

# Ipls P STATE BAR OF MICHIGAN PROCEEDINGS

## Copyright as the Stealth Issue in Real Estate and Urban Renewal

by Danielle Gaier

Real property attorneys take note – copyright is no longer just for intellectual property practitioners. Recent cases demonstrate that clients involved in real estate development, urban renewal, architecture, and construction need attorneys who understand how copyright may affect significant projects. This article identifies issues in this new and evolving legal landscape and suggests strategies for avoiding potential problems.

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### IN THIS ISSUE

Copyright as the Stealth Issue in Real Estate and Urban Renewal.	1
View from the Chair .....	3
Spring Seminar.....	3
Save the Date.....	3
Perfecting Security Interests in Intellectual Property Is Not a Perfect Process.....	4
Section Calendar .....	5
The Right of Publicity: Why the Red-Headed Stepchild of the IP World Deserves a Second Look .....	6

### When Artists and Architects Work Together, Is It Art or Architecture?

The film industry has arrived in Michigan. The U.S. Copyright Act, 17 U.S.C. § 101 *et seq.* (the “Copyright Act”) confers copyright protection<sup>1</sup> on motion pictures and architectural works.<sup>2</sup> Although no copyright is truly exclusive, the copyright in architectural works is further limited by a special section, section 120(a), of the Copyright Act. Specifically:

The copyright in an architectural work that has been constructed does not include the right to prevent the making, distributing, or public display of pictures, paintings, photographs, or other pictorial representations of the work, if the building in which the work is embodied is located in or ordinarily visible from a public place.<sup>3</sup>

This means that the owner of copyright in a building does not need to be consulted, or give express permission, for that building to be reproduced in photographs, paintings, films, or other methods of recording images – those uses are outside the owner’s statutory scope of rights.

The term “building” is not defined in the Copyright Act. You might think that you know it when you see it, but determining what constitutes an “architectural work” can be surprisingly contentious. For example, the movie *Batman Forever* included a few seconds of footage of the outside of an inhabited building. The architectural “space” adjacent to the building included a courtyard and a “streetwall” comprised of four towers with decorative elements on top (see photo, next page). The towers were made in the same material as the building and these towers appeared in the movie for several seconds. This architectural space was designed by an artist, and also by that artist in collaboration with an architect.

Continued on next page

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5445 Corporate Dr., Suite 200  
Troy, MI  
Phone: (248) 641-1600  
Fax: (248) 641-0270  
E-mail: ambudde@hdp.com

**Jean M. McCarthy**  
Quinn Law Group PLLC  
39555 Orchard Hill Pl Ste 520  
Novi, MI 48375  
Phone: (248) 380-9300  
Fax: (248) 380-8968  
e-Mail: jmm@quinnlawgroup.com

When the street-wall appeared in *Batman Forever*, the artist sued, claiming that the streetwall was part of his *sculptural work* and not part of the *architectural work*.<sup>4</sup> The distinction is important because § 120 of the Act applies to architectural works, not to sculptural works.



Although the street-wall was not itself habitable and was not attached to the part of the building inhabited by the occupants, the court held that it was part of the “building” for purposes of § 120(a). The court relied upon expert testimony from urban architects and held that the streetwall was part of the “vocabulary” of urban architecture. It also noted that if artwork attached to architecture resulted in the entire work being treated as sculpture (and not architecture), it would render §120(a) meaningless.

### Practice Considerations

- The definition of a “building” under U.S. copyright law is not settled. Various physical and artistic components that relate to a building might, in some cases, be considered part of the “building.”
- Art integrated into architecture may be, in some cases, subject to the more limited rights of architectural works.
- Collaborations between artists, architects, and builders may raise complex issues as to what is art, what is architecture, and what is a joint work.
- Artists and architects should have a written agreement addressing the future allowable uses of the work at a project’s inception. This might include whether the property owner can use the image for trademark purposes, such as on advertising or corporate stationary/web site.

### Can a Distinctive Building Be a Trademark?

Some architects may not be thrilled that their buildings can be displayed without authorization, and may seek to end run the terms of §120(a). The Rock and Roll Hall of Fame and Museum attempted to use trademark law to stop a photographer



from selling posters of the building’s façade (see photo below) without the museum’s authorization.<sup>5</sup> The Sixth Circuit noted that while the building by architect I. M. Pei was distinctive, its use in the poster was simply to depict the building and not to

## View from the Chair

by Frank Angileri

The articles in this edition of *Proceedings* remind me how far intellectual property has come. Brian Wassom's article, *The Right of Publicity: Why the Red-Headed Stepchild of the IP World Deserves a Second Look*, reminds me of comments made by Ernie Brooks about practicing patent law in the 1970s. He used that same term — saying that when he began practicing law in the 1970s, all of intellectual property was the “red-headed stepchild” of the legal profession. Patent prosecution attorneys who practiced in the U.S. Patent and Trademark Office were not “real” attorneys in some jurisdictions around the country in the sense that their communications with clients were not privileged. Some courts deemed these attorneys mere “conduits” with the PTO, until the Federal Circuit unified the law, and held such communications privileged in *In re Spalding Sports Worldwide, Inc.*, 203 F.2d 800 (Fed. Cir. 2000).

