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“ THE DISTRICT JUDGE SHOULD NOT ASSUME THE ROLE OF ART CRITIC AND SEEK TO ASCERTAIN THE INTENT BEHIND OR MEANING OF THE WORKS AT ISSUE. ”

– Second Circuit Court of Appeals

Warhol, Prince, and the Copyright Fair Use Defense

By Seth Appel

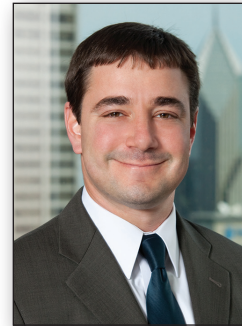
The U.S. Supreme Court will soon rule on the scope of the copyright fair use defense in *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, a decision that will have major repercussions for art and copyright. The case involves Andy Warhol’s “Prince Series,” 16 works in Warhol’s customary style, featuring the musical artist, Prince. Warhol famously used iconic celebrities and other well-known figures in his works, such as Marilyn Monroe, Elvis Presley, and Elizabeth Taylor.

A copyright owner has certain exclusive rights, including the right to make and distribute copies of the copyright work, the right to create derivative works based on the copyrighted work, and the right to display or perform the copyrighted work publicly. However, these exclusive rights are limited by the fair use defense, which permits certain types of uses without the copyright owner’s authorization. The Copyright Act sets forth four factors bearing on whether the fair use defense applies, including “the purpose and character of the use.” 17 U.S.C. § 107(1). In assessing this factor, courts in recent years have emphasized whether the challenged use is “transformative.” The Supreme Court has stated that an unauthorized creation is “transformative” if it “adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994).

Background of the Case

Lynn Goldsmith is a professional photographer who focuses on rock musicians and other celebrities. Andy Warhol created a series of silkscreen prints and pencil illustrations based on Goldsmith’s photograph of Prince, which had been licensed to Vanity Fair.

Goldsmith had been paid \$400 to license her photograph as an “artistic reference” in relation to the Vanity Fair article and did not learn of Warhol’s Prince Series until many years later. Works in Warhol’s Prince Series have sold for hundreds of thousands of dollars.

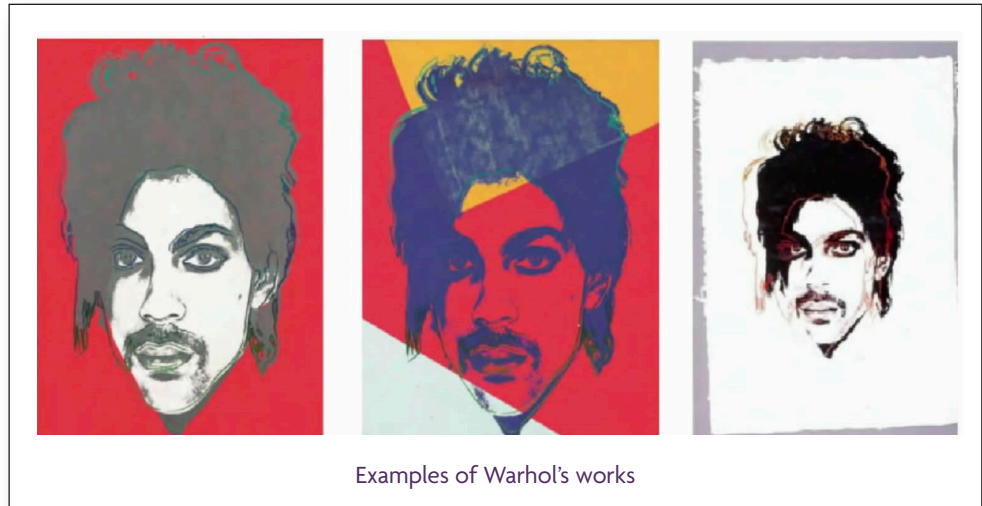


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Goldsmith's photograph



Examples of Warhol's works

Upon learning of Warhol's Prince Series in 2016, Goldsmith told the Andy Warhol Foundation she believed it infringed her copyright. In response, the Warhol Foundation filed a declaratory judgment action in federal court in New York seeking a ruling that the Prince Series was non-infringing, or that it constitutes fair use of Goldsmith's photograph. Goldsmith filed a counterclaim for copyright infringement.

