

A Tale of Two Princes

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by Bruce R. Ewing

An important decision by the Second Circuit in *The Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, Case No. 19-2420-cv (2d Cir. Mar. 26, 2021), has, in important respects, upended how the defense of fair use is applied in copyright cases, with potentially major ramifications that transcend the “appropriation art” with which *Warhol* is concerned. Indeed, in many respects, the *Warhol* decision, in which a series of works created by the late artist Andy Warhol based on photographs of the late singer Prince were deemed not to be shielded by principles of fair use as a matter of law, is a repudiation in all but name of the same court’s decision in *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013), in which most of a series of appropriation artworks created by the artist Richard Prince were deemed permissible fair uses of copyrighted, preexisting photographs taken by another artist.

The facts of *Warhol* are not complicated, and The TMCA first covered the case [here](#).

In 1981, the photographer Lynn Goldsmith took the photo below of the iconic singer Prince as part of an assignment for *Newsweek*, back when news magazines were a thing. The record indicates that this particular photograph was never published.

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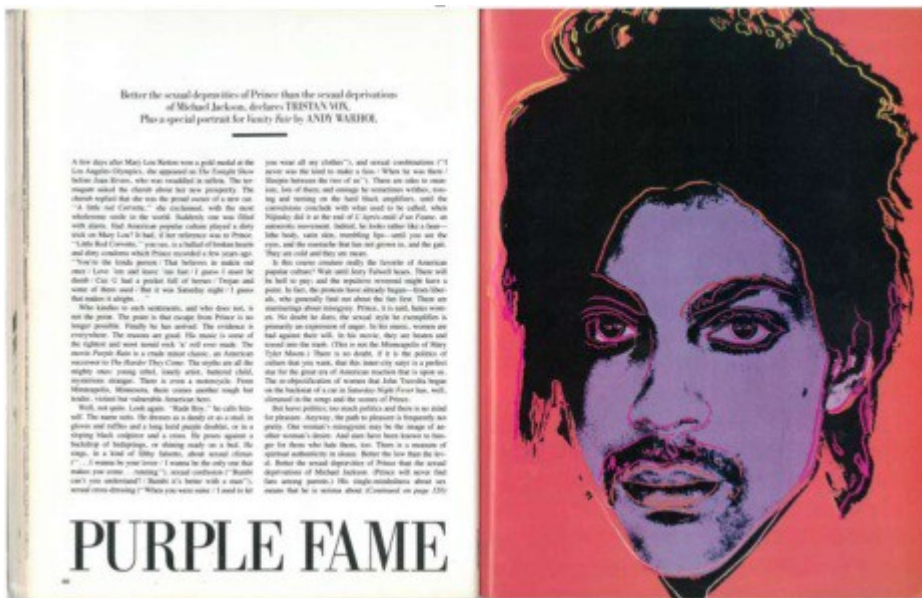
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In 1984, Goldsmith licensed her photo to *Vanity Fair* magazine for use as an “artist reference,” *i.e.*, as a basis for a new work an unnamed artist would create that *Vanity Fair* would publish. Warhol turned out to be the artist, and his new work was published later that year, as shown below.



However, unbeknownst to Goldsmith, Warhol took Goldsmith's photo and also used it to create a series of fourteen additional works, dubbed the “Prince Series,” some of which

appear below.



Following Warhol's death, the works that embody the Prince Series were either sold to third parties or sent to the Warhol Museum in Pittsburgh for display, and the Warhol Foundation regularly licensed them for commercial use. In 2018, following Prince's death, Goldsmith allegedly learned for the first time of the existence of the Prince Series and the Warhol Foundation's licensing of the Prince Series without any credit to her underlying work, or payment for its use.

After Goldsmith sent a letter asserting claims of copyright infringement, the Warhol Foundation filed an action in the Southern District of New York seeking a declaration of non-infringement based on fair use. Goldsmith counterclaimed for infringement. The district court granted summary judgment to the Foundation on its fair use defense, holding that all four factors set forth in 17 U.S.C. § 107 bearing on the issue of fair use favored the Foundation, in that the Prince Series was: (1) "transformative" because, while Goldsmith's photo portrayed Prince as "not a comfortable person" and a "vulnerable human being," the Prince Series portrayed Prince as an "iconic, larger-than-life figure"; (2) although Goldsmith's photo was both creative and unpublished, which would traditionally weigh in Goldsmith's favor, this was "of limited importance because the Prince Series works are transformative works"; (3) in creating the Prince Series, Warhol removed nearly all of the Goldsmith photo's protectible elements; and (4) the Prince Series was not a market substitute that harmed or had the potential to harm Goldsmith.

