed the most horrendous crimes against humanity, but they also committed the most extensive theft of cultural property in modern human history. As restitution experts, it was a natural fit for us to become involved in cases brought to recover artworks looted by the Nazis so that they could finally be returned to the families of the victims of the Holocaust. We would like to briefly mention two of those cases.

We were retained to handle one of the first important cases involving Nazi-looted art, representing the family of an art dealer who escaped from Austria after having had one of her paintings stolen by a Nazi agent. The painting by Egon Schiele is known as *Portrait of Wally*. The case started when the Wally was seized from the Museum of Modern Art (MoMA) in New York by state and then federal prosecutors after it was brought to the United States as part of an exhibition of work by Schiele in the collection at the Leopold Museum in Vienna.

Even though it took more than 10 years for the *Portrait of Wally* case to be finally resolved, it had an enormous influence from the moment it started. The fact that a loaned artwork at MoMA could be seized by US government authorities sent shock waves throughout the world and was a major factor in causing governments, museums, collectors and families of Holocaust victims to focus their attention on Nazi-looted art. Less than a week before the scheduled trial, the case was settled on three major terms:

a the Leopold Museum paid the family US$19 million, reflecting the true current value of the painting, in return for the surrender of their claim;

b a ceremony and exhibition was held at the Museum of Jewish Heritage in New York for three weeks before *Portrait of Wally* was returned to Austria; and

c the Leopold Museum agreed that signs would be permanently affixed next to *Portrait of Wally* at the museum and wherever it might be exhibited anywhere in the world, explaining the true facts of the painting's ownership history.

Shortly after the *Portrait of Wally* case commenced, we assisted the sole living heir of the renowned Dutch art collector and dealer, Jacques Goudstikker, to recover an extraordinary collection of Old Master paintings that had been looted during the Second World War by Herman Goering, who was second only to Hitler in the Nazi regime. With the adoption in 1998 of the Washington Principles, a non-binding international convention that for the first time brought together 44 nations in an effort to foster the restitution of property looted during the war, the Netherlands adopted a new restitution regime designed to right the wrongs of the past. To make a very long story very short, we assisted Marei von Saher in her Dutch restitution proceedings, and in 2006 we were able to effect the return of 200 works to her.

We also became involved in major art restitution cases brought against foreign sovereigns, which involved the Foreign Sovereign Immunities Act, a law that has been used in numerous cases since then as the basis for suing foreign sovereigns to recover artworks in their possession.

Over the years, we have also developed a wide-ranging practice in non-restitution art disputes, from simple breach of contract cases to more complex disputes involving dealers, collectors, artists and other art world stakeholders covering a wide range of disputes including trademark and copyright infringement, defamation, moral and visual rights, breach of warranty, misattribution, tax and trust matters, valuations, appraisals, experts and auctions.

We also became involved in the transactional side of art law. This aspect of our practice expanded when our restitution clients began asking us to handle transactions involving the sale and other disposition of major artworks and collections we had recovered for them. The transactional side included not only private treaty sales and auction sales, but also estate planning, providing tax advice, assisting not-for-profit entities, planning nationwide and international loans and exhibitions, and advising banks and collectors on using artworks as collateral for bank loans, among many other cutting-edge art law issues.

A sampling of the varied transactional matters we have been privileged to work on is a microcosm of the range of transactional matters that specialist art lawyers came to handle as the international art market expanded. To name but a few: we represented the Neue Galerie in New York in the acquisition of the famed *Woman in Gold* painting by Gustav Klimt, depicted in the film of that name, which has become the *Mona Lisa* of that museum's collection, regularly attracting huge numbers of visitors; we represented the European Fine Arts Foundation (TEFAF) in the creation of its New York Fall 2016 Art Fair; we represented the Malevich heirs in numerous auction sales during the course of 15 years, including the US$60 million sale of *Suprematist Composition* (1916), which set a world record for Russian art; we represented the Estate of Frances Lasker Brody in the historic sale of its art collection at Christie's (the highlight of which was a Picasso masterwork, *Nude, Green Leaves and Bust*, which sold for a then auction record of US$106.5 million); we represented a private art collector in one of the largest transfers of Mesoamerican art to a museum, and advised the collector's foundation dedicated to the study and advancement of Mesoamerican art; and we conducted an internal investigation on behalf of an internationally recognised art gallery concerning the authenticity of certain paintings bought and sold by the gallery.