The district court granted summary judgment to the Warhol Foundation based on the fair use defense. It found that Warhol's works were transformative because the Goldsmith photograph portrays Prince as a "vulnerable, uncomfortable person," while Warhol's Prince Series portrays him as an "iconic, larger-than-life figure." Goldsmith appealed to the Second Circuit Court of Appeals, which ruled in her favor and reversed the district court. 11 F.4th 26 (2d Cir. 2021).

When is a Work "Transformative" ?

On appeal, the Second Circuit held that the Prince Series is not transformative for purposes of the fair use analysis. Therefore, and taking due account of the other fair use factors, Warhol's works infringed Goldsmith's copyright.

To qualify as transformative, according to the Second Circuit, the secondary work must "comprise something more than the imposition of another artist's style on the primary work." The court rejected the Warhol Foundation's argument that it was enough for the Prince Series to add a different meaning to Goldsmith's photograph.

In assessing fair use, the Second Circuit explained, a judge may not "assume the role of art critic and seek to ascertain the intent behind or meaning of the works at issue."

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.

The court explained that "an overly liberal standard of transformativeness" would eliminate the statutory protection of derivative works. For example, a film adaptation of a novel – a paradigmatic example of a derivative work – adds to the source material and may "transform the aesthetic and message of the underlying work," but it is generally not protected as fair use.

The court noted that it is irrelevant that each work in the Prince Series is immediately recognizable as a "Warhol."

Likewise, an unauthorized film adaptation of a book such as *The Irishman* may be recognizable as a "Scorsese," but it is not protected under the law as transformative, fair use.

The Second Circuit emphasized that it was not judging or belittling the artistic value of Warhol's Prince Series.

But the task before us is not to assess the artistic worth of the Prince Series nor its place within Warhol's oeuvre; that is the domain of art historians, critics, collectors, and the museum-going public. Rather, the question we must answer is simply whether the law permits Warhol to claim it as his own, and AWF to exploit it, without Goldsmith's permission. And, at least as far as this aspect of the first factor is concerned, we conclude that the answer to that question is "no."

The Second Circuit also determined that the other statutory factors did not support fair use. It found that the works were commercial – which is also relevant to the first fair use factor – even though they “produce an artistic value that serves the greater public interest.” It found that the second fair use factor (the nature of the copyrighted work) favored Goldsmith because her photograph was creative and unpublished. It found that the third fair use factor (the amount and substantiality of the use) favored Goldsmith because the Prince Series “borrows significantly” from Goldsmith’s photo “both quantitatively and qualitatively.” And it found that the fourth fair use factor (the effect of the use on the market for the original) favored Goldsmith because, even though the parties’ works occupy distinct markets with regard to direct sales, Warhol’s unauthorized use threatens the licensing market for Goldsmith’s photograph.

Next Steps

Following the Second Circuit’s decision, the Warhol Foundation file a petition for a writ of *certiorari*, which the Supreme Court granted. The U.S. Justice Department and the U.S. Copyright Office filed a brief in support of Goldsmith, echoing the Second Circuit’s reasoning: “Classic derivative works that are commonly understood to require licensing – including sequels, motion-picture and stage adaptations, spinoffs, remakes, and cross-over works – inevitably introduce new meaning,” but generally they are not protected as fair use.

THE DECISION IS LIKELY TO REDEFINE THE SCOPE OF THE FAIR USE DEFENSE.

The Supreme Court heard oral arguments on October 12, 2022, and will likely issue its decision in the spring. The Warhol Foundation’s counsel argued that the Second Circuit decision conflicts with precedent, and would “chill the creation of new art by established and up-and-coming artists alike.” The Justices’ questioning, however, suggested that the Court has significant concerns with the Warhol Foundation’s position and may be inclined to support a narrower view of fair use.

