No. 21-869

In The
Supreme Court of the United States

ANDY WARHOL FOUNDATION
FOR THE VISUAL ARTS, INC.,

Petitioner,

v.

LYNN GOLDSMITH, et al.,

Respondents.

**On Writ Of Certiorari To The
United States Court Of Appeals
For The Second Circuit**

BRIEF OF PROFESSORS PETER S. MENELL, SHYAMKRISHNA BALGANESH, AND JANE C. GINSBURG AS *AMICI CURIAE* IN SUPPORT OF RESPONDENTS

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INTEREST OF *AMICI CURIAE*[1]

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SUMMARY OF ARGUMENT

In passing the Copyright Act of 1976, Congress expanded the scope of the exclusive right to prepare derivative works to encompass any work that "recasts, *transforms*, or adapts" a preexisting work, while recognizing, restating, and incorporating the fair use doctrine in an open-ended, multi-part formulation that considers the economic impact of the use, including its commerciality, to be an essential part of the balance to strike. Notwithstanding these clear textual

[1] Pursuant to Sup. Ct. R. 37.6, *amici* represent that no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than *amici* made a monetary contribution to its preparation or submission. The parties have consented to filing of *amicus* briefs.

foundations, jurisprudence emanating from multiple circuits has veered off the legislative rails. Purporting to rely on this Court's adoption of "transformative use" as a way of understanding the fair use doctrine in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994), these courts have effectively substituted an amorphous "transformativeness" inquiry for the statutory framework and factors that Congress and *Campbell* prescribe.

While Congress intended for courts to evolve the fair use doctrine particularly as relates to technological change and preserve its role in safeguarding free expression, it did not intend for courts to reduce fair use to an inquiry into transformativeness, nor to swallow the right to prepare derivative works. By narrowly focusing on the reference to "new" "meaning or message" in *Campbell*, the District Court, relying principally on *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013), elevated "transformativeness" to talismanic significance, overshadowing the factors that Congress emphasized in the Copyright Act. Both *Cariou* and *Warhol* involved well-heeled appropriation artists making extensive, highly commercial uses of copyrighted photographs that adversely affected the actual and potential markets for appropriated works; and in neither case did the use comment on the appropriated copyrighted works. Nonetheless, the uses were found to be "transformative" and consequently fair based on the post-hoc statements of hired "experts."

Although constrained by some of its confused jurisprudence, the Second Circuit's panel decision below

thoughtfully shifts the analysis back toward the proper fair use framework. This Court should further clarify the framework that Congress intended.

ARGUMENT

Part I explains the pertinent statutory provisions (17 U.S.C. §§ 106(2), 107) and their interplay. Part II then shows how an overemphasis on and distortion of transformativeness has caused the fair use doctrine to drift from its jurisprudential and statutory mooring into conflict with the derivative work right. Part III explains how the reconciliation of the right to prepare derivative works with the fair use doctrine applies to the present case.

I. THE STATUTORY FRAMEWORK UNDERGIRDING COPYRIGHT LAW'S RIGHT TO PREPARE DERIVATIVE WORKS AND FAIR USE PROVISION

After nearly two decades of study, drafting, and revisions, Congress passed the Copyright Act of 1976, a comprehensive revision of copyright law. Among the important features of the modern act were the expansion and fleshing out of copyright law's exclusive rights and the recognition, restatement, and incorporation of the fair use doctrine.

A. Section 106(2): The Exclusive Right to Prepare Derivative Works

Pursuant to art. I, § 8, cl. 8 of the U.S. Constitution, the first Congress granted authors exclusive time-limited rights to authors of books, maps, and charts. *See* 1790 Act, § 1, Ch. 15, 1 Stat. 124. A dozen years later Congress recognized derivative work protection by extending copyright protection to prints. *See* Act of 1802, § 3, Ch. 36, 2 Stat. 171 (imposing liability upon those who "copy or sell, or cause to be engraved, etched, copied or sold, in the whole *or in part, by varying, adding to, or diminishing from the main design*, or shall print, re-print, or import for sale, or cause to be printed, re-printed, or imported for sale, any such print or prints, or any parts thereof, without the consent of the proprietor or proprietors thereof" (emphasis added)).

The extent of adaptation rights remained murky during the 19th century, with some cases declining to find translations and creative abridgements to implicate the right to copy. *See*, *e.g.*, *Stowe v. Thomas*, 23 F. Cas. 201, 208 (C.C.E.D. Pa. 1853) (No. 13,514) (concerning German translation of *Uncle Tom's Cabin*). Congress removed any doubt in the 1909 Act, granting authors the exclusive right to specified derivative works—translations, dramatizations, musical arrangements, and finishing of art designs. *See* 1909 Act, § 1(b), Pub. L. 349, 35 Stat. 1075.

Congress explicated and expanded the derivative work right to encompass all derivative works in the

Copyright Act of 1976. *See* 17 U.S.C. § 106(2) (granting authors the exclusive right "to prepare derivative works based on the copyrighted work"). The Act defines a "derivative work" as "a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, *transformed*, or adapted. . . ." *Id.* § 101 (emphasis added).

Thus, a work that *transforms* a pre-existing work falls within the exclusive rights of the owner of copyright in the pre-existing work. Section 103(a) provides that "protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully."

