King & Spalding
Client Alert

OCTOBER 14, 2022

For more information, contact:

Matthew Bush
+1 212 790 5356
mbush@kslaw.com

Heather Sims
+1 713 276 7342
hsims@kslaw.com

King & Spalding

New York
1185 Avenue of the Americas
New York, New York 10036-4003
Tel: +1 212 556 2100

Andy Warhol And Prince Go To Washington: Supreme Court Hears Argument On Fair Use

Prince—who many will remember fondly as The Artist Formerly Known As Prince—is no stranger to intellectual property issues. And the Supreme Court heard argument earlier this week on a major copyright question that posthumously embroils Prince (or at least his photograph) in an important intellectual property dispute involving the scope of copyright protection: *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*.

The question is whether Andy Warhol's adaptation of a Prince photograph constitutes fair use. In considering the question, the justices managed to bring in discussion not just of Andy Warhol and Prince, but also the Lord of the Rings, Mork & Mindy, Mondrian, the Shining, the Jeffersons, the Mona Lisa, and many of your other favorites.

The outcome could have profound implications regarding the scope of copyright protection for not just photographs but all works of art.

FACTUAL BACKGROUND

In 1984, *Vanity Fair* ran an article on Prince entitled "Purple Fame." It appeared a few months after the film and soundtrack Purple Rain launched Prince into even greater heights of stardom. The story stated that "escape from Prince is no longer possible."

To run alongside the article, the magazine commissioned Andy Warhol to create an image of Prince, adapted from a photograph taken by Lynn Goldsmith. Warhol created sixteen silkscreen prints of Prince, which became known as the Prince Series.

Goldsmith learned of the print series in 2016 when Condé Nast (*Vanity Fair's* parent company) used one of the Warhol images on the cover of a magazine commemorating Prince after he died that year. Litigation ensued with Goldsmith claiming copyright infringement and the Andy Warhol Foundation (the current owner of the copyright) asserting a fair use defense. The Second Circuit concluded that the "Prince Series works are not fair use as a matter of law."

LEGAL BACKGROUND

The Copyright Act provides that "fair use" is not copyright infringement and that the factors to consider when evaluating fair use include: (1) "the purpose and character of the use," (2) "the nature of the copyrighted work," (3) "the amount and substantiality of the portion used," and (4) "the effect of the use upon the potential market for or value of the copyrighted work." [1]

The Warhol Foundation sought Supreme Court review solely on the Second Circuit's analysis of Factor 1. The Supreme Court has said that Factor 1 involves evaluating "whether the new work merely supersede[s] the objects of the original creation … or instead adds something new, with a further purpose or different character, altering the copyrighted work with new expression, meaning or message; it asks, in other words, whether and to what extent the new work is transformative." [2]

The Second Circuit in its analysis rejecting fair use stated that a court "should not assume the role of art critic and seek to ascertain the intent behind or meaning of the works at issue. That is so both because judges are typically unsuited to make aesthetic judgments and because such perceptions are inherently subjective."

THE ORAL ARGUMENT

A "Transformative" Tension. Copyright law gives the author the exclusive right to prepare derivative works based upon the author's copyrighted work. And the definition of derivative work includes any "form in which a work may be recast, *transformed*, or adapted."[3] But the Supreme Court has said that fair use requires evaluating "to what extent the new work is transformative." The justices spent much of the argument trying find a coherent way to harmonize the apparent tension between these two aspects of copyright law.

Justice Barrett commented: "I think one of the problems that you have, as evidenced by a lot of the questions that you've been getting, is with the derivative works protection" which "actually talks about transforming any other form in which a work may be recast, transformed, or adapted. And it seems to me like your test, this meaning or message test, risks stretching the concept of transformation so broadly that it kind of eviscerates Factor 1."

The Second Circuit And "Meaning Or Message." One key feature of the argument was the statement in the Second Circuit's opinion that in analyzing Factor 1, a court should not "seek to ascertain the intent behind or meaning of the works at issue." Many of the justices seemed to agree with the Warhol Foundation's position that the Second Circuit ignored—or at least gave too little weight to—evaluating whether Warhol's work offered a "new meaning or message." For example, Justice Sotomayor said: "That I give you -- I spot you. It should be considered. The Second Circuit didn't." Justice Kagan similarly stated: "I thought the Second Circuit took it out of the analysis entirely, said it was irrelevant to the question."

But that prompted questions about whether that component of the Second Circuit's analysis ultimately changed the result, and what remedy the Court would fashion. As Justice Sotomayor put it: "But then what do I do with the rest of Factor 1?" The justices debated reaching some sort of conclusion regarding Factor 1 alone; evaluating all four factors (though the other three were not briefed); or remanding back to the Second Circuit to re-conduct the analysis.

Justice Sotomayor also expressed concern about how to handle the other factors. In particular, she noted during the argument that she sees the first and fourth factors as "closely related," and asked the Warhol Foundation's counsel why the fourth factor doesn't "just destroy" the fair use defense in this case. (The Supreme Court has stated that Factor 4 is "undoubtedly the single most important element of fair use.")[4]

What Level Of Generality? Several justices debated the appropriate level of generality courts should use when assessing "the purpose and character of the use" under Factor 1. Justice Roberts pushed Goldsmith's counsel on what he appeared to view as the different meaning or message of the two works: "Warhol sends a message about the depersonalization of modern culture and celebrity status and the iconic" whereas the original photograph was just to "show what Prince looks like."

Justice Jackson asked about whether looking at the "purpose" of the work should occur at a higher level: "There may be a different meaning or message, but if both of those depictions are going in a magazine for a commercial nature, the purpose, the reason why you've used it, is -- is the same." That echoed Justice

Sotomayor's question from earlier in the argument: "Goldsmith also licensed her photographs to magazines, just as Warhol's estate did. So how is it that your 2006 license and Goldsmith's photographs do not share the same commercial purpose?"

CONCLUSION

This is the Supreme Court's second art case in as many years. Last Term we covered *Cassirer* where the Supreme Court considered how choice of law implicated ownership of a Pissarro that the Nazis had stolen from a Jewish family in 1939.

In this case, each side presented their view on the important consequences of the Court's ruling. The Warhol Foundation's counsel said: "This case isn't just about Warhol. It's about the young and up-and-coming artists who want to be Warhol's successors." Goldsmith's counsel told the justices that ruling against them would be "saying photography can just be ripped to shreds because you can always edit a picture and make these arguments, black-and-white versus color, et cetera."

The artistic and legal communities are certainly paying close attention, with 34 amici briefs being filed in the case. We'll be keeping a close eye on the case as well.

[1] 17 U.S.C. 107
[2] *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 579 (1994) (quotation marks and citations omitted).
[3] 17 U.S.C. 101 (emphasis added).
[4] *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 566 (1985)