

## Licensing Agreement (Short Form)

*Remove all language in italics before using this form.*

### FRONT

#### *Licensor's Letterhead*

1. \_\_\_\_\_ (The "Licensor") hereby grants to \_\_\_\_\_ (the "Licensee") a nonexclusive license to use the image \_\_\_\_\_ (the "Image") created and owned by Licensor on ("Licensed Products") and to distribute and sell these Licensed Products in \_\_\_\_\_ (territory) for a term of \_\_\_\_\_ years commencing \_\_\_\_\_ [date], in accordance with the terms and conditions of this Agreement.
2. Licensor shall retain all copyrights in and to the Image. Licensee shall identify the Licensor as the artist on the Licensed Products and shall reproduce thereon the following copyright notice: © \_\_\_\_\_ [Licensor's name and date].
3. Licensee agrees to pay the Licensor a nonrefundable royalty of \$ \_\_\_\_\_ [or] ( \_\_\_\_\_ %) percent of the net sales of the Licensed Products. "Net Sales" as used herein shall mean sales to customers less prepaid freight and credits for lawful and customary volume rebates, actual returns, and allowances. Royalties shall be deemed to accrue when the Licensed Products are sold, shipped, or invoiced, whichever first occurs.
4. Licensee shall pay Licensor a nonrefundable advance in the amount of \$ \_\_\_\_\_ upon signing of this Agreement. Licensee further agrees to pay Licensor a guaranteed nonrefundable minimum royalty of \$ \_\_\_\_\_ every month.
5. Royalty payments shall be paid on the first day of each month commencing \_\_\_\_\_ [date], and Licensee shall furnish Licensor with monthly statements of account showing the kinds and quantities of all Licensed Products sold, the prices received therefore, and all deductions for freight, volume rebates, returns, and allowances. The first royalty statement shall be sent on \_\_\_\_\_ [date].
6. Licensor shall have the right to terminate this Agreement upon 30 days' notice if Licensee fails to make any payment required of it and does not cure this default within said 30 days, whereupon all rights granted herein shall revert immediately to the Licensor.
7. Licensee agrees to keep complete and accurate books and records relating to the sale of the Licensed Products. Licensor shall have the right to inspect Licensee's books and records concerning sales of the Licensed Products upon prior written notice.
8. Licensee shall give Licensor, free of charge, \_\_\_\_\_ (number) samples of each of the Licensed Products for Licensor's personal use. Licensor shall have the right to purchase additional samples of the Licensed Products at the Licensee's manufacturing cost. "Manufacturing cost" shall be \$ \_\_\_\_\_ per Licensed Product.
9. Licensor shall have the right to approve the quality of the reproduction of the Image on the Licensed Products and on any approved advertising or promotional materials and Licensor shall not unreasonably withhold approval.
10. Licensee shall use its best efforts to promote, distribute, and sell the Licensed Products, and said Products shall be of the highest commercial quality.
11. All rights not specifically transferred by this Agreement are reserved to the Licensor. Any transfer of rights is conditional upon receipt of full payment.

12. The Licensee shall hold the Licensor harmless from and against any loss, expense, or damage occasioned by any claim, demand, suit, or recovery against the Licensor arising out of the use of the Image.

13. Nothing herein shall be construed to constitute the parties hereto joint ventures nor shall any similar relationship be deemed to exist between them. This Agreement shall not be assigned in whole or in part without the prior written consent of the Licensor.

14. This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_ (*state in which Licensor resides*) as applied to transactions entered into and to be performed wholly within said state between said state's residents without regard to principals of conflict of laws. The parties submit exclusively to the personal jurisdiction of the federal district court for the \_\_\_\_\_ District of \_\_\_\_\_ (*district in which Licensor resides*) and the courts of said state. Licensee waives all defenses of lack of personal jurisdiction and forum non conveniens.

15. All notices, demands, payments, royalty payments and statements shall be sent to the Licensor at the following address: \_\_\_\_\_ and to the Licensee at: \_\_\_\_\_.

16. This Agreement constitutes the entire agreement between the parties hereto and shall not be modified, amended, or changed in any way except by written agreement signed by both parties hereto. This Agreement supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral, between the parties concerning the Image.

17. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors, and assigns. Licensee shall not assign its rights under this Agreement, in whole or in part, without the prior written approval of Licensor.