When I started practicing in the early 1990s, the term “intellectual property” existed but was largely unknown. Telling other attorneys I was an “intellectual property” attorney sometimes yielded comments such as “as opposed to un-intellectual property attorney?” Intellectual property was often unknown or at least not significant at the highest levels of business management.

Now, intellectual property is not only well known at the highest levels of management, it is often considered a firm's most valuable corporate asset. This brings up the article by Robert Lenihan and Allen Pittoors entitled *Perfecting Security Interests in Intellectual Property Is Not a Perfect Process*. Recent times have unfortunately brought the issue of bankruptcy practice to the fore. Now, perhaps more than any other time, intellectual property assets and claims are a significant part of many bankruptcy procedures. In short, while perfecting security interests may be imperfect, it certainly is not unimportant.

Finally, Danielle Gaier's article, *Copyright as the Stealth Issue in Real Estate and Urban Renewal*, further emphasizes the growing significance of intellectual property in the economy. Historically, real property has been one of the greatest engines for gaining and growing wealth. Intellectual property is now not only similarly significant, but at times exceeds the economic power of real property. ?

## Spring Seminar

The Intellectual Property Law Section will present its annual Spring Seminar on Monday, March 22, 2010. We have planned presentations on a range of topics of interest to our section members, including patent strategy, trademarks, trade secrets, and IP due diligence during mergers and acquisitions, bankruptcies, and start-ups.

This year, all materials will be provided on an environmentally-friendly CD. Paper materials will also be available for a small fee.

### Save the Date!

#### 36<sup>th</sup> Annual Intellectual Property Law Summer Institute

July 22-24, 2010

We will once again be on Mackinac Island offering, with our partner, ICLE, the best continuing education value in IP available anywhere.

### Submissions to IPLS Section

Articles of interest to the membership are actively solicited for publication in this newsletter and on the IPLS website. If you have recently researched a topic of interest to our membership, please consider a submission. Submissions should be sent to one of our editors.

#### Submission Deadlines:

- December 10, 2009 for the January 2010 issue
- April 10, 2010 for the May 2010 issue

# Perfecting Security Interests in Intellectual Property Is Not a Perfect Process

by Robert J. Lenihan, II and Allen E. Pittoors

In 1962, Michigan slightly revised, and then adopted, the Uniform Commercial Code (UCC). The UCC governs commercial transactions. Article 9 of the UCC generally relates to secured transactions and governs the perfection of security interests in personal property. Although the UCC does not specifically refer to patents, trademarks, or copyrights, the term “intellectual property” is provided as an example of a general intangible in the Official Comments.<sup>1</sup>

For Michigan, Article 9<sup>2</sup> designates the Secretary of State as the proper place to file (“central filing”) in order to perfect a security interest in general intangibles, including intellectual property. Notably, however, nothing can be that simple, and the perfection of a security interest in intellectual property has many considerations, caveats, and confusions. The UCC is a state creation and, as it must (with a bow to the Supremacy Clause), specifically excludes from its scope any security interest subject to a federal statute regulating the rights of parties with respect to the collateral. As such, filing requirements under the UCC do not apply if federal law (or another state law) establishes a different system for filing and perfecting security interests outside the scope of the UCC.

## Patents and Trademarks

The Patent Act (Title 35 of the U.S. Code) and the Lanham Act (Title 15 of the U.S. Code) are the respective federal statutes governing patents and trademarks.<sup>3</sup> Both the Patent Act and the Lanham Act have provisions concerning ownership and assignments. At least since the introduction of the UCC, however, the courts have generally found that neither the Patent Act nor the Lanham Act preempt UCC recording requirements.<sup>4</sup> Accordingly, perfection of a security interest in Michigan for a patent or trademark is accomplished by filing the appropriate documents with the Secretary of State (usually a form UCC-1).

Although the filing of security interests with the U.S. Patent and Trademark Office (USPTO) is not (currently) mandated, it is still advisable to record the security interest with the USPTO *in addition to* properly perfecting by filing with the Secretary of State under the UCC. This is because the Court of Appeals for the Federal Circuit has held that a UCC state filing does not provide any protection against future purchasers of patent and trademark rights. For example, it has been held that a bona fide purchaser having a recorded assignment at the USPTO will defeat a secured lien creditor who did not file any notice at the USPTO.<sup>5</sup> Apparently the

Federal Circuit, that bastion of commercial legal insight, has conferred BFP (bona fide purchaser for value without notice of defect) status on the purchaser of a patent or a trademark. Accordingly, although not “required,” the additional filing at the USPTO will protect the secured lender against future purchasers of the patent or trademark.