B. The Fair Use Doctrine

Early court decisions recognized that "the question of piracy" often depends upon a balance of factors, giving rise to the fair use doctrine. *Folsom v. Marsh*, 9 F. Cas. 342, 344 (1841) (Story, J.). Courts evolved the fair use doctrine through hundreds of published opinions over more than a century. The 1909 Act intentionally left the contours of infringement and fair use to the courts. *See* Alan Latman, *Fair Use of Copyrighted Works* 18 (1958), *reprinted in* Senate Committee on the Judiciary, Copyright Law Revision, Studies Prepared for the Subcommittee on Patents, Trademarks, and

Copyrights, 86th Cong., 2d Sess., 1 (1960) (hereinafter cited as "*Fair Use Report*").

In the Copyright Act of 1976, Congress expressly recognized, restated, and incorporated this jurisprudence into § 107 of the Copyright Act of 1976, comprised of four factors. In restating this jurisprudence, Congress recognized the judiciary's ongoing role in developing the fair use doctrine, particularly as it relates to technological change. *See* Copyright Law Revision, H.R. Rep. NO. 94-1476, at 66 (1976).

The process by which Congress formulated § 107, its common law character, as well as Congress's intention to adhere to the doctrine's traditional contours, inform interpretation of the fair use doctrine and its application to this case.

1. The Drafting Process

The fair use provision of the Copyright Act of 1976 emerged from divided views on whether and how to bring the fair use doctrine into omnibus copyright statutory reform. After vacillating on explicating a statutory formulation, the drafters ultimately specified the § 107 multi-factor test.

Congress set out to update the 1909 Copyright Act at various points during the first half of the 20th century without success. *See* U.S. Copyright Office, *Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law*, at x (July 1961). In 1955, Congress revived the reform effort, authorizing

appropriations over the next three years for comprehensive research and preparation of studies by the Copyright Office as the groundwork for general revision. The Copyright Office identified the fair use doctrine as one of the key areas for study in advance of the drafting process. *See Fair Use Report*, *supra*, at 5.

The *Fair Use Report* began by noting how the courts had "grappled with the problem of fair use without the aid of any specific statutory guide." It then summarized the jurisprudence, identifying eight principal contexts in which courts had recognized fair use: (1) incidental use; (2) review and criticism; (3) parody and burlesque; (4) scholarly works and compilations; (5) personal or private use; (6) news; (7) use in litigation; and (8) use for nonprofit or governmental purpose. *See id*. at 8-14. It then explored fair use criteria, acknowledging "'widespread agreement'" that "'it is not easy to decide what is and what is not a fair use.'" *See id*. at 14 (quoting Cohen, *Fair Use in the Law of Copyright*, 6 ASCAP Copyright L. Sym. 43, 52 (1955)). Nonetheless, drawing on Justice Joseph Story's oft-quoted criteria in *Folsom v. Marsh*, 9 Fed. Cas. 342 (C.C.D. Mass 1841), contemporary decisions, copyright scholarship, draft bills, foreign legislation, and international conventions, the *Fair Use Report* offered some general guideposts. *See Fair Use Report*, *supra*, at 15-32. The Report concluded with options for the legislative drafters, ranging from merely recognizing the fair use doctrine and leaving its definition to the courts to specifying general criteria. The appendix to the report

contained comments by leading scholars and practitioners split on which path to follow.

In its initial proposal, the Register of Copyrights channeled the *Fair Use Report*'s key observations:

> The general scope of fair use can be indicated by the following examples of the uses that may be permitted under that concept:
>
> - Quotation of excerpts in a review or criticism for purposes of illustration or comment.
> - Quotation of short passages in a scholarly or technical work, for illustration or clarification of the author's observations.
> - Use in a parody of some of the content of the work parodied.
> - Summary of an address or article, with brief quotations, in a news report.
> - Reproduction by a library of a portion of a work to replace part of a damaged copy.
> - Reproduction by a teacher or student of a small part of a work to illustration.
> - Reproduction of a work in legislative or judicial proceedings or reports.
> - Incidental and fortuitous reproduction, in a newsreel or broadcast, of a

> work located in the scene of an event being reported.
>
> Whether any particular use of a copyrighted work constitutes a fair use rather than an infringement of copyright has been said to depend upon (1) the purpose of the use, (2) the nature of the copyrighted work, (3) the amount and substantiality of the materials used in relation to the copyrighted work as a whole, and (4) the effect of the use on the copyright owner's potential market for his work. These criteria are interrelated and their relative significance may vary, but the fourth one—the competitive character of the use—is often the most decisive.

Copyright Law Revision, Report of Register of Copyrights on the General Revision of the U.S. Copyright Law, 87th Cong., 1st Sess. at 24-25 (July 1961) (citing *Fair Use Report*). The Register recommended that "[t]he statute should include a provision affirming and indicating the scope of the principle that fair use does not infringe the copyright owner's rights." *See id*. at 25.

After further consideration, the next iteration proposed much of the now familiar four-factor test, but without the preambular list of categories. *See* Copyright Law Revision, Part 3: Preliminary Draft for Revised U.S. Copyright Law and Discussion and Comments on the Draft (1964 Comm. Print) (released on Jan. 16, 1963). Section 7 therein contained an elaborate provision which would have permitted libraries to

make a single photocopy of one article from a copyrighted work.

