

(<u>Law + ArtWorks</u> is happy to provide this basic information. Needless to say, this does not constitute legal advice or set up any attorney-client relationship.)

Licensing Generally

Licensing is when an artist gives another person or company permission to use that artist's work. When an artist licenses their art, the artist is also known as the licensor. The person or company that wants to use the artist's work is also known as the licensee.

Examples of Licensing

The ways in which an artist may license their art are practically endless. A few examples include:

- A photographer may grant a license to a book publishing company that allows that company to use one of the photographer's most famous pictures for the cover of a book.
- A musician may grant a license to a television network to allow one of the musician's songs to be played during an episode of the network's most popular sitcom.
- An illustrator may grant a license to a greeting card company allowing the illustrator's most famous cartoon character to be used on greeting cards.

Benefits of Licensing

Licensing your art may benefit you by providing:

Supplemental income. Licensing can provide a revenue stream when sales of

prints are slow or when fewer fans are downloading your songs.

- Increased exposure to you and your art. Licensing can lead to increased sales and ultimately to increased value of your work.
- Pride of ownership. Licensing can allow you to associate your art with companies, products and causes that you support.

Where to Begin

First, you should understand how other artists like you license their art. Blogs and websites can be excellent sources of this information. Here are some helpful ones we have found:

- https://graphicartistsguild.org/tools_resources/license-it
- https://www.artworkarchive.com/blog/how-to-get-started-in-art-licensing
- http://artbusinessnews.com/2015/10/licensing-your-art/

Next, you should identify any opportunities you may have to license your art. In particular, consider any companies, products or causes that your art could benefit by promoting additional sales or "buzz."

Finally, you should network and connect. Social media and local artists' associations are great resources. You may also consider connecting with a licensing agent or other industry-specific professional.

Legal Considerations

Before licensing your art, consider taking the following steps:

- Copyright or trademark your work. Doing so can provide leverage and increase
 the value of your work. It can also protect your work from being stolen or
 otherwise used without your permission.
- Form a legal entity such as a limited liability company (LLC) or corporation that will enter into license agreements. This can help protect your personal assets if there are any legal issues that arise as a result of your art being licensed.
- Prior to discussing a potential license with anyone, have that person sign a non-disclosure/confidentiality agreement.
- Have an experienced attorney review your licensing agreements before signing them. An experienced attorney can help you identify red flags so that you can get the best deal possible.

Key Licensing Agreement Terms

- Some common topics you should consider addressing in your license agreements include:
- Exclusivity. Will your art be associated with one company or product or unlimited companies and products?
- Term. How many years will your art be associated with that company or product?
- Royalties. How much money are you going to make from the sale of each product that uses your art?
- Ownership of work product. Who will own any modifications to your art that a company/licensee requests?

Thanks to UNC Law Student Marion Ashby Brown and Brian Phillips, attorney at the Raleigh office of K&L Gates for their work on this document.