## The Trap in Perfecting Copyrights


No matter the potential benefits of one’s invention or the cleverness and success of one’s trade design, patents and federal trademark rights cannot be obtained unless one proceeds through the respective formal application process in the USPTO. With original works of authorship that are otherwise proper subject matter for copyright protection, however, rights subsist from the moment of the work’s creation. Accordingly, copyrights can exist as “registered” or “unregistered.” Although there are numerous benefits that flow to those who properly register their copyrights with the U.S. Copyright Office, the truth is that many copyright holders do not register their works until it appears litigation is in the immediate offing. With certain “ever-changing” works, such as computer code and software, it simply may not be feasible to register every version. This is problematic in terms of perfecting security interests.

Registered copyrights are governed by the Copyright Act (Title 17 of the U.S. Code). Unlike the Patent Act and the Lanham Act, the Copyright Act *does* specify a method for recording security interests.<sup>6</sup> As such, courts have rejected the notion that federally registered copyrights are perfected under the UCC.<sup>7</sup> In order to perfect one’s security interest in a *registered* copyright, one *must* file the appropriate documents claiming a security interest in the collateral with the United States Copyright Office.

The problem with *unregistered* copyrights is that the Copyright Office does not have any record of their existence. One cannot file a security interest in an unregistered copyright with the Copyright Office. Thus, a significant question remains as to whether an unregistered copyright can be perfected by filing under the UCC. Although at least one court has held that an unregistered copyright was properly perfected under the UCC by state central filing,<sup>8</sup> there is no guarantee that all, or any other, courts will follow that holding. Accordingly, the prudent collateral holder should consider filing under the UCC and, additionally, seeking or *requiring* federal registration of the copyrighted material by the debtor in the provisions of the

security agreement and/or other loan documents, then filing the notice of its security interest with the Copyright Office in the registered copyright to assure perfection.

### **A suggestion in parting: If it's worth doing, it's worth . . . overdoing.**

From our first encounters with the UCC, specifically with the mystic catacombs of its Article 9 and the *sanctum sanctorum* of the perfection of security interests, we are taught a minimalist's approach. We are taught the minimum of what must be done to perfect a security interest in the holy "collateral" — but we are taught no more, as though a belt and suspenders approach, while blessed in litigation or in patent claim drafting, is, somehow, inelegant or low. In this article you have learned that under current case law you *must* file federally with the Copyright Office to perfect a security interest in a registered copyright and you *ought* to file federally with the USPTO, to protect your client and *yourself*, with regard to patents and trademarks. As you conclude reading this article, please consider the sage advice an experienced bankruptcy attorney once gave us: "There is no penalty for 'over-perfecting' a security interest"<sup>9</sup> — but there can be hell to pay if you under-perfect one. In other words, forget minimalism and with patents, trademarks, and copyrights, record with both the Michigan Secretary of State and the respective federal office. 

*Robert J. Lenihan, II is a Principal at Harness, Dickey & Pierce, PLC. Mr. Lenihan has over thirty years of experience in complex Federal and State litigation and dispute resolution. In addition to his experience in intellectual property trial and appellate practice, he has significant experience in general corporate defense, licensing litigation, and product liability defense. Mr. Lenihan can be reached at (248) 641-1232 or by email at rjlenihan@hdp.com.*

*Allen E. Pittoors is an Associate at Harness, Dickey & Pierce, PLC. Mr. Pittoors prepares and prosecutes patent applications in the chemical and mechanical arts, prepares patent infringement and freedom to practice opinions, and works on a variety of intellectual property litigation matters. Mr. Pittoors can be reached at (248) 641-1298 or by email at apittoors@hdp.com.*

### **Endnotes**

- 1 For purposes of this article, intellectual property means patents, copyrights, and trademarks. Trade secrets may be construed as intellectual property but whether they are, and how to perfect a security interest, if one can be obtained in trade secrets, is beyond the scope of this article.
- 2 MCLA 440.9101 et. seq.
- 3 The Lanham Act governs federally registered marks. State registered marks and common law marks arise from state law, and there is no question that perfection of those state law-created interests is governed by the UCC.
- 4 As to patents, see *In re Cybernetic Services, Inc.*, 252 F.3d 1039 (9th Cir. 2001). As to trademarks, see *In re Roman Cleanser Company*, 802 F.2d 207 (6th Cir. 1986).
- 5 *Rhone-Poulenc Agro, S.A., v. DeKalb Genetics Corp.*, 284 F.3d 1323, 62 U.S.P.Q.2d 1188 (Fed. Cir. 2002).
- 6 *See*, 17 U.S.C. §§ 101, 205.
- 7 *In re Peregrine Entm't, Ltd.*, 116 B.R. 194 (C.D. Cal. 1990).
- 8 *In re World Auxiliary Power Co.*, 303 F.3d 1120 (9th Cir. 2002).
- 9 David M. Miller, Esq., shareholder, Erman, Teicher, Miller, Zucker & Freedman, P.C.

