

LICENCE CHECKLIST	
1. Designer/Copyright Owner <ul style="list-style-type: none"> • Details? • Is the designer the owner of copyright? • If not, who is? 	<p>Name, address, ABN, telephone, fax & email.</p> <p>Never assume that the designer is the copyright owner. Copyright is the very heart of this transaction and you must never assume anything in relation to it. The person that conceives of the design and the owner of the rights in it, are often different entities.</p>
2. Manufacturer <ul style="list-style-type: none"> • Details? • Who is sourcing the manufacturer (museum or designer) • Who will administer the manufacturing and supply process? 	<p>Name, address, ABN, telephone, fax & email</p> <p>Sometimes this is done by the museum, other times by the designers. It depends on the size of the job, the experience of the parties and the cost and convenience that to the overall project.</p>
3. Distributor	<p>Name, address, ABN, telephone, fax & email</p> <p>This will only be relevant where the product is to be distributed beyond the museum retail precincts. If there are no third party retailers then this is not as issue. However, if the museum intends to sell through, say, department stores, who is responsible for undertaking that process?</p>
4. The Design/Work <ul style="list-style-type: none"> • title • description • dimensions • number • supply 	<p>Describe the work that is being licensed as accurately as possible. Is it an existing work; is it a new one specifically created for the museum? How many options do you expect?</p> <p>Be clear as to the form and medium in</p>

<ul style="list-style-type: none"> • application 	<p>which you expect to receive the design: transparency, a digital image or a design on paper.</p> <p>How will it be delivered? And how is it to be applied: will it be the design of an object (design of a mug) or is it to be applied to an object (design on a mug)?</p>
<p>5. Term of Licence</p> <ul style="list-style-type: none"> • Initial term: from: to: • Any option: from: to: 	<p>This assumes that the museum is not commissioning AND OWNING the rights in the design. It costs less to license than to buy the rights (at least in the short term.) Remember, the term of the licence limits the period during which you can reproduce the design – not the period during which you can sell the products.</p>
<p>6. Territory of Licence</p>	<p>You usually will not need world rights. Australia/NZ will usually do the trick – unless there is a real possibility of sub-licensing the product (for example where the show is moving on to another venue in another country).</p>
<p>7. Advance</p>	<p>Will there be an advance?</p> <p>How will it be calculated? Is it recoupable or non-recoupable?</p> <p>Will there be an extension of Term in the event that it is unrecouped?</p>
<p>8. Fees</p> <ul style="list-style-type: none"> • flat fee or performance based? • fee upon receipt of each design? • timing of payments? 	<p>There are three options: a fee; a royalty; a mixture of fee and royalty. There is no right answer as to which is most appropriate. It depends on how much you are expecting the other party to participate in your risk (and thus your profit.)</p>

<p>9. Royalty</p> <ul style="list-style-type: none"> • \$ per number of articles sold or manufactured? • Australia / Rest of world 	<p>The royalty rates depend on the fee structure (whether there is a fee etc), the nature of the product involved.</p> <p>International rates are always less (or calculated differently) because of the greater costs or different basis of such deals.</p>
<p>10. Royalty Statements/Accounting</p> <ul style="list-style-type: none"> • frequency • accounting period • number of articles sold • price per article • sales by territory • amount owing to artist • audit rights 	<p>This is the engine-room of the licensing deal. Remember that licensing companies (like museum collections) are of very variable standards. You must have rigorous standards of financial reporting and accountability.</p>
<p>11. Payment</p>	<p>Will payment be simultaneous with the rendering of accounts?</p>
<p>12. Termination</p> <ul style="list-style-type: none"> • Grounds: <ul style="list-style-type: none"> - overdue payment - poor quality of manufacture - ceasing production - notice in writing • time to dispose of or sell-off stock • time to account to rights owner • time to return 	<p>On what basis can either party get out of the deal and what are the consequences of doing so?</p>
<p>13. Registration of Design</p> <ul style="list-style-type: none"> • who pays for lodgement 	<p>Remember that if the design is to be applied 'industrially' (more than 50</p>

<ul style="list-style-type: none"> • who prepares forms 	<p>copies), it may not be protected by copyright and it may be prudent to register the design. This is easy enough to do.</p>
<p>13. Permitted Uses</p> <ul style="list-style-type: none"> • detail manner of application of design 	
<p>14. Quality Control / Samples:</p> <ul style="list-style-type: none"> • approval criteria • number of samples • date of delivery for approval • consequences of approval/rejection 	<p>What is the mechanism by which the institution can ensure the quality of the merchandise?</p> <p>This is the insurance policy for the museum by which it ensures that the products associated with its name, are of suitable quality. You can never spend too much time getting this part right.</p>
<p>15. Sales Efforts</p>	<p>How are the goods to be sold? Where? Is there an agreed style guide? Are there any objective minimum performance measures?</p>
<p>16. Inventory Leftovers</p>	<p>At the end of the Term, what is to happen to the unsold stock?</p>
<p>17. Alternate Dispute resolution</p>	<p>It is sensible to provide a procedure for working through disputes without having to go to court to have someone else decide the issue for you. There are several bodies that supply alternative dispute resolution assistance. The Dispute Resolution Service of the Arts Law Centre of Australia is a cheap and useful option.</p>
<p>18. Jurisdiction</p>	<p>This is important if the players are in different States or different countries. If there is a court case, which laws will apply and in what place will the dispute be heard? Home ground is always best.</p>