No. 21-869

In the
Supreme Court of the United States

ANDY WARHOL FOUNDATION
FOR THE VISUAL ARTS, INC.,
Petitioner,

v.

LYNN GOLDSMITH AND
LYNN GOLDSMITH, LTD.,
Respondents.

ON WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

AMICUS BRIEF OF PHOTOGRAPHERS GARY BERNSTEIN AND JULIE DERMANSKY IN SUPPORT OF RESPONDENTS

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INTERESTS OF THE *AMICI CURIAE*

Amici curiae Gary Bernstein and Julie Dermansky are professional photographers with a history of licensing their work for use as derivatives.[1]

Gary Bernstein is a professional photographer who has, for decades, created photographs for clients, among them more than 200 celebrities and Fortune 500 companies including Revlon, Avon, NBC, American Express, Cartier, Ford, Nikon, Swatch, HP, and Pierre Cardin. Gary has designed numerous celebrity marketing campaigns including Elizabeth Taylor's Passion Perfume (for Elizabeth Arden and Unilever), Jay Leno (for Frito-Lay), Sophia Loren Jewelry (for The Franklin Mint), Joan Collins' Perfume (for Parlux Fragrances), Johnny Carson Clothing (for HartMarx Corporation), Farrah Fawcett (for The American Cancer Society), and Jean-Paul Germain (the global "Winners" Campaign which included such icons as Rock Hudson and Natalie Wood). His still photographs have appeared on the covers or pages of major magazines including Vogue, Harper's Bazaar, Esquire, Paris Match, GQ, Architectural Digest and Popular Photography. With work in the Museum of Modern Art in New York, he received a degree in Architecture from Penn State, a Masters in Film from Brooks Institute, a Masters in Contemporary Art from The Smithsonian, the Photographic Craftsman Degree from The

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[1] No party or their counsel authored this brief in whole or in part or contributed money to fund preparing or submitting this brief. All parties have consented to the filing of this brief, as the parties agreed to a blanket consent for *amicus* briefs ten days in advance. Neither Mr. Bernstein nor Ms. Dermansky have any parent corporation, and no publicly held corporation owns 10% or more of their stock.

Professional Photographers of America, and The Gold Award from The Advertising Festival of New York City.

Bernstein licenses derivatives of his own works. He depends on licensing for his livelihood, and has licensed single images for up to $100,000. Among other things, later this year, he will be launching a series of derivatives as non-fungible tokens ("NFTs"), which are anticipated to generate significant revenue. If anyone could simply take his photographs, some of which are among the most iconic images of the celebrities he has photographed, he would be unable to earn a living.

Julie Dermansky is a professional commercial photographer, a multi-media reporter, and fine artist who provides, among other services, journalistic photography and videography to her clients. Her clients include Bloomberg Businessweek, Showtime, The Guardian, Vox, the Atlantic, the Weather Channel, NBC, CBS, Mother Jones, NPR, and non-profit organizations including the Environmental Defense Fund, Greenpeace, Sierra Club, NRDC, the ACLU, and the Chicago Field Museum. A large part of her work involves documenting the fossil fuel industry, environmental racism, and extreme weather as it relates to climate change. Her work brings attention to "fenceline communities" (residents who live adjacent to industrial facilities that emit toxins), who are disproportionately impacted by pollution and increasingly extreme weather events that scientists have connected to climate change.

She has amassed one of the largest archives of images of the Environmental Justice hot spot between

Baton Rouge and New Orleans lined with numerous refineries and petrochemical plants known as "Cancer Alley," which the EPA has identified as including minority communities with a much higher risk of cancer from air pollution than the rest of the country and the impacts of climate change since 2010. Her work is driven largely by her personal passion for her subject matter, and not by breaking news, although both topics are increasingly in the headlines. Her work is thus regularly sought by image researchers and photo editors because there are very few recent, if any, stock photos available from photo aggregators such as Getty, AP, and Shutterstock covering the same subject matters as her work.

Creating such work from documenting oil spills, eroding coastlines, and the aftermath of destructive storms involves great expense, time, and risk. Her longtime presence and connection to frontline communities gives her access, similar to that of beat reporters, allowing her an intimacy with her subject matters which she has earned over time. An example is her work covering the Isle de Jean Charles Tribe, which helped Louisiana win the first federal grant to relocate a coastal community, which was recently in the news again. She often engages owners of boats and helicopters and obtains access to otherwise inaccessible locations (such as rooftops) to take her photographs, which also contributes to what makes them rare and scarce.

To the extent her work is driven by new headlines, it is often selected for licensing by major media from large pools of available images because her work stands out as a result of her artistic eye. Her photography has been recognized with a National Endowment for the Arts grant, and a grant from the

Magnum Foundation. Her work is in the collections of the September 11th Memorial Museum and the Louisiana State Museum, and has been the subject of solo exhibitions, including at the Ogden Museum in New Orleans and in numerous other group exhibitions.

In instances where the topics she photographs become relevant to later news headlines, her work is infringed frequently, as she is often the only source of photographs that document certain events and people who later become notable, making her photographs even more valuable at later points in their copyright life, such as the leaders of the environmental movement in "Cancer Alley." She licenses her work, and often receives as much as $12,000-$15,000 per work. If anyone could simply take her photographs and use them by changing them a little or changing their context, she would be unable to make a living.