Turning now to this Review, we open the volume with substantive chapters that present an overview of current and significant issues in some important areas of art law:

a cultural property disputes;
b the art market;
c art authentication;
d art and technology;
e international copyright issues;
f moral rights; and
g recent trends in art arbitration and mediation.

We then present reports on recent art law developments in 21 key countries. Each country's report gives a review of hot topics, trends and noteworthy cases and transactions during the past year, then examines in greater depth specific developments in the following areas: art disputes, fakes, forgeries and authentication, art transactions, artist rights, trusts and foundations, and finally offers some insights for the future.

We hope you enjoy reading all of these excellent contributions.

Lawrence M Kaye and Howard N Spiegler
Herrick, Feinstein LLP
New York
December 2020

Part I

General Papers

Chapter 5

APPLICATION OF COPYRIGHT TO ART

Barry Werbin[1]

Copyright is the primary source of legal protection for all forms of original works of art. While such protections have been engrained in US copyright law since 1909, the advent of the digital age in the 1990s, expansion of social media, growth in appropriation art, and the recent surge in popularity and market value for street art, have created multiple challenges for artists, the art market and those who seek to exploit works of art.

This chapter serves as an introduction to the law of copyright in the United States as it applies to works of art, reproductions and other derivative uses.

I HISTORICAL CONTEXT

When enacted in 1787, the US Constitution empowered Congress '[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries . . . ' Thus was born the earliest US legal protections for copyright (authors) and patents (inventors).

Jumping ahead 233 years, the impact of copyright on art is ubiquitous. Copyright is the most significant means of protecting original works of art and incentivising others to create new art. But finding this balance has consistently been challenging, especially in the modern online, digital world. The intersection of art and copyright is now one of the most debated and controversial areas of intellectual property.

The US Copyright Act (the Act), which is the exclusive means of protecting and enforcing copyright under federal law, pre-empts all other laws and claims that implicate any of the exclusive rights granted to copyright owners under the Act. The first version of the Act, enacted in 1790, granted copyright protection only for 'any map, chart, book or books already printed within these United States'.[2] In the late eighteenth century, photography of course did not exist, and there was no technological means to create and distribute reproductions of art outside of images included in printed books. That changed 119 years later with the next complete revision of the Act in 1909. The 1909 Act defined copyright-protectable works as 'all the writings of an author',[3] which expressly included works of art, models or designs for works of art, art reproductions, photographs, and prints and pictorial illustrations.

Today's version of the Act was enacted in 1976 and extends protection to all forms of 'pictorial, graphic, and sculptural works'.[4] These broad categories, in turn, include

1 Barry Werbin is counsel at Herrick, Feinstein LLP.

2 Copyright Act of 1790, 1 Statutes At Large, 124.

3 Section 4.

4 17 U.S.C. § 102(a).

'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'.[5]

II SCOPE AND LIMITATIONS OF COPYRIGHT

To be protected by copyright, a work of authorship must be original; that is, it cannot be in the public domain or so lacking in originality that it does not rise to the level of protected content. In a seminal 1991 opinion, the Supreme Court held that 'originality' requires only minimal creativity, irrespective of how much physical effort and time might go into a work.[6]

Nevertheless, common geometric shapes, and familiar symbols and designs are not subject to copyright protection. The Copyright Office provides the following examples.[7]

a 'Gloria Grimwald paints a picture with a purple background and evenly spaced white circles.' This is not protectable because 'the combination of the purple rectangle and the standard symmetrical arrangement of the white circles does not contain a sufficient amount of creative expression to warrant registration'.

b 'Gemma Grayson creates a wrapping paper design that includes circles, triangles, and stars arranged in an unusual pattern with each element portrayed in a different color.' This is protectable because 'it combines multiple types of geometric shapes in a variety of sizes and colors, culminating in a creative design that goes beyond the mere display of a few geometric shapes in a preordained or obvious arrangement'.