The photocopying provision drew substantial opposition, leading the drafters to drop it and add a qualification to the fair use preamble in the 1964 bill stating that "the fair use of a copyrighted work to the extent reasonably necessary or incidental to a legitimate purpose such as criticism, comment, news reporting, teaching, scholarship, or research is not an infringement of copyright." *See* Copyright Law Revision, Part 6: Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 89th Cong., 1st Sess. 27 (Comm. Print 1965). This provision also generated substantial opposition, leading the drafters of the 1965 bill to propose merely stating: "Notwithstanding the provisions of section 106, the fair use of a copyrighted work is not an infringement of copyright." *See id*. at 28.

A year later, the multi-factor provision reemerged without the "reasonably necessary" clause. *See* H.R. 4347, 89th Cong., 2d Sess. (1966). This language would carry forward to the bill which was ultimately enacted in 1976 with a few adjustments. The final provision qualified the preambular "teaching" category by adding "(including multiple copies for classroom use)" and inserting into the first fair use factor: "including whether such use is of a commercial nature or is for nonprofit educational purposes." *See* Copyright Law Revision, H.R. Rep. No. 94-1476, at 5 (1976).

The House Report on the enacted legislation reinforces the statutory text in various ways. It notes that "[t]he examples enumerated at page 24 of the Register's 1961 Report, while by no means exhaustive, give some idea of the sort of activities the courts might regard as fair use under the circumstances." *Id*. at 65 (quoting the full list from the Register's 1961 Report). It then explains the commerciality language added to the first fair use factor:

> The Committee has amended the first of the criteria to be considered 'the purpose and character of the use'—to state explicitly that this factor includes a consideration of 'whether such use is of a commercial nature or is for non-profit educational purposes.' This amendment is not intended to be interpreted as any sort of not-for-profit limitation on educational uses of copyrighted works. It is an express recognition that, as under the present law, the commercial or non-profit character of an activity, while not conclusive with respect to fair use, can and should be weighed along with other factors in fair use decisions.

Id. at 66. The House Report then explains the "general intention" behind § 107:

> [T]he endless variety of situations and combinations of circumstances that can [a]rise in particular cases precludes the formulation of exact rules in the statute. The bill endorses the purpose and general scope of the judicial doctrine of fair use, but there is no disposition to freeze the doctrine in the statute, especially

> during a period of rapid technological change. Beyond a very broad statutory explanation of what fair use is and some of the criteria applicable to it, the courts must be free to adapt the doctrine to particular situations on a case-by-case basis. Section 107 is intended to restate the present judicial doctrine of fair use, *not to change, narrow, or enlarge it in any way*.

Id. (emphasis added).

Thus, the drafting of the fair use provision, which unfolded over nearly two decades, culminated close to where it began. The 1976 legislators channeled the relatively narrow examples that Register Abraham Kaminstein referenced in 1961, which were summarized in the preamble. Although Congress expressed the intention to perpetuate the doctrine's case-by-case and common law character and not to "freeze" its development, the main thrust of the provision was to restate the fair use doctrine without any intention in the text or the legislative history to alter the doctrine beyond ensuring that it could address unforeseen technological developments and address "particular situations on a case-by-case basis."

2. The Hybrid Nature of the Fair Use Doctrine

In crafting the 1976 Copyright Act, Congress deployed a range of statutory approaches. It opted to perpetuate common law development of several key doctrines, such as originality and infringement. *See id*. at 51 (noting that "[t]he phrase 'original works of

authorship,' which is purposely left undefined, is intended to incorporate without change the standard of originality established by the courts under the present copyright statute"). For most other aspects of the Act, such as the terminations of transfers, works made for hire, duration, and compulsory licenses, Congress specified detailed statutory provisions. As reflected in the vacillation over whether and how to bring the fair use doctrine into the 1976 Act, Congress chose an intermediate solution for the fair use standard: statutory explication of factors with courts retaining power to evolve the standard in light of long-standing principles, particularly as it relates to technological change. In that sense, the fair use doctrine is not quite like the more open-ended judicial delegation of the originality or infringement standards, but also less detailed than many other statutory provisions.

This formulation requires fidelity to the words of the statute and the common law tradition. It also requires respect for the express statutory provisions, such as the exclusive right to prepare derivative works. Simplistic application of the word "transformative" as a touchstone for fair use analysis, and the resulting expansion in the scope of the fair use doctrine well beyond its traditional role in non-technological contexts, has unfortunately caused growing tension between the fair use doctrine and the exclusive right to prepare derivative works.

II. OVEREMPHASIZING TRANSFORMATIVENESS UNDERMINES THE STATUTE

In *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994), this Court interpreted the fair use doctrine to incorporate an inquiry into whether the defendant's use was "transformative." In adopting this framework, the Court relied heavily on a law review article by Judge Pierre Leval, as well as Justice Joseph Story's analysis of fair use in *Folsom v. Marsh*. *See id.* at 576-79; *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4901); Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105 (1990). In the years since *Campbell*, courts have embraced its emphasis on examining whether a defendant had made a "transformative use" of the protected work.