Below are images from both *amici*, shown in their original state, followed by derivative uses that they licensed.

Dermansky shot the following photograph after Hurricane Sandy hit New Jersey in 2012.

This photograph was licensed to Showtime for $12,000 and used by it to advertise a documentary series called *Years of Living Dangerously*, released in 2014 about celebrity activism and climate change. Showtime made substantial changes to the photograph in both coloration and composition: darkening the sky behind it, moving the house to the background, and significantly enhancing the debris in front of the house. Here is what the photograph looked like in Showtime's derivative use:

One of Bernstein's more iconic photographs is one of Elizabeth Taylor, shot for a renowned 1986 press release, and which he has licensed over the years in the aggregate of hundreds of thousands of dollars.

In 2018, he created a series of derivatives of his own works, for licensing or sale through various sources. For example, the image below will be part of his NFT collection to be launched later in 2022:

Under AWF's proposed new fair use test, neither of the undersigned *amici* would be able to license the above works because the potential licensees would simply claim: "fair use."

ARGUMENT

AWF and its *amici* urge this Court to further expand the use of and meaning of the word "transformative" in the first fair use factor of the Copyright Act (the "Act"), even though that word is not in the statutory fair use section. Instead, it only appears in the definition of derivative works, which grants authors the exclusive right to control the "recast[ing], transform[ation], or adapt[ation]," of their own works. 17 U.S.C. § 101 (definition of derivative work). This Court should decline the invitation of AWF to expand this non-statutory use of the word "transformative," and further clarify that, pursuant to this Court's decision in *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985), the fourth statutory fair use factor remains the most important. Here, as evidenced by Warhol's own surreptitious licensing of his derivative of Goldsmith's photograph, the Warhol works at issue clearly usurp the licensing market for Goldsmith's derivative works.

AWF's effort to expand the extra-statutory "transformative use" doctrine removes it from the narrow and limited context in which Justice Souter adopted it in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), to fill in a gap in the preamble of Section 107 for parody. AWF's proposal also divorces "transformative use" completely from the concerns of the article that Justice Souter borrowed it from,

which focuses on the "justification" rationale for the fair use doctrine.

The Warhol works at issue suffer from what Justice Souter called the unjustifiable "drudgery of working up something fresh," which does not come close to constituting a justifiable fair use. *Campbell*, at 580. The Warhol works also suffer from the distinction made by Justice O'Connor between "a true scholar and a chiseler who infringes a work for personal profit." *Harper & Row*, at 563.

A. The Author's Exclusive Right To Make and Authorize Derivative Works Contrasted With The Adoption of the Non-Statutory Word "Transformative" In Section 107.

Authors hold the exclusive right to make and control the authorization and copying of derivative works. 17 U.S.C. § 106(2). A "derivative work" is a work "based upon one or more preexisting works, such as a[n]. . . art reproduction, abridgment, condensation, or *any other form in which a work may be recast, transformed, or adapted*." 17 U.S.C. § 101 (emphasis added).

By contrast to the definition of a derivative work, the fair use portion of the Act, at Section 107, does not use the word "transform" or any other variation thereof. The focus of Section 107 is on something different: the fair commentary and criticism of an original work of another, in the interest of public debate. It is not a panacea for taking the work of another and converting it for the second user's own monetary gain without payment to the original author. *Stewart v. Abend*, 495 U.S. 207, 229 (1990) ("When an author produces a work which later commands a higher price in the market . . ., the

copyright statute is designed to provide the author the power to negotiate for the realized value of the work . . . . At heart, petitioners' true complaint is that they will have to pay more for the use of works they have employed in creating their own works.").

AWF's argument would require the Court to adopt an expansive doctrine of "transformativeness" in a manner completely detached from "justification" or fairness, which are the hallmarks of the "fair use" doctrine.

Although "transformative use" is not mentioned in the preamble or the statutory fair use factors in Section 107, in *Campbell*, this Court first announced that an inquiry into whether a use of a copyrighted work is "transformative" can sometimes be part of a court's analysis of fair use because parody may be a form of criticism, thus fitting within the subject matter referenced in Section 107's preamble. This Court defined "transformation" as applying only where the infringer "adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message." *Id.* at 579. Finding that parody can sometimes, but not always, be a form of criticism, this Court remanded the *Campbell* case for a determination of fair use, but did not itself decide whether the use at issue was fair. Here, AWF argues that its works have altered the Goldsmith work by imbuing it with new meaning or message, but that the Second Circuit precluded such an inquiry. As explained below, that accusation is false.

B. The Fair Use Inquiry Is Concerned With Justification, Not Merely "Transformation."

The word "transformative" in *Campbell* emanated from then-District Court Judge Leval's article entitled *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105 (1990). The article was Judge Leval's response to being reversed twice by the Second Circuit in cases where he had used the fair use doctrine to deny liability because of the lack of discretion at the time to deny injunctive relief in copyright cases where he believed important socially beneficial information would not reach the public if he issued an injunction prohibiting publication.

