

Alert | Intellectual Property Litigation



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All's Fair in Love and Warhol? The Supreme Court Revisits Transformative Use

On October 12, 2022, the U.S. Supreme Court heard oral argument in *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, the Court's second recent foray into the fair use provision of the Copyright Act—after not having weighed in on the doctrine in nearly 30 years. The specific artwork at issue in this case was a series of silk screen printings and sketches, based on a copyrighted photograph, but imbued with Andy Warhol's indelible style and creative sensitivities. The Court's decision, however, is likely to have a significant impact on future fair use analyses, and thus the business and artistic practices of countless authors, owners, and users of copyrighted works.

Factual Background

In 1984, *Vanity Fair* licensed a copyrighted photo of the musician Prince (the “Goldsmith Photograph”), taken by photographer Lynn Goldsmith in 1981, for use as an “artist’s reference” in connection with an article to be published in *Vanity Fair Magazine*. *Vanity Fair* then commissioned Andy Warhol to create an illustration based on the Goldsmith Photograph to run with the article. Warhol in fact created a series of 16 works based on the Goldsmith photograph (the “Prince Series”), one of which was published.

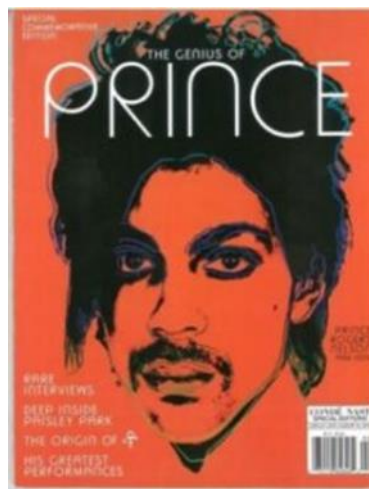
In 2016, after Prince's untimely death, Condé Nast (*Vanity Fair's* parent company) licensed a different work in the Prince Series (“Orange Prince”) from the Andy Warhol Foundation for the Visual Arts (AWF), which controlled the rights to Warhol's works, for use in a commemorative issue. Goldsmith became aware of the Prince Series and contacted AWF, alleging infringement of her photograph. In turn, AWF

filed suit seeking a declaratory judgment that the Prince Series did not infringe Goldsmith's photograph. Goldsmith filed counterclaims, alleging that they did.



Goldsmith Photograph

1984 Vanity Fair Article, featuring a work from the Prince Series



2016 Cover of Condé Nast Commemorative Issue, featuring Orange Prince

The District Court and Second Circuit's Fair Use Assessments

The principal issue in the *Goldsmith* litigation is whether Warhol's creation of the Prince Series, and AWF's subsequent licensing of Orange Prince to Condé Nast, constitute fair use of the Goldsmith Photograph. Section 107 of the Copyright Act codifies the fair use doctrine and provides four nonexclusive factors to be considered in determining whether a fair use exists:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;

- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for the copyrighted work.¹

The Supreme Court previously held in *Campbell v. Acuff-Rose Music, Inc.*, that the “central purpose” of the first factor was to determine whether the secondary work “merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is ‘transformative.’”²

Assessing the statutory factors, the district court held that the Prince Series was a fair use of the Goldsmith Photograph and granted summary judgment to AWF.³ The district court held that the first factor weighed strongly in AWF’s favor because the Prince Series was “transformative” of the Goldsmith Photograph.⁴ In particular, the court found that the Prince Series could “reasonably be perceived to have transformed Prince from a vulnerable, uncomfortable person” that was depicted in the Goldsmith Photograph “to an iconic, larger-than-life figure” using the artistic techniques Warhol was known for.⁵

On appeal, the Second Circuit reversed the district court’s holding that the Prince Series was a fair use, instead holding that the four factors all weighed against fair use.⁶ With respect to the first fair use factor, the court held that the Prince Series works were *not* transformative.⁷ According to the Second Circuit, this was because “the overarching purpose and function of the two works at issue here is identical,”⁸ and that the Prince Series “retains the essential elements of the Goldsmith Photograph without significantly adding to or altering those elements.”⁹