This jurisprudence reveals two inter-connected problems, which this Court should fix. First, courts have failed to properly integrate transformativeness with the broader principles of the fair use doctrine. Second, transformativeness has become an amorphous and expansive concept that threatens to undo the balance that Congress struck between fair use and protection by swallowing the right to prepare derivative works.

A. The Transformativeness Inquiry Should Not Replace the Text of the Fair Use Provision in § 107

In its statutory form, the fair use doctrine consists of four non-exclusive factors. Described in the

legislative history as "an equitable rule of reason," § 107 was built around judicially-crafted "criteria" that were intended to serve as guides for "balancing the equities." H.R. Rep. 94-1476, *supra* at 65. And while the provision was not meant "to freeze the doctrine in the statute," it was intended to "restate" the doctrine in statutory terms, allowing courts to "adapt" it to particular situations, especially those emanating from "rapid technological change." *Id.* at 65-66. Adapting the doctrine to particular situations cannot mean ignoring the criteria that Congress expressly set out in the statute nor substantially expanding the scope of fair use in traditional areas.

1. *Campbell* Did Not Suggest Ignoring the Statutory Fair Use Factors

Quoting from Judge Leval's article and *Folsom*, *Campbell* noted that transformative works "lie at the heart of the fair use doctrine's guarantee of breathing space," and described the question of transformativeness as asking if the new work "'supersede[s] 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.'" 510 U.S. at 579. All the same, the Court was clear that the statute was not to be ignored, emphasizing that "the four statutory factors . . . are to be explored, and the results weighed together." *Id.* at 579.

Campbell followed through on this emphasis in conducting an analysis of all four statutory factors even after finding that the use under consideration was a parody and therefore transformative. *Id.* at 578-94. Further, *Campbell* carried out its examination of transformativeness principally under the first statutory fair use factor, and in so doing noted that it was also heeding the express content of that factor, including its identification of "commerciality," as a consideration within that factor. *Id.* at 580. It further emphasized that its enquiry would be "guided by the examples given in the preamble to § 107," which lists the "purposes" Congress thought were likely to involve claims of fair use. *Id.* at 577. This approach was particularly appropriate, since Congress also made clear that § 107 was not intended to "change, narrow, or enlarge" the doctrine. H.R. Rep. 94-1476, *supra*, at 66. Even when considering the other factors, *Campbell* emphasized that transformativeness was adapting the statutory content rather than replacing it, evidenced most prominently in its remand of the case on the question of market harm, a crucial component of the fourth statutory fair use factor. *See id.* at 593.

Indeed, *Campbell*'s approach to the statutory factors parallels this Court's later approach to the four-factor test for award of an injunction, also deriving from equity. In *eBay, Inc. v. MercExchange LLC*, this Court cautioned against the use of "broad classifications" and "categorical rule[s]" when "principles of equity [are] adopted by Congress." 547 U.S. 388, 393 (2006). *eBay* instead emphasized that each of the

factors needed to be independently considered and applied, despite Congress merely referencing them in its adoption of "principles." *See eBay*, 547 U.S. at 391; 35 U.S.C. § 283 (authorizing courts to "grant injunctions in accordance with the principles of equity"). That logic applies with greater force to the fair use doctrine, which is an "an equitable rule of reason" that Congress *restated* in the statute with greater detail, specifying what courts needed to consider in applying the doctrine.

2. Courts Have Misconstrued *Campbell* and the Role of Transformativeness

Campbell did not treat transformativeness as a binary inquiry; instead, it categorically noted that the question was always a matter of degree, and needed to be balanced against the other fair use factors. *See Campbell*, 510 U.S. at 569 ("The *more* transformative the new work, the less will be the significance of other factors.") (emphasis supplied). Contrary to this scalar approach, which suggests examining the *degree* and *extent* of any transformativeness that use may exhibit, many courts today treat transformativeness as a simple binary determination, and upon a finding of transformative use de-emphasize or stampede the other factors. *See*, *e.g.*, *Cariou v. Prince*, 714 F.3d 694, 708 (2d Cir. 2013) ("Although there is no question that Prince's artworks are commercial, we do not place much significance on that fact due to the transformative nature of the work."); *Blanch v. Koons*, 467 F.3d 244, 254 (2d Cir.

2006) (summarily concluding that the defendant's use was "substantially transformative" to discount its commercial nature).

The result has been that in many cases a mere finding of transformativeness is effectively conclusive on fair use. One well-known empirical study of fair use opinions between 1978 and 2005 notes that "in those opinions in which transformativeness did play a role, it exerted nearly dispositive force not simply on the outcome of factor one but on the overall outcome of the fair use test." Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978-2005*, 156 U. Pa. L. Rev. 549, 605 (2008). A more recent study of opinions through 2017 similarly concludes that when courts found there to be a transformative use, they eventually held the use to be a fair use 94% of the time. *See* Jiarui Liu, *An Empirical Study of Transformative Use in Copyright Law*, 22 Stan. Tech. L. Rev. 163, 167 & n.19 (2019). A finding of transformative use—which many courts base simply on any new expression, message *or* meaning—routinely results in a finding of fair use, regardless of the degree of its transformativeness.

