

Warhol Justices May Shift IP Picture Of Transformative Art

By **Bruce Isaacs** (October 6, 2022, 5:34 PM EDT)

In 1984, when celebrity photographer Lynn Goldsmith was asked by Vanity Fair for a license to use one of her photographs for a cover illustration to be created by Andy Warhol, she was no doubt thrilled. Warhol was, after all, one of the most iconoclastic artists of the century, and his use of her work was bound to garner wide attention.

Three years earlier, while on a freelance assignment for Newsweek, Goldsmith had taken 11 photographs of the young and very shy musical genius Prince at her New York studio.

One of these photographs would serve as the basis for Warhol's cover art, and it should have been a high point in Goldsmith's career. Instead, it has become the basis of a declaratory relief lawsuit against her.

On Oct. 12, the U.S. Supreme Court will hear oral argument in *Warhol Foundation v. Goldsmith*.^[1] At the heart of the case is whether Warhol's subsequent unauthorized use of Goldsmith's photograph in various artistic secondary works is sufficiently transformative to constitute a new work entitled to the protection of the fair use doctrine and thus not copyright infringement.

Back in 1984, Goldsmith granted Vanity Fair a specific and limited license, taking pains to ensure her photo would be only "for use as artist reference for an illustration," "to be published in Vanity Fair November 1984 issue."

This limited grant of rights made it clear that the photograph "[C]an appear one time full page and one time under one quarter page," and that "[A]ll rights not specifically granted ... are reserved by Lynn Goldsmith." The license also required Vanity Fair to accord Goldsmith credit.

However, after using Goldsmith's photograph for the Vanity Fair cover, Warhol went on to create a series of 16 Prince sketches and silkscreens, all of which, according to Goldsmith, were unauthorized, beyond the scope of the license and therefore infringing.

After Warhol's death, the Andy Warhol Foundation sold several of these works, which Goldsmith claimed were essentially her photograph with Warhol-esque artistic techniques applied in order to create the secondary artistic works.



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Goldsmith learned of the Warhol series after Prince's death in 2016 when she saw her Prince photograph with an orange wash on a new Vanity Fair cover — and thus, she argues, no statute of limitations issue.

Goldsmith contended that this was a clear case of copyright infringement, and she reached out to the AWF for resolution. Instead, the AWF filed a lawsuit against her seeking a declaration from the court that the entire Prince series was noninfringing or, alternatively, fair use.

The AWF found a sympathetic ear in a New York district court.[2] According to a 2019 U.S. District Court for the Southern District of New York decision, Warhol had turned a photograph of "a vulnerable human being" into an "iconic, larger-than-life figure."

The court thus found the use of the photograph to be transformative and concluded that there was no infringement because Warhol had changed Goldsmith's photograph into completely new and different works entitled to fair use protection.

Disagreeing, the March 26, 2021, U.S. Court of Appeals for the Second Circuit decision[3] made short shrift of the AWF's claim that Warhol's secondary works were sufficiently transformative to bring them within the protection of the fair use doctrine.

The appellate court reasoned that Warhol's Prince series retained the essential elements of Goldsmith's photograph without "significantly adding to or altering" those elements. Thus, the court concluded, Warhol's use of the photograph fell outside the limited exceptions under copyright law and did not constitute fair use.

A month after the Second Circuit's decision, the Supreme Court issued its opinion in *Google LLC v. Oracle America Inc.*[4] another high-profile case involving the fair use doctrine and addressing the perplexing issue of whether a secondary work is transformative.

The high court ruled, relying on rationale from the 1994 *Campbell v. Acuff-Rose Music Inc.* decision,[5] that the exact copying of computer code is deemed to be transformative and fair use if it "alter[ed] the copyrighted work 'with new expression, meaning or message.'"

Google, it ruled, had made transformative fair use of Oracle's Java code to build the Android smartphone platform.

