

EXPLORING THE ECONOMIC, SOCIAL, AND MORAL JUSTICE RAMIFICATIONS OF THE *WARHOL* DECISION

Peter S. Menell[†] & Lateef Mtima^{††}

Beyond rectifying the interplay of the derivative work right and fair use, Justice Sotomayor's vigorous, direct, and, at times, combative parrying with the dissent in Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith drove a dagger into the free culture movement's critique of copyright law. The resulting decision repudiates the movement's campaign to undermine the derivative work right through a simplistic transformativeness shortcut for applying the fair use doctrine.

As this article explains, the Copyright Act's drafters enhanced the financial rewards to, economic power of, and control of copyrighted works by authors through the grant of a bundle of exclusive rights, including a broad exclusive right to prepare derivative works. The Act tempered those rights through limiting doctrines, express recognition and codification of the fair use doctrine, and a series of statutory limitations, exemptions, and compulsory licenses. The codification of fair use, however, was not intended to enlarge the privilege outside of its traditional bounds—criticism, commentary, news reporting, educational, and research uses—other than in response to technological change. Congress saw licensing as a principal vehicle for supporting cumulative creativity and ensuring fair compensation to and control of derivative uses by authors.

Notwithstanding this foundation and the Supreme Court's faithful interpretation of the fair use doctrine in Campbell v. Acuff-Rose, the fair use doctrine veered off course as lower court collapsed Campbell's nuanced framework into a simplistic transformativeness analysis. The collision of this approach with the derivative work right prompted the Supreme Court's intervention. The resulting Warhol decision reinforced the economic and social empowerment undergirding the 1976 Act. After tracing the emergence of the free culture movement and the devolution of the fair use doctrine, this article explores the economic, social justice, and moral right dimensions of the copyright regime reflected in the Warhol decision

[†] Koret Professor of Law; Director, Berkeley Center for Law & Technology; Faculty Director, Berkeley Judicial Institute; University of California at Berkeley School of Law

^{††} Professor Law, Howard University School of Law

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TABLE OF CONTENTS

| | | |
|-------------|--|-----------|
| I. | The Legislative Backdrop..... | 5 |
| A. | Author Empowerment as a Means to Promote Progress | 6 |
| B. | <u>Balancing Author’s Rights, Cumulative Creativity, and Freedom of Expression</u> | 11 |
| 1. | An Analytic Framework..... | 12 |
| 2. | How the Copyright Act Drafters Balanced the Competing Interests..... | 13 |
| 3. | The Fair Use Doctrine..... | 15 |
| II. | The Derivative Work Right-Fair Use Collision..... | 18 |
| A. | The Free Culture Movement..... | 19 |
| B. | The Jurisprudential Fair Use Detour..... | 27 |
| 1. | The Second Circuit Detour..... | 28 |
| i. | Blanch v. Koons | 28 |
| ii. | Cariou v. Prince | 33 |
| 2. | Towards Restoration of the Fair Use Doctrine..... | 41 |
| i. | Kienitz v. Sconnie Nation..... | 41 |
| ii. | Dr. Seuss Enterprises v. ComicMix | 44 |
| III. | Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith..... | 51 |
| IV. | Ramifications of the <i>Warhol</i> Decision for Economic, Social, and Moral Justice, Freedom of Expression, and Cumulative Creativity | 62 |
| A. | Economic and Social Justice | 63 |
| B. | Moral Justice | 68 |
| C. | Freedom of Expression and Escape Valves | 70 |
| V. | Conclusions | 72 |

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Although the Copyright Act of 1976 was not characterized during its formation as a civil rights statute, its drafters approached this monumental task with the belief that empowering authors on an equal basis was the best way to promote progress of expressive creativity. Continuing the trend of prior copyright enactments, legislators accelerated the shift of ownership, compensation, and control away from publishers toward creators. The drafters enhanced the financial rewards, power, and control of authors by granting them an expanded bundle of exclusive rights, including a broad exclusive right to prepare derivative works.¹ The statute expanded copyright duration and ensured that the additional duration went to authors, not licensees. And the revamping of the work made for hire provision guarded against overbearing publishers by affording authors an inalienable right to terminate unremunerative transfers after 35 years. The legislators were not indifferent to the effects of expanded rights upon the public and follow-on creators. The 1976 Act balanced its exclusive rights through numerous limitations, exemptions, and compulsory licenses, including the perpetuation of the fair use doctrine.²

Over the past half century, copyright law’s empowerment of authors has served as a potent force in the nation’s struggle to promote civil rights and social justice.³ The content industries have served as influential platforms for telling the stories of under-represented people and securing greater compensation and economic power for authors and artists, including many under-represented voices. Competitive markets have brought talent to the fore and enabled many authors, musicians, filmmakers, actors, artists, and

¹ See *infra* Section I(A); Shyamkrishna Balganesch & Peter S. Menell, Going “Beyond” Mere Transformation: Warhol and Reconciliation of the Derivative Work Right and Fair Use, __ COLUM. J. L. & ARTS __ (2024).

² See *infra* Section I(B).

³ See Peter S. Menell, Property, Intellectual Property, and Social Justice: Mapping the Next Frontier, 5 BRIGHAM-KANNER PROPERTY RIGHTS CONF. J. 147, 173-82 (2016).

Economic, Social, and Moral Justice Ramifications of Warhol

athletes⁴ from marginalized groups to achieve unprecedented economic success.⁵ This success has altered power structures across the creative industries,⁶ which in turn has brought new genres, art forms, and a broader range of perspectives to the public. None of this is to say that the United States has achieved economic and social equality, but to point out that economic empowerment of authors has promoted economic and social justice in tangible and important ways.

Notwithstanding these unprecedented achievements, most copyright scholars over the past several decades have overlooked copyright's core statutory framework. As digital technology reshaped the creative and telecommunications industries, it expanded the ease with which follow-on creators could alter pre-existing works and disseminate them widely. A growing cadre, drawing loosely on First Amendment gloss and the Constitution's "promote progress" clause, and advocating a superficial reading of the Supreme Court's *Campbell* decision, pressed for a fundamental shift in fair use jurisprudence—advising courts to hold that any alteration of a copyrighted work that could be characterized as transformative constituted fair use. About a decade after *Campbell*, the influential Second Circuit began to apply such an expansive view of fair use, effectively swallowing much of

⁴ The professional sports industries are in many respects copyright industries. Broadcasting rights have catapulted the earnings of professional athletes to stratospheric levels. Furthermore, celebrity athletes can leverage on field success through lucrative endorsement deals and other media opportunities, such as broadcasting commentators, acting, other pursuits.

⁵ See Justin Hughes & Robert P. Merges, Copyright and Distributive Justice, 92 Notre Dame L. Rev. 513 (2017).

⁶ As one example, Dr. Dre's success with N.W.A. led to his running the Aftermath Entertainment, which in turn brought Eminem, 50 Cent, Kendrick Lamar, and many other performing artists fame, fortune, and influence. See Dr. Dre, Wikipedia, https://en.wikipedia.org/wiki/Dr._Dre. As another example, Queen Latifah leveraged her breakthrough music success into a motion picture career, product endorsement empire, and cultural phenomena. See Queen Latifah, Wikipedia, https://en.wikipedia.org/wiki/Queen_Latifah. She is perhaps only outdone by television talk show host Oprah Winfrey, referred to as the "Queen of All Media," see Oprah Winfrey, Wikipedia, https://en.wikipedia.org/wiki/Oprah_Winfrey, and Beyoncé, "Queen Bey," see Beyoncé, Wikipedia, <https://en.wikipedia.org/wiki/Beyonc%C3%A9>.

the right to prepare derivative works.⁷ Eventually, however, some judges came to question how far the doctrine had strayed from its statutory mooring.

The Supreme Court's *Warhol* decision brought the simmering clash of the right to prepare derivative works and the fair use doctrine to a head. Justice Sotomayor's 7-2 majority opinion reconciled the interplay of the right to prepare derivative works and the fair use doctrine and returned the fair use doctrine to its textual, purposive, and jurisprudential foundation.⁸ In so doing, the decision explicated the broader economic and social justice principles of the copyright regime.

As background for exploring these principles, this article begins by tracing the Copyright Act's statutory framework, the emergence of the free culture movement, and the derivative work right/fair use controversy that emerged over the past several decades. Part III summarizes the background and key holdings of the Supreme Court's *Warhol* decision. Part IV then discusses the economic, social justice, and moral right dimensions of the copyright regime.

I. The Legislative Backdrop

After multiple aborted efforts to update the 1909 Copyright Act in response to technological, industrial, and social change,⁹ Congress in 1955 authorized appropriations over the next three years for the Copyright Office to conduct comprehensive research to lay the groundwork for a comprehensive reform in the early 1960s. The Register of Copyrights produced a detailed report on a general revision of the copyright law by mid-1961¹⁰ and issued a "Preliminary Draft for Revised U.S. Copyright Law"¹¹

⁷ See *infra* Section II(B)(1).

⁸ See Balganesch & Menell, *supra* note 1.

⁹ See Copyright Law Revision, Report of Register of Copyrights on the General Revision of the U.S. Copyright Law, 87th Cong., 1st Sess. at IX-X (July 1961) (hereinafter cited as "Register's Report") (noting the emergence of radio and television and the development of motion pictures and sound recordings, and international developments).

¹⁰ See *id.* at 24-25 (July 1961).

¹¹ See Copyright Law Revision Part 2, Discussion and Comments on Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 88th Cong., 1st Sess. (Feb. 1963).

in advance of hearings set for 1963.¹² As with many reform legislation efforts, the comprehensive legislation took more than decade after those hearings to reach passage. Yet many of the key provisions were hammered out and their rationale explained by the mid-1960s. Disagreements over how to handle the rapidly developing field of cable television delayed a final bill.¹³

The Copyright Office invited scholars, practitioners, and representatives from industry, author organization, libraries, and technology companies to participate in the drafting process, much of which (including the preparatory studies) were published contemporaneously. Thus, scholars, judges, and the public have a broad window into how the legislation was crafted. This is especially useful in reconciling the interplay of the right to prepare derivative works and the fair use doctrine. At a macroscopic level, the Copyright Act of 1976 can be divided into two main features: the empowerment of authors and the various mechanisms for balancing the rights of the public.

A. Author Empowerment as a Means to Promote Progress

The Register's Report begins with a discussion of theories of copyright.¹⁴ It characterizes the "essential" "nature of copyright" as

the right of an author to control the reproduction of his intellectual creation. As long as he keeps his work in his sole possession, the author's absolute control is a physical fact. When he discloses the work to others, however, he makes it possible for them to reproduce it. Copyright is a legal device to give him the right to control its reproduction after it has been disclosed.¹⁵

The Report makes clear that "[c]opyright does not preclude others from using the ideas or information revealed by the author's work."¹⁶ It notes copyright's property, personal property, and monopoly character, qualifying

¹² Copyright Law Revision Part 3, Preliminary Draft for Revised U.S. Copyright Law and Discussion and Comments on the Draft (1964).

¹³ See H.R. Rep. No. 94-1476, at 48 (1976) [hereinafter 1976 House Report] (recounting the long gestation of the Copyright Act of 1976).

¹⁴ See *id.* at 3-6.

¹⁵ *Id.* at 3.

¹⁶ *Id.*

Economic, Social, and Moral Justice Ramifications of Warhol

that copyrighted works compete against each other and highlighted the risks of that can arise from pooling of copyrighted works.¹⁷

The Report then discusses the purposes of copyright, noting its constitutional basis “To Promote Progress” and its “ultimate purpose” “to foster the growth of learning and culture for the public welfare, and the grant of exclusive rights to authors for a limited time is a means to that end.”¹⁸ The Report quotes from legislative history of the 1909 Act, noting that

The Constitution does not establish copyrights, but provides that Congress shall have the power to grant such rights if it thinks best. Not primarily for the benefit of the author, but primarily for the benefit of the public, such rights are given. Not that any particular class of citizens, however worthy, may benefit, but because the policy is believed to be for the benefit of the great body of people, in that it will stimulate writing and invention to give some bonus to authors and inventors.

In enacting a copyright law Congress must consider * * * two questions: First, how much will the legislation stimulate the producer and so benefit the public, and, second, how much will the monopoly granted be detrimental to the public? The granting of such exclusive rights, under the proper terms and conditions, confers a benefit upon the public that outweighs the evils of the temporary monopoly.¹⁹

The Report explains that “[a]lthough the primary purpose of the copyright law is to foster the creation and dissemination of intellectual works for the public welfare, it also has an important secondary purpose: To give authors the reward due them for their contribution to society.”²⁰ The Report explains that

These two purposes are closely related. Many authors could not devote themselves to creative work without the prospect of remuneration. By giving authors a means of securing the economic

¹⁷ See *id.* at 3-5.

¹⁸ *Id.* at 5.

¹⁹ *Id.* at 5 (quoting H. Rept. No. 2222, 60th Cong., 2d sess. relating to the Copyright Act of 1909).

²⁰ *Id.* at 5.

Economic, Social, and Moral Justice Ramifications of Warhol

reward afforded by the market, copyright stimulates their creation and dissemination of intellectual works. Similarly, copyright protection enables publishers and other distributors to invest their resources in bringing those works to the public.²¹

The Report notes that the interests of authors and the public will often coincide, with both groups benefiting from widespread dissemination of authors' works, but that transaction costs often get in the way. In these circumstances, copyright law imposes limitations on the authors' rights, including various exemptions, compulsory licenses, and the fair use doctrine, durational limits, and formalities.²² The Register concludes this discussion by emphasizing the role of author's reward in developing the modern copyright regime:

While some limitations and conditions on copyright are essential in the public interest, they should not be so burdensome and strict as to deprive authors of their just reward. Authors wishing copyright protection should be able to secure it readily and simply. And their rights should be broad enough to give them a fair share of the revenue to be derived from the market for their works.²³

As noted by Register Kaminstein five years in to the revision process, the 1961 Register Report's substantive recommendations generated "fervent opposition to some its major recommendations,"²⁴ particularly relating to the duration of copyright.²⁵ After extensive hearings and consideration of comments, many of the disagreements were resolved, leading to the 1964 Bill introduced in Congress.²⁶ After a further set of revisions, the Copyright Office produced a comprehensive "Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law: 1965 Revision Bill"²⁷ setting forth the drafters' rationale for the revised text. This report is especially important in understanding the modern act because the ultimate 1976 Act tracks the 1965 Bill nearly verbatim. The major

²¹ Id. at 6.

²² See id.

²³ Id.

²⁴ 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., at IX (Comm. Print 1965) (hereinafter cited as "*Supplementary Report*").

²⁵ See id. at X.

²⁶ See id. at XI-XII.

²⁷ See Supplementary Report, supra note 24.

Economic, Social, and Moral Justice Ramifications of Warhol

impediment to passage of the 1965 Bill was disagreement over how the Act should address Community Antenna Television (CATV), what is now known as cable television. Due to this delay, the final House Report, although very helpful in understanding the modern act, is far more removed in time and focus from many of the core copyright law provisions which did not change between 1965 and 1976 and the rationale underlying these provisions.

In the preface to the *Supplementary Report*, Register Kaminstein explained how the consultation, study, and drafting process led the Copyright Office to favor stronger author rights:

I realize, more clearly now than I did in 1961, that the revolution in communications has brought with it a serious challenge to the author's copyright. This challenge comes not only from the evergrowing commercial interests who wish to use the author's works for private gain. An equally serious attack has come from people with a sincere interest in the public welfare who fully recognize (in the words of Sir Arthur Bliss) 'that the real heart of civilization, the letters, the music, the arts, the drama, the educational material, owes its existence to the author'; ironically, in seeking to make the author's works widely available by freeing them from copyright restrictions, they fail to realize that they are whittling away the very thing that nurtures authorship in the first place. An accommodation among conflicting demands must be worked out, true enough, but not by denying the fundamental constitutional directive: to encourage cultural progress by securing the author's exclusive rights to him for a limited time.²⁸

Recognizing the dawning of "an era when copyrighted materials are being disseminated instantaneously throughout the globe," Register Kaminstein noted the "injustice to authors" of differing copyright standards and the importance of bridging Berne Convention and Universal Copyright Convention nations.²⁹

Register Kaminstein's concern for robust author's rights is evident in the text of Section 106 enumerating those rights and the definitions, particularly

²⁸ See *Supplementary Report*, supra note 24, at XV-XVI.

²⁹ See *id.*

relating to derivative works.³⁰ These provisions track the 1976 Act nearly verbatim.³¹ The *Supplementary Report* explains the rationale for robust author's rights:

It is hard to predict which provisions of the bill will ultimately be most significant in the development of the copyright law, but on the basis of our discussions there is no question as to which group of sections is most important to the interests immediately affected. The nine sections setting forth the scope and limitations on the exclusive rights of copyright owners represent a whole series of direct points of conflict between authors and their successors on the one side, and users, both commercial and noncommercial, on the other. Moreover, of the many problems dealt with in the bill, those covered by the exclusive rights sections are most affected by advancing technology in all fields of communications, including a number of future developments that can only be speculated about. It is not surprising, therefore, that these sections proved extremely controversial and difficult to draft.

In a narrow view, all of the author's exclusive rights translate into money: whether he should be paid for a particular use or whether it should be free. But it would be a serious mistake to think of these issues solely in terms of who has to pay and how much. The basic legislative problem is to insure that the copyright law provides the necessary monetary incentive to write, produce, publish, and disseminate creative works, while at the same time guarding against the danger that these works will not be disseminated and used as fully as they should because of copyright restrictions. The problem of balancing existing interests is delicate enough, but the bill must do something even more difficult. It must try to foresee and take account of changes in the forms of use and the relative importance of the competing interests in the years to come, and it must attempt to

³⁰ See 1965 Bill, § 101 (“A ‘derivative work’ is a work based upon one or more pre-existing 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. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a ‘derivative work.’”)

³¹ Compare Section 106 in the 1965 Bill and 1976 Act.

balance them fairly in a way that carries out the basic constitutional purpose of the copyright law.

Obviously no one can foresee accurately and in detail the evolving patterns in the ways author's works will reach the public 10, 20, or 50 years from now. Lacking that kind of foresight, the bill should, we believe, adopt a general approach aimed at providing compensation to the author for future as well as present uses of his work that materially affect the value of his copyright. As shown by the jukebox exemption in the present law, a particular use which may seem to have little or no economic impact on the author's rights today can assume tremendous importance in times to come. A real danger to be guarded against is that of confining the scope of an author's rights on the basis of the present technology so that, as the years go by, his copyright loses much of its value because of unforeseen technical advances.

For these reasons, we believe that the author's rights should be stated in the statute in broad terms, and that the specific limitations on them should not go any further than is shown to be necessary in the public interest. . . .³²

The Act's empowerment of authors can also be seen in its channeling of additional duration to authors as opposed to publishers and other licensees³³ and the revamping of the work made for hire provision to afford authors an inalienable right to terminate unremunerative transfers after 35 years.³⁴

B. Balancing Author's Rights, Cumulative Creativity, and Freedom of Expression

Beyond author empowerment, the drafters of the 1976 Act were concerned with the public interest in gaining access to copyrighted works and balancing copyright protection with freedom of follow-on creators to use ideas and exercise freedom of expression. The Constitution's Intellectual Property Clause³⁵ afforded Congress substantial leeway in how to design copyright law. After sketching a framework for analyzing the trade-offs in designing copyright law, this section discusses how the Copyright Act

³² See Supplementary Report, *supra* note 24, at 13-14.