On appeal, the Second Circuit rejected all of these conclusions, held that the Prince Series was neither transformative nor a fair use as a matter of law, and also concluded that the Goldsmith photo and Prince Series were substantially similar as a matter of law.

As a result, if the Second Circuit's decision stands, it is hard to see how the Warhol Foundation has any remaining defenses left to Goldsmith's claim of infringement.

The core of the appellate decision is its conclusion that the Prince Series is not transformative. According to the court in *Warhol*, where a secondary work like the Prince Series “does not obviously comment on or relate back to the original or use the original for a purpose other than that for which it was created,” the bare assertion of a “higher or different artistic use,” is insufficient to render a work transformative. Instead, in order to be transformative, “the secondary work itself must reasonably be perceived as embodying an entirely distinct artistic purpose, one that conveys a ‘new meaning or message’ entirely separate from its source material.” Elaborating, the court held that “the secondary work’s transformative purpose and character must, at a bare minimum, comprise something more than the imposition of another artist’s style on the primary work such that the secondary work remains both recognizably deriving from, and retaining the essential elements of, its source material.”

The Prince Series flunked this test. While acknowledging that the Prince Series embodied “the distinct aesthetic sensibility that many would immediately associate with Warhol’s signature style – the elements of which are absent from the Goldsmith photo,” the court concluded that the Prince Series retained the essential elements of the Goldsmith photo without significantly adding to or altering the elements that made Goldsmith’s work distinctive. “Warhol’s modifications serve chiefly to magnify some elements of [Goldsmith’s photo] and minimize others. While the cumulative effect of those alterations may change the Goldsmith Photograph in ways that give a different impression of its subject, the Goldsmith Photograph remains the recognizable foundation upon which the Prince Series is built.” And it is “entirely irrelevant,” according to the Second Circuit, that most people looking at the Prince Series would identify it as a work of Warhol. “Entertaining that logic would inevitably create a celebrity-plagiarist privilege; the more established the artist and the more distinct that artist’s style, the greater leeway that artist would have to pilfer the creative labors of others. But the law draws no such distinctions.”

The Second Circuit’s conclusions in *Warhol* on the issue of whether the Prince Series is transformative stand in stark contrast to that court’s prior holding in *Cariou*, in which the work shown below on the left, from the artist Richard Prince, was deemed transformative of the photo on the right.





Why Richard Prince's addition in his work of a guitar and three blobs obscuring the face of the original photo's subject was deemed to be transformative as a matter of law, but Warhol's addition of colors, the removal of depth and contrast, and other changes made to Goldsmith's photo were not transformative as a matter of law, is an issue the *Warhol* decision did not address specifically. But while it took pains in *Warhol* to state that "we remain bound by *Cariou*, and have no occasion or desire to question its correctness on its own facts," the Second Circuit made clear in *Warhol* that the *Cariou* approach to whether a secondary work qualifies as transformative no longer applies.

One other notable aspect of the *Warhol* decision is its treatment of the fourth fair use factor – the effect of the allegedly infringing use on the market for the original. While concluding that the primary markets for the original Prince Series and original Goldsmith photo (museums, art buyers) were different, the court found that the secondary licensing

market for both works was the same, in that both parties' works were of interest to magazines and other publications supplying content regarding Prince. This last fair use factor was characterized as "undoubtedly the single most important element of fair use" by the Supreme Court in *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985), and the court's conclusions on this factor in *Warhol* amplified its overall conclusion that the Prince Series was not shielded by principles of fair use. Indeed, the concurring opinion of Judge Sullivan in *Warhol* advocates a different approach to fair use, one that reduces the importance of whether a secondary work is transformative, in favor of an approach where the factor concerned with market effects is given greater attention. According to Judge Sullivan, such an approach would better serve the purposes of copyright and avoid the tendency of courts to collapse all four fair use factors into one inquiry: whether a secondary work is transformative.

So what's next? Well, given Warhol's prolific use of photographs of celebrities such as Marilyn Monroe, Elizabeth Taylor, Michael Jackson and John Lennon as source material for secondary works that are, qualitatively, very similar to the Prince Series, it may see future copyright claims from the photographers who created those images. And for other litigants in the Second Circuit who seek to mount a fair use defense on the ground that their allegedly infringing works are transformative, and thereby shielded by principles of fair use, their burden on that issue is now materially higher.