The Supreme Court reached this conclusion because it viewed Oracle's Java code as a fundamental building block that enabled other creators to build upon it to create new and different copyright protected computer codes in the future. Such a transformative result is deemed to be an important ingredient in the creative process, furthering the express objectives that copyright law seeks to promote.[6]

Following the high court's ruling in *Google*, the Second Circuit issued an amended opinion in the Warhol case,[7] confirming its original finding of copyright infringement and no fair use.

The court reasoned that computer code is a special class of copyrighted work, distinguishable from purely expressive works such as photographs, artwork and other forms of creative output.

The Supreme Court's analysis in *Google* will, of course, be critical to its determination on fair use in the

Warhol case, but Google dealt with computer code, as opposed to purely expressive works on both sides of the caption page.

How other courts have addressed the issue of when a secondary work is transformative in the context of photographs and other artwork is discussed below.

The fair use doctrine[8] allows unlicensed, uncredited and unreimbursed use of copyrighted works in certain circumstances and for limited purposes including criticism, news reporting, satire — as distinguished from parody — as well as teaching and research.

Courts do not look just to the purpose and character of the copying covered in fair use Factor No. 1, which asks whether the new work is transformative and whether its use is commercial. They also look to:

- The nature of the copyrighted work — Factor No. 2: Expressive work, closer to the core of intended copyright protection?
- The amount that was copied — Factor No. 3: De minimus? Qualitatively significant?; and
- The effect of the copying on the market for the original work — Factor No. 4: Did secondary use by the second artist usurp market for first artist's work?

The key question with respect to fair use and expressive works is at what point is a secondary artistic work sufficiently transformative so that it is entitled to fair use protection?

When do the original creator's exclusive Section 106 rights no longer prevail? Case law covering expressive works provides mixed guidance on this crucial inquiry.

In the 2006 *Blanch v. Koons* decision, the Second Circuit[9] ruled that the artist Jeff Koons' use of a photographic close-up of a woman's lower legs and feet to create an artistic secondary work that merely rotated the image and changed the background was transformative and thus entitled to fair use protection.

The photograph, reasoned the court, was just raw material for further and new creative expression; the artwork was an expressive work rather than a commercial use; and Koons' work had no negative effect on the market for the original photograph.

In 2011, an artist known as Mr. Brainwash created a secondary piece of artwork based on a photograph of hip-hop group Run-DMC taken by the photographer Glen Friedman. Mr. Brainwash altered the photograph by projecting it onto a piece of wood and adding 1,000 pieces of phonographic records in an attempt to create a new piece of art that conveyed a different message.

However, the U.S. District Court for the Central District of California[10] ruled in the 2011 *Friedman v. Guetta* decision that this secondary artwork was not transformative or entitled to fair use protection because, in the court's view, to hold otherwise would destroy the copyright and the market to which Friedman was entitled.

In the 2013 *Seltzer v. Green Day Inc.* decision the U.S. Court of Appeals for the Ninth Circuit[11] ruled in favor of fair use when street art known as the "Scream Icon" appeared in a video backdrop during a

Green Day concert.

The secondary artist had added a bloody cross to the image because it showed up on screen while the band was playing "East Jesus Nowhere," intending to provide commentary on religion.

Accordingly, the Ninth Circuit upheld the lower court's finding that the use was transformative because the original work was raw material for a video backdrop that delivered a new and different meaning and message than the Scream Icon itself.

In that same year's *Cariou v. Prince* decision, the Second Circuit^[12] found no infringement for most of a series of paintings and collages by artist Cariou based on original photographs of Rastafarians taken by photographer Prince.

Of the 30 works altered and incorporated into the secondary artwork, 25 constituted fair use because the artist's "composition, presentation, scale, color palette, and media are fundamentally different and new compared to the photographs, as is the expressive nature of [the defendant's] work."

The decision was harshly criticized because many legal scholars found that the secondary artwork made minimal and nonchanges to the original photographs, conveyed no new or different message and destroyed or significantly diminished the photographer's market.