The District Court below adopted this erroneous approach and concluded that since the defendant's works were "transformative"—in a purely binary sense and without specifying the *degree* of their transformativeness—"the import of their (limited) commercial nature [wa]s diluted." *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 382 F. Supp. 3d 312, 325 (S.D.N.Y. 2019). This conclusion, which the Second Circuit below corrected, is a far cry from the sliding scale

that *Campbell* identified. *Andy Warhol Found. for Visual Arts, Inc. v. Goldsmith*, 11 F.4th 26, 43 (2d Cir. 2021). This Court should affirm the Second Circuit's decision and reiterate the importance of the statutory factors to the fair use analysis even when transformativeness is in issue.

3. *Campbell* Set Forth a Framework for Integrating Transformativeness with the Other Statutory Considerations

Campbell appropriately recognized that Congress did not intend to freeze the fair use doctrine in § 107, and instead sought to allow courts to continue to adapt the doctrine to new contexts as they emerge. *Campbell* used the term transformativeness principally as part of the first statutory fair use factor. In so doing, the Court strove to achieve a balance between the non-statutory and statutory components of that factor by adopting a sliding scale for calibrating the degree of transformativeness against other statutory considerations. *Campbell* stated that "[t]he more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use." 510 U.S. at 569. Therein lies a mechanism for integrating transformativeness into the broader statutory framework to ensure that it involves a "sensitive balancing of interests." *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 456 n.40 (1984).

First, the transformativeness of a use should be balanced against the commercial purpose of such use. In situations where the use of a copyrighted work is of a "commercial nature," *Campbell*'s sliding scale states that the transformativeness required for the use to qualify as a "transformative use" needs to be high. Conversely, when the use is of a non-commercial nature, the threshold of transformativeness is lower. This treats transformativeness as *one part* of the first fair use factor. Indeed, *Campbell* illustrated the working of its proposed sliding scale within the first factor, observing that "[t]he use, for example, of a copyrighted work to advertise a product, even in a parody, will be entitled to less indulgence under the first factor of the fair use enquiry than the sale of a parody for its own sake, let alone one performed a single time by students in school." *Campbell*, 510 U.S. at 585. A purely commercial parody—in an advertisement—would therefore require a showing of greater transformativeness than would a parody with less of a commercial purpose, or one with no commercial purpose whatsoever.

Second, a use that falls within the § 107 preamble *purposes* ought to weigh in favor of a finding of transformativeness; conversely, one that does not should require a greater degree of transformativeness. The uses identified in the preambular language of § 107 go directly to the "purpose[]" of a use. *See Campbell*, 510 U.S. at 578 (noting how the first factor "may be guided by the examples given in the preamble"). Although Congress did not intend § 107 to freeze development of fair use doctrine, particularly as relates to technological

change,[2] it had no intention to broaden the traditional fair use standard as conventionally applied, *see* Part I(B)(1), *supra*, and suggested that the preambular purposes be treated as "preferred," *Am. Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 923 (2d Cir. 1994), and "should not be ignored," *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 78 (2d Cir. 1997) (citing *Campbell*'s observation that "[t]he enquiry [concerning the first fair use factor] may be guided by the examples given in the preamble to § 107," 510 U.S. at 578-79).

Third, any transformativeness that is found under factor one should be carefully weighed against the other statutory factors. *Campbell* required consideration of all of the factors. 510 U.S. at 569. This balancing is particularly important for the third ("amount and substantiality of the portion used") and fourth ("potential market") factors. In relation to the third factor, the *level* of transformativeness informs the inquiry into the extent of the copying. The mere presence of some transformativeness should not simply permit any amount of use, as some courts have erroneously held. *See*, *e.g.*, *Cariou v. Prince*, 714 F.3d 694, 710 (2d Cir. 2013) (interpreting the third factor to allow a use to "fulfill its transformative purpose"). With regard to the fourth factor, the extent of a work's transformativeness should guide the assessment of the "potential

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[2] *See*, *e.g.*, *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984); *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992); *Google LLC v. Oracle America, Inc.*, 141 S. Ct. 1183 (2021).

market" and the substitutive effect therein: minimally transformative uses are likely to have a greater substitutive effect on the potential market, while greater transformativeness is likely to reduce that effect. This approach would also ensure that transformativeness does not undermine the market for derivative works.

B. An Amorphous Transformativeness Inquiry Risks Nullifying the Statutory Right to Prepare Derivative Works

In adopting "transformativeness" as a focus of fair use analysis, *Campbell* unwittingly created tension with the exclusive right to prepare derivative works. Section 101 defines a "derivative work" as "a work based upon one or more preexisting works that "recast, *transformed*, or adapted." 17 U.S.C. § 101 (emphasis supplied). Thus, Congress expressly contemplated that transformations of copyrighted works would vest with the author of the preexisting work. As the Seventh Circuit has properly observed, this conflation risks "overrid[ing]" the right to prepare derivative works. *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756, 758 (7th Cir. 2014).

