

Most. Important. Copyright. Fair. Use. Case. Ever!

April 13, 2022 – *The TMCA*

by Bruce R. Ewing

Hyperbolic descriptions of the supposed importance of cases dealing with intellectual property rights are as numerous as they are unfounded, but that is not true when it comes to *The Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, Case No. 21-869, in which the U.S. Supreme Court just granted *certiorari*. It is no exaggeration to characterize *Warhol Foundation* as the most important fair use case to come before the Supreme Court since 1994, and more than reasonable to posit that *Warhol Foundation* is the most important fair use case ever.

Why? Because this case is likely to settle two of the most vexing copyright issues that has bedeviled courts all over the country for decades: to what extent can an author take a prior copyrighted work and incorporate elements of that prior work into a new work under the doctrine of fair use, and what makes that use fair? In particular, courts have struggled to apply the fair use doctrine in cases where there are arguments that the new work is “transformative,” and therefore fair. If *Warhol Foundation* articulates a clear standard for what makes a new work transformative, as seems likely, then the decision to come will be a true game changer.

The TMCA has covered *Warhol Foundation* before, and the facts are not in dispute. In 1981, the photographer Lynn Goldsmith took the then-unpublished photo below of the iconic singer Prince.

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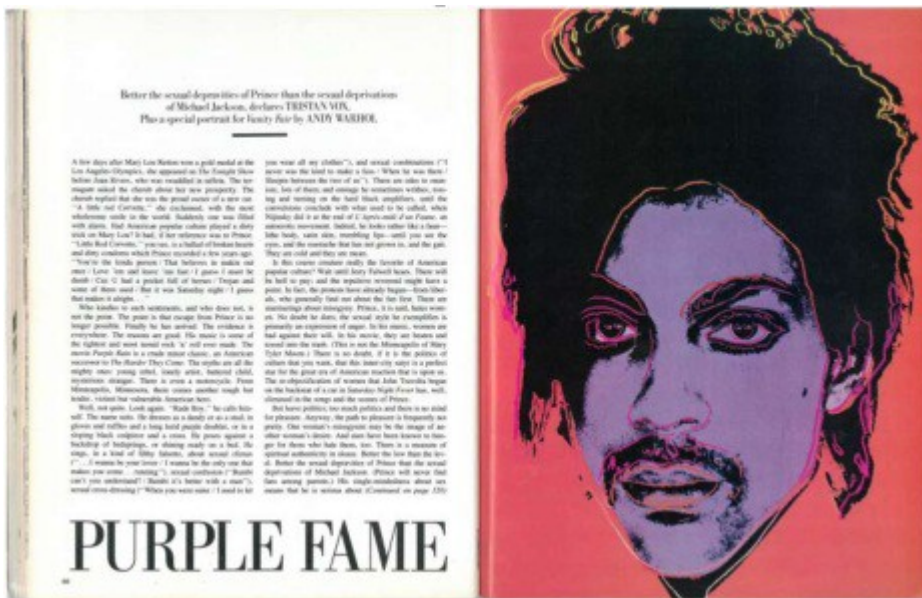
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In 1984, Goldsmith licensed her photo to *Vanity Fair* magazine for use as an “artist reference,” that an unnamed artist would create for *Vanity Fair* to publish. Warhol turned out to be the artist, and his new work was published later that year, 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 in 1987, 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 protectable 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 reversed – twice – holding that the Prince Series was neither transformative nor a fair use as a matter of law, and also concluding that the Goldsmith photo and Prince Series were substantially similar as a matter of law. Even

after the Supreme Court's decision in *Google LLC v. Oracle America, Inc.*, 141 S. Ct. 1183 (2021), reaffirmed the principle that a new work is transformative if it "adds something new . . . [by] altering the copyrighted work 'with new expression, meaning or message'" (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)), the Second Circuit stuck to its guns and held that the Prince Series of works were not transformative.

Following the Second Circuit's ruling, the Warhol Foundation filed a petition for *certiorari* that the Supreme Court has now granted, focusing primarily on the question of what makes a work transformative. To the Second Circuit, 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 did not pass muster as to Goldsmith's photo because, even though the Second Circuit agreed that the meaning and message of the two works were different, a point Goldsmith herself conceded, the two sets of works served the same function, the Prince Series remained "a recognizable depiction of Prince," and Goldsmith's photo remained the "recognizable function upon which the Prince Series is built." In sum, Warhol needed to add more, or make more changes, to Goldsmith's photo to make it transformative.

In its cert. petition, the Warhol Foundation vigorously contested this analysis. To the Foundation, the issue is not whether the underlying work remains recognizable, or how many changes get made to it, but whether the new work adds something new that has the effect of altering the original with new expression, meaning or message, a la *Campbell* and *Google*. The Second Circuit's decision, according to the Foundation, precludes any consideration of the message behind the new work, in a manner wholly at odds with *Campbell* and *Google*, and also the holdings of most other circuit courts. Far from deriding judicial inquiry into the meaning of the two works at issue as an effort to turn courts into "art critics," as the Second Circuit did, the Foundation argued that an essential element of the inquiry into what makes a new work transformative is whether the new work alters the meaning of the prior work.

The Foundation's petition also argued that the real-world ramifications of the Second Circuit's decision on other artists, museums and galleries to create or display works derived from prior works were severe. Both the Foundation and a series of amici argued that limiting the application of the fair use doctrine in a manner like the approach adopted by the Second Circuit would stifle artistic expression, compromise First Amendment

rights and result in unwarranted litigation not just against appropriation artists, but the owners of the locations where such works are displayed. Even the ability of purchasers of art appropriated from prior works to resell what they had bought was at risk, according to the Foundation. Evidently, those arguments found a receptive ear among some members of the Court, given that the petition was granted and the case will be heard next term.

What makes *Warhol Foundation* arguably the most important fair use case of all time is that the holdings of *Campbell* and *Google* have been characterized as being limited to parody and software, respectively, and sometimes not applied in other contexts. But *Warhol Foundation* is a case in which one artist made alterations to the work of another to create a new work with a concededly different message. If that new work is deemed to be a fair use of the prior work as a matter of law, then the fair use defense is likely to be broadened significantly across a wide range of artistic categories and fact patterns.