**In witness, whereof**, the parties have executed this Licensing Agreement on the day [*date*].

Licensee (*company name*) \_\_\_\_\_

Authorized by (*name, position*) \_\_\_\_\_

\_\_\_\_\_

—

Licensor (name) \_\_\_\_\_

\_\_\_\_\_

**All-Purpose Illustrator’s Letter of Agreement**

*This letter of agreement is a model, which should be amended to fit the artist’s particular circumstances. Remove all language in italics before using this form.*

**FRONT**

*Illustrator’s Letterhead*

**CLIENT**

Commissioned by \_\_\_\_\_  
Date \_\_\_\_\_  
Job/Invoice Number \_\_\_\_\_  
Shipping Number \_\_\_\_\_  
Illustrator’s Tax ID (*Social Security*) Number: \_\_\_\_\_

**THIS AGREEMENT MUST BE SIGNED AND RETURNED BEFORE ARTIST CAN SCHEDULE OR BEGIN THIS JOB.**

Project title (*if any*) \_\_\_\_\_

Client’s purchase order number (*if available*) \_\_\_\_\_

**DESCRIPTION**

Subject matter \_\_\_\_\_

Size \_\_\_\_\_

Color or black & white \_\_\_\_\_

Media (*specify any electronic/ digital media*) \_\_\_\_\_

Any relevant production information \_\_\_\_\_

**DUE DATES**

Sketch \_\_\_\_\_ Final \_\_\_\_\_

**USAGE RIGHTS GRANTED IN FINAL**

**ART** \_\_\_\_\_

Duration of usage \_\_\_\_\_

Limitations on media in which used (*e.g., print rights only, no electronic usage*) \_\_\_\_\_

Limitations on number of insertions (*if appropriate*) \_\_\_\_\_

Limitations on geographical use (*North American, English editions*) \_\_\_\_\_

Owner of original art (*only if different from Credits below*) \_\_\_\_\_

Fee for rights granted \_\_\_\_\_

**TERMS**

**1. Reservation of Rights**

All rights not expressly granted above are retained by the Artist, including any electronic rights or usage unless specified above and including, but not limited to, all rights in sketches, comps, or other preliminary materials. Any grant of rights is conditional upon receipt of full payment. Upon receipt of full payment, Artist shall deliver digital files necessary to enable Client's usage rights granted herein. Any use additional to that expressly granted above requires arrangement for payment of a separate fee. Artist retains the rights to display all work created by Artist for this project, including preliminary materials and final art, in Artist's portfolios, including in print and online, and to submit such work to design periodicals and competitions.

## **2. Revisions**

(A) Preliminary Work/Sketches: Artist agrees to submit \_\_\_\_\_ [*insert studio standard*] rough sketches and/or \_\_\_\_\_ [*insert studio standard*] finished sketches for Client's approval. Additional fees will be charged to Client for revisions made after such sketches and for all revisions that reflect a new direction for the assignment or new conceptual input.

(B) Finished Art: Client agrees to pay Artist an additional fee, to be negotiated separately, for changes requested to final art where Client asked Artist to proceed directly to final art.

No additional fee shall be billed for changes required to bring final artwork up to original specifications or assignment description. Client agrees to offer Artist the first opportunity to make any changes to final artwork.

## **3. Cancellation and Kill Fees**

Cancellation ("kill") fees are due based on the amount of work completed. Fifty percent (50%) of the final fee is due within 30 days of notification that for any reason the job is canceled or postponed before the final stage. One hundred percent (100%) of the total fee is due despite cancellation or postponement of the job if the art has been completed. Upon cancellation or kill, Artist retains all rights to the art, and all original art and copies thereof must be returned, including sketches, comps, or other preliminary materials, and Client shall permanently delete all digital copies thereof.

## **4. Credits and Copies**

A credit line suitable to the design of the page or context will be used. Client agrees to pay an additional 50% of the total fee, excluding expenses, for failure to include credit line. Credit line is required independent of Artist's signature, which shall be included at Artist's discretion unless otherwise agreed in writing above. Client agrees to provide Artist with [*insert studio standard*] sample copies of any printed material.

## **5. Payment**

Payment for finished work is due upon acceptance, net30 days. The Client's right to use the work is conditioned upon receipt of payment within 30 days of acceptance and upon Client's compliance with the terms of this agreement. A 1 1/2% monthly service charge will be billed against late payment.

## **6. Original Art**

Original art remains the property of the Artist unless expressed otherwise in the agreement. Client is responsible for return of original art in undamaged condition within 30 days of first reproduction. Client shall also return all copies of the art, and permanently delete all digital copies thereof, within 30 days after expiration of Client's usage rights.