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## **Section Calendar**

**March 22, 2010**

*Spring Seminar*  
Kellogg Center, Lansing

**July 22-24, 2010**

*36th Annual Intellectual Property Law Summer Institute*  
*Annual IPLS business meeting*  
Grand Hotel, Mackinac Island

*The IPLS council meets monthly on the second Thursday of the month.*  
*Contact one of the council members for further details.*

# The Right of Publicity: Why the Red-Headed Stepchild of the IP World Deserves a Second Look

by Brian D. Wassom

Seldom do IP lawyers give much thought to the Right of Publicity, which governs the right to commercially exploit a person's likeness. This is understandable. It falls outside the boundaries of the big three areas—Patent, Copyright, and Trademark—where we typically ply our trade. It's not even a federal right, but, rather, a creature of state statutes or common law. And almost half of the states have not even gotten around to recognizing it.

But courts agree that the Right of Publicity is an IP right. And, like the overlooked heroines of fairy tale fame, Right of Publicity litigation, properly understood, can be sexy—figuratively and (sometimes) literally. At the very least, it is an area of law that deserves our attention, for several reasons.

**It fills an important gap in federal IP protections.** The typical Right of Publicity dispute involves a retailer who uses the image, name, or other personally signifying attribute of a famous individual for the purpose of selling goods or services. For example, Johnny Carson used the Right of Publicity to enjoin the advertisement of “Here's Johnny Portable Toilets.” Rosa Parks stopped the band Outkast from using her name as the title of a song having nothing to do with her. Models have prevailed against the unauthorized use of their photographs on merchandise and advertising.

Neither copyright nor trademark law offer remedies for these injuries. If there is an expressive work involved—such as a photograph—the copyright therein usually does not belong to the person depicted. Besides, what's really at issue is not a particular expression, but the essence of who the depicted person is—their identity. That falls on the unprotected “idea” side of copyright's idea/expression dichotomy.

Trademark law is not much more helpful. “[A]s a general rule, a person's image or likeness cannot function as a trademark,”<sup>1</sup> because “a photograph of a human being . . . is not inherently ‘distinctive’ in the trademark sense of tending to indicate origin.”<sup>2</sup> Section 43(a) of the Lanham Act offers plaintiffs some alternatives, such as a claim for false endorsement, association, or designation of origin. But in most cases, the elements of such claims, if applicable, “are similar to the elements of a right of publicity claim,”<sup>3</sup> to the point that they have been called “the federal equivalent of the right of publicity.”<sup>4</sup>

**It requires different proofs.** A lawyer cannot simply rely on general copyright and trademark principles to litigate a Right of Publicity case. There are two basic components

to the claim: that (1) the plaintiff's likeness has commercial value—in other words, that plaintiff is a “celebrity”—and (2) the defendant used the likeness for “commercial purposes.” “Celebrity” is not a familiar IP concept, nor is it easy to define. Granted, most IP lawyers will not find themselves representing the likes of Johnny Carson and Rosa Parks. But, as discussed further below, the jury is still out in many ways on what constitutes “commercial value.”

“Commercial purposes,” also called “use in trade,” is trickier. Because it's simpler to show a prima facie case for infringement of the Right of Publicity than it would be for trademark infringement, this element has been defined much more narrowly than it would be in a Lanham Act context—lest Right of Publicity liability impinge on the broad freedoms of expression guaranteed by the First Amendment. Generally, if the work is expressive and has any redeeming social value (such as newsworthiness, entertainment value, or political speech), it is not a “commercial use.” Posters, T-shirts, and billboards, on the other hand, are fair game. Where the line between these uses falls, though, is sometimes still blurry.

**Its parameters are still fluid.** Right of Publicity law is a lot like the Wild West of old—many of the boundary lines have yet to be drawn. In addition to defining its elements and finding its place between federal IP laws and the First Amendment, courts are also still deciding which defenses apply. For example, at least two circuit courts have abstracted the various versions of the “first sale” doctrine from federal IP law and applied it to publicity claims. The same defense has also been analyzed in terms of “waiver” and “consent.” Other courts have applied the “single publication rule”—an import from the invasion of privacy tort, from which the Right of Publicity originated—to limit damages.