Just days after the Second Circuit issued its original decision in *Goldsmith*, the Supreme Court decided *Google LLC v. Oracle America, Inc.*,¹⁰ the first fair use case decided by the Supreme Court since *Campbell*. In *Google*, the Court held that Google’s use of Oracle’s Java SE Application Programming Interface (API) was a fair use of that software. With respect to “transformativeness,” the Supreme Court went beyond the fact that Google “precisely” copied portions of the Java API “in part for the same reason that Sun [Oracle’s predecessor] created those portions.” Rather, it went “further and examined the copying’s more specifically described ‘purposes’ and ‘character.’” It held that “Google’s use of the Sun Java API seeks to create new products,” rendering that use “consistent with that creative [progress] that is the basic constitutional objective of copyright itself.”¹¹

¹ 17 U.S.C. § 107(1)-(4).

² *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994).

³ *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 382 F. Supp. 3d 312, 324-331 (S.D.N.Y. 2019).

⁴ *Id.* at 325-26.

⁵ *Id.* at 326.

⁶ *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 992 F.3d 99 (2d Cir. 2021).

⁷ *Id.* at 109-116.

⁸ *Id.*

⁹ *Id.* at 115. The Second Circuit further held that the other three fair use factors similarly favored Goldsmith, and concluded that the Prince Series was not a fair use of the Goldsmith Photograph. *Id.* at 117-123.

¹⁰ 141 S. Ct. 1183 (2021).

¹¹ *Id.* at 1203 (portions cleaned up). Incidentally, *Google* made reference to Andy Warhol’s rendition of a Campbell’s Soup can as an exemplary transformative fair use. *See id.* at 1202-03 (“We have used the word ‘transformative’ to describe a copying use that adds something new and important. An artistic painting might, for example, fall within the scope of fair use even though it precisely replicates a copyrighted advertising logo to make a comment about consumerism.” (cleaned up)).

After additional briefing, the Second Circuit issued an amended opinion.¹² In it, the Second Circuit added a section briefly addressing *Google*,¹³ but did not modify the pertinent fair use analysis from its original opinion.

The Parties' Arguments at the Supreme Court

AWF petitioned for certiorari, addressing only the first fair use factor. AWF argued that under *Campbell* and *Google*, a work is “transformative” when it can reasonably be perceived as conveying a different meaning or message from its source material, and that the Prince Series was undoubtedly transformative under that test.¹⁴ It further argued that the Second Circuit erred in forbidding consideration of the meaning or message of the works at issue, and in holding that “a work cannot be transformative if the essential elements of its source material remain recognizable within it.”¹⁵

Goldsmith, on the other hand, argued that the Second Circuit correctly rejected AWF’s “bare” meaning-or-message test.¹⁶ Goldsmith argued that a secondary use is only “transformative” if “that use must necessarily copy from the original without superseding the use of the original work, and substituting for it.”¹⁷ The Prince Series, she argued, did not meet that test. Goldsmith argued that Warhol did not need to copy her photograph to make the social commentary he was attempting to make. She further argued that the licensing of Orange Prince for Condé Nast superseded the use that Goldsmith intended for her own photographs of Prince. The United States, as *amicus curiae* supporting Goldsmith, agreed that AWF’s use of the Goldsmith Photograph was not “justified.” But the government had a different test for transformativeness, one that required the copying of a primary work to be “necessary or at least useful in making the second author’s own expression clearer and more effective.”¹⁸

At oral argument, the Court did not tip its hand as to how it would ultimately rule with respect to the Prince Series itself. But even though fair use is a flexible doctrine applied on a case-by-case basis, eschewing bright-line rules,¹⁹ the Court’s questions, hypotheticals, and analogies to other genres of creative authorship indicated its recognition that its decision will have wide-ranging application beyond the realm of photography or fine visual arts. The Court understood, for example, the importance of the precise words it uses for the test for determining transformativeness. Beyond that specific test, the Court hinted it may be seeking to provide general guidance on some of the following topics for future fair use analyses:

- Could transformativeness be a matter of degree? In other words, if a court must assess the meaning or message of a work, does the work’s “transformativeness” of a secondary work depend on the amount or substantiality of “newness” in the secondary author’s meaning or message, or some other qualitative assessment that is more than simply “yes” or “no”?
- Are the “purpose” and “character” of a use considered together, or should they be subject to separate analyses? And which of these does transformativeness, or a work’s meaning or message, fit into?