³³ See 17 U.S.C. §§ 203(c)(3), 304(d)(2).

³⁴ See 17 U.S.C. § 203.

³⁵ Art. I, § 8, Cl. 8.

drafters exercised that discretion and guided courts in applying the fair use doctrine.

1. An Analytic Framework

There are multiple ways of promoting expressive creativity through copyright protection. At one end of the spectrum, strong intellectual property rights can serve as robust motivation for creators and investors to pursue creative projects. Yet the strength of such rights can hamper cumulative creativity to the extent that follow-on creators bear costs of negotiating permission to build upon protected works. Various limiting doctrines, exemptions, fair use, and compulsory licenses—such as, for example, the cover license³⁶—can alleviate the potential impediments to follow-on creativity, but rules authorizing re-use and re-purposing can themselves be murky, adding to the costs associated with cumulative creativity. Insurance and other risk-spreading devices can also alleviate some of the exposure. At the other end of spectrum, the absence of intellectual property rights or only very weak rights can fuel a wide range of follow-on projects, but can diminish the motivation and funding to pursue ambitious pioneering works.

The efficacy of different approaches depends significantly on transaction costs and licensing.³⁷ Where transaction costs are low, strong rights are more likely to produce the greatest bounty: substantial investment in foundational creative projects along with robust cumulative creativity. Where transaction costs are substantial, strong rights can choke off follow-on works, as well as interfere with educational and research uses of copyrighted works.

Furthermore, in view of copyright law's freedom to build freely on the ideas of others—as reflected in the idea-expression dichotomy—a robust right to prepare derivative works motivates creators to pursue more original and less derivative projects. Professor Joseph Fishman offers the example of a young George Lucas who sought but was denied permission to create a

³⁶ See 17 U.S.C. § 115.

³⁷ Peter S. Menell & Suzanne Scotchmer, *Intellectual Property Law*, in 2 *HANDBOOK OF LAW AND ECONOMICS* 1473, 1499-1505 (A. Mitchell Polinsky & Steven Shavell eds., 2007); Wendy Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and Its Predecessors*, 82 *Colum. L. Rev.* 1600, 1608, 1613, 1618, 1628-29 (1982).

remake of *Flash Gordon*.³⁸ Rebuffed, but undaunted, Lucas pursued a far more ambitious project. Drawing on ideas from *Flash Gordon*, the original *Star Trek* television series, other science fiction films, Japanese Samurai films, westerns, and John Campbell's *THE HERO WITH A THOUSAND FACES*,³⁹ Lucas created *Star Wars*, one of the most iconic films (and film series). Other examples of stymied creators who went on to pursue great works abound,⁴⁰ as are examples of documentary filmmakers, mashup artists, and other creators who are blocked or chilled in their use of prior works.⁴¹ Whether and how expressive freedom or copyright constraint affect creative progress is both an empirical question and a judgment call about what are the most valuable forms of creativity and the distribution of economic value. It is also influenced by the First Amendment's protection for freedom of expression.

2. How the Copyright Act Drafters Balanced the Competing Interests

The *Supplementary Report* directly addresses the trade-off between strong author rights and limitations to facilitate access and follow-on creativity. As noted above, the drafters explained that “the author’s rights should be stated in the statute in broad terms, and that the specific limitations on them should not go any further than is shown to be necessary in the public interest.”⁴² Following that blunt statement about how the statute balanced this trade-off, the drafters further explained that they were confident that transaction costs would not stand in the way of effective bargaining:

³⁸ See Joseph P. Fishman, Creating Around Copyright: How Copyright Constraints Lead to Greater Creativity, 128 Harv. L. Rev. 1333, 1336 (2015); J.W. RINZLER, THE MAKING OF STAR WARS 4 (2007).

³⁹ See *Star Wars* sources and analogues, Wikipedia, https://en.wikipedia.org/wiki/Star_Wars_sources_and_analogues

⁴⁰ See Fishman, *supra* note 38, at 1336-39 (noting that Donkey Kong and Super Mario resulted from a copyright owner’s refusal to license Popeye, among other examples).

⁴¹ See Patricia Aufderheide & Peter Jaszi, Center For Social Media, *Untold Stories: Creative Consequences of the Rights Clearance Culture for Documentary Filmmakers* 7–29 (2004), <https://perma.cc/P639-QJRP>; LAWRENCE LESSIG, *FREE CULTURE* 105-06, 181-82 (2004); Nancy Ramsey, *The Hidden Cost of Documentaries*, N.Y. TIMES (Oct. 16, 2005), <http://www.nytimes.com/2005/10/16/movies/16rams.html> (discussing the film *Tarnation*); KEMBREW MCLEOD & PETER DICOLA, *CREATIVE LICENSE: THE LAW AND CULTURE OF DIGITAL SAMPLING* 165-66, 203-05 (2011) (detailing the high transaction costs associated with clearing music samples).

⁴² See *Supplementary Report*, *supra* note 24, at 14.

Economic, Social, and Moral Justice Ramifications of Warhol

In our opinion it is generally true, as the authors and other copyright owners argue, that if an exclusive right exists under the statute a reasonable bargain for its use will be reached; copyright owners do not seek to price themselves out of a market. But if the right is denied by the statute, the result in many cases would simply be a free ride at the author's expense.

We are entirely sympathetic with the aims of nonprofit users, such as teachers, librarians, and educational broadcasters, who seek to advance learning and culture by bringing the works of authors to students, scholars, and the general public. Their use of new devices for this purpose should be encouraged. It has already become clear, however, that the unrestrained use of photocopying, recording, and other devices for the reproduction of authors' works, going far beyond the recognized limits of 'fair use,' may severely curtail the copyright owner's market for copies of his work. Likewise, it is becoming increasingly apparent that the transmission of works by nonprofit broadcasting, linked computers, and other new media of communication, may soon be among the most important means of disseminating them, and will be capable of reaching vast audiences. Even when these new media are not operated for profit, they may be expected to displace the demand for authors' works by other users from whom copyright owners derive compensation. Reasonable adjustments between the legitimate interests of copyright owners and those of certain nonprofit users are no doubt necessary, but we believe the day is past when any particular use of works should be exempted for the sole reason that it is 'not for profit.'

As possible methods of solving the practical difficulties of clearance with respect to both commercial and noncommercial uses, various suggestions have been advanced for voluntary clearinghouses or for systems of compulsory licensing under the statute. All of these suggestions deserve consideration, but we are inclined to doubt the present need to impose a statutory licensing system upon the exercise of any of these rights. We believe that the work already in progress toward developing a clearinghouse to license photocopying offers the basis for a workable solution of that problem, and, if found necessary, could be expanded to cover other uses.⁴³

⁴³ Id..

Thus, the drafters considered strong rights to be a vital engine for driving expressive creativity, believed that transaction costs of licensing would be manageable, and opposed “free riding” on the work of others. While these are debatable propositions, they nonetheless bear directly on the interpretation of the Copyright Act.

3. The Fair Use Doctrine

The drafting of the fair use provision also bears critically on the balancing of author’s rights, dissemination of copyrighted works, and the freedom of follow-on creators. The Copyright Office identified the fair use doctrine as one of the key areas for study in advance of the drafting process.⁴⁴ 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.⁴⁵ 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.”⁴⁶ Nonetheless, drawing on Justice Joseph Story’s oft-quoted criteria in *Folsom v. Marsh*,⁴⁷ contemporary decisions, copyright scholarship, draft bills, foreign legislation, and international conventions, the Fair Use Report offered some general guideposts.⁴⁸ 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.

⁴⁴ 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., 5 (1960) (hereinafter cited as “Fair Use Report”).

⁴⁵ See *id.* at 8-14.

⁴⁶ See *id.* at 14 (quoting Cohen, *Fair Use in the Law of Copyright*, 6 ASCAP Copyright L. Sym. 43, 52 (1955)).

⁴⁷ 9 Fed. Cas. 342 (C.C.D. Mass 1841).

⁴⁸ See Fair Use Report, *supra* note 44, at 15-32.

Economic, Social, and Moral Justice Ramifications of Warhol

In its initial proposal, the Register of Copyrights channeled the *Fair Use Report's* synthesis of fair use doctrine, noting the principal examples and synthesizing four key factors that courts consider:

(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.⁴⁹

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.”⁵⁰

After further consideration, the next iteration proposed much of the now familiar four-factor test, but without the preambular list of categories.⁵¹ 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.”⁵² 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.”⁵³ The *Supplementary Report* noted that

⁴⁹ Register’s Report, *supra* note 9, 24-25.

⁵⁰ *Id.* at 25.

⁵¹ 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).

⁵² See Supplementary Report, *supra* note 24, at 27.

⁵³ See *id.* at 28.

Economic, Social, and Moral Justice Ramifications of Warhol

we do not favor sweeping, across-the-board exemptions from the author's exclusive rights unless an overriding public need can be conclusively demonstrated. There is hardly any public need today that is more urgent than education, but we are convinced that this need would be ill-served if educators, by making copies of the materials they need cut off a large part of the revenue to authors and publishers that induces the creation and publication of those materials.⁵⁴

A year later, following compromise among publishers and educational and library groups, the drafters reintroduced the multi-factor formulation along with the preamble.⁵⁵ This language carried forward to the 1976 Act with a few adjustments. The final provision qualified the preamble “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.”⁵⁶

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.”⁵⁷ 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.⁵⁸

The *House Report* then explains the “general intention” behind § 107:

⁵⁴ See Copyright Law Reform, House of Representatives, 89th Sess., 2d Sess., Report No. 2237 (Oct. 12, 1966) (accompanying H.R. 4347), at 59.

⁵⁵ See H.R. 4347, 89th Cong., 2d Sess. (1966).

⁵⁶ See Copyright Law Revision, H.R. Rep. No. 94-1476, at 5 (1976).

⁵⁷ *Id.* at 65 (quoting the full list from the Register’s 1961 Report).

⁵⁸ *Id.* at 66.

[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.*⁵⁹

Thus, the drafting of the fair use provision culminated close to where it began. The final legislation 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 to alter the doctrine beyond ensuring that it could address unforeseen technological developments and address “particular situations on a case-by-case basis.”

II. The Derivative Work Right-Fair Use Collision

Beginning in the mid-1990s, a cadre of First Amendment and copyright scholars embarked on a multi-institutional campaign to “liberate” the public and follow-on creators from the burden of copyright law’s derivative work right. As a statutory reform effort, these proposals were innovative, insightful, and controversial, well worthy of serious legislative consideration and debate. The project, however, soon morphed into a movement to persuade judges to rewrite key elements of the Copyright Act through constitutional and doctrinal interpretation. This section traces that movement and its apparent impact on the fair use doctrine, which ultimately culminated in *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*.⁶⁰ We

⁵⁹ Id. (emphasis added).

⁶⁰ 598 U.S. 508 (2023).

examine that decision and its economic, social, and moral justice aspects in Parts III and IV respectively.

A. The Free Culture Movement

Prior to the late 1960s, the interplay of copyright protection and the First Amendment attracted relatively little scholarly attention.⁶¹ A couple of notable cases around that time, however, aroused interest. In one, the reclusive mogul Howard Hughes sought to block a biographer from reporting on his life by acquiring the rights to a series of journal articles about him.⁶² While emphasizing that copyright law's idea-expression dichotomy helps to ensure that copyright law does not trench on First Amendment values by ensuring that ideas cannot be encumbered, Professor Melville Nimmer nonetheless criticized the Second Circuit's decision overturning a preliminary injunction on the ground that the defendant had copied substantial expression verbatim and not merely facts and ideas.⁶³ Professor Nimmer noted the importance of the fair use doctrine in *Time, Inc. v. Bernard Geis Associates*,⁶⁴ where the court denied a copyright claim against the publisher of a book about the assassination of President Kennedy which included still images from the copyright owner's film of the event—the only video account of this tragic, publicly important event.⁶⁵

⁶¹ In a 1945 article, Professor Zechariah Chafee addressed free speech concerns, although not expressly through a First Amendment lens. See Zechariah Chafee, Jr., Reflections on the Law of Copyright: I, 45 Colum. L. Rev. 503 (1945).

⁶² See *Rosemont Enterprises, Inc. v. Random House, Inc.*, 366 F.2d 303 (2d Cir. 1966).

⁶³ See Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?*, 17 UCLA L. Rev. 1180, 1201-02 (1970) (inaugural Brace Lecture); see also Paul Goldstein, *Copyright and the First Amendment*, 70 Colum. L. Rev. 983, 1011-13, 1057 (1970) (commenting on the fair use aspect of the opinion).

⁶⁴ 293 F. Supp. 130, 144-46 (S.D.N.Y. 1968). Interestingly, the court considers the draft fair use provision from the 1967 Bill in rendering its decision.

⁶⁵ The book in question criticized the Warren Commission, the government report about the assassination which relied heavily on that film in its analysis. See *id.* at 134. See Nimmer, *supra* note 63, at 1200-01; see also Robert C. Denicola, *Copyright and Free Speech: Constitutional Limitations on the Protection of Expression*, 67 Cal. L. Rev. 283 (1979); Harry N. Rosenfield, *The Constitutional Dimension of "Fair Use" in Copyright Law*, 50 Notre Dame L. Rev. 790 (1975).

Economic, Social, and Moral Justice Ramifications of Warhol

Interest in the interplay of the First Amendment and copyright protection waned in the 1980s as interest turned to the copyright protection for computer software and the challenges posed by interoperability of computer systems.⁶⁶ This scholarship greatly aided the courts in ensuring that copyright did not extend to the functionality of digital machines.⁶⁷ It also opened up a new branch of fair use jurisprudence: reverse engineering to determine uncopyrightable features of computer software.⁶⁸ The free software movement,⁶⁹ which traces back to Richard Stallman's GNU Project to promote the freedom to share and modify computer software in 1983,⁷⁰ fed into the emergence of the "copyleft" movement.⁷¹

Dovetailing with these developments, the Digital Future Coalition (DFC) formed to advocate "prosperous information commerce" and "a robust shared culture."⁷² Convened by copyright scholar Professor Peter Jaszi, the DFC's membership comprised educators, computer and telecommunications industry associations, libraries, artists, software and hardware producers,

⁶⁶ See LaST Frontier Conference on Copyright Protection of Computer Software, 30 JURIMETRICS J. 15 (1989); Peter S. Menell, An Analysis of the Scope of Copyright Protection for Application Programs, 41 STAN. L. REV. 1045 (1989); Peter S. Menell, Tailoring Legal Protection for Computer Software, 39 STAN. L. REV. 1329 (1987); Pamela Samuelson, CONTU Revisited: The Case Against Copyright Protection for Computer Programs in Machine-Readable Form, 1984 DUKE L.J. 663 (1984).

⁶⁷ See Lotus Dev. Corp. v. Borland Int'l, Inc., 49 F.3d 807 (1st Cir. 1995), *aff'd* by an equally divided court, 516 U.S. 233 (1996); Comput. Assocs. Int'l v. Altai, Inc., 982 F.2d 693 (2d Cir. 1992).

⁶⁸ See Sega Enters. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1993).

⁶⁹ See Free Software Movement, Wikipedia, https://en.wikipedia.org/wiki/Free_software_movement; see also Open-Source-Software Movement, Wikipedia, https://en.wikipedia.org/wiki/Open-source-software_movement (an offshoot of the Free Software Movement with a less restrictive sharing philosophy).

⁷⁰ See GNU Project, Wikipedia, https://en.wikipedia.org/wiki/GNU_Project.

⁷¹ See Copyleft, Wikipedia, <https://en.wikipedia.org/wiki/Copyleft>.

⁷² See Comments of the Digital Future Coalition submitted to the U.S. Copyright Office and National Telecommunications and Information Administration, U.S. Department of Commerce in response to the Request for Comments published at 65 Fed. Reg. 35673 pursuant to Sec. 104 of the Digital Millennium Copyright Act, Aug./Sept. 2000, <https://www.copyright.gov/reports/studies/dmca/comments/Init009.pdf>.

Economic, Social, and Moral Justice Ramifications of Warhol

archivists, and scientists.⁷³ The DFC initially focused on participating in deliberations over adapting copyright legislation to address the digital revolution. Professor Pamela Samuelson, an early contributor to the software copyright literature,⁷⁴ entered the political fray over what would become the Digital Millennium Copyright Act of 1998.⁷⁵

Out of and from beyond the DFC community emerged a range of scholars advocating for greater freedom to access, use, and adapt copyrighted works.⁷⁶ Many of these scholars came to question the very notion of creativity based on what Professor James Boyle characterized as the “romantic authorship” myth.⁷⁷ Illustrating Boyle’s point, Professor Jessica Litman in 1990 began an article with a provocative quotation: ““Artists have been deluding themselves,

⁷³ See *id.*; Digital Future Coalition, Wikipedia, https://en.wikipedia.org/wiki/Digital_Future_Coalition.

⁷⁴ See Samuelson, *supra* note 66.

⁷⁵ Pub. L. 105-304, 112 Stat. 2860; see Pamela Samuelson, *The Copyright Grab*, *Wired*, Jan. 1996.

⁷⁶ See Yochai Benkler, *Free as the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain*, 74 *N.Y.U. L. Rev.* 354, 386-400 (1999); Rebecca Tushnet, *Legal Fictions: Copyright, Fan Fiction, and a New Common Law*, 17 *Loy. L.A. Ent. L.J.* 651, 664-78 (1997); Neil Weinstock Netanel, *Copyright and a Democratic Civil Society*, 106 *Yale L.J.* 283, 301-05 (1996); Brief of Amici Curiae Concerned Law Professors in Support of Petitioners, *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994) (No. 92-1292) (advocating a First Amendment defense for parody).

⁷⁷ See James Boyle, *Shamans, Software, and Spleens: Law and the Construction of the Information Society* (1996); Rosemary J. Coombe, *The Cultural Life of Intellectual Properties: Authorship, Appropriation, and the Law* 219-20, 283, 378 n.52, 379 n.56 (1998); Ronald V. Bettig, *Copyrighting Culture: The Political Economy of Intellectual Property* 33-68 (1996) (tracing the ownership and control of culture and information to corporate interests); Peter Jaszi, *On the Author Effect: Contemporary Copyright and Collective Creativity*, in Martha Woodmansee & Peter Jaszi (eds.), *The Construction of Authorship: Textual Appropriation in Law and Literature* 29, 29-30 (1994) (discussing Michel Foucault’s questioning of the emergence of “authorship” as a “privileged moment of *individualization* in the history of ideas,” quoting Michel Foucault, *What Is an Author?*, in *Textual Strategies: Perspectives in Post-Structuralism Criticism* 141, 141 (1979)) ; but see Mark Lemley, *Romantic Authorship and the Rhetoric of Property*, 75 *Tex. L. Rev.* 873, 877-85 (1997) (book review) (questioning Boyle’s critique of copyright law as mired in an eighteenth century, mythical, view of authors creating “‘original’ works from whole cloth”).