Similarly, '[c]ommon patterns, such as standard chevron, polka dot, checkerboard, or houndstooth designs' are not protectable; however, '[a] work that includes familiar symbols or designs may be registered if the registration specialist determines that the author used these elements in a creative manner and that the work as a whole is eligible for copyright protection.'[8] For example, a sketch of the standard fleur-de-lys design used by the French monarchy would not be protected in and of itself; however, if an artist painted an original silhouette of Marie Antoinette with a backdrop featuring multiple fleur-de-lys designs, the work would be protected because it incorporates an original, artistic drawing in addition to the standard fleur-de-lys designs.

Mere colouration or mere variations in colouring alone are not eligible for copyright protection.[9] If an artist merely adds just a few colours to a pre-existing design or creates multiple colourised versions of the same basic existing design, the work will not be protected. However, a work consisting of a digital image of the *Mona Lisa* to which different hair colour, nail polish, stylised clothing and darkened skin are applied, would be entitled to protection because the changes in colour and other attributes are sufficient to constitute a new work of authorship.[10]

5 17 U.S.C. § 101.

6 See *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991).

7 Copyright Office Compendium 3rd §906.1.

8 37 C.F.R. §202.1; Compendium 3rd, §906.2 and also § 313.4(J).

9 37 C.F.R. § 202.1(a).

10 See Compendium 3rd, §906.3.

i Merger doctrine/scènes à faire

Two other important related principles limit copyright protectability. One is the idea/expression 'merger' doctrine and the other is scènes à faire.

Copyright does not protect any idea, procedure, process, system, method of operation, concept, principle or discovery.[11] Consistent with this premise, the merger doctrine bars copyrightability when an idea merges with the expression; that is, if an idea and the expression of the idea are so closely related that the idea and expression are one, such that there is only one way or an extremely limited number of ways to express and embody the idea in a work. For example, an infringement suit by a photographer, whose photograph captured a mother mountain lion holding a cub in her mouth perched on a cliff, against an artist who created a sculpture depicting a similar scene, was dismissed because the image of a mother mountain lion perched on a rock with a kitten in her mouth was a naturally occurring pose that was created and displayed by nature.[12]

The related principle of scènes à faire (or 'scenes that must be done'), applies where the expressive elements of a work are a product of the genre of the subject matter, which by its nature must include certain common elements. In a well-known case, a glass-in-glass sculpture depicting jellyfish swimming vertically was entitled only to a 'thin' copyright, which was protected only against virtually identical copying (combination of unprotected elements dictated by the glass-in-glass medium and by the jellyfish's natural physiology).[13]

ii Fixation

Another fundamental requirement for protection is that a work be 'fixed' in some tangible medium of expression, so that it is more than of transitory duration (such as a sandcastle on a beach). A leading case denied copyright protection to a wild flower garden in Chicago because the court found the garden too transitory as it kept changing throughout the seasons.[14]

Consider prominent but temporary art installations, such as those by Christo, and whether they are too transitory to warrant protection, an issue that has not been addressed directly by US courts.[15] Christo, however, documented and preserved all of his projects with photographs and video, which thereby fixed the art itself in a tangible medium.

iii Functionality

Copyright precludes protection for 'useful articles' unless their incorporated artistic designs can be perceived separately from their functional elements and are independently copyrightable.[16] As an example, sculptured artistic belt buckles by the designer Barry Kieselstein-Cord were found to be separable and thus protectable apart from the utilitarian belts to which they were affixed.[17] In 2017, the Supreme Court held that two-dimensional designs (consisting of

11 17 U.S.C. §102(b).

12 *Dyer v. Napier*, 2006 WL 2730747 (D. Ariz. 2006).

13 *Satava v. Lowry*, 323 F. 3d 805 (9th Cir. 2003).

14 *Kelley v. Chicago Park Dist.*, 635 F. 3d 290 (7th Cir. 2011).

15 In 1985, Christo sued media companies in France after they attempted to reproduce and distribute photos of his *Pont Neuf* fabric wrap installation. In 1986, a Parisian court ruled for Christo, finding the installation was an original work of authorship that was entitled to copyright protection under French law; Paris Court of Appeal, 13 March 1986, Gaz. Pal. JP, p. 239.

16 *Star Athletica, LLC v. Varsity Brands, Inc.*, 137 S. Ct. 1002 (2017).