Judge Leval's main concern in the article was thus about the presumption of irreparable harm afforded to copyright owners upon a finding of infringement. That lack of discretion is no longer relevant after this Court's decision in *e-Bay v. MercExchange, L.L.C.*, 547 U.S. 388 (2006), where this Court announced that injunctions should not be granted automatically upon a finding of infringement in patent cases, and which since has been applied by the lower courts in copyright cases. *See*, *e.g.*, *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010).

But without *eBay* as a guide, in 1990 Judge Leval was bound by a presumption of irreparable harm, and his efforts to use fair use to avoid that consequence was twice rebuffed by the Second Circuit. In that light, Judge Leval's proposal in the article did not merely adopt a "transformative use" test, but he advocated for the use of "transformation" as one of several tools for reaching the more important and fundamental issue of whether the infringer had a fair justification for what it took:

> Factor One's direction that we "consider[]... the purpose and character of the use" *raises the question of justification*. Does the use fulfill the objective of copyright law to stimulate creativity for public illumination? This question is vitally important to the fair use inquiry, and lies at the heart of the fair user's case….
>
> In analyzing a fair use defense, it is not sufficient simply to conclude whether or not justification exists. The question remains *how powerful, or persuasive, is the justification*, because the court must weigh the strength of the secondary user's justification against factors favoring the copyright owner.
>
> I believe the answer to the *question of justification turns primarily on whether, and to what extent, the challenged use is transformative*. The use must be productive and must employ the quoted matter in a different manner or for a different purpose from the original. A quotation of copyrighted material that *merely repackages or republishes the original is unlikely to pass the test*; in Justice Story's words, it would merely "supersede the objects" of the original. If, on the other hand, the secondary use adds value to the original– if the quoted matter is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings— this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society.

> Transformative uses *may include* criticizing the quoted work, exposing the character of the original author, proving a fact, or summarizing an idea argued in the original in order to defend or rebut it. They also may include parody, symbolism, aesthetic declarations, and innumerable other uses.

Leval, at 1111 (emphasis added).

Variants of the word "transform" appear twenty-three times in Judge Leval's article, while variants of the far more important word to his proposal, "justification," appears more than twice as much, fifty-seven times. The question is thus not merely whether the original work has been transformed, but whether the infringer is justified in using it as "raw material," and if so, whether the infringer took too much. The *bona fides* of the justification can then be weighed in part– in Judge Leval's view– based on the degree of transformation. But the inquiry begins and ends with justification.[2]

In *Campbell*, Justice Souter observed that even though parody is not expressly contained within the

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[2] Thus, Judge Leval's main thesis was that injunctions ought not to be freely given in cases of infringement where the fair use question was close. Leval, at 1132 (in the "vast majority of cases, [an injunctive] remedy is justified because most infringements are simple piracy," but such cases are "worlds apart from many of those raising reasonable contentions of fair use" where "there may be a strong public interest in the publication of the secondary work [and] the copyright owner's interest may be adequately protected by an award of damages for whatever infringement is found."). *See also id.*, at 1131 n. 114 ("I confess . . . with hindsight, I suspect my belief that the book should not be enjoined made me too disposed to find fair use where some of the quotations had little fair use justification.").

preamble to Section 107, which describes the types of works that are eligible for the application of the "fair use" defense, parody is akin to the other uses listed in the preamble such as criticism and commentary. Therefore, in some cases, parody *might* meet this "justification" rationale. *Campbell*, 510 U.S. at 579-81. However, in adopting the "transformative use" phraseology from Judge Leval's article in *Campbell*, Justice Souter warned the lower courts that the kind of lazy appropriation employed by Warhol in this case does not meet the test. Instead, to invoke "transformativeness," it is necessary to elucidate a significant justification for the secondary use, grounded in some comment on the original work. *See id.*, at 580 ("If, on the contrary, the commentary has no *critical bearing* on the substance or style *of the original composition*, which the alleged infringer merely uses to get attention or *to avoid the drudgery in working up something fresh*, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality, loom larger."). (Emphasis added).

Justice O'Connor had made the same point nearly a decade earlier in *Harper & Row*: "[t]he crux of the profit/nonprofit distinction is not whether the sole motive of the [secondary] use is monetary gain but *whether the user stands to profit from exploitation of the copyrighted material without paying the customary price*." *Harper & Row*, 471 U.S. at 562 (emphasis added). Where there is an active licensing market, as there is here, according to Justice O'Connor, fair use "distinguishes between 'a true scholar and a chiseler who infringes a work for personal profit.'" *Id.* at 563. (citations omitted).

Warhol's works, which make no commentary or criticism whatsoever of Goldsmith's work, fall into the latter category.

C. AWF's Argument Removes The Justification Rationale For Fair Use— *Campbell* Did Not Announce A "New Meaning or Message" Test

AWF's argument is not aligned with Judge Leval's original use of the word "transformation" as a tool to examine "justification" and the reason this Court adopted the phrase in *Campbell*. The bare "new meaning-or-message" test advocated by AWF and its *amici* overlooks the context in which that phrase was first used. That sentence in *Campbell* does not, as AWF claims, announce a "test" at all, and Warhol's characterization is not even a complete statement of the sentence in *Campbell* from which its proposed "test" emanates.