Economic, Social, and Moral Justice Ramifications of Warhol

for centuries, with the notion that they create. In fact they do nothing of the sort.”⁷⁸

Out of the blue, Professor Lawrence Lessig, known at the time more for his constitutional law scholarship,⁷⁹ burst onto the copyright scene in the late 1990s.⁸⁰ With unusual flair (for a law professor anyway), he mounted a constitutional challenge to the Copyright Term Extension Act of 1998,⁸¹ industry-led legislation extending the term of copyright protection by 20 years. Industry and author groups pitched the legislation as harmonizing U.S. copyright law with protection in much of the rest of the world. Professor Lessig, along with many copyright scholars and economists, saw the legislation as a needless extension that deprived the public of access to copyrighted works that had already enjoyed very long duration.⁸²

Professor Lessig launched not just a lawsuit on behalf of public domain works publisher Eric Eldred,⁸³ but a politically-styled campaign to “liberate

⁷⁸ Jessica Litman, *The Public Domain*, 39 *Emory L.J.* 965, 965 (1990) (quoting Spider Robinson, *Melancholy Elephants*, in *MELANCHOLY ELEPHANTS* 1, 16 (1985)). Professor Boyle would go on to deepen this line of thinking, see James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 33 *LAW AND CONTEMPORARY PROBLEMS* 33 (Winter-Spring 2003); JAMES BOYLE, *THE PUBLIC DOMAIN: ENCLOSING THE COMMONS OF THE MIND* (2008), and advocacy, co-founding Duke Law School’s Center for the Study of the Public Domain in 2002, see Center for the Study of the Public Domain, <https://web.law.duke.edu/cspd/about/>.

⁷⁹ See Lawrence Lessig, *Copyright’s First Amendment*, 48 *UCLA L. REV.* 1057, 1058 (2001).

⁸⁰ See Lawrence Lessig, *Code and Other Laws of Cyberspace* (1999).

⁸¹ Pub. L. 105–298, 112 Stat. 2827.

⁸² See Dennis S. Karjala, *Judicial Review of Copyright Term Extension Legislation*, 36 *Loy. L.A. L. Rev.* 199 (2002).; Brief of George A. Akerlof et al. as Amici Curiae in Support of Petitioners at 12, *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (No. 01-618), 2002 WL 1041846; but see Stan J. Liebowitz & Stephen Margolis, *Seventeen Famous Economists Weigh in on Copyright: The Role of Theory, Empirics, and Network Effects*, 18 *HARV. J.L. & TECH.* 435 (2005) (offering a counterpoint the *Eldred* Economists’ Brief); William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 *U. Chi. L. Rev.* 471, 484-88 (2003) (suggesting that “congestion externalities” could diminish the value of a popular work that is in the public domain).

⁸³ See Amy Harmon, *Debate to Intensify on Copyright Extension Law*, *N.Y. Times* (Oct. 7, 2002), <https://www.nytimes.com/2002/10/07/business/debate-to-intensify-on-copyright-extension-law.html>; Carl S. Kaplan, *Online Publisher Challenges Copyright Law*, *N.Y.*

Economic, Social, and Moral Justice Ramifications of Warhol

Mickey Mouse,”⁸⁴ the beloved Disney character nearing the end of his 75 year copyright term. Around this time, the copyright world was abuzz with the meteoric rise of Napster, a powerful file-sharing technology. To the youth of America, accustomed to shelling out \$18 for a CD, and the free culture movement, this was a godsend. To the record industry, which had just fought a difficult battle to pass the DMCA, it was doomsday.

As these controversies were unfolding, Professor Lessig opened an innovative new flank in the free culture movement.⁸⁵ With emergence of user-generated content and the websites hosting such works in jeopardy, he launched the Creative Commons Project to enable and encourage creators to disavow copyright limitations, in whole or in part, on their works.⁸⁶ Drawing on the open source software movement, Creative Commons’s standardized licensing platform and tagging tools reduced the transaction costs for creators to pre-license their works on the terms that they preferred and downstream users to find, share, and build on them. This innovative copyleft model proved successful,⁸⁷ although traditional copyright protection continues to dominate mainstream content markets

Professor Lessig’s effort to overturn the CTEA, however, did not prove successful. In 2003, the Supreme Court ruled decisively against the

Times (Jan. 15, 1999),
<https://archive.nytimes.com/www.nytimes.com/library/tech/99/01/cyber/cyberlaw/15law.html>

⁸⁴ See Free Mickey Mouse: Lawrence Lessig wants less copyright protection, including for Disney’s famous rodent, *The Economist* (Oct. 10, 2002), <https://www.economist.com/business/2002/10/10/free-mickey-mouse>; Michael Connor, Free the Mouse! Lawrence Lessig on Disney, copyrights, and the creative commons, *Austin Chronicle* (Mar. 8, 2002), <https://www.austinchronicle.com/screens/2002-03-08/84942/>

⁸⁵ See A History of Creative Commons, Creative Commons, (noting that the organization was founded in 2001 and went live in 2002) <https://creativecommons.org/timeline/>

⁸⁶ See Creative Commons, Wikipedia, https://en.wikipedia.org/wiki/Creative_Commons

⁸⁷ Based on some early surveys of Creative Commons licenses, many users decline to pre-authorize commercial uses. See Zachary Katz, Pitfalls of Open Licensing: An Analysis of Creative Commons Licensing, 46 *IDEA* 391 (2006) (reporting February 2005 data finding that 74% of licenses prohibit commercial use (NC) and 32% prohibit derivative works (ND)). We are not aware of more recent systematic surveys of Creative Commons licensing.

constitutional attack.⁸⁸ Justice Ginsburg’s 7-2 majority opinion rejected the argument that the legislation violated Intellectual Property Clause’s “limited times” provision, steering clear of addressing the wisdom of Congress’ policy judgment. Furthermore, the decision narrowed the First Amendment’s independent role in regulating copyright protection, observing that “[t]he First Amendment securely protects the freedom to make—or decline to make—one’s own speech; it bears less heavily when speakers assert the right to make other people’s speeches. To the extent such assertions raise First Amendment concerns, copyright’s built-in free speech safeguards are generally adequate to address them.”⁸⁹ The Court was referring principally to the fair use doctrine, noting in an earlier passage that “the ‘fair use’ defense allows the public to use not only facts and ideas contained in a copyrighted work, but also expression itself in certain circumstances. . . . The fair use defense affords considerable ‘latitude for scholarship and comment,’ and even for parody.”⁹⁰

The effort to immunize file-sharing platforms from indirect liability also stumbled. In many ways, this controversy was far more significant for the creative ecosystem. Unlike the CTEA challenge, which for the most part affected works that have long since lost their salience, file-sharing went to the beating heart of the content industries: authors’ ability to enforce their rights effectively during the first seconds following dissemination. A unanimous Supreme Court held that the file-sharing services could be (and were) liable for inducing massive copyright infringement.⁹¹ Although the decision reinforced the staple article of commerce safe harbor, it fueled the development of and licensing to subscription services, generating tremendous

⁸⁸ Eldred v. Ashcroft, 537 U.S. 186 (2003); see David McGowan, Why the First Amendment Cannot Dictate Copyright Policy, 65 U. Pitt. L. Rev. 281 (2004).

⁸⁹ Id. at 221.

⁹⁰ Id. at 220-21.

⁹¹ See MGM Studios, Inc. v. Grokster, Ltd., 545 U.S. 913 (2005). The decision did not, however, block peer-to-peer technology in general. The Court sustained the availability of the Sony staple article of commerce doctrine while holding that the defendants induced infringement. See id. at 933-40.

investment in new content and seamless, competitively priced streaming platforms.⁹²

Professor Lessig and other scholars continued to press for liberalization of the copyright system.⁹³ Professor Jaszi, in collaboration with Professor Patricia Aufderheide, a communication studies scholar, embarked on a project to, in their words, “reclaim fair use” and make it more accessible to documentary filmmakers and other creators.⁹⁴ Professor Lessig took a more combative approach, assailing “[f]air use [as] the right to hire a lawyer.”⁹⁵ In 2007, Professor Rebecca Tushnet and other “fans” co-founded the

⁹² Audio Streaming: see Anne Steele, Spotify Dominates Audio Streaming, but Where Are the Profits?, Wall. St. J. (Jan. 18, 2023) (reporting that Spotify has a 30% market share of audio streaming, approximately 600 million users, is adding millions of new subscribers a month), <https://www.wsj.com/business/media/spotify-streaming-music-podcasts-audiobooks-3e88180d>; Spotify's revenue worldwide from 2013 to 2022, Statista (Jan. 2023) (reporting revenue growth from €746m in 2013 to €11,727m in 2022), <https://www.statista.com/statistics/813713/spotify-revenue/>. A substantial share of that revenue goes to copyright owners, recording artists, and composers.

Video streaming: Number of Netflix paid subscribers worldwide from 1st quarter 2013 to 3rd quarter 2023, Statista (Oct. 2023) (reporting subscriber growth from 34 million subscribers in the first quarter of 2013 to nearly 250 million subscribers in the third quarter of 2023), <https://www.statista.com/statistics/250934/quarterly-number-of-netflix-streaming-subscribers-worldwide/>; Netflix's annual revenue from 2002 to 2022, Statista (Jan. 2023) (reporting revenue growth from \$682m in 2005 to \$31,615m in 2022). Much of that revenue goes to audio-visual production and licensing.

⁹³ See Lawrence Lessig, *Remix: Making Art and Commerce Thrive in the Hybrid Economy* (2008); Lawrence Lessig, *Free Culture: How Big Media Uses Technology and the Law to Lock Down Culture and Control Creativity* (2004); Rebecca Tushnet, *Copy This Essay: How Fair Use Doctrine Harms Free Speech and How Copying Serves It*, 114 Yale L.J. 535 (2004).

⁹⁴ See Patricia Aufderheide & Peter Jaszi, *Reclaiming Fair Use: How to Put Balance Back in Copyright* x-xiv (2011); Patricia Aufderheide & Peter Jaszi, *Reclaiming Fair Use: How to Put Balance Back in Copyright* (2d ed. 2018) (hereinafter cited as “Reclaiming Fair Use, 2d ed.”). Michael Donaldson, a Hollywood entertainment lawyer, focused his practice on this type of work. See Michael C. Donaldson, Lisa A. Callif, & Christopher L. Perez, *Clearance & Copyright: Everything you Need to Know for Film, Television, and Other Creative Content* (5th ed. 2023) (the first edition appeared in 1995).

⁹⁵ See Lessig, *Free Culture*, supra note 93, at 187; Stephen Manes, Let's Have Less of Lessig, *Forbes* (Apr. 2, 2004), https://www.forbes.com/2004/04/02/cz_sm_0402manes.html. At a 2006 conference, he said: “I hate fair use. I hate it because it distracts us from free use.” RECLAIMING FAIR USE, 2D ED., supra note 94, at 66.

Economic, Social, and Moral Justice Ramifications of Warhol

Organization for Transformative Works “to serve the interests of fans by providing access to and preserving the history of fanworks and fan culture in its myriad forms.”⁹⁶ Its website states: “[w]e believe that fanworks are transformative and that transformative works are legitimate.”⁹⁷

These scholars viewed the Supreme Court’s *Campbell* decision—with its incorporation of “transformativeness” into the fair use balance—as the vehicle to liberate follow-on creativity from copyright restrictions.⁹⁸ Their analysis, however, collapsed Justice Souter’s carefully constructed and nuanced framing of the fair use doctrine into a simplistic transformativeness inquiry.⁹⁹ What was peculiar about much of the scholarly work—especially Professor Lessig’s, Professor Jaszi’s, and Professor Tushnet’s—was the absence of any engagement with the Copyright Act’s text (definition of derivative works and the fair use preamble and factors) or legislative history.¹⁰⁰ This was surprising in view of the explosion of interest in statutory

⁹⁶ See Organization for Transformative Works, <https://www.transformativeworks.org/>; Organization for Transformative Works, Wikipedia, https://en.wikipedia.org/wiki/Organization_for_Transformative_Works.

⁹⁷ See *id.*

⁹⁸ See, e.g., Tushnet, *supra* note 93, at 544-45 (stating that “[t]he derivative works right is difficult to reconcile with a transformation-friendly fair use” and “thus threatens to give copyright owners power to control interesting, creative, and culturally significant reuses of their works”).

⁹⁹ See Shyamkrishna Balganesh & Peter S. Menell, *Misreading Campbell: Lessons for Warhol*, 72 *Duke L.J. Online* 113 (2023).

¹⁰⁰ Professor Jessica Litman, who had earlier written about the legislative history of the Copyright Act, was a notable exception, although she declined to weigh presumably because it conflicted with her normative views on copyright law. In her critique of the Copyright Act of 1976 for succumbing to “negotiated” solutions to impasses, she forthrightly acknowledged that the drafters enacted broad rights and narrow exceptions. See JESSICA LITMAN, *DIGITAL COPYRIGHT* 54-58 (2001); Jessica D. Litman, *Copyright, Compromise, and Legislative History*, 72 *Cornell L. Rev.* 857, 875-77, 886 (1987) (noting the Act’s “expansively defined rights and rigid exemptions” and discussing the hammering out of the fair use compromise).

In a 2013 article that purported to analyze the full legislative history of the derivative work provision, Professor Pamela Samuelson contended that “[t]here is . . . no credible evidence that Congress intended to create a vast and open-ended expansion of derivative work rights by inserting [the clause “or any other form in which a work may be recast, transformed, or adapted” at the end of the definition].” See Pamela Samuelson, *The Quest For a Sound Conception of Copyright’s Derivative Work Right*, 101 *Geo. L.J.* 1505, 1562 (2013). Although her analysis references the 1965 *Supplementary Report*—which directly

interpretation in the courts and the broader scholarly community over the previous two decades.¹⁰¹ The following section traces the jurisprudential detour that unfolded.

B. The Jurisprudential Fair Use Detour

About a decade after the *Campbell* decision, the fair use doctrine took a significant turn in the Second Circuit, collapsing the analysis into a focus on transformativeness. Even as these cases began to influence other courts, Judge Frank Easterbrook’s opinion in *Kienitz v. Sconnie Nation*¹⁰² and Judge Margaret McKeown’s opinion in *Dr. Seuss Enterps., L.P. v. ComicMix LLC*¹⁰³ questioned the shift.

and contemporaneously addresses the intent behind the exclusive rights—at several points in her analysis, see *id.* at 1512, n. 35, 1527, n. 103, and 1540, n.171, Professor Samuelson makes no mention of the parts of that report that characterize the exclusive rights as “broad” and the limitations narrow, see *Supplementary Report*, supra note 24, at 13-14. Moreover, the specific text which she contends is narrow is anything but: “or *any* other form in which a work may be recast, transformed, or adapted” (emphasis added). One of the “cardinal” canons of statutory interpretation would not exclude such clear language as mere surplusage. See Nat’l Ass’n of Mfrs. v. Dep’t of Def., 583 U.S. 109, 128-29 (2018) (“As this Court has noted time and time again, the Court is ‘obliged to give effect, if possible, to every word Congress used.’”) (quoting *Reiter v. Sonotone Corp.*, 442 U.S. 330, 339 (1979)); see also *Tex. Educ. Agency v. U.S. Dep’t of Educ.*, 908 F.3d 127, 133 (5th Cir. 2018) (describing the canon as a “cardinal principle of statutory construction”) (quoting *Bennett v. Spear*, 520 U.S. 154, 173 (1997).

¹⁰¹ See Gregory S. Crespi, *The Influence of a Decade of Statutory Interpretation Scholarship on Judicial Rulings: An Empirical Analysis*, 53 SMU L. Rev. 9 (2000) (cataloging 132 statutory interpretation articles published between 1988 and 1997, many of which were cited by the courts); Cass R. Sunstein, *Interpreting Statutes in the Regulatory State*, 103 Harv. L. Rev. 405 (1989) (cited 21 times); Antonin Scalia, *The Rule of Law as a Law of Rules*, 56 U. Chi. L. Rev. 1175 (1989) (16 cites); Stephen Breyer, *On the Uses of Legislative History in Interpreting Statutes*, 65 S. Cal. L. Rev. 845 (1992) (10 cites); William N. Eskridge, Jr. & Phillip P. Frickey, *Statutory Interpretation as Practical Reasoning*, 42 Stan. L. Rev. 321 (1990) (10 cites) (highlighting the three dominant modes of statutory interpretation: intentionalism, purposivism, and textualism).

¹⁰² 766 F.3d 756 (7th Cir. 2014).

¹⁰³ 983 F.3d 443 (9th Cir. 2020).

1. The Second Circuit Detour

i. Blanch v. Koons

This case pitted fashion photographer Andrea Blanch against noted and notorious¹⁰⁴ appropriation artist Jeffrey Koons.¹⁰⁵ In “Niagra,” Koons cropped a portion of Blanch’s photograph (“Silk Sandals”), described by District Judge Louis Stanton as showing

the lower part of a woman’s bare legs (below the knee) crossed at the ankles, resting on the knee of a man apparently seated in an airplane cabin. She is wearing Gucci sandals with an ornately jeweled strap. One of the sandals dangles saucily from her toes. The photograph as a whole conveyed a sense of sleek elegance, with faintly erotic undertones, and was designed to illustrate the metal-flecked polish on the model’s toenails, as part of *Allure* [magazine’s] six-page article about metallic makeup.¹⁰⁶

As depicted in Figure 1, Koons cropped the model’s legs, feet, and sandals as a component of a painting which dangles four pairs of women’s legs and feet as a faux waterfall into a basin of confections: a massive chocolate-fudge brownie a la mode, glazed donuts, and apple Danish pastries. Koons asserted that his work “transformed” a

¹⁰⁴ See, e.g., Charles Kessler, *Jeff Koons: The Artist Critics Hate to Love—Part I* (Aug. 9, 2014) (quoting art critic Jerry Saltz on Koons’ 1994 to 2007 works: “huge, shiny baubles for billionaires. . . . the readymade crossed with greed, money, creepy beauty, and the ugliness of our culture art”); and Roberta Smith, commenting that the works in Koon’s 2014 Whitney Museum retrospective “unavoidably reek of Gilded Age excess, art star hubris and the ever-widening inequality gap that threatens this country”), <https://leftbankartblog.blogspot.com/2014/08/jeff-koons-artist-critics-hate-to-love.html>.

This was not Koons’s first encounter with a copyright infringement allegation. Three of his sculptures from his 1998 “Banality” series, see *Banality* (sculpture series), Wikipedia, [https://en.wikipedia.org/wiki/Banality_\(sculpture_series\)](https://en.wikipedia.org/wiki/Banality_(sculpture_series)), were found to be infringements. See *Rogers v. Koons*, 960 F.2d 301 (2d Cir.) (1992); *Campbell v. Koons*, No. 91 Civ. 6055, 1993 WL 97381 (S.D.N.Y. Apr.1, 1993); *United Feature Syndicate v. Koons*, 817 F.Supp. 370 (S.D.N.Y.1993). Koons’s fair use defense failed in each of those cases.

