

## Artists Series Wine Labels: Legal Considerations

By Kate Hendricks, Hendricks & Lewis

Hendricks & Lewis PLLC  
901 Fifth Avenue, Suite 4100  
Seattle, Washington 98164  
(206) 624-1933

Copyright © 2008 Hendricks & Lewis PLLC. All Rights Reserved.

The wine label is a powerful icon. It can be an object of art that symbolizes and disseminates the vintner's values; it can be the driving force behind a purchase.

A growing number of brands have used "artist series" labels incorporating reproduced prints of original artwork to imply quality and lasting value and to market premium or ultra-premium wines. For a new winery the right image can help create a lasting impression of the brand and establish identity and credibility. Art can rejuvenate the image of an established brand.

Chateau Mouton Rothschild claims that credit for using original art for wine labels for particular vintages belongs to Baron Phillippe de Rothschild. In 1924, Mouton Rothschild instituted what was then a revolutionary new practice: the entire vintage was bottled at the chateau rather than being sold to wine merchants who stored the wine while it matured in casks and then bottled, labeled and sold the wine. Chateau bottling had significant consequences. The grower was then personally responsible to the consumer for the quality of the wine. Labels became certificates of quality.

To draw attention to the first instance of *mise en bouteilles au chateau*, Baron Phillippe commissioned poster designer Jean Carlu to create an original label for the 1924 vintage. Carlu created a powerful design in the cubism movement of the time. The same basic design was used in the following two years. Over the next twenty years, Mouton Rothschild made a number of adjustments to its label. Then, in 1945 to celebrate the end of the Second World War Baron Phillippe conceived of dedicating the Mouton Rothschild vintage to Victory Year with an illustrated panel on the label. From 1945 onwards, Mouton Rothschild commissioned an important contemporary artist to illustrate the label with an original work and a tradition was born. Some of the world's most famous artists, including Cocteau, Braque, Dali, Miro, Chagall, Picasso, Motherwell and Warhol, have created works for the Chateau Mouton Rothschild labels.

U.S. wineries, including Benziger's Imagery Estate Winery in Glen Ellen, California, Kenwood, and Washington wineries, Chateau St. Michelle and Woodward Canyon, have used "artist series" labels.

Assume you have taken care of the essential elements of your label – the wine maker or winery, the appellation, the vintage, grape variety disclosure, estate bottling and winery information, if appropriate, consumer warning, bottle size and alcoholic content. Hopefully, you have a registered trademark. (This article is not going to address any of the issues related to trademark and substantive label content.)

Now you are considering branding, image, consumer interest.

Suppose you find the perfect piece of art in the form of a painting and purchase it, planning to reproduce the image for labels, posters and perhaps other promotional materials (brochures, postcards, mugs, calendars, aprons, t-shirts or the like). You are thinking it's a "win/win." The artist gets a showcase, public recognition and exposure and maybe some cases of wine and you distinguish your wine from the competition. It could work if the artist agrees. But the mere fact you purchase art – whether for \$2,000 or \$200,000 - does not give you the right to use the work on a label because purchase of a painting (or photograph) does not by itself give you the copyright in the work.

A fundamental principle of copyright is this: copyright ownership and ownership of a material object in which the copyrighted work is embodied are entirely separate things. Thus, transfer of a material object does not of itself carry any rights under the copyright, and this includes transfer of an original, unique painting. Conversely, transfer of a copyright does not necessarily require conveyance of any material object and ownership of a copyright does not encompass ownership of the pictures or images embodied in the tangible object. A written conveyance of rights would be required in order for a sale of any material object to carry with it a transfer of copyright.

Copyright is independent of both its physical manifestation in a painting and the very image that is copyrighted. Copyrights exist separately from the particular copyrighted work and exclude all others from printing, publishing, copying or vending the work.

Section 202 of the Copyright Act of 1976 provides: "Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied. Transfer of ownership of any material object, including the copy in which the work is first fixed, does not itself convey any rights in the copyrighted work embodied in the object; nor, in the absence of an agreement, does transfer of ownership of a copyright or of any exclusive rights under a copyright convey property rights in any material object."

Thus, to use original artwork on a label, you need a transfer or license of copyright. A transfer of copyright must be in writing and signed by the owner of the rights conveyed or by such owner's duly authorized agent. Exclusive licenses must be in writing and signed by the owner or the owner's agent. Nonexclusive licenses do not have to be in writing, but oral agreements leave the specific terms open to dispute.

Copyrights are highly divisible and thus, a license may be granted for specified time duration, geographic area, type of use (labels, but not posters, postcards, mugs, t-shirts or aprons), medium of use (*e.g.*, on paper for labels, electronically), exercised right (*e.g.*, copying and distribution/vending, public display, creating derivative works). A license should be drafted to cover your particular needs.

The artist who creates a work of visual art has certain rights of attribution and integrity– the rights to claim authorship of the work and to prevent use of his or her name in connection with a distortion or mutilation or modification of the work. (A work of visual art is a painting or drawing or a photograph created for exhibition purposes or print existing in a limited edition of 200 or fewer copies that are signed and consecutively numbered by the artist.) These rights

cannot be transferred. They can, however, be waived, and thus, you should consider asking for an express waiver of these rights.