Judge Leval's focus in 1990 on justification— and transformativeness only as a means of measuring justification— makes perfect sense in examining whether an infringer's actions were fair. But analyzing whether something is transformed, in the absence of any claim of fairness or justification, is an empty exercise. Yet, that is just what the proposed "new meaning or message" test— divorced from any proffered reason explaining "why this work," and no limitations on how much can be taken— would encourage.

The question is not merely whether the original work has been transformed, but whether the scope of the infringer's unauthorized use is justified. While justification can be weighed based on the degree of transformation, the inquiry must start with an actual justification setting out the need to use the original.

But here, what was Warhol's justification for appropriating Goldsmith's photograph— as opposed to licensing it— or using some other photograph of Prince other than a commercial motivation? The answer is simple: none.

Warhol did nothing like any of the examples either Judge Leval or Justice Souter provided in the quotations cited above to comment on or criticize the Goldsmith photograph. In AWF's reasoning, the Goldsmith work is actually irrelevant to AWF's claimed new "meaning or message," since his purported desire to depict celebrities as being "dehumanized" has nothing to do whatsoever with Goldsmith's photograph.

Importantly, as explained in *Campbell*, not every use that is merely different in purpose, message or meaning from the original qualifies as a transformative use; rather, such secondary uses require a significant justification for the portion of the work taken. AWF does not offer a single justification for why Goldsmith's photograph— as opposed to any other photograph of Prince or some other celebrity— was necessary for Warhol to make his purported point about the "dehumanization" of celebrities.

AWF also mischaracterizes *Campbell* repeatedly– the Court never said the parody at issue there was in fact a fair use– it merely remanded the case for further proceedings in light of its decision that parody "may" constitute a fair use because parody is akin to the kind of criticism Congress intended in the preamble of Section 107. *Campbell*, at 578 (fair use analysis must be "guided by the examples given in the preamble.").

So, how should the justification requirement apply in "appropriation art" cases, such as here, as contrasted with the example of parody in the *Campbell* case? What Warhol did does not fall into any of the categories in the preamble. And Justice Souter partly answered this question already, explaining that it is about line drawing— "how much is too much" requires an inquiry into the specific "justification" offered, and the extent to which the copy supplants the market for the original. That is why *Campbell* was remanded, so that inquiry could take place in the trial court:

> The fact that parody can claim *legitimacy for some appropriation* does not, of course, tell either parodist or judge much about *where to draw the line*. Like a book review quoting the copyrighted material criticized, parody *may or may not be fair use*, and petitioner's suggestion that any parodic use is presumptively fair has *no more justification* in law or fact than the equally hopeful claim that any use for news reporting should be presumed fair. . . . Accordingly, parody, like any other use, has to work its way through the relevant factors, and be judged case by case, in light of the ends of the copyright law.

Id., at 581.

Here, AWF makes no justification for Warhol's use of Goldsmith's photograph. During Warhol's lifetime, he never explained why he used Goldsmith's photograph. (Goldsmith Br. at 11, "the record is silent on Warhol's ensuing creation" of the works at issue, citing J.A.307). Nor does AWF, in its brief, offer any contemporaneous rationale. Instead, it offers only a

post-hoc argument that Warhol's works have a different meaning or message than Goldsmith's work. But that argument does not meet the justification rationale behind *Campbell's* use of the word "transformative."

Warhol could have taken his own photo of Prince, or he could have licensed one from a photo agency. What he doesn't have is any justification whatsoever for using Goldsmith's photograph and usurping her derivative market. Indeed, for Warhol to make his purported point about celebrities— why pick Prince at all as opposed to some other celebrity?

It is apparent that the main reason why he used it, surreptitiously, was because he was given access to it as a result of a licensed use by Goldsmith to Vanity Fair. (J.A.307; 191). Ironically, Warhol, in turn, later licensed one of his Goldsmith-derived images to another publication— which is how Goldsmith learned of the infringement. (J.A.360). For that later use, Goldsmith was paid nothing, and, adding insult to injury, received no credit. (Goldsmith Br. at 16-17).

Google LLC v. Oracle Am., Inc., 141 S. Ct. 1183, 1203 (2021), which Justice Breyer said was specifically limited to the "functional context of computer programs," does not assist AWF's position.[3] There, the Court allowed Google to copy Oracle's declaring computer code for the purpose of "create[ing] new products," but it was not a command that creating a silk screen or other work of visual art from a photograph can be excused simply because the

[3] *See also id.*, at 1208 ("the fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts.").

user claims he had a different "meaning and message" than the original photographer.

AWF's argument again misses the "justification" aspect of the *Google* decision; Justice Breyer was careful to qualify the Court's decision when he wrote that Google only took Oracle's code "insofar as needed." *Google*, at 1203.

AWF, on the other hand, does not think that any amount of taking is too much. It claims incorrectly that this Court: "has thus established that the transformativeness inquiry focuses on what a follow-on work *means*, not how much of the original is discernable." (AWF Br. at 30). That is categorically false— this Court has never said any such thing. Instead, the inquiry is whether the copyist can justify *how much* it took and why. Transformation is only one part of the examination of the infringer's claimed justification.