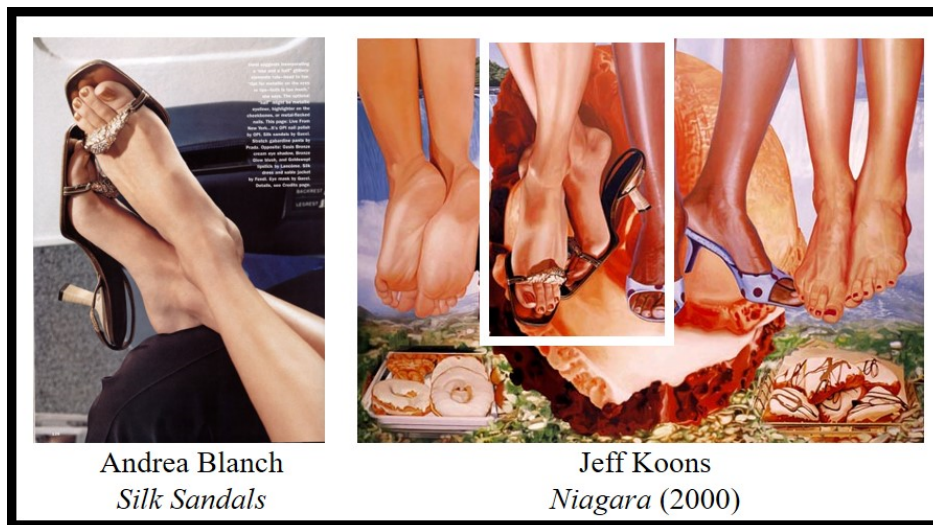
¹⁰⁵ In a prior case involving a scultural work commissioned by Koons based on a photograph (“string of puppies”), the Second Court ruled that the secondary work did not qualify as a fair use. See

¹⁰⁶ *Blanch v. Koons*, 396 F.Supp.2d 476, 478-79 (2005).

Economic, Social, and Moral Justice Ramifications of Warhol

collage of common images found in popular culture—advertisements, retail displays, and beauty and fashion magazines—. . . into an entirely new artistic work by altering the context, orientation, scale, and material of the original images, and by combining and layering the images over sublime landscapes in a large scale oil painting that comments on and celebrates society’s appetites and indulgences, as reflected in and encouraged by a ubiquitous barrage of advertising and promotional images of food, entertainment, fashion and beauty.¹⁰⁷

Figure 1



Niagra was one of seven paintings in Koons’s “Easyfun-Ethereal” series, for which Deutsche Bank paid Koons \$2 million.¹⁰⁸ Sotheby’s reportedly appraised “Niagara” at \$1 million in 2004.¹⁰⁹ Allure paid Blanch \$750 to use “Silk Sandals.”¹¹⁰ Allure paid Blanch \$750 to use “Silk Sandals.”¹¹¹

¹⁰⁷ Id. at 479 (quoting Koons’ affidavit).

¹⁰⁸ See *Blanch v. Koons*, 467 F.3d 244, 248 (2d Cir. 2006).

¹⁰⁹ See *id.*

¹¹⁰ See *id.* Allure paid Blanch \$750 to use “Silk Sandals.”

¹¹¹ See *id.* at 249.

Economic, Social, and Moral Justice Ramifications of Warhol

Judge Stanton granted Koons' motion for summary judgment on his fair use defense. On the first fair use factor, Judge Stanton ruled that "Koons' use of the legs is transformational." The court's analysis placed particular emphasis on Koons' statement that

certain physical features of the legs of that model represented for me a particular type of woman frequently presented in advertising. In this photograph, I saw legs and especially elongated toes that were glossy, smooth, expertly manicured, and dressed in very expensive and not particularly practical sandals. . . . For *Niagara*, I removed these anonymous legs from the context of the photograph, and totally inverted their orientation. I then added these legs to other contrasting images of legs . . . and along with ice cream, donuts and pastries, floated them playfully and "ethereally" above a liberating landscape of grass, a waterfall and sky. In so doing, I transformed the meaning of these legs (as they appeared in the photograph) into the overall message and meaning of my painting. I thus suggest how commercial images like these intersect in our consumer culture and simultaneously promote appetites, like sex, and confine other desires, like playfulness. . . .

And I did not even strictly copy the legs. I completely inverted their orientation, painting them to surreally dangle or float over the other elements of the painting. I also changed the coloring and added a heel to one of the feet (a heel that had been completely obscured in the photograph by the man's leg).¹¹²

Koons noted that he "select[ed] the legs in the photograph (rather than simply painting a model's legs himself) because of their iconic representation as presented to the public in ubiquitous media," and that it was important to him to "present real things that are actually in our mass consciousness."¹¹³

Judge Stanton found that "[n]o original creative or imaginative aspect of Blanch's photograph was included in Koons' painting." Drawing on Judge Leval seminal fair use article,¹¹⁴ Judge Stanton concluded that "the painting's

¹¹² 396 F.Supp.2d. at 480-81.

¹¹³ Id. at 481.

¹¹⁴ Id. at 480 (citing Pierre Leval, *Toward A Fair Use Standard*, 103 Harv. L. Rev. 1105, 1111 (1990) (noting that "if the quoted matter is used as raw material, transformed in the

Economic, Social, and Moral Justice Ramifications of Warhol

use did not ‘supercede’ or duplicate the objective of the original, but uses it as raw material in a novel context to create new information, new aesthetics, and new insights.”¹¹⁵ He concluded, notwithstanding Koons’ commercial purpose, that the first fair use factor favored the defendant.

Judge Stanton found that the second factor—the nature of the copyrighted work—favored Koons on the ground that “Silk Sandals” was published and the photograph of the crossed legs (and disregarding the sandals) is “banal rather than creative.”¹¹⁶ He found that the third factor—the amount and substantiality of the the portion used in relation to the copyrighted work as whole—favored neither party, noting that “the quality of copyright protection for the crossed legs . . . [w]ithout the Gucci sandals (in which Blanch has no copyright interest) . . . is not sufficiently original to deserve much copyright protection.” Judge Stanton concluded that the fourth factor—the effect of the use upon the potential market for or value of the copyrighted work—favors the defendant because “Niagra” “is not a substitute for Blanch’s photograph, and is in no way competitive with the it.”¹¹⁷

On appeal, Judge Robert Sack, who cut his teeth as a First Amendment lawyer prior to his judicial appointment,¹¹⁸ began his discussion characterizing the fair use doctrine as mediating “the inevitable tension between the property rights it establishes in creative works” and “the ability of authors, artists, and the rest of us to express them—or ourselves by reference to the works of others.”¹¹⁹ His analysis emphasized that secondary works that “add[] something new, with a further purpose or different character, altering the first with new expression, meaning, or message . . . *lie*

creation of new information, new aesthetics, new insights and understandings—this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society”).

¹¹⁵ *Id.* at 481.

¹¹⁶ *Id.* at 482.

¹¹⁷ *Id.*

¹¹⁸ See Robert Sack, Free Speech Center, Middle Tennessee State University (Sep. 19, 2023), <https://firstamendment.mtsu.edu/article/robert-sack/>; see also Robert D. Sack, Sack on Defamation: Libel, Slander, and Related Problems (Practising Law Institute 2017).

¹¹⁹ 467 F.3d at 250.

at the heart of the fair use doctrine's guarantee of breathing space."¹²⁰ In so doing, the court continued the process of boiling fair use down to a simplistic transformativeness inquiry. It also characterized the first fair use factor as "[t]he heart of the fair use inquiry,"¹²¹ overlooking the Supreme Court's statement that the fourth factor is "the single most important element of fair use."¹²² and the Copyright Act drafters' description of the fourth factor as "often the most decisive."¹²³

In finding "Niagra" to be transformative, the court credited Koons's assertion that he was "using Blanch's image as fodder for his commentary on the social and aesthetic consequences of mass media. His stated objective is thus not to repackage Blanch's 'Silk Sandals,' but to employ it 'in the creation of new information, new aesthetics, new insights and understandings.'"¹²⁴ The court gave short shrift to the substantial commercial value of "Niagra," emphasizing that its substantial transformativeness and the benefits to the public from exhibition. On the issue of justification, the court credited Koons' assertion that "[a]lthough the legs in the Allure Magazine photograph might seem prosaic, I considered them to be necessary for inclusion in my painting rather than legs I might have photographed myself. The ubiquity of the photograph is central to my message. . . . By using an existing image, I also ensure a certain authenticity or veracity that enhances my commentary."¹²⁵ The court concluded that the first fair use factor "strongly favors" Koons.¹²⁶

Although questioning the lower court's finding that the second factor favored Koons because Blanch's photograph was banal, Judge Sack nonetheless downplayed its importance because Koons used Blanch's work

¹²⁰ Id. at 251 (quoting *Davis v. The Gap, Inc.*, 246 F.3d 152, 174 (2d Cir. 2001) (quoting *Campbell*, 579 U.S. at 579) (emphasis added in *Davis*)).

¹²¹ Id. at 251.

¹²² See *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 566 (1985).

¹²³ Register's Report, *supra* note 8, at 25.

¹²⁴ 467 F.3d at 253 (citing *Castle Rock Entm't, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 142 (2d Cir.1998) (quoting *Leval*, 103 Harv. L.Rev. at 1111)).

¹²⁵ Id. at 255.

¹²⁶ See *id.* at 256.

in a transformative way,¹²⁷ triggering a transformativeness domino effect. The third and fourth factors similarly fell in Koons's direction.¹²⁸

Foreshadowing the risks inherent in the majority opinion, Judge Robert Katzmann noted in his concurrence that appropriation art "inherently raises difficult questions about the proper scope of copyright protection and the fair-use doctrine."¹²⁹ He emphasized that "the fair-use inquiry is a fact-specific one that is 'not to be simplified with bright-line rules,'"¹³⁰ just as the majority's simplistic transformativeness domino effect had done.

ii. **Cariou v. Prince**

Several years after *Blanch v. Koons*, *Cariou v. Prince* again pitted Patrick Cariou, a professional photographer/ethnographic researcher whose work focuses on communities at the edge of society,¹³¹ against Richard Prince, a well-known appropriation artist. Over the course of six years, Cariou spent substantial time with Rastafarians in Jamaica gaining their trust, which enabled him to take a series of photographs which were published in a 2000 book, *Yes, Rasta*.¹³² Prince cropped dozens of Cariou's candid portraits and landscape photographs in creating "Canal Zone" series; 28 of the 29 paintings included images from *Yes, Rasta*. These works prominently displayed substantial portions of Cariou's photographs, in some cases along with other cropped photographs. Some of Prince's works superimposed oval "lozenges" over facial features; others superimposed guitars; and others altered the colors of Cariou's photographs and made other changes.

Figure 2 shows Prince's "Canal Zone (2007)," which incorporates 31 of Cariou's photographs. Figure 3 shows Prince's "Graduation," which reproduces and augments one of Cariou's photographs. Figure 4 shows Prince's "Tales of Brave Ulysses," which crops and repeats the same Cariou photograph and adds cropped images of female nudes (some with lozenges). Figure 5 shows Prince's "Back to the Garden," which crops and augments one of Cariou's photograph (with lozenges) and adds two cropped female nude photographs (with lozenges). Figure 6 shows Prince's "Charlie

¹²⁷ Id. at 257.

¹²⁸ See id. at 257-58.

¹²⁹ Id. at 263.

¹³⁰ Id. (quoting *Campbell*, 510 U.S. at 577).

¹³¹ See Patrick Cariou: Works 1985-2005 (2022), <https://www.amazon.com/Patrick-Cariou-Works-1985-2005/dp/8862087772>.

¹³² See *Cariou v. Prince*, 784 F.Supp.2d 337, 343 (S.D.N.Y. 2011).

Economic, Social, and Moral Justice Ramifications of Warhol

Company,” which crops the same Cariou photograph in a double pane with a different female nude image (with lozenges). Prince’s canvases are wall-sized, typically 4 feet or more in width and height.

Figure 2

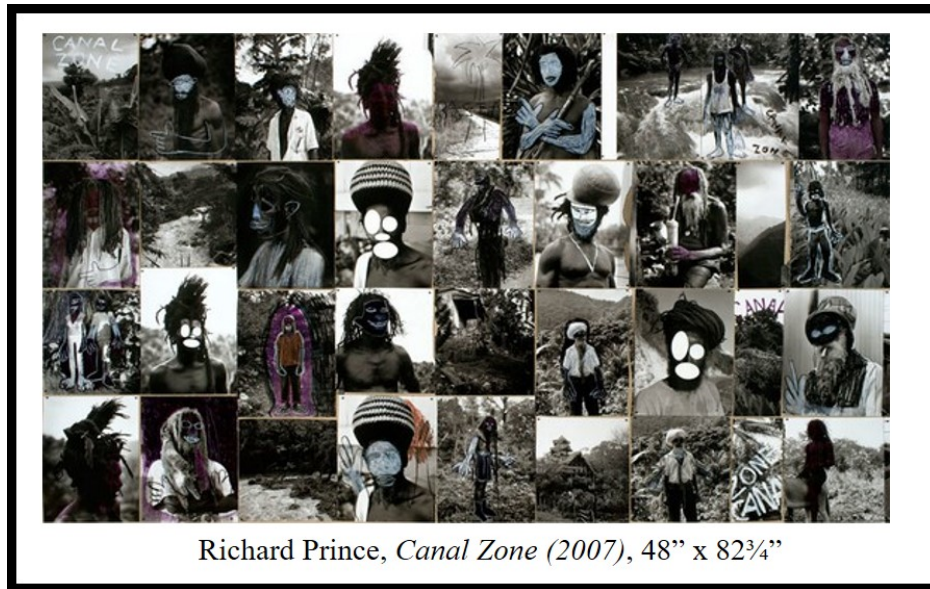


Figure 3



Figure 4

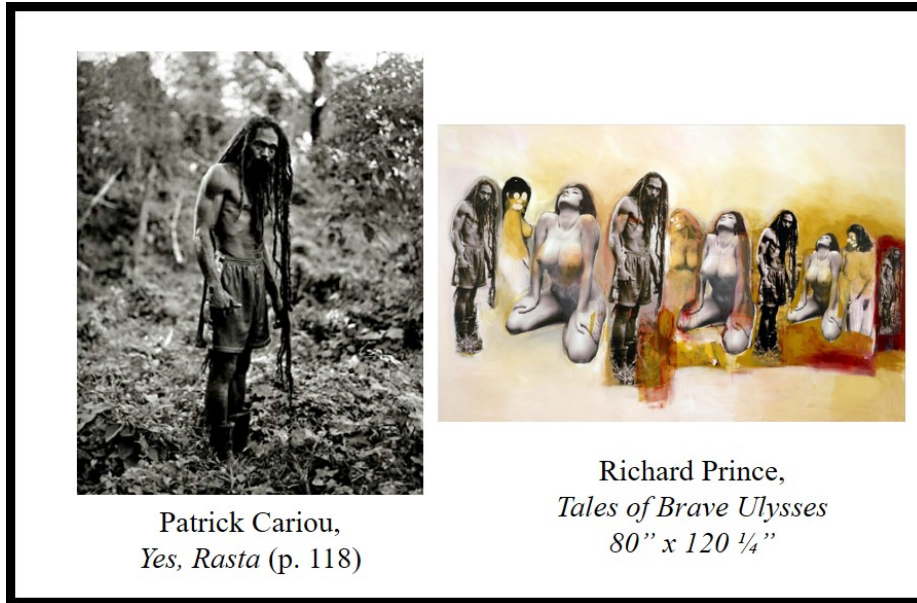


Figure 5

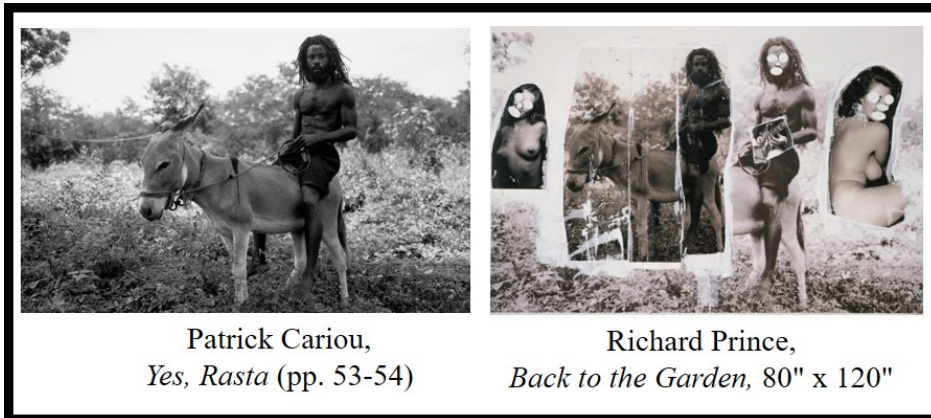
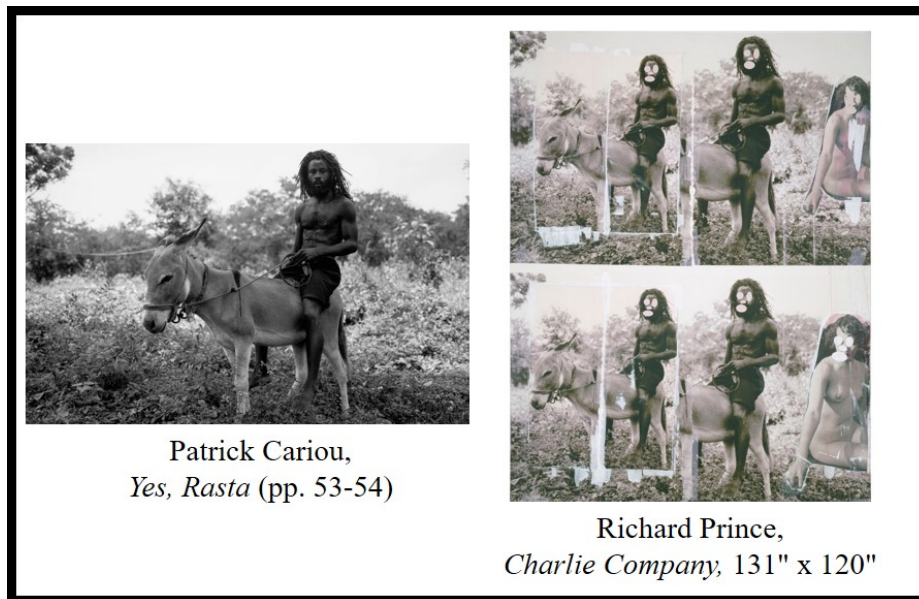


Figure 6



After publication of *Yes, Rasta*, gallery owner Celeste Celle expressed interest in an exhibition featuring Cariou's photographs. Celle planned to exhibit between 30 and 40 of the photos, with multiple prints of each to be sold at prices ranging from \$3,000.00 to \$20,000.00, depending on size. She also planned to have *Yes, Rasta* reprinted for a book signing to be held during the show. When Celle became aware of the Canal Zone exhibition at the Gagosian Gallery, however, she cancelled the show" because she did not want to seem to be capitalizing on Prince's success and notoriety and because she did not want to exhibit work which had been 'done already' at another gallery."¹³³

Cariou sued Richard Prince and related defendants¹³⁴ (hereinafter Prince) for copyright infringement. Prince asserted a fair use defense. Both parties

¹³³ Id. at 344.