1. Transformativeness Has Lost All Meaning in Much of the Current Jurisprudence

When introducing the idea of transformative use into the first fair use factor, *Campbell* did not intend

for lower courts to substitute *transformativeness* for the larger fair use framework nor overlook the interplay with the derivative work right. Its guidance was limited to the observation that a transformative use "adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message." *Campbell*, 510 U.S. at 579. It then found that the parody at issue in the case had sufficiently altered the original and had offered critical commentary on the original, rendering it transformative, *id.* at 581-83, although not necessarily a fair use—a point that has largely been lost on lower courts.

Lower courts have treated *Campbell's* transformativeness reference as talismanic, construing it expansively and equating *Campbell*'s language with the mere identification of a "different purpose and a different character," a "different function," "new expression," new "message," new "meaning," or "new purpose." *See*, *e.g.*, *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 97 (2d Cir. 2014); *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 818-19 (9th Cir. 2003); *Cariou v. Prince*, 714 F.3d 694, 708 (2d Cir. 2013); *Cambridge Univ. Press v. Patton*, 769 F.3d 1232, 1262 (11th Cir. 2014). Any alteration can qualify, and there are untold literary critics and art experts who can find transformativeness in the slightest of variations. Included within the category of a "transformative use" now are not just cases where a use alters the underlying expression of a protected work and adds its own as commentary (as did the parody in *Campbell*) but also those where there is no alteration in the expression but the mere identification

of a different purpose, and those where there is minimal alteration with a claim of commentary. This expansive reading of transformativeness has effectively denuded the term of meaning, causing one leading treatise to suggest that "we may be better off dropping the label." 4 William F. Patry, Patry on Copyright § 10:21 (2022).

An unintended consequence of this semantic shift has been to blur the line between a transformation of a preexisting work that would constitute a derivative work and a transformation that would constitute a fair use. This has eviscerated the statutory right to prepare derivative works, which obviously neither Congress nor this Court in *Campbell* intended. To the contrary, *Campbell* recognized the independent significance of markets for "derivative works" (e.g., whether the defendant's work was an infringing "rap version") to the economic incentive to create, *Campbell*, 510 U.S. at 593, even though it did not expressly address the statutory definition.

The lower courts that have attempted to resolve the issue have come up short. The Seventh Circuit chose to avoid the transformative use language altogether in *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756, 758 (7th Cir. 2014). The Ninth Circuit recognized the centrality of the right to prepare derivative works in applying the transformative use idea, but chose not to address the conflict. *See Dr. Seuss Enterprises, L.P. v. ComicMix LLC*, 983 F.3d 443, 460 (9th Cir. 2020). And the Second Circuit, in an opinion that has since been amended, initially (and erroneously) sought to exclude

all derivative works from the scope of fair use, *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 992 F.3d 99, 111 (2d Cir.), opinion withdrawn and superseded on reh'g sub nom. *Andy Warhol Found. for Visual Arts, Inc. v. Goldsmith*, 11 F.4th 26 (2d Cir. 2021) ("[T]here exists an entire class of secondary works that . . . are nonetheless specifically excluded from the scope of fair use: derivative works."), on another occasion recognized the problem and cautioned against interpreting it "too broadly" instead of treating it little more than a "shorthand for a complex concept," *Authors Guild v. Google, Inc*., 804 F.3d 202, 214 (2d Cir. 2015), and on yet another occasion sought to distance itself from its own expansive understanding of transformativeness, which it characterized as its "high-water mark," *TCA Television Corp. v. McCollum*, 839 F.3d 168, 181 (2d Cir. 2016). This Court should rein in lower courts' simplistic and distended use of transformativeness that has distorted the statutory fair use framework and eroded the right to prepare derivative works.

2. Transformativeness Can Be Reconciled with the Right to Prepare Derivative Works

Congress clearly intended for the fair use doctrine to apply to each of the exclusive rights identified in the statute, including the right to prepare derivative works. Thus, it is essential to square the concept of transformativeness with the definition of a derivative work to avoid nullifying the § 106(2) right. Such reconciliation can be achieved by treating the § 107

understanding of transformativeness as a matter of *degree* rather than as a binary switch.

Most, although not all, derivative works involve the transformation of a pre-existing work. By definition, such works already exhibit at least a modicum of transformativeness. In assessing whether a third party's use is transformative under the first fair use factor, courts should look to the *additional transformativeness* that the "purpose and character of the use" exhibits beyond that which would qualify the work as a derivative work. In other words, the threshold of transformativeness that derivative works will need to satisfy under fair use should be markedly higher than it would be for uses that do not result in derivative works. This approach would enable courts to avoid conflating the transformativeness determination under fair use with the classification of a work as a derivative work, and give appropriate effect to the exclusive statutory right to prepare derivative works. Innumerable courts today unfortunately fail to even acknowledge that a use results in a derivative work before examining its transformativeness under fair use. *See*, *e.g.*, *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013); *Blanch v. Koons*, 467 F.3d 244, 246 (2d Cir. 2006).