AWF's argument in this case neither justifies its claim that Warhol changed the "meaning" of Goldsmith's work, nor that Warhol only took as much as he needed to make his supposedly altered "message." While it tries to rationalize that Goldsmith's work was for the purpose of showing Prince as a "vulnerable person" while Warhol sought to comment on society's tendency to "dehumanize those it elevates to celebrity" (AWF Br. at 33), that false distinction fails to explain why Warhol needed Goldsmith's photo to achieve his aim, let alone why he needed nearly all of Goldsmith's photo to do so. Indeed, at pages 16-17 of its brief, AWF shows some other photographs of Prince from which he could have borrowed for his purported purpose— but offers no

explanation for why Goldsmith's work was the one he chose to use.

Aside from the access Warhol was given to Goldsmith's photograph which made it easy for him to copy, there is clearly a reason why he used her photograph and not one of the others referenced in petitioner's brief. That is because of the high quality and underlying value of Goldsmith's work, which is why Newsweek commissioned her (and not another photographer) to produce the work in 1981, and why Vanity Fair selected it in 1984 for its article as well. (Goldsmith Br. at 6-11). Warhol thus "selected" (or more accurately, "was provided with"), a quintessentially appealing image of Prince from Goldsmith's established market. Moreover, he took the very essence of the artist's talent that went into creating the image in the first place.

Similarly, both Bernstein and Dermansky have been recognized for their unique visions and creativity: Bernstein through his decades of high-quality work with celebrities (who are in a position to demand the hiring of any photographer they so desire), and Dermansky through her dangerous ventures on boats, helicopters and roofs to obtain access to otherwise inaccessible subject matter. Aside from their effort, their work has value in the licensing market precisely because of their creative merits, as proven by the desirability of their works in the marketplace. It is the special element and ingredients each artist brings to their work that matters; if someone else can take that market from them, that value would be lost.

As Elizabeth Taylor wrote in the forward to Bernstein's book *Portrait Hollywood: Gary Bernstein's Classic Celebrity Photographs* (Woodford Press 1994):

> It is said that each artist chooses his tools. The painter uses his brush, the potter uses his hands, the sculptor uses his hammer and chisel. Gary Bernstein uses his eye. Gary's eye sees what his camera captures: the very substance of his subject. No matter how transcendent that element is—no matter how strong, how fleeting, or how beguiling—he captures in the still moment the legends of our lifetime and how we best want to remember them. Anyone can operate a camera; it takes someone with a gift as special as Gary's to see the essence of legend. Thank you, Gary, for some of the most memorable photographs I have ever known.

Allowing someone to just take those creative choices from them by usurping their future licensing markets, as Warhol did with Goldsmith, would disincentivize them to continue their important work.

The Court should thus not take too literally AWF's suggestion that Justice Breyer's pronouncement in *Google* means that having the purpose of creating a "new product" (*i.e.*, a silk screen vs. a photograph) is alone sufficient for a finding of fair use. That observation in a computer-code driven case has no application here.

Instead, there must be a reasonable standard to judge whether the copyist took too much. That is all the Second Circuit sought to accomplish in drawing the necessary line— which AWF labels, falsely and

pejoratively, as a "recognizability test." But that is not a "test" that the Second Circuit actually created.

D. The Second Circuit Did Not "Prohibit" Consideration of New "Meanings and Messages," It Merely Held Them To Be Insufficient In This Case

Turning to the Second Circuit's decision, it used the concept of "recognizability" not as a litmus test as AWF claims, but rather simply to distinguish its earlier and much criticized decision in *Cariou v. Prince*, 714 F.3d 694 (2d Cir.), *cert. denied*, 571 U.S. 1018 (2013). There, it had found that twenty-five of the copyist painter's uses of the plaintiff photographer's "raw materials" were not recognizable and were thus justified and fair, while five of the uses by the defendant required further factual inquiry. By contrast, in this case, the Second Circuit found any such justification lacking.

Nor did the Second Circuit— as AWF decries— announce any sort of "flat out prohibition on ascertaining meaning or message." (AWF Br. at 47). Rather, it simply decided that in the context of this case, that AWF did not meet its burden of justifying that Warhol's use was fair.

Rather than making any kind of pronouncement of a "flat out prohibition," the Second Circuit merely observed that:

> A common thread running through these cases is that, where a secondary work *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. Rather, the secondary work itself must reasonably be perceived as embodying a distinct artistic purpose, one that conveys a new meaning or message separate from its source material. While we cannot, nor do we attempt to, catalog all of the ways in which an artist may achieve that end, we note that the works that have done so thus far have themselves been distinct works of art that draw from numerous sources, rather than works that simply alter or recast a single work with a new aesthetic.

J.A.619-20 (emphasis added) (citations omitted). *See also TCA TV Corp. v. McCollum*, 839 F.3d 168, 180-81 (2d Cir. 2016) (acknowledging criticism of *Cariou*, stating, "[T]he focus of inquiry is not simply on the new work, *i.e.*, on whether that work serves a purpose or conveys an overall expression, meaning, or message different from the copyrighted material it appropriates. Rather, the critical inquiry is whether the new work uses the copyrighted material *itself* for a purpose, or imbues it with a character, different from that for which it was created. Otherwise, any play that needed a character to sing a song, tell a joke, or recite a poem could use unaltered copyrighted material with impunity, so long as the purpose or message of the play was different from that of the appropriated material." (emphasis added) (citations omitted)).