¹³⁴ Cariou also sued the Gagosian Gallery (which exhibited Prince's works and published and sold an exhibition catalog), Lawrence Gagosian (the gallery owner), and Rizzoli International Publications (which produced the catalog).

filed for summary judgment. Judge Deborah A. Batts, in the Southern District of New York, ruled for Cariou with regard to all of Prince's works at issue.

In framing the analysis of the first fair use factor, Judge Matts noted, relying on *Campbell*, that “‘the purpose and character of the use,’ may be guided by the examples given in the preamble to § 107, looking to whether the use is for criticism, or comment, or news reporting, and the like.”¹³⁵ She rejected Prince's assertion that use of copyrighted materials as “raw ingredients” in the creation of new works is per se fair use, noting that “the Court is aware of no precedent holding that such use is fair absent *transformative comment* on the original.”¹³⁶ She also took note of one of the earlier appropriation art cases involving Jeffrey Koons: “If an infringement of copyrightable expression could be justified as fair use solely on the basis of the infringer's claim to a higher or different artistic use . . . there would be no practicable boundary to the fair use defense.”¹³⁷

Judge Batts based her conclusion that Prince's works did not make transformative use of Cariou's photographs on Prince's deposition testimony to the effect that he “ha[d] no interest in the original meaning of the photographs he uses,” “he doesn't ‘really have a message’ he attempts to communicate when making art,” and he “did not intend to comment on any aspects of the original works or on the broader culture.”¹³⁸ The lack of transformative use in conjunction with the commerciality of the use—Gagosian sold eight of the Canal Zone Paintings for a total of \$10,480,000, 60% of which went to Prince and 40% of which went to Gagosian Gallery; and exhibition catalog sales brought in \$6,874—the first factor weighed against fair use.

The remaining factors also weighed against fair use. On the second factor, the court found Cariou's photographs to be “highly original and creative.”¹³⁹ Regarding the third factor, the court found that Prince appropriated the central

¹³⁵ 784 F.Supp.2d at 348 (quoting *Campbell*, 510 U.S. at 578–79 (citing 17 U.S.C. § 107)).

¹³⁶ *Id.* (emphasis added);

¹³⁷ *Id.* (quoting *Rogers v. Koons*, 960 F.2d 301, 310 (2d Cir. 1992)).

¹³⁸ *Id.* at 349

¹³⁹ See *id.* at 352.

figures portrayed in the photographs, which went to the heart of the works.¹⁴⁰ On the fourth factor, Judge Matts emphasized the cancellation of Cariou's exhibition as evidence of adverse effects on both the actual and potential markets for Cariou's photographs.¹⁴¹

On Prince's appeal, the Second Circuit panel dispensed with the justification inquiry and expanded transformativeness to greater importance.¹⁴² Judge Barrington Parker began the analysis by taking issue with Judge Matts' search for a justification for the act of copying.¹⁴³ In the appellate court's view, "alter[ing] the original with 'new expression, meaning, or message'" suffices to establish that a use is transformative.¹⁴⁴ Based on this simplification of *Campbell's* framework, the court concluded that 25 of Prince's 30 works—including *Tales of Brave Ulysses* (Figure 4) and *Back to the Garden* (Figure 5)—are transformative. In the court's view, these works "have a different character, give Cariou's photographs a new expression, and employ new aesthetics with creative and communicative results distinct from Cariou's."¹⁴⁵

As in *Blanch*, this finding caused a domino effect on the fair use factors. While recognizing the commerciality of Prince's works, the court downplayed its significance "due to the transformative nature of the work[s]."¹⁴⁶ With regard to the second factor, the court recognized that Cariou's photographs were creative, but again discounted the importance of

¹⁴⁰ See *id.*

¹⁴¹ See *id.* at 353.

¹⁴² See *Cariou v. Prince*, 714 F.3d 694 (2013).

¹⁴³ See *id.* at 706 (rejecting the district court's "requirement that, to qualify for a fair use defense, a secondary use must 'comment on, relate to the historical context of, or critically refer back to the original works,'" quoting 784 F.Supp.2d at 284); but see Copyright Law Revision, H.R. Rep. No. 94-1476, at 65-66 (1976) (noting 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," and explaining that "Section 107 is intended to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way").

¹⁴⁴ *Id.* (quoting *Campbell*, 510 U.S. at 579 and citing "*Blanch*, 467 F.3d at 253 (original must be employed 'in the creation of new information, new aesthetics, new insights and understandings' (quotation marks omitted))."

¹⁴⁵ 714 F.3d at 708.

¹⁴⁶ *Id.*

Economic, Social, and Moral Justice Ramifications of Warhol

this factor in light of the transformative of the secondary uses.¹⁴⁷ Similarly, the court also discounted the third factor based on the transformativeness of Prince's works.¹⁴⁸

As regards the fourth factor, the court rejected Judge Batts' concern with Cariou's loss of revenue resulting from the cancellation of a showing of his work at Celle's gallery.¹⁴⁹ The appellate court wrote off the cancellation of Cariou's exhibition at Celle's gallery on the ground that Celle mistakenly believed that Cariou had collaborated with Prince on the Gagosian exhibition.¹⁵⁰

As regards other effects on the actual or potential markets for Cariou's photographs, Judge Parker focused the inquiry on "whether the secondary use *usurps* the market of the original work," not "damage to Cariou's derivative market."¹⁵¹ Furthermore, the court noted that "[t]he more transformative the secondary use, the less likelihood that the secondary use substitutes for the original," even though "the fair use, being transformative, might well harm, or even destroy, the market for the original."¹⁵² Based on this framing, the court concluded that "[a]lthough certain of Prince's artworks contain significant portions of certain of Cariou's photographs, neither Prince nor the Canal Zone show usurped the market for those photographs. Prince's audience is very different from Cariou's, and there is no evidence that Prince's work ever touched—much less usurped—either the primary or derivative market for Cariou's work."¹⁵³ As support for this point, Judge Parker explained that:

Prince's work appeals to an entirely different sort of collector than Cariou's. Certain of the Canal Zone artworks have sold for two million or more dollars. The invitation list for a dinner that Gagosian hosted in conjunction with the opening of the Canal Zone show included a

¹⁴⁷ See id. at 709-10.

¹⁴⁸ See id. at 710-11.

¹⁴⁹ See id. at 708.

¹⁵⁰ See id. at 703-04, 709,

¹⁵¹ Id. (quoting *Blanch*, 467 F.3d at 258 (emphasis added));

¹⁵² Id. at 709 (quoting *Castle Rock Entm't, Inc. v. Carol Publ'g Grp., Inc.*, 150 F.3d 132, 145 (2d Cir. 1998).

¹⁵³ Id.

number of the wealthy and famous such as the musicians Jay-Z and Beyonce Knowles, artists Damien Hirst and Jeff Koons, professional football player Tom Brady, model Gisele Bundchen, Vanity Fair editor Graydon Carter, Vogue editor Anna Wintour, authors Jonathan Franzen and Candace Bushnell, and actors Robert DeNiro, Angelina Jolie, and Brad Pitt. Prince sold eight artworks for a total of \$10,480,000, and exchanged seven others for works by painter Larry Rivers and by sculptor Richard Serra.¹⁵⁴

This opinion collapsed the fair use analysis into a transformativeness test without any need for justifying the copying. “[A]lter[ing] the original with ‘new expression, meaning, or message’” does not only establish transformativeness; it essentially resolves the fair use question.¹⁵⁵ The court found that five of the paintings—*Canal Zone (2007)* (Figure 2), *Canal Zone (2008)* (similar in character to *Canal Zone (2007)*), *Graduation* (Figure 3), *Meditation* (similar to *Graduation*), and *Charlie Company* (Figure 6)—were not fair use as a matter of law due to the “relatively minimal alterations,” but might nonetheless be fair use. The court remanded consideration of these works for determination by the trial court.¹⁵⁶

Senior Judge J. Clifford Wallace from the Ninth Circuit, sitting by designation, concurred with much of the majority opinion, including the determination that the district court incorrectly imposed a requirement that Prince’s works comment on Cariou’s photographs, but he dissented from the appellate court’s resolution of the matter on summary judgment.¹⁵⁷ He “fail[ed] to see how the majority in its appellate role can “confidently” draw a distinction between the twenty-five works that it has identified as constituting fair use and the five works that do not readily lend themselves to a fair use determination.”¹⁵⁸

¹⁵⁴ Id.

¹⁵⁵ Id. (quoting *Campbell*, 510 U.S. at 579 and citing “*Blanch*, 467 F.3d at 253 (original must be employed ‘in the creation of new information, new aesthetics, new insights and understandings’ (quotation marks omitted)).”

¹⁵⁶ Id. at 711.

¹⁵⁷ See id. at 712-13.

¹⁵⁸ Id. at 713.

Economic, Social, and Moral Justice Ramifications of Warhol

We note our bewilderment at how *Back to the Garden* (Figure 5) and *Charlie’s Company* (Figure 6) could be treated differently. This shows how *Cariou* not only collapsed the fair use framework into a simplistic test, but also its arbitrariness.

As the following chart illustrates,¹⁵⁹ the transformativeness inquiry came to dominate the outcome of fair use determinations:

Chart 1

| The Transformative Use Doctrine in Unreversed District Court Preliminary Injunctions, Bench Trials, and Crossed Motions for Summary Judgment | | | |
|--|-----------|-----------|-------------|
| | 1995–2000 | 2001–2005 | 2006–2010 |
| (1) Considers Transformativeness | 70.45% | 77.27% | 95.83% |
| (2) Finds that use is transformative | 22.72% | 31.81% | 50.00% |
| (3) Defendant wins when court considers transformativeness | 32.14% | 47.06% | 60.87% |
| (4) Defendant wins when court finds that use is transformative | 88.89% | 100% | <u>100%</u> |
| (5) Overall defendant wins | 22.73% | 40.91% | 58.33% |

2. Towards Restoration of the Fair Use Doctrine

As the fair use doctrine veered dangerously close to swallowing the right to prepare derivative works, Seventh and Ninth Circuit panels questioned the reframing of fair use as a transformative inquiry. These cases set the stage for the *Warhol* showdown.

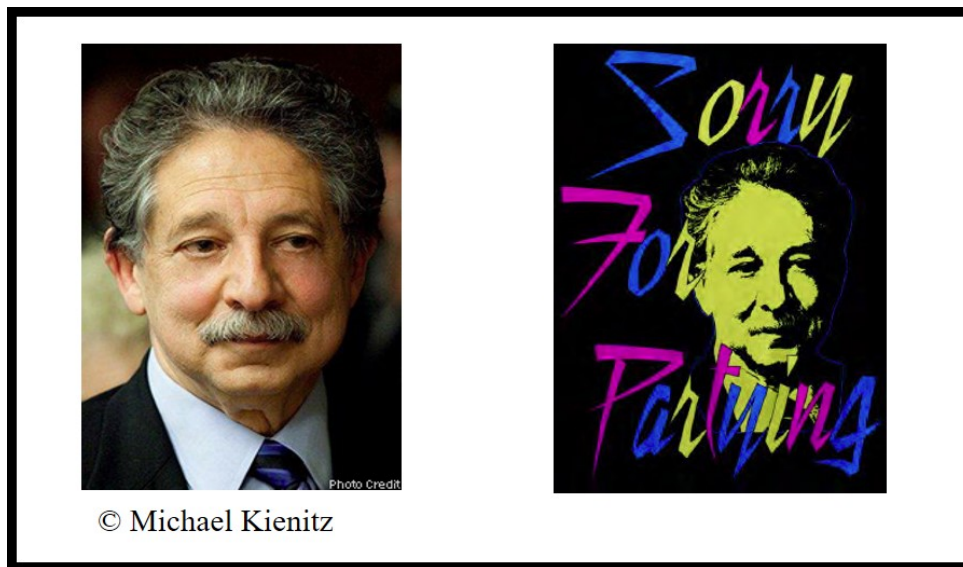
i. Kienitz v. Sconnie Nation

Photographer Michael Kienitz sued Sconnie Nation, a University of Wisconsin student group, for copyright infringement based on its copying of Kienitz’s portrait of Madison Mayor’s Paul Soglin, to create and sell t-shirts poking fun at the mayor for shutting down an annual block party. The altered photograph—which crops Mayor Soglin’s face in a monochromatic photo-negative style, places it against a black background, shades it lime green, and

¹⁵⁹ This chart is derived from Neil Netanel, Making Sense of Fair Use, 15 LEWIS & CLARK L. REV. 715, 755 (2011); see also Jiarui Liu, An Empirical Study of Transformative Use in Copyright Law, 22 STAN. TECH. L. REV. 163, 167 & n.19 (2019).

superimposes “Sorry for Partying” in contrasting color lettering—aimed to take Mayor Soglin to task for having participated in the annual block party during his college days and opposing the party decades later as a public official.

Figure 7



Sconnie Nation moved for summary judgment on fair use grounds, emphasizing the transformative nature of the use.¹⁶⁰ Magistrate Judge Stephen Crocker relied significantly upon the recent Second Circuit *Cariou* decision to find the use transformative and grant summary judgment for Sconnie Nation.¹⁶¹ While acknowledging that the shirts had a modest commercial nature, the decision emphasized the altered appearance of the Kienitz photograph and the purpose of ridiculing Mayor Soglin.¹⁶²

¹⁶⁰ Kienitz v. Sconnie Nation LLC, 965 F.Supp.2d 1042 (W.D. Wisc. 2013).

¹⁶¹ See id. at 1049-52.

¹⁶² See id.

Economic, Social, and Moral Justice Ramifications of Warhol

On appeal, Kienitz questioned whether “transformative use” was the correct standard for analyzing fair use.¹⁶³ Writing for the Seventh Circuit panel,¹⁶⁴ Judge Frank Easterbrook agreed:

The Copyright Act sets out four non-exclusive factors for a court to consider. 17 U.S.C. § 107. The district court and the parties have debated whether the t-shirts are a “transformative use” of the photo—and, if so, just how “transformative” the use must be. That’s not one of the statutory factors, though the Supreme Court mentioned it in *Campbell v. Acuff–Rose Music, Inc.*, 510 U.S. 569, 579 (1994). The Second Circuit has run with the suggestion and concluded that “transformative use” is enough to bring a modified copy within the scope of § 107. See, e.g., *Cariou v. Prince*, 714 F.3d 694, 706 (2d Cir.2013). *Cariou* applied this to an example of “appropriation art,” in which some of the supposed value comes from the very fact that the work was created by someone else.

We’re skeptical of *Cariou’s* approach, because asking exclusively whether something is “transformative” not only replaces the list in § 107 but also could override 17 U.S.C. § 106(2), which protects derivative works. To say that a new use transforms the work is precisely to say that it is derivative and thus, one might suppose, protected under § 106(2). *Cariou* and its predecessors in the Second Circuit do no explain how every “transformative use” can be “fair use” without extinguishing the author's rights under § 106(2).

We think it best to stick with the statutory list, of which the most important usually is the fourth (market effect). We have asked whether the contested use is a complement to the protected work (allowed) rather than a substitute for it (prohibited).¹⁶⁵

Applying the statutory framework, Judge Easterbrook emphasized that Sconnie Nation had removed much of the expression reflected in the original photograph, the political commentary associated with the use, and the lack of

¹⁶³ See Appellant’s Opening Brief and Short Appendix, Appellant’s Opening Brief and Short Appendix, Case No. 12-CV-464-SLC, Appeal No. 13-3004 (filed Nov. 6, 2013), 2013 WL 6069366, at *10-*17.

¹⁶⁴ 766 F.3d 756 (7th Cir. 2014).

¹⁶⁵ Id. at 758-59 (some citations omitted).

economic loss for a photograph that was posted for viewing and downloading without cost on the mayor's website. He commented, however, that "the fair use privilege . . . is not designed to protect lazy appropriators," but rather "to facilitate a class of uses that would not be possible if users always had to negotiate with copyright proprietors."¹⁶⁶ Nonetheless, Judge Easterbrook affirmed the lower court's grant of summary judgment based on the removal of much of the photograph's expression.¹⁶⁷

ii. Dr. Seuss Enterprises v. ComicMix

The "transformativeness" reconceptualization of the fair use doctrine emboldened secondary creators to push the transformativeness trend past the breaking point. *Dr. Seuss Enterprises, L.P. v. ComicMix LLC*¹⁶⁸ illustrates a particularly mercenary effort.

The case involves Dr. Seuss's perennial best-seller, *Oh, the Places You'll Go! (Go!)*, which tells a hopeful story about the journey of a young person leaving home to discover the world in Seussian illustrations and rhyming prose.¹⁶⁹ It reached number one on the New York Times Best-Selling Fiction Hardcover list when it was first published in 1990 and rises high on the best-seller list every spring as the high school and college graduation season approaches.¹⁷⁰ Although Theodor S. Geisel (pen-named Dr. Seuss), author and illustrator of the Dr. Seuss books, passed away shortly after its publication, Dr. Seuss Enterprises (DSE), which holds the rights to his books, has long pursued a robust business of reissuing the book in special editions and new formats and licensing other authors and illustrators to prepare related and derivative works.¹⁷¹ DSE ensures that these books continue the quality of the

¹⁶⁶ Id. at 759 (further noting that "[m]any copyright owners would block all parodies").

¹⁶⁷ See id.

¹⁶⁸ 372 F.Supp.3d 1101, 1106-07 (S.D. Cal. 2019), *rev'd* in part, 983 F.3d 443 (9th Cir. 2020).

¹⁶⁹ See *Oh, the Places You'll Go!*, Wikipedia, https://en.wikipedia.org/wiki/Oh,_the_Places_You%27ll_Go!

¹⁷⁰ See id.; Dr. Seuss Book Graduation Gift Tradition, Mama Cheaps: Easy Ideas for Busy Moms, <https://www.mamacheaps.com/every-year-have-your-childs-teachers-sign-the-book-oh-the-places-youll-go-by-dr-seuss-give-it-as-a-high-school-graduation-gift/>

¹⁷¹ See *Dr. Seuss Enterprises, L.P. v. ComicMix LLC*, 372 F.Supp.3d 1101, 1106-07 (S.D. Cal. 2019).

original Dr. Seuss books. DSE also licenses Dr. Seuss works, including *Go!*, for development of films, television, stage productions, theme parks, and museum exhibitions.¹⁷²

The defendants in this case—David Gerrold, Ty Templeton, Glenn Hauman, and ComicMix, the limited liability company that they established (collectively referred to as “ComicMix”)—were looking to develop a business venture that would take advantage of their skill set.¹⁷³ Gerrold, a science fiction screenwriter and novelist, had written episodes for the original *Star Trek* television series, including the celebrated episode “The Trouble with Tribbles,” as well as some of the early 1970s animated series and *Star Trek: The Next Generation*.¹⁷⁴ Hauman had experience as a publisher, author, illustrator, and comic book colorist, including work on the *Star Trek* franchise.¹⁷⁵

In May 2016, Gerrold suggested to Hauman creating a *Star Trek* Primer if they could get a license from the copyright owner, Paramount Pictures.¹⁷⁶ His idea was to combine *Star Trek* themes with beloved children’s books, such as *Pat the Bunny*, *Fun with Dick & Jane*, *Goodnight Moon*, *The Very Hungry Caterpillar*, before finally settling on *Go!* They enlisted Templeton, a skilled comic book illustrator,¹⁷⁷ on the project a month later, telling him that “this would be Seuss-style [(Star Trek: The Original Series)] backgrounds,” and that “we’re going to want the cover and at least a background art piece for promotions, as well as be able to use the cover for posters, mugs, and all the merchandise that will push this thing over the top.”¹⁷⁸ Templeton responded “Holy CRAP that’s a cool idea. The title is like printing money. I’m totally in.”