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**And, like the overlooked heroines of fairy tale fame, Right of Publicity litigation, properly understood, can be sexy—figuratively and (sometimes) literally.**

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In short, there is a lot of room left in Right of Publicity law for creative lawyering—and especially here. Commentators have noted that, despite (or perhaps because of) being geographically distant from the nation's entertainment hotbeds, our Sixth Circuit Court of Appeals has balanced

the competing considerations in publicity law “in a more careful and nuanced manner than other jurisdictions.”<sup>5</sup> It has even done more to shape Michigan’s common law on the subject than the state courts have, which leaves many seemingly resolved issues open to potential reinterpretation by Michigan courts (and/or the Michigan Legislature, which has considered codifying the right in recent years, and may do so again soon).

**It shows up in unexpected places.** Section 230 of the Communications Decency Act exempts internet service providers from most tort liability arising out of user-generated content. That immunity does not apply, however, to “intellectual property” claims.<sup>6</sup> Chances are that most legislators who debated this provision were thinking about patent, copyright, and trademark infringement. But guess what? The Right of Publicity is also IP, and recent court decisions have split over whether such claims are covered by this statute.

Licensors of photographs and videos make the same mistake when they fail to address the publicity claims of those depicted in the works. Experienced media professionals will be sure to have model releases in addition to a license from the copyright owner.

Even more troublesome are the potential tax ramifications. Publicity rights can be licensed, but what are they worth? Complicating things further, several state statutes, and even Sixth Circuit common law, recognize a post-mortem Right of Publicity. Who owns the right, and for how long?

**It can be worth big money.** Granted, many successful Right of Publicity plaintiffs end up settling for a relatively modest royalty. But with great infringement comes great liability. Hockey player Tony Twist secured a \$15 million verdict—upheld on appeal—against the publisher of the *Spawn* comic book, which used his name for one of its villains. And a relatively unknown model in California won an even larger sum from Nestle after learning that his face had appeared for sixteen years, without permission, on packages of Taster’s Choice coffee.

**It has found new life online.** As with other areas of IP, the internet allows anyone to be an infringer. People identify themselves online using icons and avatars, which may incorporate the likenesses of famous people. Retro nostalgia and mash-up videos drive the re-use of iconic photographs. In a competitive business environment where customers are increasingly scarce, it is difficult for many companies to resist piggybacking on the drawing power of recognizable celebrity identities.

It can also be hard to ignore the billions of photographs available for instant download. In 2007, a sixteen-year-old Texas girl sued Virgin Mobile after learning that the company had found an unflattering picture of her on Flickr and used it in an Australian ad campaign. In June 2009, a Missouri

couple discovered that a Christmas family portrait they had shared with relatives online had become an advertisement for a grocery store in the Czech Republic.

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**. . . however this theory of recovery fares, human nature combined with steady advances in cell phone cameras and online video sharing technology will ensure that it remains a relevant legal issue.**

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**It offers a shield against prurient publicity.** Although the case law is mixed, some plaintiffs—including girls who regret having gone wild, a news anchor filmed on vacation participating in a wet t-shirt contest, and celebrities who misplaced their sex tapes—have used the Right of Publicity to keep the embarrassing footage out of the public eye. These decisions suggest the controversial, but interesting, theory that sex appeal has commercial value, and unauthorized distribution of provocative performances infringes the individual’s right to profit from that appeal. In many ways, this line of cases takes the Right of Publicity full circle—back to its roots in privacy law, which operates to keep information out of the public eye rather than controlling the right to profit from its exploitation. But however this theory of recovery fares, human nature combined with steady advances in cell phone cameras and online video sharing technology will ensure that it remains a relevant legal issue.

This article is only a thumbnail sketch of the Right of Publicity—an area of law that is young and still evolving. But all IP attorneys should at least be sure they are able to spot these issues for their clients. ?

*Brian D. Wassom is a Partner at Honigman Miller Schwartz and Cohn LLP. His practice focuses on copyright, trademark, publicity, media, and entertainment litigation. Mr. Wassom can be reached at [bwassom@honigman.com](mailto:bwassom@honigman.com) or (313) 465-7594.*

## Endnotes

- 1 ETW Corp. v. Jireh Publ’g, Inc., 332 F.3d 915, 922 (6th Cir. 2003).
- 2 ETW, 332 F.3d at 922 (quoting Pirone v. MacMillan, 894 F.2d 579, 583 (2d Cir. 1990)).
- 3 *Id.* at 924.
- 4 *Id.*
- 5 Jon M. Garon, *Publicity Rights in Entertainment*, 11 CHAP. L. REV. 465, 492 (2008).
- 6 47 U.S.C. § 230(e)(2) (2008).

indicate endorsement or association of the photographer, Mr. Gentile, with the Hall of Fame.