Determining fair use has always been a highly fact-dependent, case-by-case analysis. This will not change following the Supreme Court’s decision in *Warhol*. However, the decision is likely to redefine the scope of the fair use defense, perhaps expanding, contracting, or even eliminating the “transformative” inquiry, providing either a victory or defeat to copyright owners acting against subsequent creators. ■

Congratulations



Thad and outgoing Section Chair Kim Jessum

We warmly congratulate our partner **THAD CHALOEMTIARANA** on becoming Chair of the American Bar Association Section of Intellectual Property Law (“ABA IPL Section”) for 2022-23.

The oldest substantive law section within the ABA, the IPL Section has advanced the development and improvement of intellectual property laws and their fair and just administration since 1894. The ABA IPL Section is one of the largest IP organizations in the world with approximately 48 committees and five special action groups.

Thad follows in the footsteps of our firm’s partners Edward S. Rogers (who drafted the Trademark Act of 1946 as Chair of the Section), Beverly Pattishall, Thomas Hofstetter, and Bob Sacoff in chairing the IPL Section.

firm UPDATE

NEW ASSOCIATE

■ Brett Manchel



We are pleased to welcome Brett Manchel as a new associate. Brett received his J.D., cum laude, from the Michigan State University College of Law. He is broadly experienced in representing clients in the creation, protection, and enforcement of their

intellectual property assets. Brett represents domestic and international clients in protecting and enforcing the valuable trademarks, copyrights, and other IP assets which are integral to their success. Brett also handles privacy and data protection matters, internet and marketing issues, licensing, and other new media and technology questions. Brett also advises on and handles regulatory compliance requirements, such as the developing privacy frameworks under the GDPR (EU General Data Protection Regulation) and the CCPA (California Consumer Privacy Act), as well as more established regulations like COPPA (Children's Online Privacy Protection Act), DMCA (Digital Millennium Copyright Act), and the FTC's rules governing online and conventional advertising.

Brett is on the associate board of the Lawyers for the Creative Arts. He also chairs the CBA Committees on Intellectual Property and Law Practice Management, and serves on the International Trademark Association's Data Privacy Committee. He has been included in the Illinois *Super Lawyers* Rising Star list every year since 2016.

PUBLICATIONS

■ Jonathan Jennings



In September, the Pharmaceutical Trade Marks Group (PTMG) published Jonathan's case note in its newsletter on the challenges of bringing false advertising claims concerning pharmaceuticals.

APPOINTMENTS

■ Ashly Boesche



Ashly is serving as Vice Chair of the Trademark Legislation Committee of the ABA IPL Section for 2022-23. She has also been appointed Vice Chair of the Intellectual Property Law Association of Chicago Mentoring Committee.

■ Jonathan Jennings

Jonathan was appointed to be the ABA IPL Section's liaison to the Forum on Franchising.



■ Robert Sacoff

Bob is serving on the ABA IPL Section Task Force to nominate a new member of the ABA Board of Governors from 2023-2026.

PRESENTATIONS

■ Thad Chaloeintiarana

On October 13, Thad conducted the Keynote Fireside Chat with Hon. Kathi Vidal, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, during the ABA IPL Section's 2022 IP Fall Institute.

■ Jonathan Jennings

Jonathan spoke on "Non-Traditional Marks in Pharma: No Longer the Coming Attraction" on October 22, to the INTA Healthcare and Pharma Industry Group.

■ Janet Marvel

Janet spoke on the Strafford Live Webinar panel entitled "Functionality in Trademark Prosecution and Litigation: Protecting Trademarks, Defending Against Infringement Claims," on October 25.

firm NOTEWORTHY

The Best Lawyers in America® 2023

Janet Marvel has been recognized as "Lawyer of the Year" in Trademark Law in Chicago.

Who's Who Legal: Trademarks 2022

David Hilliard, Janet Marvel, Robert Sacoff and **Joseph Welch II** have been recognized as being among the country's leading IP trademark lawyers.