Thinking that their project would qualify as a transformative fair use as a parody, they proceeded to create *Oh, the Places You’ll Boldly Go! (Boldly)* to parallel and evoke the structure and appearance of *Go!*. Templeton

¹⁷² See id. at 1107.

¹⁷³ See id. at 1107-10.

¹⁷⁴ See David Gerrold, Wikipedia, https://en.wikipedia.org/wiki/David_Gerrold

¹⁷⁵ See Glenn Hauman, Wikipedia, https://en.wikipedia.org/wiki/Glenn_Hauman

¹⁷⁶ 372 F.Supp.3d at 1107.

¹⁷⁷ See Ty Templeton, Wikipedia, https://en.wikipedia.org/wiki/Ty_Templeton

¹⁷⁸ Id. (quoting from Duvdevani Decl. Ex. 25, ECF No. 107-39, at 423-24).

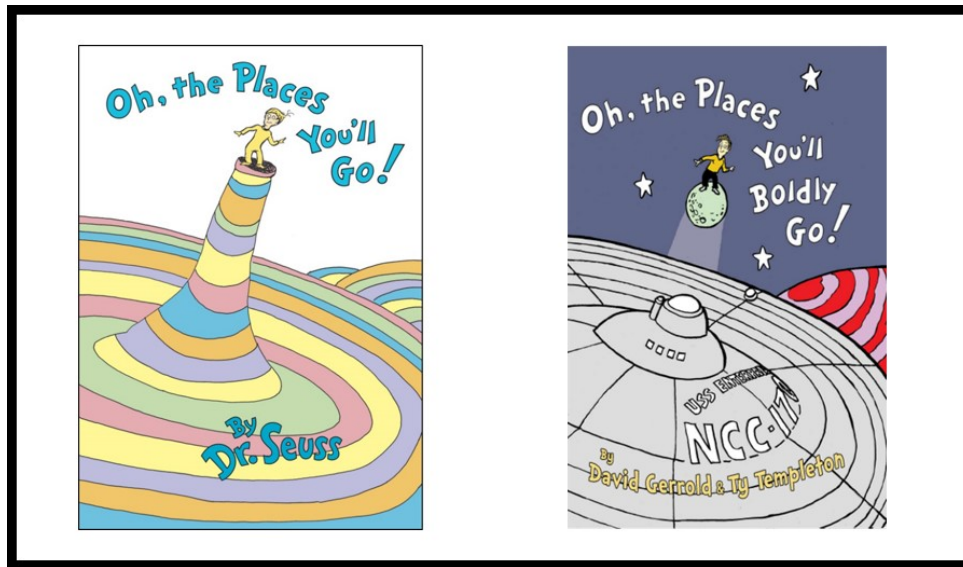
Economic, Social, and Moral Justice Ramifications of Warhol

“painstakingly” attempted to make his illustrations “nearly identical to *Go!*, admitting that he “slavishly” copied.¹⁷⁹ To raise money for the project, ComicMix launched a Kickstarter campaign, in which they warned the public that

While we firmly believe that our parody, created with love and affection, fully falls within the boundary of fair use, there may be some people who believe that this might be in violation of their intellectual property rights. And we may have to spend time and money proving it to people in black robes. And we may even lose that.¹⁸⁰

As Figures 9 through 12 show, ComicMix produced very similar artwork to *Go!* and *The Sneetches and Other Stories*. Figure 8 contains the covers, which are less similar, but showing indicia of copying.

Figure 8



¹⁷⁹ Id. (quoting Duvdevani Decl. Ex. 1 at 167:1-17.Plaintiff’s Statement of Undisputed Material Facts in Support of Plaintiff’s Motion for Summary Judgment at ¶¶ 37, 49, 53, 54).

¹⁸⁰ Id. (citing Plaintiff’s Statement of Undisputed Material Facts in Support of Plaintiff’s Motion for Summary Judgment at ¶ 67).

Figure 9

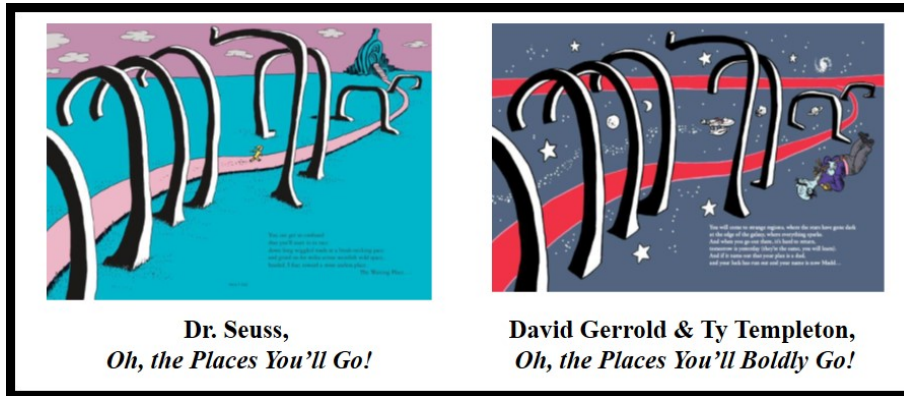


Figure 10

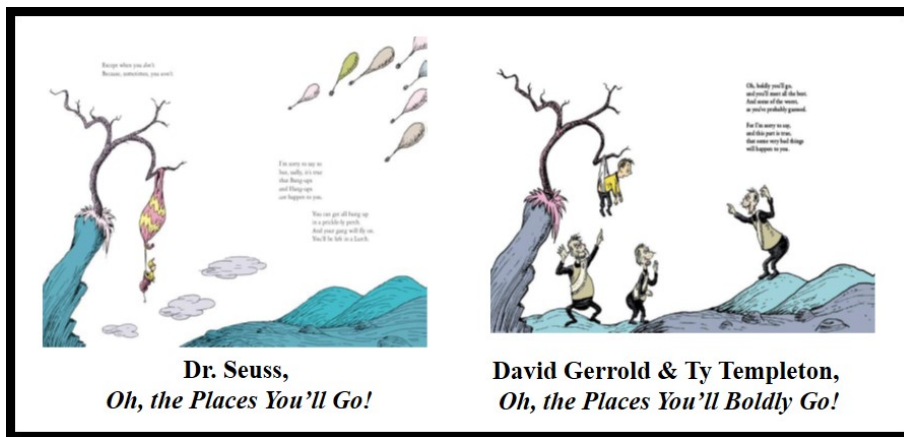


Figure 11

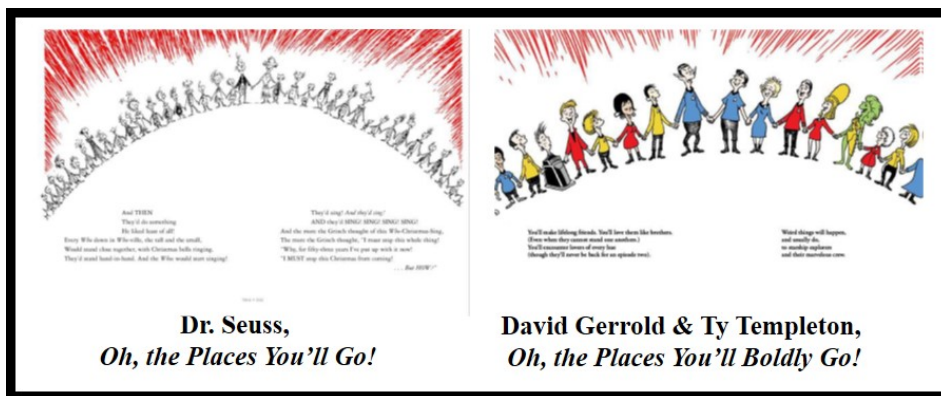


Figure 12

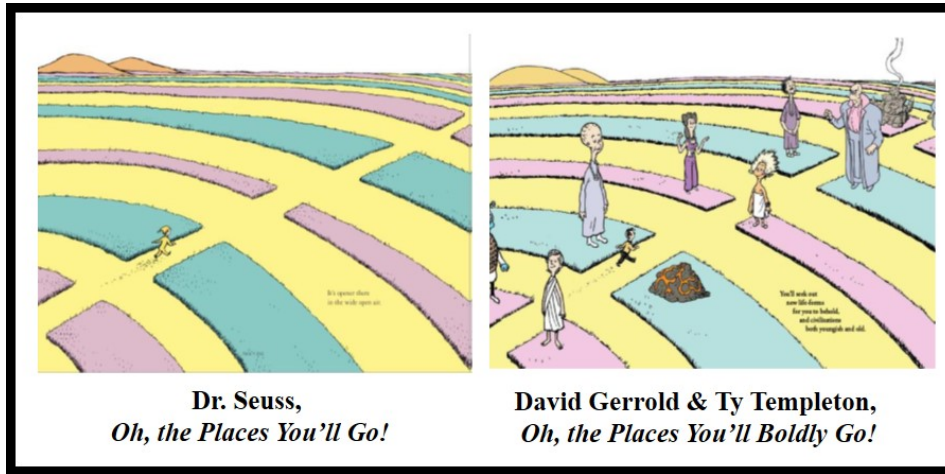


Figure 13



Figure 14



Figure 15



Upon learning of the project, DSE brought a copyright infringement suit. ComicMix sought to dismiss the lawsuit on fair use grounds, leading to cross-motions for summary judgment. Applying the simplified transformativeness inquiry reflected in *Cariou*,¹⁸¹ District Judge Janis Sammartino in the Southern District of California granted ComicMix's motion based on her findings that *Boldly* was "highly transformative" and unlikely to substantially harm the market for *Go!*.¹⁸² The court's opinion effectively held that

¹⁸¹ In *Seltzer v. Green Day, Inc.*, 725 F.3d 1170, 1177–78 (9th Cir. 2013), a Ninth Circuit panel adopted *Cariou*'s and *Blanch*'s simplified analysis of fair use.

¹⁸² 372 F.Supp.3d at 1110, 1115, 1120, 1122-26.

“mashups” are inherently “highly transformative” for purposes of fair use analysis, used the same transformativeness finding to downplay the other factors, and shifted to the copyright owner the burden of proving market harm for the fourth factor.

DSE appealed. Recognizing the head-on collision of the derivative work right and fair use reflected in this case, one of us co-authored an amicus brief calling attention to the problem.¹⁸³ Judge Margaret McKeown, writing for the panel, shared our concern.¹⁸⁴ Her opinion began by hoisting ComicMix on its own petard, noting that “[t]he creators thought their *Star Trek* primer would be ‘pretty well protected by parody,’ but acknowledged that ‘people in black robes’ may disagree. Indeed, we do.”¹⁸⁵

The Ninth Circuit held that all of the statutory fair use factors “decisively weigh against ComicMix.”¹⁸⁶ Drawing on *Campbell*’s nuanced discussion of the first fair use factor, Judge McKeown rejected ComicMix’s parody justification, puncturing its assertion that *Boldly* critiques or comments on *Go!*, critiques “banal narcissism” in *Go!*, or is otherwise transformative.¹⁸⁷ She noted that *Boldly* does not ridicule *Go!* or other Dr. Seuss works, and that mimicking Dr. Seuss’s style does not amount to parody, criticism, or commentary.¹⁸⁸ Rather, according to the court, *Boldly* parallels *Go!*’s purpose, and in conjunction with its commercial nature, tips the first fair use factor “definitively against fair use.”¹⁸⁹ ComicMix did not fare better on the other factors. According to the court, *Go!* is highly creative. *Boldly* copied slavishly. And on the fourth factor, on which ComicMix (and not DSE) bears the burden of proof, *Boldly* directly targeted *Go!*’s graduation market and would curtail *Go!*’s potential market for derivative works.¹⁹⁰

¹⁸³ See Brief Amici Curiae of Professors Peter S. Menell, Shyamkrishna Balganes, and David Nimmer in Support of Petitioners, *Dr. Seuss Enterprises, L.P., v. ComicMix LLC*, 2019 WL 3947891 (Aug. 12, 2019).

¹⁸⁴ See 983 F.3d 443 (9th Cir. 2020).

¹⁸⁵ *Id.* at 448.

¹⁸⁶ *Id.* at 451.

¹⁸⁷ See *id.* at 452-53.

¹⁸⁸ See *id.* at 453.

¹⁸⁹ See *id.* at 455.

¹⁹⁰ See *id.* at 458-61.

Economic, Social, and Moral Justice Ramifications of Warhol

Acknowledging the argument made in the amicus brief, the court rejected an expansive understanding of transformative use, noting that the defendant failed to “address a crucial right for a copyright holder—the derivative works market, an area in which Seuss engaged extensively for decades.”¹⁹¹ It went on to observe:

As noted by one of the amici curiae, the unrestricted and widespread conduct of the sort [ComicMix] is engaged in could result in anyone being able to produce, without [plaintiff’s] permission, *Oh the Places Yoda’ll Go!*, *Oh the Places You’ll Pokemon Go!*, *Oh the Places You’ll Yada Yada Yada!*, and countless other mash-ups. Thus, the unrestricted and widespread conduct of the sort engaged in by [defendant] could “create incentives to pirate intellectual property” and disincentivize the creation of illustrated books. . . . [which] is contrary to the goal of copyright “[t]o promote the Progress of Science.” U.S. Const. art I, § 8, cl. 8.¹⁹²

III. Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith

The simmering battle over the interplay of the right to prepare derivative works and the fair use doctrine came to a head in the *Warhol* litigation. A panel of the influential Second Circuit, which played a large role in provoking the collision between the derivative work right and the fair use doctrine, sought to unwind the confusion that the circuit’s jurisprudence had wrought.

In contrast to *Blanch*, *Cariou*, and *ComicMix*, the secondary works in question, or at least one of them, were produced pursuant to an artist reference, a form of license to an image or object. The controversy arose decades later when other works based on the licensed work became known and one was used without authorization. Rather than agreeing to a share of the revenue from licensing that work (and belated attribution), however, the owner of the secondary works fired off a declaratory relief action asserting that the works qualified for fair use pursuant to the permissive transformativeness jurisprudence.

¹⁹¹ Id. at 460 (citing 17 U.S.C. § 106(2)).

¹⁹² Id. at 461 (citing Brief Amici Curiae of Professors Peter S. Menell, Shyamkrishna Balganesh, and David Nimmer in Support of Petitioners, *supra* note 183, at 2).

Economic, Social, and Moral Justice Ramifications of Warhol

The story begins in the early 1980s, when Prince Rogers Nelson, better known as Prince, broke onto the music scene. Newsweek magazine hired Lynn Goldsmith, who had by that time become an accomplished photographer of rock 'n roll stars, to photograph Prince. She took a series of photographs of Prince in concert and portraits in her New York City studio. She retained copyrights. Newsweek published one of the concert photographs for an article entitled “The Naughty Prince of Rock” in 1981.

In 1984, by which time Prince had achieved superstardom following the release of his *Purple Rain* album, his most iconic record,¹⁹³ Vanity Fair licensed one of the studio portraits (Figure 16) as an artist reference for an illustration to be prepared for the magazine. The license agreement provided that the illustration was “to be published in Vanity Fair November 1984 issue. It can appear one time full page and one time under one quarter page. No other usage right granted.” Goldsmith was to receive \$400 and a source credit.

Figure 16



¹⁹³ See Prince (musician), Wikipedia, [https://en.wikipedia.org/wiki/Prince_\(musician\)](https://en.wikipedia.org/wiki/Prince_(musician)); Purple Rain (album), Wikipedia, [https://en.wikipedia.org/wiki/Purple_Rain_\(album\)](https://en.wikipedia.org/wiki/Purple_Rain_(album));

Economic, Social, and Moral Justice Ramifications of Warhol

Vanity Fair hired renowned pop artist Andy Warhol to create the illustration for a feature story and provided him with Goldsmith's portrait. Prince produced the illustration, which appeared, along with a credit for Goldsmith in the November 1984 issue of Vanity Fair. Figure 17 shows the Warhol illustration ("Purple Prince") next to the feature article "Purple Fame."

Figure 17



Unbeknownst to Goldsmith, Warhol produced 15 other works based on Goldsmith's photograph. Figure 18 shows the full series.

Economic, Social, and Moral Justice Ramifications of Warhol

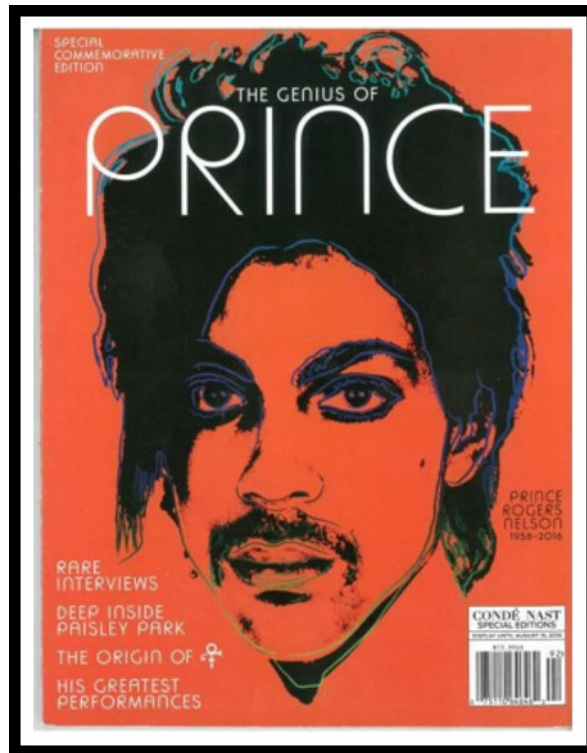
Figure 18



Following Prince's untimely death in April 2016, Condé Nast, Vanity Fair's owner, reached out to the Andy Warhol Foundation for the Visual Arts (AWF) about reusing Purple Prince in a special edition magazine commemorating Prince. (Warhol had died in 1987, leaving his copyrights and remaining works to AWF.) Upon learning of the additional prints, Condé Nast licensed "Orange Prince" (Figure 19) for the commemorative issue, "The Genius of Prince." It paid AWF \$10,000 for the license. Condé Nast did

not obtain a license from Goldsmith, nor provide her payment or attribution.¹⁹⁴

Figure 19



Upon seeing Orange Prince for the first time on Condé Nast's special edition cover, Goldsmith notified AWF that she believed that the image infringed copyright in her photograph. AWF filed a declaratory relief action asserting noninfringement or, in the alternative, fair use for all 16 works. Goldsmith counterclaimed for copyright infringement.