#### Practice Considerations:

- The image of a distinctive building, when depicted in a photograph or poster, is not necessarily an indication of source and is thus not necessarily a “trademark use.”
- Securing broad federal trademark registration for a distinctive building image, and using the image for a broad variety of goods, might provide a basis for limiting some pictorial representations (for example, on merchandise).
- Copyright is both a grant of rights and the placement of limitations on those rights. Copyright exists for the benefit of the public good, and it will not be easy to end run those uses reserved by Congress for the public.

#### Can an Artist Stop Your Client from Redecorating?

Your client bought a new building but wants to replace the art installation in the lobby. It does not occur to the client that removing “weird art” from the building it owns raises a legal issue.

Property owners likely believe that they can control the artistic appearance of their real estate. This basic notion became a bit more complicated with the passage in 1990 of the Visual Artists Rights Act [VARA], 17 U.S.C. §106A.<sup>6</sup> VARA affords special rights for works of visual art and additional rights for a work of visual art that is a “work of recognized stature.” VARA entitles the artist of a work of the visual arts to claim authorship in such work and to prevent the use of his or her name with a work he/she did not create (“rights of attribution”). VARA further entitles the artist to prevent any intentional distortion, mutilation, or other modification of that work that would be prejudicial to his or her honor or reputation (“rights of integrity”). Finally, VARA provides a special right of integrity for a “work of recognized stature” – namely, the right to prevent its destruction. The artist can waive, but cannot transfer, these rights of attribution and integrity.

Perhaps surprisingly, urban renewal can trigger VARA issues. Imagine that there is a vacant or overgrown lot that has a piece of sculpture on it (see photo on page 11). Imagine that the artist is not Picasso or Warhol and that a city wishes to demolish the piece of sculpture as part of an urban renewal project. How many of your clients would have thought to contact the artist and determine if the artist wanted to come and get his sculpture?

In *Martin v. City of Indianapolis*,<sup>7</sup> the city violated the artist’s VARA rights by destroying the large metal sculpture in

the photo installed on city property. Relying upon newspaper articles and other commentary, the court held that the twenty-four-foot stainless steel sculpture was a “work of recognized stature.” The fame or stature of the *artist* is not relevant to a VARA inquiry – it is the stature of the *work of art* that is the issue. Under VARA, experienced artists and new artists are equally able to assert that their works are “works of recognized stature.” The city paid the maximum amount of statutory damages for a nonwillful violation of plaintiff’s rights.

In *Carter v. Helmsley-Spear*,<sup>8</sup> the owner of a commercial building contracted with sculptors to install a large sculpture in the lobby of the building. The owner went bankrupt, and the successor wanted to remove the sculpture. The sculptors filed a VARA claim and lost. The court held that, for purposes of copyright law, the artists were employees.<sup>9</sup> VARA does not apply to artistic works created by employees as part of their employment responsibilities.<sup>10</sup>

#### Practice Considerations:

- When purchasing property with a work of art already installed, it may be difficult to change the VARA status of an existing work. Get copies of the W-2s or contracts with the artists. Some due diligence will help the prospective buyer understand what limitations might be placed on renovations to the building.
- Consider including certain representations, warranties, and indemnification obligations from a seller that would address consequences of a VARA issue arising after purchase.
- Hire artists as employees, instead of contractors, so that VARA does not apply and the client owns the copyright as a matter of law.
- Secure a VARA waiver from artists.
- Enter into a separate agreement regarding the work of visual arts relating to the real estate affected so that the client knows what can and what cannot be done to the work.

#### Graffiti, Gardens, and Grounds.

There is a bit of good news for the owner of a building. If a graffiti artist decides to use your client’s warehouse wall as a canvas, fear not. Art that is illegally installed on one’s property without permission and that cannot be removed without destroying the work is not protected under VARA.<sup>11</sup>

Sometimes VARA claims may be right in your client’s own backyard - literally. A new owner of property may go outside to trim the hedges and later find himself served with papers by

a landscape artist who believes that the wildflower garden he designed is a “work of the visual arts.” VARA does not specify what kind of artwork qualifies beyond a pictorial or sculptural work in the definition of “work of visual art” in § 101 of the Act.<sup>12</sup> Accordingly, the artist in *Kelley v. Chicago Park District*<sup>13</sup> contended his garden of flowers installed/planted in an ellipse (see photos on page 11) was protected by VARA and that the city was precluded from reshaping and reconfiguring the grounds that housed the “work”—the flowers planted *on the city’s own land*. The court ruled in favor of the city, finding that the work was not original enough to warrant copyright protection. (Copyright rules still apply, and VARA does not apply to works that do not meet the minimum threshold of original authorship and creativity.)

There is another exclusion from VARA protection that may apply to real estate owners. VARA does not apply to “site-specific” art, which is defined as “a work of visual art [that] has been incorporated or made a 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.”<sup>14</sup> In other words, if the work cannot be physically moved or if the work’s location is a main component of the art, then the work may be site-specific.