Identifying the requisite level of additional transformativeness needed for a derivative work to qualify for fair use is hardly a scientific or mathematical inquiry. It is instead a contextual one, based on the specifics of the use. It parallels the inquiry that Judge Learned Hand described in a related copyright context (infringement analysis) when he noted that "the line,

wherever it is drawn, will seem arbitrary, that is no excuse for not drawing it; it is a question such as courts must answer in nearly all cases." *Nichols v. Universal Pictures Corp*., 45 F.2d 119, 122 (2d Cir. 1930) (a case involving an alleged film adaptation of a stage play, a derivative work). With transformativeness being a matter of *degree*, the line between an acceptable and unacceptable level of transformativeness for a derivative work will need to be drawn on a case-by-case basis, as has long been the case for fair use. *See* H.R. Rep., 94-1476, *supra* at 66. Here, as in the infringement analysis, "[n]obody has ever been able to fix that boundary, and nobody ever can." *Nichols*, 45 F.2d at 121. This does not undermine its value and utility.

Indeed, *Campbell* appropriately suggested how this inquiry might be carried out. This Court recognized that the defendant's use had resulted in the creation of a derivative work under the statute. *See Campbell*, 510 U.S. at 592-93. In examining the transformativeness of the use and the market harm therefrom, it therefore focused on the elements of the use that went beyond its character as a derivative work, separating out its parodic components from its elements that were just "rap music." *Id.* In so doing, its logic was clear: "the licensing of derivatives is an important economic incentive," copyright's very purpose. *Id.* at 593. *Campbell* did not suggest a simple formula for this inquiry, but nevertheless emphasized its importance, which has been lost on lower courts.

This Court should therefore reaffirm *Campbell*'s holding that for uses which result in the creation of a

derivative work, the fair use inquiry must examine the level of transformativeness that goes beyond the transformation simply seen in a derivative.

C. Dissemination Considerations Can Often Be Dealt with through Remedial Choice

Petitioners and *amici* in their support argue that an expansive understanding of transformativeness under the fair use doctrine is essential to safeguard free speech considerations under the First Amendment. These are undoubtedly significant considerations that go to the recognition that fair use is an important free speech-promoting doctrine within copyright law. All the same, a finding of fair use—based on an expansive understanding of transformativeness under the first fair use factor—is not the only option to ensuring that follow-on creations are not suppressed. A more appropriate mechanism that this Court has endorsed when confronted with similar issues is a court's choice of remedy even upon a finding of infringement and no fair use.

Campbell expressly recognized the centrality of remedial choice to protecting follow-on creativity: "Because the fair use enquiry often requires close questions of judgment as to the extent of permissible borrowing . . . courts may also wish to bear in mind that the goals of the copyright . . . are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of

fair use." *Campbell*, 510 U.S. at 578 n.10. Thus, this Court appreciated that the fair use doctrine did not itself need to be expansively interpreted solely in order to encourage the use of copyrighted works to create follow-on works. A court could instead use its statutorily recognized equitable discretion to withhold injunctive relief and thus avoid enjoining the follow-on use, in the interests of encouraging dissemination. Indeed, *eBay, Inc. v. MercExchange, LLC*, 547 U.S. 388 (2006), requires courts to consider equity's four-factor test for the issuance of injunctions before enjoining an infringement. The fourth of those factors emphasizes the "public interest," which would cover the concern with suppressing speech and creativity even upon a finding against fair use. *Id.* at 391.

Over-emphasizing transformativeness is therefore hardly essential to give effect to dissemination and other public interest considerations, which are capable of being realized through a court's appropriate exercise of its remedial discretion. In many cases, it will be possible to accommodate dissemination of new works while compensating the authors and artists of works that are borrowed.

Judge Leval lamented in his influential fair use article, which predated this Court's *eBay* decision, that "[o]ne of the most unfortunate tendencies in the law surrounding fair use is the notion that rejection of a fair use defense necessarily implicates the grant of an injunction. . . . [T]he tendency toward the automatic injunction can harm the interests of plaintiff copyright owners, as well as the interests of the public and the

secondary user. Courts may instinctively shy away from a justified finding of infringement if they perceive an unjustified injunction as the inevitable consequence." Leval, 103 Harv. L. Rev. at 1130-31 (footnotes omitted); *see id*. at 1131-35. Furthermore, this remedial doctrine has the added virtue of avoiding distortion of the fair use doctrine. *See id.* at 1131, n.114 (confessing with the benefit of hindsight that his "belief that the [Salinger biography] should not be enjoined made [him] too disposed to find fair use where some of the quotations had little fair use justification").

III. PETITIONER'S USE OF THE PROTECTED WORK DOES NOT QUALIFY AS FAIR USE

The root of the difficulty in this case traces to the District Court's reliance on *Cariou*, the Second Circuit's extreme reconceptualization of fair use law. Rather than correct its wayward jurisprudence through en banc review, the appellate panel sought to rectify its case law by overruling *Cariou sotto voce*. This case affords the Supreme Court the opportunity to bring fair use law back into conformity with copyright law's overall statutory scheme.

A. The Preambular Categories

As Part II(A)(3) explained, the claim to fair use of a type of work that was known at the time of passage of the 1976 Act but not included within the preambular list is relevant to application of the fair use doctrine. Appropriation art traces back to the 19th century and

Warhol's pop art style dates to the early 1960s. *See* Appropriation (art), Wikipedia, https://en.wikipedia.org/wiki/Appropriation_(art). Hence, it was known at the time that Congress formulated the modern provision, yet is not among the § 107 preamble categories.[3] That does not foreclose such work qualifying for fair use, but at a minimum provides context for assessment of the purpose and character of the use.