The case came before Southern District of New York District Judge John Koeltl. Applying established Second Circuit law—notably *Cariou's*

¹⁹⁴ Twelve of the Prince Series works have since been auctioned or sold throughout the world, and AWF has given the remaining four to the Andy Warhol Museum in Pittsburgh, Pennsylvania. See *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 382 F.Supp.3d 312, 320 (S.D.N.Y. 2019).

simplified transformativeness framework¹⁹⁵—he had little difficulty determining that Orange Prince and the 15 other secondary works were fair use. In Judge Koeltl’s view, the 16 works “may reasonably be perceived to be transformative of the Goldsmith Prince Photograph” under *Cariou*’s interpretation of *Campbell*.¹⁹⁶ He noted in particular that unlike Goldsmith’s photograph, which shows Prince to be vulnerable and uncomfortable, Warhol’s bold images present Prince as “an iconic, larger-than-life figure,” consistent with other Warhol representations of celebrities ranging from Marilyn Monroe to Mao.¹⁹⁷ In his view, this transformative quality—“different character,” “new expression,” and “new aesthetics”—tipped the first fair use factor “strongly in AWF’s favor,” notwithstanding their commercial nature (most of the works were sold and Orange Prince was licensed to Condé Nast).¹⁹⁸ Furthermore, the transformative nature of the works tipped the third and fourth fair use factors in AWF’s favor. Judge Koeltl considered second factor to be neutral, leading to the conclusion that fair use “points decidedly” in AWF’s favor.

On appeal, the panel used this opportunity to “clarify” the Second Circuit’s fair use jurisprudence in light of the criticism that had emerged.¹⁹⁹ Writing for the majority, Judge Gerald Lynch pulled back from the district court’s broad reading of *Cariou* (and other cases) that a secondary work is transformative as a matter of law “[i]f looking at the works side-by-side, the secondary work has a different character, a new expression, and employs new aesthetics with [distinct] creative and communicative results.”²⁰⁰ After pointing out that even the five works that *Cariou* declined to rule fair use as a matter of law offered a “new aesthetic,” such as the placement of lozenges over the facial features in *Graduation* (Figure 3), Judge Lynch noted that the definition of “derivative works” encompasses “transformed” works.²⁰¹ The

¹⁹⁵ See *id.* at 325-26.

¹⁹⁶ *Id.* at 326.

¹⁹⁷ See *id.*

¹⁹⁸ *Id.* at 326.

¹⁹⁹ See [Andy Warhol Foundation for Visual Arts, Inc. v. Goldsmith](#), 11 F.4th 26, 38 (2d Cir. 2021).

²⁰⁰ 11 F.4th 26 at 38 (quoting 382 F. Supp. 3d at 325-26 (internal quotation marks omitted) (alterations adopted)).

²⁰¹ See *id.* at 39.

Economic, Social, and Moral Justice Ramifications of Warhol

court concluded that for appropriation art works such as the Prince Series, “where a secondary work does not obviously comment on or relate back to the original or use the original for a purpose other than that for which it was created, the bare assertion of a ‘higher or different artistic use,’ is insufficient to render a work transformative.”²⁰² In place of the district court’s standard, Judge Lynch raised the transformativeness bar to require “a ‘fundamentally different and new’ artistic purpose and character, such that the secondary work stands apart from the ‘raw material’ used to create it.”²⁰³

Based on that clarification, the court concluded that the Prince Series was not transformative: “As in the case of such paradigmatically derivative works, there can be no meaningful dispute that the overarching purpose and function of the two works at issue here is identical, not merely in the broad sense that they are created as works of visual art, but also in the narrow but essential sense that they are portraits of the same person.”²⁰⁴ In the appellate panel’s view, “the Prince Series retains the essential elements of the Goldsmith Photograph without significantly adding to or altering those elements.”²⁰⁵ The court further noted that “it is entirely irrelevant to this analysis that “each Prince Series work is immediately recognizable as a ‘Warhol.’”²⁰⁶ While noting that the Prince Series, while commercial, serves a public interest in exhibition, the court concluded that the first fair use factor does not significantly favor fair use.²⁰⁷

The panel determined that the other factors also incline against fair use.²⁰⁸ The court disagreed with AWF’s contention that “[d]enying fair-use protection to works like Warhol’s will chill the creation of art that employs pre-existing imagery to convey a distinct message,” explaining that concerns about public access to the works are better addressed at the remedy stage.²⁰⁹

Nothing in this opinion stifles the creation of art that may reasonably be perceived as conveying a new meaning or message, and embodying a new purpose, separate from its source material. AWF

²⁰² Id. at 41 (quoting *Rogers v. Koon*, 960 F.2d 301, 310 (2d Cir. 1992)).

²⁰³ Id. at 42 (quoting *Cariou*, 714 F.3d at 706 (internal quotation marks omitted)).

²⁰⁴ Id. (footnotes and citation omitted).

²⁰⁵ Id. at 43.

²⁰⁶ Id. (rejecting the lower court’s emphasis on this consideration).

²⁰⁷ See id. at 45.

²⁰⁸ See id. at 45-51.

²⁰⁹ Id. at 50 (quoting Reply in Supp. of Pet. for Reh’g at 7-8).

Economic, Social, and Moral Justice Ramifications of Warhol

also lists the possible consequences that it contends will flow if we deny fair use in this case. As discussed supra, however, those consequences would be significant to a district court primarily when assessing appropriate equitable relief for a copyright violation. And here, Goldsmith expressly disclaims seeking some of the most extreme remedies available to copyright owners. *See* 17 U.S.C. 503(b). Moreover, what encroaches on Goldsmith’s market is AWF’s commercial licensing of the Prince Series, not Warhol’s original creation. Thus, art that is not turned into a commercial replica of its source material, and that otherwise occupies a separate primary market, has significantly more ‘breathing space’ than the commercial licensing of the Prince Series. *Campbell*, 510 U.S. at 579.²¹⁰

The Second Circuit’s resolution of the *Warhol* controversy reinforced the right to prepare derivative works and moved fair use back into toward its statutory and traditional jurisprudential contours. This begged the question of why the Supreme Court granted review of the Second Circuit’s handling of the first fair use factor.²¹¹ We independently prepared amicus briefs articulating a return to the statutory mooring.²¹²

Writing for a 7-2 majority, Justice Sotomayor directly confronted the tension between the derivative work right and the fair use transformativeness jurisprudence, explaining that:

the [copyright] owner has a right to derivative transformations of her work. Such transformations may be substantial, like the

²¹⁰ *Id.* at 50-51.

²¹¹ AWF limited its petition to “Whether a work of art is ‘transformative’ when it conveys a different meaning or message from its source material (as this Court, the Ninth Circuit, and other courts of appeals have held), or whether a court is forbidden from considering the meaning of the accused work where it ‘recognizably deriv[es] from’ its source material (as the Second Circuit has held).” Petition for a Writ of Certiorari, *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, No. 21-869, 2021 WL 5913520 (Dec. 9, 2021).

²¹² See Brief of Amici Curiae Institute for Intellectual Property and Social Justice and Intellectual-Property Professors in Support of Respondents, *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, No. 21-869, 2022 WL 3574333 (Aug. 15, 2022); Brief of Professors Peter S. Menell, Shyamkrishna Balganes, and Jane C. Ginsburg as Amici Curiae in Support of Respondents, *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, No. 21-869, 2022 WL 3371308 (Aug. 11, 2022).

Economic, Social, and Moral Justice Ramifications of Warhol

adaptation of a book into a movie. To be sure, this right is ‘[s]ubject to’ fair use . . . The two are not mutually exclusive. But an overbroad concept of transformative use, one that includes any further purpose, or any different character, would narrow the copyright owner's exclusive right to create derivative works. To preserve that right, the degree of transformation required to make ‘transformative’ use of an original must *go beyond* that required to qualify as a derivative [work].²¹³

Much of the majority opinion focuses on explicating *Campbell*'s nuanced incorporation of transformativeness into the analysis of the “purpose and character” of the use. Reinforcing the Second Circuit’s logic, the Court observed that because “[m]ost copying has some further purpose” and “[m]any secondary works add something new,” it cannot be the case that such acts constitute a transformative use.²¹⁴ Quoting the Second Circuit, Justice Sotomayor noted that the § 107 preamble “‘examples are easily understood,’” as they contemplate the use of an original work to “‘serv[e] a manifestly different purpose from the [work] itself.’” Criticism of a work, for instance, ordinarily does not supersede the objects of, or supplant, the work. Rather, it uses the work to serve a distinct end.”²¹⁵

The Court harmonized the derivative work right and transformative uses that qualify as fair use by requiring a secondary user to: (1) provide an independent justification for its use of a copyrighted work; (2) explain a distinct objective purpose for the use that is different from the copyright owner’s purposes; and (3) establish that the transformativeness of the use outweighs the commerciality of that use.²¹⁶

Applying these considerations to AWF’s licensing of Orange Prince to Condé Nast, the Court determined that Goldsmith’s original photograph and

²¹³ *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508, 523 (2023) (emphasis added) (footnote omitted).

²¹⁴ See *id.* at 528; see also *id.* at 541 (explaining that “*Campbell* cannot be read to mean that § 107(1) weighs in favor of any use that adds some new expression, meaning, or message. [¶] Otherwise, ‘transformative use’ would swallow the copyright owner's exclusive right to prepare derivative works.”)

²¹⁵ *Id.*

²¹⁶ See Balganesh & Menell, *supra* note 1, Part III.

Economic, Social, and Moral Justice Ramifications of Warhol

AWF's use served "substantially the same purpose."²¹⁷ Both could serve as cover art for a magazine commemorating Prince's life. Therefore, AWF's use "supersede[d] the objects," *Campbell*, 510 U.S. at 579, i.e., shared the objectives, of Goldsmith's photograph, even if the two were not perfect substitutes."²¹⁸ To illustrate the point, the Court called attention to a range of covers commemorating Prince's life (Figure 20), noting that "[a]ll of them used a copyrighted photograph in service of that object. And all of them (except Condé Nast) credited the photographer."²¹⁹ The Court determined, based on the the absence of targeting Goldsmith's photograph²²⁰ and the commerciality of AWF's use—a \$10,000 license fee—that the first fair factor did not support fair use.

²¹⁷ 598 U.S. at 536-38.

²¹⁸ *Id.* at 536 (footnote omitted).

²¹⁹ *Id.* at 521.

²²⁰ *Id.* at 544-45 (noting that while "the subjective intent of the user (or the subjective interpretation of a court) determine the purpose of the use," "the meaning of a secondary work, as reasonably can be perceived, should be considered to the extent necessary to determine whether the purpose of the use is distinct from the original, for instance, because the use comments on, criticizes, or provides otherwise unavailable information about the original" (citation omitted)).

Figure 20



The Court cautioned against a rule that would allow any user to “make modest alterations to the original, sell it to an outlet to accompany a story about the subject, and claim transformative use.”²²¹ It also reinforced that commentaries that have no critical bearing on a work are at *Campbell’s*

²²¹ Id. at 546

Economic, Social, and Moral Justice Ramifications of Warhol

“lowest ebb,” and that their “claim to fairness in borrowing . . . ‘diminishes accordingly (if it does not vanish).’”²²²

Justice Kagan’s dissenting opinion advocates the free culture movement’s core precepts, emphasizing the reliance of all creators on those who came before²²³ and the need for a permissive transformativeness to promote progress.²²⁴ In response to the dissent’s charge that requiring AWF to pay Goldstein a fraction of its proceeds will inhibit new works, Justice Sotomayor counters that such payments induce original works in the first place and that the Copyright Act’s numerous escape valves provide “ample space for artists and other creators to use existing materials to make valuable new works.”²²⁵

IV. Ramifications of the *Warhol* Decision for Economic, Social, and Moral Justice, Freedom of Expression, and Cumulative Creativity

Justice Sotomayor’s opening lines to the Court’s watershed opinion foreshadowed a journey into copyright’s soul:

This copyright case involves not one, but two artists. The first, Andy Warhol, is well known. His images of products like Campbell’s soup cans and of celebrities like Marilyn Monroe appear in museums around the world. Warhol’s contribution to contemporary art is undeniable.

The second, Lynn Goldsmith, is less well known. But she too was a trailblazer. Goldsmith began a career in rock-and-roll photography when there were few women in the genre. Her award-winning concert and portrait images, however, shot to the top. Goldsmith’s work appeared in *Life*, *Time*, *Rolling Stone*, and *People* magazines, not to mention the National Portrait Gallery and the Museum of Modern Art. She captured some of the 20th century’s greatest rock stars: Bob

²²² *Id.* at 546-47 (quoting *Campbell*, 510 U.S. at 580) (footnote omitted)).

²²³ *See id.* at 568.

²²⁴ *See id.* at 593.

²²⁵ *Id.* at 549-50.

Economic, Social, and Moral Justice Ramifications of Warhol

Dylan, Mick Jagger, Patti Smith, Bruce Springsteen, and, as relevant here, Prince.²²⁶

Justice Sotomayor's vigorous, direct, and, at times, combative parrying with the dissent drove a dagger into the free culture movement's critique of copyright law.²²⁷ The resulting decision repudiates the movement's campaign to undermine the derivative work right through a simplistic transformativeness shortcut for applying the fair use doctrine.

Thus, beyond clarifying the interplay of the derivative work right and fair use, Justice Sotomayor's majority opinion in *Warhol* addresses the economic, social, and moral justice principles underlying the Copyright Act as well as the safety valves serving First Amendment values and promoting cumulative creativity.

A. Economic and Social Justice

Justice Sotomayor's majority opinion substantiates what we have been referring to as the author empowerment conception of the modern copyright regime. Her decision reaffirms the text, core framework, and empirical assumptions underlying the modern Copyright Act: that "the author's rights should be stated in the statute in broad terms, and that the specific limitations on them should not go any further than is shown to be necessary in the public interest."²²⁸ Congress could well have chosen to open up the fair use doctrine when it reformed the Copyright Act. Yet as we traced in Part II(B)(3) and elsewhere,²²⁹ the drafters of the modern Copyright Act considered the options for promoting progress and chose the author empowerment path. Throughout the opinion, Justice Sotomayor focuses attention on the statutory text and reinforces its evident logic.

²²⁶ Id. at 514-15.

²²⁷ In fairness to Justice Sotomayor's tone, Justice Kagan's dissent was condescending and snarky in places. See, e.g., 560, n.2 (suggesting that the majority opinion is "self-refuting" for responding thoroughly to the dissent's lengthy arguments), 559, 572-92 (offering a "refresher course" on art art history); 574 (contending that the majority did not "actually look[] at the images" at issue).

²²⁸ See Supplementary Report, supra note 24, at 14.

²²⁹ See Balganesh & Menell, supra note 1, Part I(B); Brief of Professors Peter S. Menell, Shyamkrishna Balganesh, and Jane C. Ginsburg as Amici Curiae in Support of Respondents, supra note 212, at 6-13.

Economic, Social, and Moral Justice Ramifications of Warhol

Copyright law's broad protections have enabled many authors, musicians, filmmakers, actors, artists, and athletes from marginalized groups to achieve unprecedented economic success.²³⁰ This success has altered power structures across the creative industries, which in turn has brought new genres, art forms, and a broader range of perspectives to the public. These structural changes and elevation of historically underrepresented creators and performers have had far-reaching consequences, including beneficial impacts upon civil rights.

Free culture scholars worry, however, that protection for derivative works locks down cumulative creativity, silences less powerful and younger voices, and stifles social engagement. Yet even as Professor Lessig attacked content companies' "ferocious assault" on freedom of expression, his own account revealed a vibrant and creative emerging digital ecosystem.²³¹

There is no doubt that copyright law has stood in the way of those who would like to create their own *Star Wars* and *Harry Potter* sequels and merchandise. Absent permission or critical perspectives, these follow-on creators risk demand letters if they commercialize their work. And even if they are commenting on or otherwise parodying those works, they might, as Alice Randall experienced, encounter copyright litigation.²³²

But what we have seen in the more than two decades since Web 2.0 emerged is a much more permissive ecosystem that has supported a wide range of follow-on creative and cultural activities. The software industry has implemented various forms of open licenses that re-engineered copyright's defaults through ex ante license.²³³ Hollywood has substantially embraced fan engagement with their works and generally do not object to non-

²³⁰ See Hughes & Merges, *supra* note 5.

²³¹ See Julia D. Mahoney, Book Review, Lawrence Lessig's Dystopian Vision, 90 Va. L. Rev. 2305, 2307-09 (2004) (commenting that Lessig's FREE CULTURE "actually portrays a world that should elicit cautious optimism rather than fear of impending catastrophe," noting that "[b]y Lessig's own account, the expansion of the Internet has resulted in" many examples that dispel his assertion "that American culture is in grave peril").

²³² See *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257 (11th Cir. 2001); David D. Kirkpatrick, Mitchell Estate Settles 'Gone With the Wind' Suit, N.Y. Times C6 (May 10, 2002), <https://www.nytimes.com/2002/05/10/business/mitchell-estate-settles-gone-with-the-wind-suit.html>

²³³ See Steven Weber, *The Success of Open Source* (2005).

Economic, Social, and Moral Justice Ramifications of Warhol

commercial fan activities.²³⁴ We don't see enforcement actions against most fan scripts and other creative efforts that populate the Internet. YouTube's Content ID system provides a broad ecosystem for user-generated content, while affording copyright owners tools for taking down and monetizing uses.²³⁵ Social media websites are filled with memes and images that implicate copyrighted works. And Creative Commons has established a parallel universe in which creators offer works with pre-authorized licenses. The growing availability of insurance and codes of best practices for documentary films and a growing number of areas have also facilitated cumulative creativity.²³⁶ Thus, reports of the stifling of user generated content have been greatly exaggerated.

Perhaps what is most remarkable is how few uses wind up being pursued in light of the millions of new and follow-on works being created and distributed each day. But it is those disputes that make their way up the federal court system that serve as the bellwethers for the freedom to create. These controversies steer copyright owners and follow-on creators in their pursuits and brings us to the question of whether the *Warhol* decision, even beyond its correctness as a matter of copyright law, offends principles of economic and social justice.

We stand firmly behind the correctness of the decision on those grounds. We believe as a general proposition that affording authors a robust derivative work right, subject to copyright law's limiting doctrines and a fair use escape valve, provides a good balance between pioneering and follow-on creativity while affording freedom of expression and access for public interests.

Within that framework, however, remains the specific economic and social justice inquiry of whether the follow-on use was fair. We struggle to see why these follow-on creators should be privileged to use the works of Andrea Blanch, Patrick Cariou, or Lynn Goldsmith without permission. In all of these cases, the follow-on creators are essentially using the fair use doctrine as a means to obtain free raw material for their commercial gain without any targeted commentary. They are exceptionally well-off creators catering to an even more well-off clientele. Deutsche Bank was bankrolling

²³⁴ See Tim Wu, Tolerated Use, 31 Colum. J.L. & Arts 617 (2008).