AWF here makes only the bare subjective assertion that Warhol had a different meaning and message than Goldsmith. But that *ipse dixit* and self-serving assertion cannot make a secondary work transformative. As the Second Circuit continued:

> Though it may well have been Goldsmith's subjective intent to portray Prince as a "vulnerable human being" and Warhol's to strip Prince of that humanity and instead display him as a popular icon, whether a work is transformative *cannot turn merely* on the stated or perceived intent of the artist *or the meaning or impression that a critic* – or for that matter, a judge – draws from the work. Were it otherwise, the law may well recogniz[e] any alteration as transformative.

J.A.620 (emphasis added) (citations omitted).

Accordingly, far from "prohibiting" an inquiry into a differing "meaning or message," the Second Circuit merely stated the obvious: subjective testimony (from a defendant or its expert witnesses) is not enough, standing alone, to meet the test of justification. Only in this context did the Second Circuit use the language that AWF complains about:

> Instead, the judge must examine whether the secondary work's use of its source material is in service of a "fundamentally different and new" artistic purpose and character, such that the secondary work stands apart from the "raw material" used to create it. Although *we do not hold that the primary work must be "barely recognizable" within the secondary work, as was the case with the works held transformative in Cariou*, 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.

J.A.621-22 (emphasis added) (discussing *Cariou*, 714 F.3d at 706, 710).

The Second Circuit then stated the opposite of AWF's accusation, emphasizing that its rejection of AWF's experts was case-specific: "Although this observation does not *per se* preclude a conclusion that the Prince Series makes fair use of the Goldsmith Photograph, the district court's conclusion rests significantly on the transformative character of Warhol's work. But the Prince Series works can't bear that weight." (J.A.623). It then held that the Warhol works: "are much closer to presenting the same work in a different form, that form being a high-contrast screenprint, than they are to being works that make a transformative use of the original." *Id.*

The same work in a different form is not fair use. Instead, the doctrine is really about commentary or criticism (or parody) of the original work and the relationship between the copy and the original. Fair use is also not a generalized "free hall pass" when the second author, such as Warhol, decides not to "work up something fresh."

Indeed, Justice Souter confirmed the interrelatedness between "transformation" and the displacement of licensing markets for derivatives in *Campbell*: "If a parody whose wide dissemination in the market runs the risk of serving as a substitute for the original or licensed derivatives (*see infra*, at 590-594, discussing factor four), it is more incumbent on one claiming fair use to establish the extent of transformation and the parody's critical relationship to the original." *Campbell*, at 580 n. 14.

E. The Usurpation of the Derivative Market For Visual Artists Like Bernstein and Dermansky If AWF's Arguments Are Accepted

AWF's position would also elevate the primacy of "transformative use" – a small prong of the first statutory factor under *Campbell*— to displace the fourth factor, which this Court has said is the most important.

In *Harper & Row*, this Court held that the effect of the infringing use upon the potential market for the copyrighted work is "*undoubtedly* the single most important element of fair use." *Harper & Row*, 471 U.S. at 566 (emphasis added). *See also Sony Corp. of America v. Universal Studios, Inc.*, 464 U.S. 417, 451 (1984) (under the fourth factor, "if the intended use is for commercial gain, that likelihood [of harm] may be presumed.").

The Act grants copyright owners a bundle of discrete exclusive rights that are separately licensable, each of which may be transferred or retained separately. *See*, *e.g.*, 17 U.S.C. §§ 106, 201(d), 501(b). The derivative works right is one of the rights enumerated in Section 106(2), and "[a]ny of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred." 17 U.S.C. § 201(d)(2).

Although fair use is not negated by the ability to license derivatives, the burden on the copyright owner to defeat a fair use defense is not a heavy one. To negate fair use, a plaintiff need only show that, if the challenged use "should become widespread, it would adversely affect the potential market for the

copyrighted work." *Sony*, at 451. This inquiry must take account not only of harm to the original, but also of harm to the market for derivative works. *Campbell*, at 580 n. 14; *id.* at 590-594.

Sony also pointed out the interrelated nature of the first and fourth factors with respect to commercial vs. non-commercial uses. If the use is commercial, as here, harm can be presumed. If the use is non-commercial, then the burden shifts back to the plaintiff to prove harm. *Sony* at 451. The difference between commercial and non-commercial uses puts in context the notion in *Campbell* that there is "no protectible derivative market for criticism," and that "the market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop." *Campbell* at 592.

If the later work has "a more complex character, with effects not only in the arena of criticism but also in protectible markets for derivative works, too," then "the law looks beyond the criticism to the other elements of the work." *Id.* That is because "the licensing of derivatives is an important economic incentive to the creation of originals." *Id.* at 593. Thus, the actual holding of *Campbell* that it was error to conclude that the commercial nature of the parody rendered it presumptively unfair. "No such evidentiary presumption is available to address either the first factor, the character and purpose of the use, or the fourth, market harm, in determining whether a transformative use, such as parody, is a fair one." *Id.* at 594. Here, the Second Circuit did not apply a prohibited presumption.

AWF's arguments about the changes Warhol made to Goldsmith's photograph are true of any derivative work, and AWF's argument would have this Court eviscerate the right of an author to control the licensing after-market.[4] For example, it talks about Warhol supposedly softening Prince's bone structure, rendering the image as two-dimensional, and bringing his face and neckline "to the forefront." (AWF Br. at 44).