B. The Prince Series Consists of Unauthorized Derivative Works Prepared for a Commercial Purpose and Without Substantial Transformative Qualities

The Prince Series is based on the Goldsmith photograph, which the prints modify and transform. They therefore qualify as derivative works under the terms of the statute. *See* 17 U.S.C. § 101 (definition of a "derivative work"). The question then is whether they exhibit any additional transformativeness that is relevant to fair use. They do not.

Although appropriation art is not itself included within the preambular list, it can nonetheless fit into one of the types of uses referenced, such as criticism or comment. The first fair use factor may also favor the

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[3] Henri Dauman would later sue AWF over Warhol's Warhol's "Jackie" series of silkscreen prints that incorporated a copyrighted photograph by Dauman of Jacqueline Kennedy that had appeared in LIFE MAGAZINE in 1963. After Judge Griesa denied AWF's motion to dismiss the complaint on ownership grounds, *see Dauman v. The Andy Warhol Foundation*, 43 U.S.P.Q.2D (BNA) 1221 (S.D.N.Y. 1997), the case settled.

appropriator to the extent that it has a transformative purpose or character that outweighs the commercial nature of the use.

The Prince Series does not fare well by these measures. There is no indication that Warhol was commenting on Goldsmith's photographs. *See* 4 William F. Patry, Patry on Copyright § 10:35:31 (2022) (noting the lack of credible evidence bearing on Warhol's intent to comment on Goldsmith's art and questioning the credibility of Dr. Crow's [AWF's expert] report: "Such hyperbole may wow gullible undergraduates taking a class on Pop Art, but it has no place in federal court as a way to decide whether fair use exists or not."). Rather, Goldsmith's work was used as mere raw material for the type of pop art for which Warhol had become well-known. Further, the Prince Series was highly commercial. Any additional transformativeness is therefore minimal in comparison to their commercial purpose. Consequently, the first factor favors Goldsmith.

C. The Nature of the Copyrighted Work Favors Goldsmith

Photography has long been recognized as a proper subject of copyright protection. The copyrighted photograph reflected Goldsmith's substantial and acclaimed experience as a rock 'n roll icon photographer. In preparing and taking this studio photograph, Goldsmith made various creative choices—including the use of makeup, lighting, photographic equipment, and

poses—to capture the Prince images. On balance, this factor favors Goldsmith, but it is not particularly decisive.

D. The Extent of the Portion Used Favors Goldsmith

In each print in the Prince Series, including the one at issue in this case, Warhol appropriated the heart of Goldsmith portrait to produce his works. Thus, Goldsmith's portrait is not merely raw material but also much of the final product. Without any apparent critical perspective, this factor favors Goldsmith.

E. AWF's Commercial Use Adversely Affects Goldsmith's Licensing Market

The fourth factor is the easiest and most important in this case. Warhol, through an artist reference license from Goldsmith to Vanity Fair, obtained a one-time, one-use license of Goldsmith's portrait to prepare his original feature work for Vanity Fair's 1984 feature on Prince. This confirms the existence of a known and viable licensing market for the work. Unbeknownst to Goldsmith, Warhol created 15 additional works based on Goldsmith's photograph, one of which AWF later licensed to Conde Nast (Vanity Fair's parent corporation) following Prince's death in 2016 as part of Vanity Fair's retrospective tribute, which forms the basis of the infringement claim here. Yet this time around, neither Conde Nast nor AWF obtained a license from Goldsmith. AWF's actions unquestionably

deprived Goldsmith of licensing revenue for the use of her copyrighted photograph.

F. The Balance of Fair Use Factors Favors Goldsmith

The Prince Series constituted only a minimally transformative unauthorized derivative work, and AWF's licensing of one print from that series adversely affected the market—actual and potential—for Goldsmith's copyrighted work. All of the fair use factors favor Goldsmith.

It is only because of the distortion of the transformativeness concept and its displacement of the traditional fair use framework that a case like this could ever have received this level of attention. The fact that Vanity Fair (and likely Warhol/AWF) thought that they needed a license in 1981 (after passage of the 1976 Act) and could forgo a license in 2016 illustrates just how far fair use has drifted from § 107's text and intent.

CONCLUSION

Driven by an overemphasis and reductionist focus on transformativeness, many lower courts, including the District Court below, have strayed from the fair use doctrine's jurisprudential and statutory mooring. Although the Second Circuit bears some of the responsibility for this drift, its panel decision below thoughtfully shifts fair use analysis back toward the proper

framework. This Court should further clarify and reinforce the fair use framework that Congress intended by restoring the considerations that had long animated fair use law. As Congress instructed when it provided that "[i]n determining whether the use made of a work in any particular case is a fair use the factors to be considered *shall* include" (emphasis supplied), *all* of the statutory fair use factors bear on the ultimate determination. The effect of the use on the potential market will generally play the largest role. And in this case, all of the factors favor Goldsmith in varying degrees. Most significantly, there was a well-functioning licensing market for Goldsmith's photographs. Any concerns about stifling of creativity can be addressed at the remedial stage. This approach promotes progress while restoring *fairness* to the fair use doctrine.

Respectfully submitted,

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