²³⁵ Content ID, Wikipedia, https://en.wikipedia.org/wiki/Content_ID.

²³⁶ See RECLAIMING FAIR USE (2d ed.), supra note 94, at 119-77, 188-98.

Economic, Social, and Moral Justice Ramifications of Warhol

Koons. Vanity Fair commissioned Warhol, and he leveraged that commission into a series of 16 works. And Richard Prince had a long-standing relationship with Gagosian Gallery,²³⁷ one of the hottest appropriation art galleries.²³⁸ These cases reek of redistribution from less well-off creators to support the ultra-wealthy.

But is it ethical to overlook this redistribution for the “expressive benefits” that would flow? Or more precisely, do we think that affording Koons, Prince, and Warhol free access to others’ photographs is necessary for such expression? In Warhol’s case, the answer is clearly no. Vanity Fair had already cleared the rights for Warhol to prepare an illustration to accompany its feature story. The question is whether Warhol, or AWF, should be required to negotiate with Goldsmith over rights to use the other 15 works (or to make further use of Purple Prince). We fail to see how this is asking too much of Warhol or AWF. Moreover, there were certainly other Prince photographs that he could have used for his silkscreens. The incremental “expressive benefits,” if any, for allowing Warhol free raw material at the expense of other creators and copyright’s legislative framework are dubious.

As regards Jeffrey Koons, Andrea Blanch might have been amenable to working out licensing arrangements at a mutually agreeable price. And if not, there are other sources of stock and other photographs that could have served comparable well for Koons’s work.

With respect to Richard Prince, we are less sure that Patrick Cariou, as an ethnographic researcher who devoted years to building trusting relationship with his subjects, would have been amenable to having his photographs presented in Cariou’s style. Moreover, we are skeptical that Jamaican Rastafarian photographs of that quality could have been found elsewhere. That said, we are not sure that society was better off with Prince’s appropriation. Cariou’s work might well have found other outlets and interest had Prince not interfered with Cariou’s ability to exhibit his work. Moreover, since Prince was not commenting on Cariou’s work, it is not clear what society lost given that Prince likely could have found other photography to pursue his artistic vision. Furthermore, affording Prince free use of

²³⁷ See Exhibitions/Richard Prince, Gagosian, <https://gagosian.com/exhibitions/archive/artist/richard-prince/> (listing over 50 exhibitions of Prince’s work dating back to 2002).

²³⁸ See Gagosian Gallery, Wikipedia, https://en.wikipedia.org/wiki/Gagosian_Gallery (describing the enormous scale of Gagosian’s operations).

Economic, Social, and Moral Justice Ramifications of Warhol

Cariou's photographs without clear purpose other than commercial gain could well chill ethnographic photographers pursuing projects such as Cariou's.

As the foregoing has highlighted, the role of licensing has long been a source of deep division in copyright scholarship discourse. The free culture movement considers any need to obtain permission to adapt or repurpose a copyrighted work to be a grave interference with freedom of expression and progress. As Part I explained, Congress viewed licensing as a critical part of copyright's creative engine and did not believe that transaction costs would unduly chill follow-on creativity. When works of authorship combine the talents of multiple artists, paying for permission to use an underlying work or sharing the revenue that results from the license rewards all of the contributors to the follow-on works. This promotes both economic efficiency and distributive justice. While not always seamless, free, or without the occasional need for legal assistance, copyright and alternative institutions have generated a vast ecosystem of access and use.

We believe that the fair use doctrine, as reflected in *Warhol*, perpetuates a significant role for licensing of uses that cannot meet the justification, "go beyond," and multi-factor inquiries. Although this reinforced test might hamper some follow-on works, particularly of a commercial nature, we don't expect that there will be substantial changes in the creative community. Pursuing copyright enforcement is a costly activity and many follow-on uses, including much fan fiction, will continue to be tolerated. Where a major, well-heeled artist appropriates the work(s) of others, there will be greater risk, but that can be mitigated through licensing and possibly insurance. Furthermore, as Professor Xiyin Tang has observed,²³⁹ the artistic community already implements norms that align with the *Warhol* decision. Artists recognize the injustice of unauthorized use and take steps to avoid violating fairness norms.

Which brings us to the role of "fairness" in fair use. The Copyright Act's multi-factor test was specifically designed to incorporate fairness considerations, which is why courts consider commerciality, amount of use, and effects upon the potential market. As the Act's drafters noted, free riding is not indicative of fairness and licensing provides a mechanism for distributing the value and credit associated with cumulative creativity. Compensation is a fundamental aspect of fairness. This seems fairly obvious to us, but perhaps bears stating in view of the antipathy towards compensation

²³⁹ See Xiyin Tang, *Art After Warhol*, __ *UCLA L. Rev.* __ (forthcoming 2024).

reflected in much of the free culture literature. The drafters of the copyright statute considered compensation and licensing to be vital features of the copyright regime and economic justice.

Fair use, as well as the *eBay* remedies doctrine, are mechanisms for dealing with circumstances in which recognized (categories enumerated in the § 107 preamble) or emergent social interests could be compromised by copyright owners blocking access and use. By contrast, opening up fair use to any transformation would create tremendous subjectivity, confusion, and injustice.

B. Moral Justice

Although Congress did not formally add moral rights provisions to the Copyright Act until the Berne Convention Implementation Act in 1990,²⁴⁰ the derivative work right has long served a form of moral right protection by empowering authors to demand attribution and use limitations on licenses to prepare derivative works. This power, of course, does not extend to fair use of copyrighted works. But as the *Warhol* makes clear, the derivative work right is alive and well.

The backstory to the *Warhol* decision illustrates the importance of attribution for photographers. As Justice Sotomayor notes, Lynn Goldsmith worked hard to build her reputation, enabling her to establish herself at a young age as a leading rock photographer in an era “when women on the scene were largely dismissed as groupies.”²⁴¹ By her mid-30s, she had chronicled the lives and tours of Bruce Springsteen, Michael Jackson, Bob Dylan, Patti Smith, and the Rolling Stones.²⁴² Her work appeared throughout the music press and on album covers.²⁴³ Building her reputation, *which required attribution*, kept her at the top of the game. In this fast moving industry, she continued to hustle, and when Prince Rogers Nelson emerged on the scene, she “convinced” Newsweek to hire her to photograph him on stage and in studio.²⁴⁴ Their publication of her photograph established her as a source for high quality photography of this up and coming recording and performance artist.

²⁴⁰ See 17 U.S.C. § 106A (establishing rights of attribution and integrity for works of visual art), Pub. L. 101–650, title VI, § 603(a), Dec. 1, 1990, 104 Stat. 5128.

²⁴¹ 598 U.S. at 516.

²⁴² See *id.*

²⁴³ See Lynn Goldsmith, Wikipedia, https://en.wikipedia.org/wiki/Lynn_Goldsmith

²⁴⁴ See 598 U.S. at 516.

Economic, Social, and Moral Justice Ramifications of Warhol

Lynn Goldsmith requested and obtained attribution for the use of her Prince studio portrait, as is common. She received attribution in a fair bargain for the use of her source photograph for the 1984 Vanity Fair feature article about Prince, "Purple Fame." But decades later, AWF and Condé Nast did not think to credit her source photograph for the cover art for the Prince commemorative issue. This illustrates how the derivative work right promotes not just economic justice, but also moral interests. And the two go hand and hand. Attribution is key to building many creators' reputation, opportunities, and success.

This attribution right can be especially valuable and important to authors and artists who have been discriminated against or otherwise marginalized. Such creatives can be cultivated through non-traditional artforms and genres, with much of their creative talent manifest in their ability to translate, adapt, and otherwise render their native creative arts accessible to mainstream audiences. When well-known and other mainstream artists appropriate their work without attribution, society applauds the unprecedented "originality" of the follow-on artist, while the underlying, marginalized creators languish in obscurity and impecuniosity.

Marginalized artists can also offer new perspectives toward traditional artforms. Here too, appropriation without attribution denies them recognition and financial reward, while the mainstream, appropriating artists enjoy commercial success and artistic acclaim, and in some cases, the rejuvenation of fading careers.

Attribution enables marginalized and lesser known creators to gain attention, respect, and reputational clout that can propel their careers. At the very least, it protects them from the indignity of misappropriation, and provides them with encouragement to continue their artistic labors and the knowledge that there is an audience for their work, even if that audience consists solely of other artists who appreciate their artistic achievements.

Both the *Blanch* and *Cariou* decisions illustrate the harm from the trampling of the derivative work right. Although Andrea Blanch and Patrick Cariou had not become household names, they were professional photographers looking to support themselves through photography. They had each achieved a modicum of success and no doubt would have been receptive to offers to sell and license their works. Unfortunately, however, copyright's fair use doctrine veered off the rails at key points in their career, emboldening well-heeled appropriation artists to treat their photographs as free raw material for million dollar projects. As a result, they were left with nothing to show but humiliating court decisions and large legal bills.

In teaching these cases, we have asked ourselves and our students: would we or they feel comfortable appropriating other people's art without payment or attribution to make seven figure follow-on works that do not target or comment on the particular appropriated works except, perhaps, as some sort of general reflection on the general culture? The answer for us is "no." We recognize, of course, the need for breathing space for artists and others in expressing their views.

C. Freedom of Expression and Escape Valves

As Justice Sotomayor noted in response to the dissent's alarm that withholding the fair use privilege from Orange Prince—"a Warhol" after all²⁴⁵—would stifle creativity, the Copyright Act contains a broad array of limiting doctrines and escape valves to accommodate free expression and promote cumulative creativity. She specifically noted the idea-expression dichotomy, the unprotectibility of facts, the requirement of originality, the legal standard for actionable copying (including the filtration of unprotectable elements), durational limits, and, especially, the fair use doctrine.²⁴⁶ We would also note the various other statutory limitations and compulsory licenses, including the cover license, and Judge Lynch's recognition of the role of remedies in balancing the public interests.²⁴⁷ As noted in the 1965 *Supplementary Report*, Congress sought to implement a law that could stand the test of time and it has adapted to and weathered various social and technological disruptions.

We have no doubt that the copyright law should be reformed to better accommodate both free expression and cumulative creativity. Doing so in the heat of the explosive emergence of Web 2.0, however, would have been unwise. As those advances disrupted traditional music, film, publishing, and software markets, the free culture movement was quick and correct to question the ability of the existing copyright system and institutions to support a robust and free creative ecosystem. But their doomsday predictions of runaway copyright litigation and stifling of creativity were open to question, especially when the former problem was promoted by free culture

²⁴⁵ See 598 U.S. at 558, 592 (Kagan, dissenting) (suggesting that Warhol is "the very embodiment of transformative copying).

²⁴⁶ See 598 U.S. at 550.

²⁴⁷ See quotation accompanying note 210.

Economic, Social, and Moral Justice Ramifications of Warhol

advocates.²⁴⁸ Furthermore, their reform proposals—such as immunizing file-sharing services,²⁴⁹ “voluntary” licensing (tip jars) for file-sharing,²⁵⁰ broad spectrum compulsory licensing regimes,²⁵¹ and vast expansion of fair use—were premature and questionable.

At the time that the free culture movement burst onto the scene, Internet technology was evolving rapidly, and the empirical basis for making dramatic changes was thin. These scholars thought that making the world safe for file-sharing was the way to go. But as the aftermath of the Supreme Court’s *Grokster* decision makes plain, peer-to-peer file-sharing was not the answer to society’s prayers. By helping to stanch Internet piracy, *Grokster* accelerated the path toward subscription services such as Spotify and Netflix that have proven remarkably successful for creators, consumers, and technology companies. Reforming copyright law during the turmoil of the Web 2.0 revolution was unrealistic and would likely have missed the mark. We needed to see how society and technology would adapt.

We do not doubt that the copyright system should be updated. After all, we are now half a century past when the drafters of the “modern” Act worried about designing the law to last “10, 20, or 50 years from [then].”²⁵² Now that *Warhol* has restored the fair use doctrine, the time is ripe to pursue balanced

²⁴⁸ Both the Electronic Frontier Foundation’s lead copyright counsel and Professor Mark Lemley, who was counsel for *Grokster*, suggested that record companies ought to sue file-sharers—mostly high school and college students—rather than file-sharing services. See Peter S. Menell, *This American Copyright Life: Reflections on Re-Equilibrating Copyright for the Internet Age*, 61 *J. Copyright Soc’y U.S.A.* 235, 256-59 (2013-2014) (reporting Fred von Lohmann’s public statements: calling attention to the “strangely” “empty category” of lawsuits against end-users; comment that content owners “are hunting the wrong target”; observation that suing end-users would not be “such a radical statement” in view of the fact going after the pirates has “always been the rule” in the copyright field; and statement that “a few targeted suits would certainly clarify the message”); Mark A. Lemley & R. Anthony Reese, *Reducing Digital Copyright Infringement Without Restricting Innovation*, 56 *Stan. L.Rev.* 1345, 1395-1401-1390 (2004).

²⁴⁹ See Lemley & Reese, *supra* note 248, at 1379-90.

²⁵⁰ See Electronic Frontier Foundation, *Making P2P Pay Artists*, <https://www.eff.org/pages/making-p2p-pay-artists>

²⁵¹ See WILLIAM FISHER, *PROMISES TO KEEP: TECHNOLOGY LAW AND THE FUTURE OF ENTERTAINMENT* ch. 6 (2004); Neil W. Netanel, *Impose a Noncommercial Use Levy to Allow Free Peer-to-Peer File Sharing*, 17 *Harv. J. L. & Tech.* 2 (2003)

²⁵² See quotation accompanying note 32.

legislative/democratic solutions for improving free expression and cumulative creativity.

A good place to start would be in the documentary film field. These works have tremendous educational and research value to society. They are also often produced by non-profit organizations. And even though these purposes are within both the § 107 preamble and the first factor balance, many documentary makers are often pressured by distributors to clear the rights to use historical photographs and audiovisual works. They further face the problem of dealing with orphan works.²⁵³ Congress can facilitate the production of these works by crafting exemptions, limitations of remedies, and other reforms to reduce the risks faced by documentary film makers.

More generally, Congress should consider a range of adjustments to the Copyright Act to reduce the transaction costs associated with licensing copyrighted works. These include establishing pre-clearance institutions,²⁵⁴ discouraging fair use hold-outs,²⁵⁵ tailoring compulsory licensing regimes (such as for mashups),²⁵⁶ and, most importantly, reforming and recalibrating remedies.²⁵⁷

V. Conclusions

The free culture movement is built on a deep and fundamental skepticism of copyright: questioning whether any creative work can be original and opposing nearly any restraints on follow-on creativity. While it is tautological that authors are influenced by exposure to prior works, the gulf between that

²⁵³ See Menell, *supra* note 248, at 334-36; See Joshua O. Mausner, Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency, 12 J. Tech. L. & Pol'y 395, 398 (2007); Orphan Works Act of 2006, H.R. 5439, 109th Cong. (2006) (limiting remedies against users who “performed and documented a reasonably diligent search in good faith to locate the owner of the infringed copyright”); cf. Register of Copyrights, Report on Orphan Works 95-112 (2006), available at <http://www.copyright.gov/orphan/orphan-report.pdf>.

²⁵⁴ See Peter S. Menell, Economic Analysis of Copyright Notice: Tracing and Scope in the Digital Age, 96 B.U. L. Rev. 967, 1013-142 (2016); Michael W. Carroll, Fixing Fair Use, 85 N.C. L. Rev. 1087, 1123-27 (2007); David Nimmer, A Modest Proposal to Streamline Fair Use Determinations, 24 Cardozo Arts & Ent. L.J. 11, 12 (2006) (proposing a panel of “Fair Use Arbiters” appointed by the Register of Copyright).

²⁵⁵ Peter S. Menell & Ben Depoorter, Using Fee Shifting to Promote Fair Use and Fair Licensing, 102 Cal. L. Rev. 53 (2014).

²⁵⁶ See Peter S. Menell, Adapting Copyright for the Mashup Generation, 164 U. Pa. L. Rev. 441 (2016).

²⁵⁷ See Menell, *supra* note 248, at 302-36.

Economic, Social, and Moral Justice Ramifications of Warhol

truism and the conclusion that copyright protection should be narrow and alteration or repurposing should be privileged is quite wide. What is not debatable is that the drafters of the Copyright Act rejected that precept of the free culture movement. To the contrary, the drafters empowered authors with broad exclusive rights and viewed licensing in conjunction with a limited fair use privilege as the best approach for promoting creativity, access, and cumulative creativity.

Even if judges accepted the free culture movement's perspective, they would lack the authority to override the legislative will as reflected in positive law. The Copyright Act's legislative text and intent do not support the evisceration of the derivative work right or an open-ended and subjective fair use doctrine. And for the reasons we have articulated, there is good reason to question such an approach within a social justice framework.

The Supreme Court's restoration of the statutory text, legislative intent, and economic logic undergirding the right to prepare derivative works has important ramifications for social justice and authorial control of their works. Time will tell whether the *Warhol* decision will promote or chill cumulative creativity,²⁵⁸ but we do not expect the decision to cause the sky to fall. The utilitarian character of the "promote progress" clause does not require copyright protection to end whenever a follow-on creator "transforms" the work of others, at least in the view of the Copyright Act drafters. As the cases explored herein illustrate, a secondary user can nearly always find literary or art critics who can attest to a transformative alteration or purpose.²⁵⁹ Furthermore, the Copyright Act and jurisprudence have substantial safety valves in place to support valuable cumulative creativity. It is clear, however, that *Warhol* will encourage secondary creators to think more carefully about

²⁵⁸ Similar predictions by copyright critics have not come to pass. See, e.g., Robert Hof, Ten Years of Chilled Innovation, Business Week (Jun. 29, 2005) (interviewing Lawrence Lessig after the *Grokster* decision). The *Grokster* decision fueled the streaming marketplace, producing an explosion of licensing that vastly expanded access to creative works, rewarded artists, and protected consumer privacy. Moreover, the resulting decline of peer-to-peer services greatly reduced the proliferation of malware. See John Borland, "Spyware" Piggybacks on Napster Rivals, CNET News.com (Jan. 29, 2002), at <https://www.cnet.com/tech/services-and-software/spyware-piggybacks-on-napster-rivals/>

²⁵⁹ See 4 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 10:35:31 (2022) (commenting on AWF's art expert's credibility: "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").

Economic, Social, and Moral Justice Ramifications of Warhol

licensing of raw material. It might also point them towards less derivative and more innovative projects.

We are hopeful that the *Warhol* decision will promote various dimensions of progress and enhance social justice through its bolstering of authors' rights, and that escape valves will continue to promote free expression and cumulative creativity. Requiring future artists who seek to use the work of prior creators as raw material for non-critical uses—e.g., not as commentary, criticism, or parody—to negotiate the terms of appropriation with copyright owners, especially for commercial uses, serves the purposes that the drafters of the Copyright Act sought to advance. The Copyright Act's numerous safety valves provide substantial leeway for secondary users. Furthermore, Congress can enhance the efficacy of the copyright law by enacting further adjustments, such as the ones we have discussed, to support fair and efficient cumulative creativity.