In *Phillips v. Pembroke Real Estate, Inc.*,<sup>15</sup> a famous landscape artist installed bronze and granite sculptures and other various stone medallions in a public sculpture park in Boston. When the park wanted to redesign its landscape, it found itself faced with a VARA suit. The First Circuit held, “Essentially, for site-specific art, the location of the work is an integral element of the work. Because the location of the work contributes to its meaning, site-specific art is destroyed if it is moved from its original site.”<sup>16</sup> Since these sculptures were integrated into their surroundings, they were deemed site-specific and were not afforded VARA protection. The site-specific exception seems to be used as a gloss when courts are hesitant to apply VARA at the expense of the owner’s property rights. This exception provides a useful escape hatch, although it has not yet been widely accepted.

Because this area is controversial, it is impossible to know what the future of landscape art holds. However, by understanding that these kinds of unassuming decorative elements can cause major problems later and by addressing them up front, these complications can be avoided.

### Practice Considerations

- Use care in deciding whether a work of the visual arts is protected by VARA. The artist need not be famous for the work to be protected.
- Think expansively when considering whether an artist might assert that VARA applies. Who would have imagined that a landscape artist would assert VARA rights? Artists, that’s who.

- Hire artists as employees, instead of contractors, so that VARA does not apply and the client owns the copyright as a matter of law.
- Secure a VARA waiver from contractors.
- Enter into a separate agreement regarding the work of visual arts so that the client knows what can and what cannot be done to the work.
- Have artists who install works on the grounds agree that the work is site-specific (and that it is a work for hire).

### Works in Process (“Art, Interrupted”).

What happens when an artist begins to create a work of the visual arts and then stops – either permanently or temporarily? One court has held that VARA does not apply to unfinished works of art.<sup>17</sup> In that case, the trial court ruled that the Massachusetts Museum of Contemporary Art [MMCA] had the right to display a very large but unfinished installation by Christoph Buchel, a Swiss artist. The artist asserted that his right of attribution was violated when MMCA used his name in connection with a work of the visual arts that he had not completed. He also asserted that it was prejudicial to his reputation to have this unfinished work so displayed. This case was hard-fought, closely-watched by the cultural arts community, and controversial in its holding.

Still, there is authority for the proposition that where an artist began to create or install art, but does not ever finish the work, the property owner may be able to display or remove it without violating VARA. A betting lawyer, however, would bet on a major VARA headache (at a minimum) and probably intensely emotional litigation.

### Practice Tips

- Get plans from a commissioned artist so that the nature of the work can be known, and hopefully a description of when the work is finished.
- Prepare a contract that addresses who has what rights and obligations at what points in the creative process.
- Don’t rely on your experience, your highly-developed, general sense of the law, or your common sense. We are talking about art, property, stature, copyright – this is not the realm of instinct.

### Conclusion

Copyright law embodies some of our most important social values – knowledge, creativity, culture, art, and speech. It is, sometimes, counter-intuitive. It is also continuing to digest new amendments to the already complex statute. When it comes to real property, the combination of art, architecture, and real estate requires particular attention and care. While

[Continued on next page](#)

beauty is in the eye of the beholder, the answer to “Is it art?” can have major consequences for the owner of property. <sup>?</sup>

*Danielle Gaier is a Law Clerk and is not yet admitted in any state. Ms. Gaier graduated, cum laude, from the University of Michigan Law School in 2009. This paper was prepared as a project for Advanced Copyright Practice, a practicum at the University of Michigan Law School. Ms. Gaier would like to thank Susan M. Kornfield, Adjunct Professor, for her extremely helpful and insightful suggestions, her instructive guidance, and her collaborative approach to this project.*

### Endnotes

- 1 The rights of copyright holders are provided in 17 U.S.C. § 106: Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:
  - (1) to reproduce the copyrighted work in copies or phonorecords;
  - (2) to prepare derivative works based upon the copyrighted work;
  - (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
  - (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
  - (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and
  - (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.
- 2 17 U.S.C. § 102(a)(6), (8). The subject matter of copyright is set out in 17 U.S.C. § 102:
  - (a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
    - (1) literary works;
    - (2) musical works, including any accompanying words;
    - (3) dramatic works, including any accompanying music;
    - (4) pantomimes and choreographic works;
    - (5) pictorial, graphic, and sculptural works;
    - (6) motion pictures and other audiovisual works;
    - (7) sound recordings; and
    - (8) architectural works.

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

- 3 17 U.S.C. § 120(a).
- 4 *Leicester v. Warner Bros.*, 232 F.3d 1212 (9th Cir. 2000).
- 5 *Rock and Roll Hall of Fame and Museum, Inc. v. Gentile Prods.*, 134 F.3d 749 (6th Cir. 1998).
- 6 The Visual Artists Rights Act (VARA), 17 U.S.C. § 106A, provides:

**(a) Rights of Attribution and Integrity.**— Subject to section 107 and independent of the exclusive rights provided in section 106, the author of a work of visual art—

(1) shall have the right— (A) to claim authorship of that work, and (B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;

(2) shall have the right 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 which would be prejudicial to his or her honor or reputation; and

(3) subject to the limitations set forth in section 113 (d), shall have the right— (A) to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional distortion, mutilation, or modification of that work is a violation of that right, and (B) to 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.