## **7. Additional Expenses**

If Client does not provide a courier/shipping number in the space provided above, shipping charges will be added to the final invoice. Client agrees to reimburse Artist for the following expenses:

Research  
Messengers  
Models  
Props  
Travel  
Telephone  
Proofs  
Software  
Transparencies  
Other

**8. Permissions and Releases**

The Client agrees to indemnify and hold the Artist harmless against any and all claims, costs, and expenses, including attorney’s fees, due to materials included in the Work at the request of the Client for which no copyright permission or privacy release was requested or for which uses exceed the uses allowed pursuant to a permission or release.

**9. Miscellany**

This Agreement shall be binding upon the parties, their heirs, successors, assigns, and personal representatives. This Agreement constitutes the entire understanding of the parties. Its terms can be modified only by an instrument in writing signed by both parties, except that the Client may authorize expenses or revisions orally. No terms attached to any check for payment under this Agreement can modify the Agreement except under an independent instrument in writing signed by both parties. Any disputes in excess of \$\_\_\_\_\_ (*maximum limit for small-claims court*) arising out of this Agreement shall be submitted to mediation in accordance with the rules of

\_\_\_\_\_ ***[name of local lawyers for the arts mediation program]***. If mediation is not successful in resolving the dispute, the parties may by mutual consent submit the dispute to binding arbitration. The arbitrator’s award shall be final, and judgment may be entered in any court having jurisdiction thereof. The Client shall pay all arbitration and court costs, reasonable attorney’s fees, and legal interest on any award of judgment in favor of Artist. A waiver of a breach of any of the provisions of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions. This Agreement shall be governed by the laws of the State of *[name of your state]* and courts of such State shall have exclusive jurisdiction and venue.

**Consented and agreed to:**

\_\_\_\_\_  
Artist’s signature/date

\_\_\_\_\_  
Authorized signature/date

\_\_\_\_\_  
Buyer’s name and title

\_\_\_\_\_  
Accounts payable contact name/phone

# Sample Illustrator's Invoice

Remove all language in italics before using this form.

FRONT  
Illustrator's Letterhead

CLIENT

Date\_\_\_\_\_

Commissioned by\_\_\_\_\_

Illustrator's Job Number\_\_\_\_\_

Client's Job Number\_\_\_\_\_

ASSIGNMENT DESCRIPTION

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FEE PAYMENT SCHEDULE

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ITEMIZED EXPENSES (OTHER BILLABLE ITEMS)

Toll Telephone Calls\_\_\_\_\_

Client's Alterations\_\_\_\_\_

Transportation & Travel\_\_\_\_\_

Sale of Original Art\_\_\_\_\_

Messengers\_\_\_\_\_

Cancellation Fee\_\_\_\_\_

Shipping & Insurance\_\_\_\_\_

Miscellaneous\_\_\_\_\_

Subtotal\_\_\_\_\_

Sales Tax\_\_\_\_\_

Payments on Account\_\_\_\_\_

Balance Due\_\_\_\_\_

RIGHTS GRANTED IN FINAL ART

Any usage rights not granted are reserved to the Illustrator. Usage beyond that granted to the Client herein shall require payment of a mutually agreed-upon additional fee subject to all terms.

For use in magazines and newspapers, first North American reproduction rights unless specified otherwise here:\_\_\_\_\_

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For all other uses, the Client acquires only the following rights:\_\_\_\_\_

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Title or Product (name)\_\_\_\_\_

Category of Use (advertising, corporate, promotional, editorial, etc.)\_\_\_\_\_

Medium of Use (consumer or trade magazine, annual report, TV, book, web site, online publications, device apps, etc.)\_\_\_\_\_

Geographic Area (if applicable)\_\_\_\_\_

Time Period (if applicable)\_\_\_\_\_

Number of Uses (if applicable)\_\_\_\_\_

Other (if applicable)\_\_\_\_\_

Original artwork, including sketches and any other preliminary materials, and all copyrights therein, remains the property of the Illustrator unless purchased by payment of a separate fee subject to all terms.

Any grant of rights is conditional upon receipt of full payment.

Upon receipt of full payment, Illustrator shall deliver digital files necessary to enable Client's usage rights granted herein. Illustrator retains the rights to display all work created by Illustrator for this project, including preliminary materials and final art, in Illustrator's portfolios, including in print and online, and to submit such work to design periodicals and competitions.

BACK

TERMS

1. Time for Payment

Payment is due within 30 days of receipt of invoice. A 1 1/2% monthly service charge will be billed for late payment.

2. Default in Payment

The Client shall assume responsibility for all collection of legal fees necessitated by default in payment.

3. Expenses

The Client shall reimburse the Illustrator for all expenses arising from the assignment.

4. Sales Tax

The Client shall be responsible for the payment of sales tax, if any such tax is due.