Now that the Supreme Court has determined that the copying of computer code can qualify for fair use protection, do we have better guidance as to how the court will harmonize the varied decisions referenced above? Will the court provide a workable test for when a secondary expressive work is transformative?

The justices must now analyze fair use in a context where the interests of the first and second artists are both legitimate and entitled to protection.

In its brief, the AWF^[13] not surprisingly cites *Campbell v. Acuff-Rose Music Inc.* to argue that "a work of art is 'transformative' for purposes of fair use under the Copyright Act if it conveys a different 'meaning[] or message' from its source material."

The meaning-or-message test, according to the brief, "corresponds with the core purpose of the fair use defense, which is to provide 'breathing space' for creators to use preexisting material to communicate innovative ideas to the public."

In contrast, Goldsmith's brief^[14] articulates the key issue for decision by the court in a different fashion. It argues that the act

does not refer to "new meaning or message." From the common law onward, adding new meanings to original works has never absolved copiers of liability for infringement. This Court and others have instead asked whether copying is necessary to accomplish some distinct end, such that the new use stands on its own without substituting for the original.

"AWF's test would transform copyright law into all copying, no right," according to Goldsmith's brief. "That alternative universe would decimate creators' livelihoods. Massive licensing markets would be for suckers, and fair use becomes a license to steal." In short, Goldsmith concludes, "AWF's any-new-meaning-or-message test would obliterate copyrights."

The single most important underlying purpose of copyright law is to further and promote creative expression. If a preexisting work such as software code substantially furthers that purpose by enabling creation of a platform for smartphones, while also enhancing the opportunities for future creative endeavors by software developers or artists, then it advances the objectives of the Copyright Act.

By the same token, if a secondary piece of art is simply exploiting the creative virtues of the original work of art, and nothing more, it would not accomplish the objectives of the Copyright Act.

In its final analysis, the Supreme Court must decide whether a ruling in favor of the Warhol Foundation will further the interests of the Copyright Act or negate them.

If it rules in favor of the AWF, the contours of fair use should finally be clarified. In addition to providing guidance for creators, such a ruling might even expand the boundaries of the fair use doctrine.

If, however, Goldsmith prevails, the fair use conundrum in cases involving expressive works will likely continue to be unclear and thus decided on a fact-specific, case-by-case — and potentially inconsistent — basis.

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[1] <https://www.scotusblog.com/case-files/cases/andy-warhol-foundation-for-the-visual-arts-inc-v-goldsmith/>.

[2] Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith, No. 1:7-cv-02532-JGK, U.S. District Court for the Southern District of New York. Judgment entered July 15, 2019.

[3] Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith, No. 19-2420, U.S. Court of Appeals for the Second Circuit. March 26, 2021.

[4] Google LLC v. Oracle America, Inc., 141 S. Ct. 1183 (2021).

[5] Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994).

[6] Article I, Section 8, Clause 8 of the United States Constitution.

[7] Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith, No. 19-2420, U.S. Court of Appeals for the Second Circuit. Amended judgment entered on August 24, 2021.

[8] Title 17 U.S. Code, Section 107.

[9] Blanch v. Koons, 467 F.3d 244 (2d Cir. 2006).

[10] Friedman v. Guetta, 2011 WL 3510890 (C.D. Cal. 2011).

[11] Seltzer v. Green Day, Inc., 725 F.3d 1170 (9th Cir. 2013).

[12] Cariou v. Prince, 714 F.3d 694 (2d Cir. 2013).

[13] Brief for Petitioner, Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith, No. 21-869 https://www.supremecourt.gov/DocketPDF/21/21-869/227689/20220610142915753_2022-06-10%20No.%2021-869%20AWF%20Brief%20for%20Petitioner%20with%20addendum.pdf.

[14] Brief for Respondent, Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith, No. 21-869 https://www.supremecourt.gov/DocketPDF/21/21-869/232977/20220808150341382_Goldsmith%20Brief%20for%20Respondents%20-%20Final.pdf.