17 *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F. 2d 989 (2d Cir. 1980).

various lines, chevrons and colourful shapes) placed on cheerleader uniforms could be subject to copyright protection notwithstanding the utilitarian nature of the uniforms themselves, which are not otherwise subject to protection under the 1976 Act.[18]

iv Human authorship

Works that are not created by human beings are not protected by copyright.[19] But with the advent of more sophisticated artificial intelligence, this fundamental principal is being challenged. In 2016, Dutch computer scientists, together with Microsoft and others, created a 'new' Rembrandt portrait painting, using complex algorithms and extensive data from numerous real Rembrandt portraits, and a 3D printer for texture and depth. The resulting portrait was startling in its authenticity.[20]

An *Edmond de Belamy* AI-created portrait, programmed by the Parisian group Obvious, sold at Christie's in October 2018 for US$432,500. It was signed with a section of the algorithm's code: 'min G max D x [log (D(x))] + z [log(1 – D (G(z)))]'. To 'learn', the algorithm was fed 15,000 images of portraits from different time periods.

III COPYRIGHT EXCLUSIVE RIGHTS/FIRST SALE DOCTRINE AND DISPLAY RIGHT EXCEPTIONS

The Act provides copyright owners with a bundle of 'exclusive' rights, including reproduction, preparation of derivative works, adaptation, public distribution, public performance and public display.[21]

These exclusive rights, however, do not prevent the owner of a work of art from reselling it or transferring title under the 'first sale doctrine', which provides that anyone who lawfully owns a particular copy of a work 'is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy'.[22] The owner of an original work of art, however, cannot grant to a gallery or auction house to which such work is consigned for sale any rights greater than the bare legal title that owner has, with no right to exercise any of the exclusive rights reserved to the copyright owner.

This also highlights the important distinction between the copyright in a work of art and legal title in the same work that is purchased or otherwise acquired. An artist (or any other author) who creates an original work and sells it does not transfer his or her copyright in the work absent a written agreement to do so.

There is another important statutory exception to the exclusive display right that permits owners of works of art, or anyone authorised by such owners, to display those works

18 *Star Athletica, LLC* (footnote 16).

19 See Copyright Office Compendium (III) §306: 'Because copyright law is limited to "original intellectual conceptions of the author," the Office will refuse to register a claim if it determines that a human being did not create the work.' *Naruto v. Slater*, 888 F. 3d 418 (9th Cir. 2018) (self-portrait photograph taken by a monkey (represented by PETA as its surrogate) was not entitled to copyright protection and the monkey lacked standing to sue for infringement).

20 www.nextrembrandt.com.

21 17 U.S.C. §106.

22 17 U.S.C. §109.

publicly, 'either directly or by the projection of no more than one image at a time, to viewers present at the place where the [work] is located'.[23] This provision is responsible for lawfully permitting all displays of copyright-protected art by galleries, auction houses and museums.

IV TERM OF COPYRIGHT

The term of copyright for an individual artist who created a work on or after 1 January 1978 is the life of that author plus another 70 years. Works created prior to that date are subject to a different term under the 1909 Act, which was an initial term of 28 years and a second renewal term of 28 years, but there are certain exceptions that are beyond the scope of this chapter.

Where an artist is commissioned to create a work to be used in conjunction with other original content in another work, such as a compilation or collective work, the artist's work will be deemed a 'work made for hire', which automatically places copyright ownership in the party that commissions the work, provided a written agreement with the author specifies it is a 'work made for hire'. The copyright term for a work made for hire under the 1976 Act is 95 years from the date of first publication or 120 years from the year of creation, whichever expires first.[24]

V REGISTRATION AND INFRINGEMENT

Under US copyright law, registration for an original work is optional, but provides significant benefits in connection with any claim for infringement. First, registration is a precondition to filing a copyright infringement action in the US, unless the work is a foreign work that was created by a non-US author.[25] This is required by the Berne Convention, a treaty to which the US and 178 other countries are parties.[26]

Second, a work that is registered is presumed to be valid as to its ownership and copyrightability. Third, the copyright owner of a work that is registered prior to commencement of an act of infringement is entitled to seek alternative economic relief in the form of statutory damages, which generally range from US$750 to US$30,000 per work infringed, but can be as high as US$150,000 for a wilful infringement and as low as US$250 for an innocent infringement.