If that were enough, anyone could take Bernstein's original photograph of Elizabeth Taylor, make a few changes, label it as "an aesthetic and character different from the original," call it a "commentary" on some societal issue unrelated or tangentially related to Bernstein's work, and usurp Bernstein's licensing market. But those types of changes are precisely those which Bernstein makes to his own photographs, for use in his functioning licensing market in derivative works.

Similarly, while Dermansky did not make the derivative work shown above herself, she licensed it to Showtime for a significant fee. If Showtime could have just taken the photograph, claimed it used it because the documentary is a commentary on something somewhat unrelated to the original, Showtime would not have needed a license. Under AWF's proposed "meaning or message" test, Showtime might have argued that while the original photograph depicts the impact of climate change, the *Years of Living Dangerously* documentary series' goal is to comment on celebrities bringing attention to

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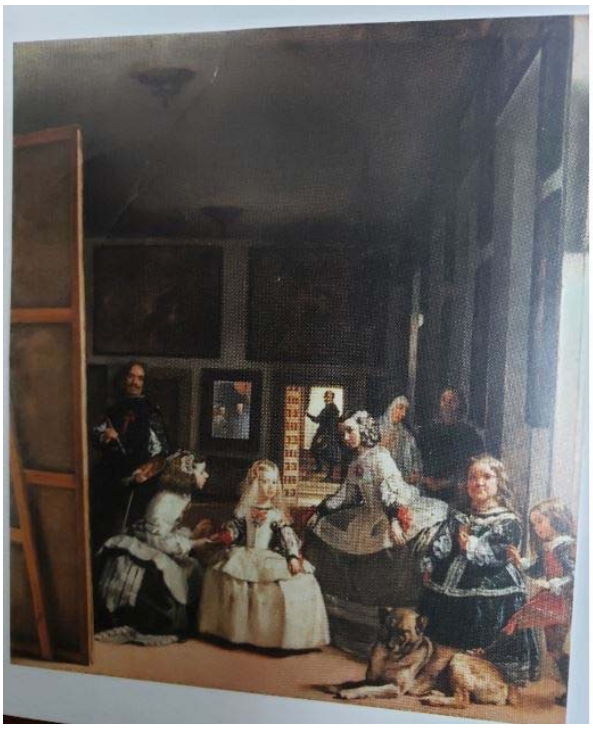
[4] This is precisely the concern that Justices Thomas and Alito expressed in their dissent in the Google case. *Google*, 114 S. Ct. at 1219.

political issues by providing entertainment. Indeed, when the series was first broadcast, one of its hosts and producers, Arnold Schwarzenegger reflected on how the series tries to make the issue of climate change resonate with the public: "The scientists would never get the kind of attention that someone in show business gets." John Doyle, *The Governator's got a new foe – Climate Change*, THE GLOBE AND MAIL, (Jan. 16, 2014), located at https://www.theglobeandmail.com/arts/television/the-governators-got-a-new-foe-climate-change/article16373468/. Showtime made similar changes to Dermansky's photograph as Warhol did with Goldsmith's. But unlike Warhol, Showtime paid a license fee.

AWF's argument thus goes too far and usurps too much. If accepted, it will only serve to disincentivize potential licensees of any work to pay a licensing fee. That is not the function of the "transformative use" doctrine. *See TCA Television*, 839 F.3d at 186 ("[T]he district court disregarded the possibility of defendants' use adversely affecting the licensing market for the Routine.") (citing *Campbell*, 510 U.S. at 590); *American Geophysical Union v. Texaco, Inc.*, 60 F.3d 913, 930 (2d Cir. 1994) (courts must consider the "impact on potential licensing revenues for traditional, reasonable, or likely to be developed markets[.]").

By contrast, consider Pablo Picasso's 1957 derivation of Diego Velazquez's 1656 painting *La Familia de Felipe IV o Las Meninas*, which Picasso simply titled *Las Meninas (seguin [following] Velasquez) No. 1*:



Velasquez, *La Familia de Felipe IV o Las Meninas*, 1656

Picasso, *Las Meninas (seguin Velasquez) No. 1*, 1957

What Picasso did might raise a fact question on a fair use defense for a jury; but what Warhol did does not do so, as a matter of law. Picasso's version, which credits Valasquez, tells the same basic story as Velasquez— for example— both depict a family gathering, include an ominous figure at the back door, open windows, and a lazy dog. Aside from the three-hundred year time gap, Picasso does use some copyrightable aspects of Velasquez' work such as the selection and arrangement and placement of the figures and thus uses the "raw materials" of Velasquez, but not by merely cropping, re-sizing and painting over them. (*Compare* AWF Br. at 18-19, describing changes Warhol purportedly made to Goldsmith's photograph). Warhol's copy of Goldsmith's work is nothing like Picasso's use of Velasquez' raw materials. Simply put, Warhol took "too much" for his purported different purpose and the Second Circuit was not wrong for saying so.