¹² *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 11 F.4th 26 (2d Cir. 2021).

¹³ *Id.* at 51-52.

¹⁴ *Brief for Petitioner* at 33-36.

¹⁵ *Id.* at 48.

¹⁶ *Brief for Respondents* at 30-35.

¹⁷ *Id.* at 24 (cleaned up).

¹⁸ *Brief for the United States as Amicus Curiae Supporting Respondents* at 10. Of note, the Supreme Court received 37 amicus briefs from a wide variety of organizations on both sides of the dispute, demonstrating the overwhelming interest in the outcome from both industry and academia.

¹⁹ *See Campbell*, 510 U.S. at 577 (“The task is not to be simplified with bright-line rules, for the statute, like the doctrine it recognizes, calls for case-by-case analysis.”).

- What level of generality is appropriate in comparing the meanings, messages, purposes, or characters of a primary and secondary work? This was strenuously disputed in the briefs and at oral argument.
- To what extent does each use of a purportedly transformative work need to be separately analyzed for “fairness”? For example, could creation of a derivative work based on an original be a fair use because it is transformative, but subsequent licensing of that work not be a fair use because it is not?
- How closely is the first statutory fair use factor tied to the other factors? AWF’s counsel seemed to concede that where the first factor might favor fair use because of the transformative nature of a work, the fourth factor (market effect) may still weigh against fair use, even though the first and fourth factors are typically treated as closely related.²⁰
- What evidence should be considered to determine the meaning or message of a work? Should the artists’ subjective intent be considered, or should the consideration be given only to objective considerations (e.g., experts)? Should the notoriety of the second user ever be considered?
- The Second Circuit directed judges not to “seek to ascertain the intent behind or meaning of the works at issue,” but rather determine whether the secondary work “comprise[s] 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.”²¹ But does the fact that “judges are typically unsuited to make aesthetic judgments” and “perceptions” of the intent or meaning of a work “inherently subjective”²² support allowing testimony or evidence about the meaning of the work that a factfinder could consider, rather than ignoring the issue altogether?
- How does a test for transformativeness guard against an accused infringer “manipulating” the perceived meaning or message or coming up with an “after the fact” purpose for the secondary work?

Whether the Supreme Court’s opinion will have the debilitating effects on one segment or another of the art world, as many amici have warned, remains to be seen. But if history is any guide, *Goldsmith*, like *Campbell* before it, will stand as a landmark case on fair use.

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²⁰ See *Campbell*, 510 U.S. at 591 (“[W]hen a commercial use amounts to mere duplication of the entirety of an original, it clearly supersedes the objects of the original and serves as a market replacement for it, making it likely that cognizable market harm to the original will occur. But when, on the contrary, the second use is transformative, market substitution is at least less certain, and market harm may not be so readily inferred. Indeed, as to parody pure and simple, it is more likely that the new work will not affect the market for the original in a way cognizable under this factor, that is, by acting as a substitute for it.” (cleaned up)); *Authors Guild v. Google, Inc.*, 804 F.3d 202, 223 (2d Cir. 2015) (“*Campbell* stressed the close linkage between the first and fourth factors, in that the more the copying is done to achieve a purpose that differs from the purpose of the original, the less likely it is that the copy will serve as a satisfactory substitute for the original.”).

²¹ *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 992 F.3d 99, 114 (2d Cir. 2021).

²² *Goldsmith*, 11 F.4th at 41-42.

Seoul.[∞] Shanghai. Silicon Valley. Tallahassee. Tampa. Tel Aviv.[^] Tokyo.[⌘] Warsaw.⁻ Washington, D.C.. West Palm Beach. Westchester County.

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