

SECOND CIRCUIT REVIEW

Expert Analysis

Turning the Tide in Fair Use Jurisprudence

In *Andy Warhol Foundation for The Visual Arts v. Goldsmith*, the U.S. Court of Appeals for the Second Circuit considered whether a series of silkscreen prints and pencil illustrations created by famed artist Andy Warhol, based on a 1981 photograph taken by Lynn Goldsmith of musical artist Prince, was subject to the fair use doctrine and therefore did not infringe Goldsmith's copyright. Circuit Judge Gerard Lynch authored the unanimous opinion of the panel, in which Circuit Judges Dennis Jacobs and Richard Sullivan each separately wrote a concurrence.

The Second Circuit held that the district court erred in its assessment and application of statutory fair use factors, and



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that the Prince Series did not qualify as a fair use of Goldsmith's photograph of Prince, which was substantially similar to the Prince Series. Notably, the court "clarifi[ed]" its controversial 2013 *Cariou v. Prince* decision and walked back what many critics, and the U.S. Court of Appeals for the Seventh Circuit, viewed as an overbroad application of fair use.

Warhol's Prince Series And the 1981 Photograph

Goldsmith is a professional celebrity photographer. While on assignment in 1981, she took photographs of then-up-and-coming musician Prince in her studio. She retained the

copyright to her photographs, and in 1984 licensed one to *Vanity Fair* for use as an "artist reference" for an illustration published in its magazine (to be accompanied by attribution to Goldsmith). Unbeknownst to Goldsmith, the commissioned artist was Andy Warhol, and also unbeknownst to Goldsmith, Andy Warhol did not create only one image, but also created an additional 15 works, collectively known as the Prince Series. Goldsmith became aware of the Prince Series in 2016 when they were published in *Vanity Fair* after Prince's death without attributing any credit to Goldsmith. The Andy Warhol Foundation, who owns and licensed the Prince Series for publication, sued Goldsmith in 2017 in the U.S. District Court for the Southern District of New York, seeking a declaratory judgment that the Prince Series' publication was protected by fair use from liability under the

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Copyright Act; Goldsmith filed a counterclaim for copyright infringement.

District Court Ruling

In 2019, in an opinion authored by Judge John Koeltl, the Southern District of New York granted summary judgment to the Andy Warhol Foundation, finding that the Prince Series' publication constituted fair use, and denied Goldsmith's motion for copyright infringement. The district court analyzed the four statutory factors in determining whether Andy Warhol's use of Goldsmith's photograph was fair: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect on the potential market for or value of the copyrighted work.

The court weighted the first factor, which looks to the "transformative" nature of the work, the highest. Relying heavily on the Second Circuit's 2013 *Cariou v. Prince* decision, the district court looked at each work side-by-side and analyzed whether the Prince Series employed new aesthetics with creative and communicative results distinct from the original 1981 photograph.

The court pointed to the features Andy Warhol changed in the Prince Series (e.g., softening Prince's strong bone structure) and concluded that Prince was transformed from the "vulnerable, uncomfortable person" in Goldsmith's photograph to an "iconic, larger-than-life figure" in Andy Warhol's work. The court also noted that the work was immediately recognized as

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a "Warhol," rather than a realistic photograph of Prince.

'Cariou' and Subsequent Criticism

In 2013, the Second Circuit issued a ruling in the unrelated case *Cariou v. Prince*. In that case, Richard Prince, a painter and photographer, incorporated photographs from Patrick Cariou's book into a series of paintings and collages and subsequently was sued for copyright infringement. The Second Circuit held that Prince's use of the photographs was fair use, focusing on the first statutory

factor and its "transformative" nature.

The Second Circuit rejected the district court's attempt to incorporate a stricter test for the secondary work to be transformative, that it "comment on, relate to the historical context of, or critically refer back to the original works." The Second Circuit focused on the different aesthetics of the secondary works.

After its issuance, the *Cariou* decision has been viewed as the high-water mark for the application of the fair use defense. In 2014, in an opinion authored by Circuit Judge Frank Easterbrook, the Seventh Circuit held that t-shirts mocking a Wisconsin mayor were covered by the fair use doctrine, but in so doing sharply criticized the Second Circuit's *Cariou* decision. In *Kienitz v. Sconnie Nation*, Judge Easterbrook wrote that the Seventh Circuit was "skeptical of *Cariou's* approach" because focusing on the "transformative" nature of the first factor replaces the remainder of the statutory list of factors and could also override the statutory scheme protecting derivative works. The opinion stated that the Seventh Circuit "think[s] it best to stick to the statutory list" of factors, of which it felt the fourth (market effect),

rather than the first, was the most important.

'Andy Warhol Foundation v. Goldsmith'

In the *Warhol* case, the Second Circuit walked back its previously broad application of fair use, noting in a nod to the Seventh Circuit that, though it was still bound by *Cariou*, that decision “has not been immune from criticism.” The court admitted that after a review of the decision below, “some clarification is in order.” The Second Circuit clarified that it did not intend to establish a bright-line rule when the works are viewed side-by-side that a secondary work is necessarily transformative if it has a different character, a new expression, and employs new aesthetics with distinct creative and communicative results. Rather, determining whether a work is transformative or a derivative work requires looking at the purposes of the primary and secondary works, and a bare assertion of a higher or different artistic use is insufficient to render a work transformative.

The Second Circuit explained that it was error to hold that the Prince Series works were transformative because they allegedly transformed Prince from a vulnerable, uncomfortable

person to an iconic, larger-than-life person. The court cautioned the district court judge not to “assume the role of art critic” to determine the intent behind or meaning of the works at issue, noting that “judges are typically unsuited to make aesthetic judgments” because they are inherently subjective. It stated that the judge should instead examine whether the secondary work has a fundamentally different and new artistic purpose and character, which must be something more than the imposition of another artist’s style on the primary work. It then held that what Andy Warhol did here—embellishing flattened images of Goldsmith’s photograph with loud, unnatural colors—was insufficient to render the Series transformative.

The court noted that it was “entirely irrelevant” to the analysis that the work would be immediately recognizable as a “Warhol.” After running through the remainder of the statutory factors, the court held that the fair use defense here failed as a matter of law. Setting up a conclusion of copyright infringement, the court further held that the two works were substantially similar as a matter of law.

Circuit Judge Richard Sullivan, joining the majority, wrote

separately to highlight that he viewed the Second Circuit fair use jurisprudence to over-rely on “transformative” use. Circuit Judge Dennis Jacobs joined the majority and Sullivan’s concurrence, and wrote separately to clarify that the potential infringement would apply only to *Vanity Fair*’s reproduction of the Prince Series, not to the museums and galleries that purchased the original works.

Conclusion

Following sharp criticism by the Seventh Circuit and those in the industry for its broad application of the fair use defense to preclude liability for copyright infringement, the Second Circuit’s decision in *Andy Warhol Foundation v. Goldsmith* turns the tide of fair use jurisprudence back toward a more even balance between creators of original works and those that utilize those works to create artistic works of their own.