F. AWF's Proposal Would Exact Costs Most Copyright Litigants Cannot Afford

AWF argues that expert evidence from persons such as "art critics" should be consulted in support of its "new meaning or message" test. (*E.g.*, AWF Br., at 9, 10, 14, 25, 31 and 48) (referring to critics and expert testimony). But to burden the copyright litigation plaintiff with expensive expert discovery – which only someone like the Warhol Foundation can afford, used to aggrandize the virtues of a famous copyists works, would be patently unfair to the mostly impecunious plaintiffs in most copyright lawsuits. That is why the Congress recently enacted the Copyright Small Claims Act ("CASE Act"), 17 U.S.C. § 1501 et seq., to address the cost of copyright litigation. (*See*, *e.g.*, S. Rep. No. 116-105, at 1-2 (2019) ("Small business and

individual copyright owners with lower value claims often cannot afford the prohibitive expenses associated with initiating and maintaining copyright claims in federal court.")).[5] AWF's proposal would take the cost of copyright litigation in the opposite direction, rendering it nearly impossible for most plaintiffs to respond to such "evidence."

Furthermore, contrary to AWF's position, the *Campbell* court never said that experts would be helpful on the first statutory factor— that decision doesn't mention experts at all and only even references "evidence or affidavits" in its analysis of the fourth factor. *Campbell*, at 593. But AWF's proposed "test" almost requires resort to such experts, since Goldsmith can no longer ask Mr. Warhol about his intent. (AWF Br., at 48).

The point that the Second Circuit in this case was making (in distinguishing its earlier decision in *Cariou*) is that its earlier decision was not an invitation for parties to engage in expensive battles of the experts in every fair use case involving "appropriation art," as AWF's proposed test would provoke. It is difficult enough for working artists to vindicate their rights even where no fair use is claimed. But the battle of the experts that AWF proposes would impose even further financial burden on working artists to vindicate their rights in their intellectual property, which in many cases would render enforcement impossible. And, the standard of analysis that AWF proposes would permit *ex post*

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[5] Notably, Dermansky filed the first ever proceeding under the CASE Act in June 2022. *Dermansky v. Yellowhammer Multimedia, LLC*, 22-CCB-0001 (C.C.B. *filed* June 16, 2022), available at https://dockets.ccb.gov/case/detail/22-CCB-0001.

rationalization for appropriation, which denigrates the rights of some artists for the benefit of other "artists" who happen to have access to superior economic systems of marketing and distribution, as well as much larger budgets for litigation.

G. AWF's First Amendment and Other Policy Arguments About The Free Flow Of Ideas Are Overstated and Wrong.

AWF argues that "for the fair use defense to properly safeguard the First Amendment, it must focus on whether the follow-on work makes an independent contribution to the marketplace of ideas." (AWF Br., at 43). Again, this is wrong. The fair use exception plays a small role in protecting First Amendment principles, but it does not do that work alone. Rather, the idea-expression dichotomy built into Section 102 of the Copyright Act prohibiting the copyrightability of ideas does most of that work: "In view of the First Amendment protections already embodied in the Copyright Act's distinction between copyrightable expression and uncopyrightable facts and ideas, and the latitude for scholarship and comment traditionally afforded by fair use, we see no warrant for expanding the doctrine of fair use to create what amounts to a public figure exception to copyright." *Harper & Row*, at 560. AWF wants this Court to create just such an exception: Warhol is famous, his works are valuable, so he gets a free pass.

But Warhol's work is neither "scholarship," nor a "comment" on Goldsmith's work. As conceived in the context of litigation by AWF, Warhol's work comments on society's "dehumanization of celebrities." But such purported "commentary"– even if AWF's litigation-inspired argument is considered

credible (*contra*, *see* Goldsmith Br. at 11)– has no discernable relationship to Goldsmith's work. *See Campbell*, 510 U.S. at 580 (where the purported new message "has no *critical bearing* on the substance or style *of the original composition*, which the alleged infringer merely uses to get attention or *to avoid the drudgery in working up something fresh*, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality, loom larger."). (Emphasis added).

AWF cites to *Eldred v. Ashcroft*, 537 U.S. 186 (2003) and *Golan v. Holder*, 565 U.S. 302 (2012) as supposedly supporting its proposed "meaning or message" test as advancing First Amendment interests (AWF Br. at 42-43), but those cases merely confirm what this Court said in *Harper & Row* that the principal balance between the Act and the First Amendment is struck in Section 102, not Section 107, with fair use being only secondary support. *Eldred*, at 219; *Golan*, at 328-29. In other words, while the existing fair use doctrine, as enacted in Section 107, assists in ensuring that facts and ideas contained within copyrighted works can still be used by the public, the fair use doctrine does not require expansion by the courts. As this Court stated in *Abend*: "Congress has created a balance between the artist's right to control the work during the term of the copyright protection and the public's need for access to creative works." *Abend*, 495 U.S. at 230. No public policy concerns require the Warhol Foundation to be permitted to further exploit Goldsmith's work without "paying the customary price." *Harper & Row*, 471 U.S. at 562.

CONCLUSION

Considering the preamble and four fair use factors of Section 107 here, Warhol's use of Goldsmith's photograph is neither justified nor fair. As in *Abend*, "At heart, [AWF's] true complaint is that they will have to pay more for the use of works they have employed in creating their own works. But such a result was contemplated by Congress, and is consistent with the goals of the Copyright Act." *Abend*, 495 U.S. at 229. This Court should affirm the Second Circuit's decision in all respects.

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