Fourth, the copyright owner of a work that is registered before an infringement begins may, if successful in proving infringement, also seek an award of legal fees in the court's discretion.[27]

Although a foreign work under the Berne Convention need not be registered before an infringement action can be brought, it must still be timely registered for statutory damages and legal fees to be sought. The absence of registration also places the initial burden of proof on a foreign copyright owner to establish ownership and validity of the copyright.

While a detailed discussion on copyright infringement is beyond the scope of this chapter, in general, to establish infringement, a copyright owner must prove that (1) his or

23 17 U.S.C. §109(c).

24 17 U.S.C. § 302(c).

25 *Fourth Estate Public Benefit v. Wall-Street.com, LLC*, 139 S. Ct. 881 (S. Ct. 4 March 2019).

26 www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=15.

27 The US follows the 'American rule', under which legal fees can only be awarded if authorised by statute or contract.

her work is original and protectable by copyright (which is presumed if a registration has been issued), and (2) an alleged infringing work is substantially similar to the protected work, as to those elements of the protected work that are entitled to protection. Some cases also examine whether an alleged infringing work has copied the overall 'look and feel' of a protected work.[28] In the case of art works, substantial similarity is assessed from the perspective of a hypothetical 'ordinary observer'.[29]

VI IMPACT OF FAIR USE ON THE ARTS

Perhaps the most controversial issue impacting copyright and art today is the statutory defence of 'fair use', particularly as it applies to appropriation art.

Over 117 years ago, Supreme Court Justice Oliver Wendell Holmes Jr cautioned: '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.'[30] That caution still impacts fair use art decisions today.

Fair use is a defence to copyright infringement that was originally intended to protect certain types of uses of a copyright-protected work as 'fair'. Among the statutory uses that are generally permitted are news reporting, research, and criticism and commentary on an original work, including parody, where reproduction of the work is necessary for such purposes. Courts must consider four statutory factors in assessing a fair use:

a the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;

b the nature of the copyrighted work;

c the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

d the effect of the use upon the potential market for or value of the copyrighted work.

In an important 1992 appellate case, Jeff Koons's sculpture of a couple holding a litter of puppies was held to have deliberately infringed photographer Art Rogers's copyright in a photo depicting the same scene, and was not a 'fair use' parody because Koons's sculpture was commercial and not a critique of the original, but merely a distortion of it.[31]

Subsequent to 1994, however, most federal courts have also assessed whether the challenged use is 'transformative' under the first fair use factor. Transformative use was first mentioned by the Supreme Court in a seminal 1994 fair use case involving a music parody.[32] The Court suggested that the transformative nature of a challenged work – 'whether the new work merely "supersede[s] the objects" of the original creation . . . or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message' – was a useful construct in assessing the first fair use factor, and that 'the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use'.[33]

28 *Peter F. Gaito Architecture, LLC v. Simone Dev. Corp.*, 602 F. 3d 57, 66 (2d Cir. 2010).

29 See *Yurman Design, Inc. v. PAJ, Inc.*, 262 F. 3d 101, 111 (2d Cir. 2001).

30 *Bleistein v. Donaldson Lithographing Company*, 188 U.S. 239, 251 (1903).

31 *Rogers v. Koons*, 960 F. 2d 301 (2d Cir. 1992).

32 *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994).

33 id., at 579.

The impact of transformative use on appropriation art was highlighted in a subsequent case where Koons was sued for adapting part of a photograph (depicting a woman's legs, feet and shoes with ornate sandals) for use in a parodic collage that included three other sets of women's legs and disparate elements. This time Koons won a fair use decision in his favour because the copying was deemed reasonably limited to conveying the fact of the photograph in a parody and was therefore found to be transformative.[34]

Application of transformative use has since expanded greatly and become a litmus test for fair use, particularly in addressing appropriation art. Nowhere is this expansion more prominent than in the Second Circuit's controversial 2013 fair use decision in *Cariou v. Prince*.[35] There, the court found that 25 of 30 works created by the famous appropriation artist Richard Prince were entitled to a fair use defence as a matter of law because they were transformative, despite there being no commentary on the original photographs he copied. Commercialism was also relegated to a minor fair use factor because any work that is sold has a commercial element to it.