**(b) Scope and Exercise of Rights.**— Only the author of a work of visual art has the rights conferred by subsection (a) in that work, whether or not the author is the copyright owner. The authors of a joint work of visual art are co-owners of the rights conferred by subsection (a) in that work.

**(c) Exceptions.**—

(1) The modification of a work of visual art which is a result of the passage of time or the inherent nature of the materials is not a distortion, mutilation, or other modification described in subsection (a)(3)(A).

(2) The modification of a work of visual art which is the result of conservation, or of the public presentation, including lighting and placement, of the work is not a destruction, distortion, mutilation, or other modification described in subsection (a) (3) unless the modification is caused by gross negligence.

(3) The rights described in paragraphs (1) and (2) of subsection (a) shall not apply to any reproduction, depiction, portrayal, or other use of a work in, upon, or in any connection with any item described in subparagraph (A) or (B) of the definition of “work of

visual art” in section 101, and any such reproduction, depiction, portrayal, or other use of a work is not a destruction, distortion, mutilation, or other modification described in paragraph (3) of subsection (a).

**(d) Duration of Rights.—**

(1) With respect to works of visual art created on or after the effective date set forth in section 610(a) of the Visual Artists Rights Act of 1990, the rights conferred by subsection (a) shall endure for a term consisting of the life of the author.

(2) With respect to works of visual art created before the effective date set forth in section 610(a) of the Visual Artists Rights Act of 1990, but title to which has not, as of such effective date, been transferred from the author, the rights conferred by subsection (a) shall be coextensive with, and shall expire at the same time as, the rights conferred by section 106.

(3) In the case of a joint work prepared by two or more authors, the rights conferred by subsection (a) shall endure for a term consisting of the life of the last surviving author.

(4) All terms of the rights conferred by subsection (a) run to the end of the calendar year in which they would otherwise expire.

**(e) Transfer and Waiver.—**

(1) The rights conferred by subsection (a) may not be transferred, but those rights may be waived if the author expressly agrees to such waiver in a written instrument signed by the author. Such instrument shall specifically identify the work, and uses of that work, to which the waiver applies, and the waiver shall apply only to the work and uses so identified. In the case of a joint work prepared by two or more authors, a waiver of rights under this paragraph made by one such author waives such rights for all such authors.

(2) Ownership of the rights conferred by subsection (a) with respect to a work of visual art is distinct from ownership of any copy of that work, or of a copyright or any exclusive right under a copyright in that work. Transfer of ownership of any copy of a work of visual art, or of a copyright or any exclusive right under a copyright, shall not constitute a waiver of the rights conferred by subsection (a). Except as may otherwise be agreed by the author in a written instrument signed by the author, a waiver of the rights conferred by subsection (a) with respect to a work of visual art shall not constitute a transfer of ownership of any copy of that work, or of ownership of a copyright or of any exclusive right under a copyright in that work.



Vacant or overgrown lot with sculpture



Garden at issue in *Kelley v. Chicago Park District*



Aerial view of the garden at issue in *Kelley v. Chicago Park District*

A “work of visual art” is—

(1) a painting, drawing, print, or sculpture, existing in a single copy, in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author, or, in

7 192 F.3d 608 (7th Cir. 1999).

8 71 F.3d 77 (2d Cir. 1995).

9 See 17 U.S.C. § 101; *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989).

10 17 U.S.C. §§ 101, 106A.

11 See *English v. BFC&R East 11<sup>th</sup> St. LLC*, 1997 WL 746444, 1997 U.S. Dist. LEXIS 19137 (S.D.N.Y. Dec. 3, 1997).

12 The definition of “Work of the Visual Arts” is given in 17 U.S.C. § 101:

## Copyright as the Stealth Issue . . .

*Continued from page 11*

the case of a sculpture, in multiple cast, carved, or fabricated sculptures of 200 or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; or

(2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author.

A work of visual art does not include—

(A)

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

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

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

(B) any work made for hire; or

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

13 No. 04 C 00715, 2008 U.S. Dist. LEXIS 75791 (N.D. Ill. Sept. 25, 2008).

14 17 U.S.C. § 113(d)(1)(A).

15 459 F.3d 128 (1st Cir. 2006).

16 459 F.3d at 134.

17 *Massachusetts Museum of Contemporary Art Found., Inc. v. Buchel*, 565 F.Supp.2d 245 (D. Mass 2008).