5. Grant of Rights

The grant of rights is conditioned on receipt of payment.

6. Credit Lines

On any contribution for magazine or book use, the Illustrator shall receive name credit in print. If name credit is to be given with other types of use, it must be specified here:

If this box is checked, the Illustrator shall receive copyright notice adjacent to the work in the form: ©[date]\_\_\_\_\_.

7. Additional Limitations

If the Illustrator and the Client have agreed to additional limitations as to either the duration or geographical extent of the permitted use, specify here:

8. Return of Artwork

The Client assumes responsibility for the return of the artwork in undamaged condition within 30 days of first reproduction. Client shall return all copies and permanently delete all digital copies of the artwork, including sketches and any other preliminary materials, within 30 days after expiration of Client's usage rights.

9. Loss or Damage to Artwork

The value of lost or damaged artwork is placed at no less than \$\_\_\_\_\_ per piece.

10. Alterations

Alteration to artwork shall not be made without consulting the initial Illustrator, and the Illustrator shall be allowed the first option to make alterations when possible. After acceptance of artwork, if alterations are required, a payment shall be charged over the original amount.

11. Unauthorized Use

The Client will indemnify the Illustrator against all claims and expenses, including reasonable attorney's fees, arising from uses for which no release was requested in writing or for uses that exceed the authority granted by a release.

12. Warranty of Originality

The Illustrator warrants and represents that, to the best of his/her knowledge, the work assigned hereunder is original and has not been previously published, or that consent to use has been obtained consistent with the rights granted to Client herein; that all work or portions thereof obtained through the undersigned from third parties is original or, if previously published, that consent to use has been obtained consistent with the rights granted to Client herein; that the Illustrator has full authority to make this agreement; and that the work prepared by the Illustrator does not contain any scandalous, libelous, or unlawful matter. This warranty does not extend to any uses that the Client or others may make of the Illustrator's product that may infringe on the rights of others. Client expressly agrees that it will hold the Illustrator harmless for all liability caused by the Client's use of the Illustrator's product to the extent such use infringes on the rights of others.

13. Limitation of Liability **(THIS SECTION NEEDS TO BE IN BOLD)**

Client agrees that it shall not hold the Illustrator or his/her agents or employees liable for any incidental or consequential damages that arise from the Illustrator's failure to perform any aspect of

the Project in a timely manner, regardless of whether such failure was caused by intentional or negligent acts or omissions of the Illustrator or a third party.

#### 14. Dispute Resolution

Any disputes in excess of \$\_\_\_\_\_ (maximum limit for small-claims court) arising out of this Agreement shall be submitted to mediation in accordance with the rules of \_\_\_\_\_[name of local lawyers for the arts mediation program]. If mediation is not successful in resolving the dispute, the parties may by mutual consent submit the dispute to binding arbitration. The arbitrator's award shall be final, and judgment may be entered in any court having jurisdiction thereof. The Client shall pay all arbitration and court costs, reasonable attorney's fees, and legal interest on any award of judgment in favor of Illustrator.

## Helpful Resources for Freelance Artists

Linda Warner Constantino – [linda@lwarnerconstantino.com](mailto:linda@lwarnerconstantino.com)

### WEBSITES

#### United States Copyright Office

<https://www.copyright.gov/>

Information about registering your copyright as well as instructions for registering your copyright online.

#### IRS –Employer Identification Number Application Site

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

IRS site page for applying for a EIN(Employer Identification Number), also called Tax ID number.

#### Graphic Artists Guild

<https://graphicartistsguild.org/>

A great website for all aspects of business for graphic artists, illustration and creatives.

#### Skillshare

<https://www.skillshare.com>

You can learn all aspects of freelancing, art licensing, business practices, pricing and all kinds of creative endeavors via online video classes.

#### Art Licensing Info

<https://www.artlicensinginfo.com/the-basics-of-art-licensing/>

Basic resource for learning more about the business of licensing artwork.

### BOOKS

#### Graphic Artists Guild Handbook: Pricing & Ethical Guidelines, 15th Edition (15)

by Graphic Artist Guild | April 2018

#### Getting to Yes: Negotiating Agreement Without Giving In

by Roger Fisher , William L. Ury, et al. | Sold by: Penguin Group (USA) LLC | May 3, 2011

#### Show Your Work!

by Austin Kleon | Mar 6, 2014

#### Steal Like an Artist: 10 Things Nobody Told You About Being Creative

by Austin Kleon | Feb 28, 2012

#### How to Survive and Prosper as an Artist: Selling Yourself without Selling Your Soul (Seventh Edition)

Paperback – April 10, 2018