Prince altered photographer Cariou's *Yes Rasta* photographs and incorporated them into a series of paintings and collages. Five of them displayed only minimal alterations or additions, and the rest were so 'heavily obscured and altered to the point that Cariou's original [was] barely recognizable'.[36] With respect to the latter group, the court found they were transformative and entitled to a fair use defence, but that the other five were a closer case where the court could not decide the fair use issue without further lower court proceedings. The case then settled confidentially.

Significantly, *Cariou* held that a work need not comment on the original copyrighted work to be entitled to a fair use defence. The 25 images found to be transformative, said the court, 'have a different character, give Cariou's photographs a new expression, and employ new aesthetics with creative and communicative results distinct from Cariou's. Our conclusion should not be taken to suggest, however, that any cosmetic changes to the photographs would necessarily constitute fair use.'[37]

Most recently, a federal district court found that reproductions of Andy Warhol's silk screen paintings and drawings based upon a famous photographer's portrait of the musician Prince constituted fair use because they were transformative, despite arguably minimal modifications to the original photograph.[38] At the time of writing, the case is on appeal.

VII MORAL RIGHTS

Historically, moral rights, which protect the integrity and attribution of artists and authors, did not exist in the US. Currently, artists possess two limited forms of moral rights that have been codified under the Visual Artists Rights Act (VARA) and certain provisions of the Digital Millennium Copyright Act (DMCA), both part of the Act.

34 *Blanch v. Koons*, 467 F. 3d 244 (2d Cir. 2006).

35 *Cariou v. Prince*, 714 F. 3d 694 (2d Cir. 2013).

36 id., at 710.

37 id., at 708.

38 *The Andy Warhol Foundation v. Goldsmith*, 382 F. Supp. 3d 312 (S.D.N.Y. 2019). The author was counsel to the photographer, Lynn Goldsmith.

i VARA

VARA, which was enacted in 1990, grants to authors of 'visual art' the rights of attribution and integrity.[39] 'Visual art', for purposes of VARA, includes only paintings, drawings, prints and sculptures that exist in a single copy or limited edition. VARA excludes 'works made for hire' and works of 'applied art'. A recent example of applied art denied protection was the design of a sixteenth-century galleon ship constructed over the body of an old bus that was displayed at the Burning Man festival. When the sculptural work was destroyed, the artists sued under VARA, but the court held that because the work was 'applied art' affixed to a functional bus, it was not entitled to VARA protection.[40]

VARA also prevents the use of an artist's name as the author of a 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 honour or reputation. Related to this right, VARA empowers an artist to (1) prevent any intentional distortion, mutilation or other modification of a work that would be prejudicial to his or her honour or reputation, and any intentional distortion, mutilation or modification of that work is a violation of that right, and (2) prevent any destruction of a work of 'recognized stature', and any intentional or grossly negligent destruction of that work is a violation of that right. VARA permits a property owner to remove a work of art affixed to a building without its destruction, distortion, mutilation or other modification, provided 90 days' notice is first given to the artist, who is then given the right to either remove the art or pay for its removal.

Until recently, few courts had grappled with the VARA concept of 'recognized stature' and no case had applied VARA to street art. This all changed dramatically in 2018 when a court awarded a group of street aerosol artists US$6.75 million after their high-profile 5Pointz curated murals and exterior building wall art were intentionally whitewashed over and then destroyed by a developer.[41] Based on expert witness art market testimony, the court found that most of the aerosol artworks had achieved 'recognized stature'. The decision was recently upheld on appeal and the Supreme Court declined to hear it.[42]

ii Digital Millennium Copyright Act

The DMCA was added to the Act in 1998 to address various issues tied to digital technology and online use of copyright-protected works. One part of the DMCA addresses the integrity and removal of 'copyright management information', which is defined to include a copyright-protected work's title, the name of its author and other identifying information about the copyright owner, including a notice of copyright.[43] The intentional removal or alternation of such information is a DMCA violation, with statutory damages ranging from US$2,500 to US$25,000 per violation.

