
ART, FINANCE & LAW

Mishcon de Reya

**RISKS, RULES & OPPORTUNITIES IN ART
INVESTMENT**

26 NOVEMBER 2014

**Due Diligence:
Attribution and Authenticity
The Quagmire**

Karen Sanig

Head of Art Law at Mishcon de Reya, London

Karen.sanig@mishcon.com

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ROLF HARRIS, 'THE QUEEN', 80TH BIRTHDAY COMMEMORATIVE PORTRAIT



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INTERNATIONAL THEFT

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Discovery of masterpieces in Italy, April 2014

Paul Gauguin's *Fruits sur une table* –

€10m - €30m (£8m -£25m).



Pierre Bonnard's *La femme aux deux fauteuils*
-€600,000 (£500,000).

Who is the owner?



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LORD EDWARD ALBERT CHARLES SPENCER-CHURCHILL V FAGGIONATO FINE ARTS LIMITED AND OTHERS [2012]

- Museum Security by Basquiat was withdrawn from auction in New York, 2012 on basis of questionable ownership.
- Johimbis Corporation V Edward Spencer-Churchill [652067/2012]



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ATTRIBUTION

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‘Mobile Lovers’, 2014

‘Slave Labour’, 2013



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ATTRIBUTION

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Accidia Foundation v Simon C Dickinson Ltd
[2010] EWHC 3058 (Ch)

- Dickinson sold Leonardo drawing for \$7m through another intermediary
- “Return price” to owner \$5.5m
- Dickinson had to refund purchase price because of doubts about attribution but had received commission of \$1m which had not been authorised by seller
- Paid to seller for breach of fiduciary duty despite no direct link to seller



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ATTRIBUTION

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- Chagall bought for £100,000 and now said to be a fake and destroyed under French law.
- Yorkshire businessman bought reclining nude attributed to Chagall for £100,000.
- Twenty years later he volunteered the painting for BBC's Fake or Fortune
- This was a bad move, as the painting was found to be a fake and archaic French law provides for fakes to be destroyed in front of a magistrate
- The Chagall Committee are determined to carry this out and destroy the work



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AUTHENTICITY

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Art historians vs. Technology

*AVRORA FINE ARTS INVESTMENTS V CHRISTIE MANSON AND WOODS LTD
(2012) EWCH 2198 (Ch)*



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FRAUD AND FORGERY

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- Myatt and Drewe – over 200 Impressionist and Cubist works forged using emulsion paint rather than oil, and forged provenance.
- Knoedler Gallery – sale of 40 fake works bought from another dealer, including works supposedly by Rothko, Pollock, and Motherwell; reputational damage and lawsuits led to closure of gallery.
- “Jägers Collection” forged provenance – forged works of modern artists such as Ernst, Derain, Leger; four convicted in German criminal court.

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CONCLUSION

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"Art is a lie that makes us realise truth."

Pablo Picasso

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