

What is Art and Design Licensing?

LICENSING

Licensing is a remarkable marketing tool – where intellectual property rights can be traded to benefit buyer and seller alike.

If you own some intellectual property – a design, drawing, character, a brand, or if you manage someone famous, for example, then there are products that could benefit from using that IP.

You have all seen licensing in action, even if only as a consumer.

If you have bought a Game of Thrones t-shirt, or a Paddington Bear plush toy.

Licensing is a multi billion-dollar industry and one of the less recognised areas of licensing success is ART and DESIGN.

According to LIMA research, in the USA art and design licensing already accounts for 2.5 percent of overall licensing revenues, and is a fast growing category.

Why license?

There are some illustrators who use licensing as an add-on to their other commercial practice (their commissioned work in publishing and other areas).

There are some who have become successful at licensing and this has become their major, or only, source of income.

Artists from many disciplines successfully license their work: Illustration, Surface Pattern, Fine Art, Photography etc.

Rather than working to a specific commission for a client, you produce your own body of work for the licensing market.

However, you must:

1. Learn about the industry.
2. Be aware of trends.
3. Research relevant manufacturing and publishing companies.
4. Develop a body of work for the licensing market.
5. Get your work seen.

This is a trend-led area of the industry.

**It is important to be aware of trends
– but do not copy.**

You can set trends not just follow them.

Kate Knight



<http://kateknight.co.uk/>

Kate Knight's artwork has been licensed for a long list of products. The list includes:

Art Prints

Calendars

Rubber Stamps

Notebooks

Garden Furniture

Coasters

Textiles

Playing Cards

Greeting Cards

Diaries

Ceramic Tableware

Stationery

Picture Frames

Gift Bags and Boxes

Craft Paper

Vases

Room Screens

Mobile Phones

eBook Readers

Clothing

Table Lamps

Placemats

Gift Wrap

The Licenser and the Licensee

We all become rather obsessed with our titles when it comes to art.

So, in addition to all your other possible titles—designer, illustrator, painter etc. — you now can add Licenser.

It can be confusing to begin with to remember which one you are - the Licenser or the Licensee?

Licensors are “us”—the creative image makers, the holders of Intellectual Property (IP), our licensable images.

Our work is our intellectual property, and we alone hold the right to grant the use of our images on products.

We may have signed a contract with a licensing agent to act on our behalf, and they can negotiate contracts for us, but we still have the last word on accepting the final contract.

Licensees are “them”—the client, the company, the product manufacturer, the entertainment provider, and the middle man between us and the retailer who provides the public with our work on either products or entertainment content.

Licensing Art Basics

All the legalese in contracts can be mystifying.

Most large companies have their own standard licensing contracts - many can be very straight forward, whereas some can be very long winded and complicated (in my experience this is often to 'pull a fast one').

Licensing Art Basics

Make sure you read the contract carefully before signing and ask questions if there is something you do not understand, or something that you feel uncomfortable about.

Get the response in writing (email). File all paperwork and emails safely.

The terms of an agreement in a nutshell are:

Who are they and who are you?

How long does this agreement last?

What products will my images be on?

The terms of an agreement in a nutshell are:

Where will they be sold?

How much will I be paid in advance and in royalties?

How often will I receive a royalty statement and payment?

The most common methods of pay for art licensing are:

ROYALTY: This is where the manufacturer pays the artist a royalty percentage of their gross sales.

ROYALTY WITH ADVANCE UP FRONT: Sometimes there will be an advance payable up front, which is later deducted from future royalties.

FLAT FEE: A one-time fee is paid instead of royalties.

**A licence can be limited in any way one chooses,
but the usual limits are;**

use, area, duration and exclusivity.

**If the client is commissioning on behalf of
someone else, the client's customer should be
specified.**

Use is not often a problem, since the client will usually know what they are commissioning the work for.

If further uses are known to be a possibility, but are not being licensed as part of the original license (eg. a greeting card which the client may later use for a poster), it is worth stating specifically on the front of the form that further uses will require a further fee, to avoid any possibility of a misunderstanding.

A licence can include multiple uses for an image.

A licence for a character design may include its use over a range of products, applications and even platforms.

Once a licence has expired you are free to sell the image to anyone else or use it on your own products. This is called re-licensing.

ONLY

A very handy word which I use in licensing, contracts etc.

...to be used in production of greeting card **ONLY**.

Area

Will the product be sold, for example, UK only, worldwide or limited to Europe?

Duration

This could be for three years or 5, or 6, for example.

The longer the licence, the higher the fee.

At the end of the period the licensee can relicense, if both parties are happy to continue.

At the end of the licensing period the work can be relicensed to another company for the same usage.

Exclusivity can be a misleading concept.

Often it does not mean totally exclusive to the client, but exclusive only in respect of the licence they have bought.

An exclusive licence for use as on T-shirts in the UK, for instance, does not prevent the illustrator from licensing the image in other territories, or for other uses.

If the client wants no other use of the image at all, this needs to be added as a special term.

This is NOT *Stock Art*

Your back catalogue has an inherent resale value, this work can be licensed.

However, some artists choose to sell their rights, for varying rates of pay, through stock libraries.

There are varying models, but the general principle is to make existing imagery available for reuse for a set fee.

Stock companies have been criticized for undermining the profession, both in terms of how the illustration is used and in eroding the fee structure by supplying the market with cheap, generic imagery.

Stock sold at minimal prices across all areas of the profession has an impact on the amount of bespoke illustration commissioned, so ultimately could be counterproductive for illustrators!

LICENSING AGENTS

IMAGE by DESIGN <http://www.ibd-licensing.co.uk/>

ADVOCATE <https://www.advocate-art.com/art-licensing>

IMAGE SOURCE <https://isartlicensing.wordpress.com/>

BRIGHT ART LICENSING <https://thebrightagency.com/us/licensing>

MGL LICENSING <http://www.mgllicensing.com/>

YELLOW HOUSE <http://www.yellowhouseartlicensing.com/>

LILLA ROGERS <https://lillarogers.com/about/how-to-license-existing-art/>

LICENSING READING

20 Steps to Art Licensing: How to Sell Your Designs to Card and Gift Companies - Kate Harper

Licensing Art and Design: A Professional's Guide to Licensing and Royalty Agreements Revised Edition - Caryn R. Leland

Licensing Art 101, Third Edition Updated: Publishing and Licensing Your Artwork for Profit – Michael Woodward