The statute has been applied in recent years to find liability where someone copies and uses without permission a photograph or other image found on the internet, and in doing so strips out all attribution credits identifying the creator of the original work. Courts have held

39 17 U.S.C. § 106A, generally.

40 *Cheffins v. Stewart*, 825 F. 3d 588 (9th Cir. 2016).

41 *Cohen v. G&M Realty*, 320 F. Supp. 3d 421 (E.D.N.Y. 2018).

42 *Castillo v. G&M Realty*, 950 F. 3d 155 (2d Cir. 2020), cert. denied No. 20-66, ___ S. Ct. ___ (5 October 2020).

43 17 U.S.C. § 1202.

that removal of a copyright owner's attribution credit in a gutter credit is a DMCA violation. This provides another remedy for artists and, particularly, photographers, to protect their moral right of attribution.

VIII STREET ART

In the past couple of years, street artists have started suing companies that use their art for commercial marketing purposes. A high-profile case was filed in California in 2018 by a graffiti muralist (Smash 137) against General Motors for using his mural in an unauthorised photo as part of an advertisement. The mural had been painted on the outdoor level of a parking garage. The case arises under another unique portion of the Act called the Architectural Works Copyright Protection Act of 1990 (AWCPA), which provides that anyone can reproduce an image of a building that is habitable by humans and viewable from public places.[44] The court refused to dismiss the case, finding there was a 'lack of a relevant connection between the mural and the parking garage'.[45] The case then settled.

A similar case was filed in Detroit by four street artists against Mercedes Benz, which posted images of its vehicles on social media with buildings visible in the background that included murals painted by the artists. After the artists demanded that Mercedes cease using the images, Mercedes filed suit to declare that its conduct was protected by AWCPA. The artists moved to dismiss the case but, contrary to the *GM* case, this court found that Mercedes had a plausible claim and allowed the case to proceed.[46]

A claim filed in New York by a street artist against H&M for using his street art in an advertisement was quickly resolved when H&M agreed to cease using the advert and issued an apologetic press release.[47] Several other similar claims have been filed by prominent street artists in recent years, but until appellate courts start ruling on these issues, street art will remain a burgeoning area of copyright law impacting artists.

44 17 U.S.C. §102(8); 37 C.F.R § 202.11.

45 *Falkner v. General Motors LLC*, 393 F. Supp. 3d 927 (C.D. Cal. 2018).

46 *Mercedes Benz, USA, LLC v. Lewis*, 2019 WL 4302769 (E.D. Mich. 11 September 2019).

47 *H&M v. Jason 'Revok' Williams*, No. 1:18-cv-01490 (E.D.N.Y., filed 9 March 2018).

Appendix 1

ABOUT THE AUTHORS

BARRY WERBIN

Herrick, Feinstein LLP

Barry Werbin is counsel at Herrick, Feinstein LLP and a member of its intellectual property group. His practice is focused on intellectual property and online issues (including trademarks, trade dress, copyrights, unfair competition, false advertising, publicity and privacy rights, trade secrets, domain name issues and UDRP arbitrations, digital rights protection, trademark and content licensing, marketing and sponsorship agreements, publishing, IP due diligence and exploitation rights) and technology (including software licensing and development, cloud and SaaS services, IT support, website development and hosting, and data breaches). Barry handles IP-related complex commercial litigation and transactional matters.

Barry is the current chair of the New York State Bar Association's Entertainment, Arts & Sports Law Section. Barry was a prior chair of the Copyright & Literary Property Committee of the NYC Bar Association and prior NY Chapter co-chair of the Copyright Society of the USA. He is a member of INTA's Commercialization of Brands Committee and a prior member of INTA's Online Use/Web 2.0 Working Group. Barry is co-chair of Fordham Law School's Intellectual Property Alumni Affinity Group and an advisory board member of the Fordham Art Law Society.

Barry has been recognised multiple times as a top IP litigation lawyer by *Super Lawyers*.

HERRICK, FEINSTEIN LLP

2 Park Avenue
New York, NY 10016
United States
Tel: +1 212 592 1400
Fax: +1 212 592 1500
lkaye@herrick.com
hspiegler@herrick.com
bwerbin@herrick.com
yweitz@herrick.com
gwilson@herrick.com
www.herrick.com

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