Perhaps the thought crosses your mind, can't you just use the painting now and deal with any fallout later? After all, shouldn't an artist be glad for the exposure? Renowned artists have created art for labels in exchange of cases of wine. So use the art now, apologize later and offer a few cases of wine? Don't. It's a form of stealing. Moreover, if the artist has registered his or her work with the U.S. Copyright Office, he or she can seek statutory damages (which range from \$750 to \$30,000 "as the court considers just" and up to \$150,000 for willful infringements, depending on all the circumstances.

So, you define your objectives and what you are trying to accomplish, enter into a written transfer or license agreement and plan to sit back and let the artist do his or her work.

It may surprise you to learn that even if you specially commission a work of original art for use on a label and pay for the commission, you probably won't own the copyright in the work. And you still won't be able lawfully to use the image for advertising and merchandise without a license from the author. This is because under copyright law, the creator owns his or her work unless the work is a "work made for hire." A "work made for hire" is a work prepared by an employee within the scope of his or her employment or a specially commissioned work within one of several statutory categories into which wine labels do not fall. Thus, if you want to own the image, you must obtain an assignment of the copyright or a license adequate for your purposes.

Could you use pre-existing, "public domain art"? When is it public domain art?

Some art is in the "public domain" because any copyright that may have existed has expired. Duration of a particular copyright is somewhat complex. Duration depends on when and under what copyright law – the 1909 Copyright Act or the 1976 Act -- a work was published or an unpublished work was created. Duration also depends on whether a work is a U.S. work or a foreign work. Duration also depends on whether a work has been "published" for purposes of copyright – not published like a book, but offered to the public for sale in copies. Very generally speaking, for works published in the United States now, the term of copyright is the life of the artist plus 70 years. Again, very generally speaking, it is probably safe – at least from a copyright perspective – to use U.S. works created before 1923. But other works are not in the public domain unless created earlier still. If you plan to use what you think is public domain art on a label, get the public domain status vetted first.

Suppose you want to create a series, but decide not to use original art. Can you use a photograph of a person or art that incorporates a silhouette, portrait or other image or likeness of a specific person, living or dead, celebrity or not? Or perhaps create an artist, author or musician series using just the name or a signature facsimile?

Using a person's name, signature, photograph or other likeness as part of a label invokes that person's "right of publicity." A "right of publicity" is the right of a person to control the commercial use of elements of his or her identity, such as name, voice, signature, photograph or other likeness. Elements of identity might be used on a wine label as part of a work of art or independently. For example, Kenwood's "Jack London series" invokes the author's right of

publicity by use of his name on the wine label. A label might include a profile, sketch or photograph of a person. Nova Wines use of a photograph of Marilyn Monroe on its “Marilyn Merlot” is another example of a label use that invoked a right of publicity, this one of the deceased actress.

If you come up with a great pun, an eye-catching label that involves the name, likeness, image or signature of someone other than yourself, you can rely on the hope that an after the fact gift of a few cases will take care of the publicity rights if anyone notices. But you want people to notice your label; that’s the reason you are thinking of using someone’s name, image or likeness, for heft, cache or whatever. So don’t. What you need, again, is a license. Otherwise you risk being enjoined from unauthorized use of the rights of publicity which could include distributing the labeled wine and being subject to a damage award for actual damages and any profits attributable to the infringement.

There is no federal law on the subject of publicity rights, and consequently law pertaining to rights of publicity varies state-by-state and is therefore complex; some states have statutes that address this issue and others rely on the common law (judge made law). Other countries, including those in Europe, also recognize rights of publicity. There may be complex issues about which jurisdiction’s laws govern the publicity rights in question.

Washington has a statute that prohibits infringement of rights of publicity or in other words, use of a person’s name, signature, photograph or other likeness for commercial purposes without permission. Washington’s statute also specifies defenses and exceptions to claims of infringement. It is unlikely that any of these exceptions or defenses. While the use of a name, signature, photograph or likeness in an original work of art is not an infringement, publication of such a work in more than five copies would require consent of the person involved or constitute an infringement.

Any art or image must also meet restrictions imposed by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and state regulatory liquor control boards. TTB regulations prohibit, among other things, any label or advertising statement, design, device or representation which is “obscene or indecent.” These terms are not defined. Regulations also prohibit statements, designs, devices and “pictorial representations” in advertisements that relate to American and armed forces flags, seals, coats of arms, crests and other insignia.

In 1975 Kenwood began its premium artist series collection with a reclining nude by California artist David Lance Goines. The Bureau of Alcohol, Tobacco and Firearms (BATF), deemed the label obscene and indecent and suggested covering the lady with a bikini. Goines refused. Kenwood resubmitted the label with a reclining skeleton and was again refused permission. In 1997, the “Naked Lady” was resubmitted and approved. However, times had not changed everywhere. In 1998 Ohio’s Board of Liquor Control disapproved the label as offensive to the public’s good taste.

Creating an artist series vintage can establish a vineyard’s identity and credibility. It can define a particular vintage. Knowing and respecting copyright and rights of publicity principles will keep you out of trouble and help insure that the series is memorable for the right reasons.