

Strategic Perspectives

IP outlook for upcoming Supreme Court term: Docket features case that could transform law of copyright fair use

By [Thomas Long, J.D.](#)

The doctrine of “fair use”—codified in the 1976 Copyright Act from longstanding common-law principles—places crucial limits on the scope of copyright protection. Although the statutory test contains only four factors, fair use frequently presents complex and difficult questions for adjudication. The only intellectual property case so far on the U.S. Supreme Court’s 2022 calendar is the second high-profile case involving the copyright “fair use” test in recent years, after its 2021 decision in *Google LLC v. Oracle America, Inc.* was referred to by some commentators as “the copyright case of the decade.” In the upcoming October 2022 term, the High Court has agreed to take another look at the fair use doctrine—specifically the question of when an allegedly infringing use of a copyrighted work is “transformative” for purposes of the fair use defense provided by Section 107 of the Copyright Act. In the current case—*The Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, [Dkt. No. 21-869](#)—the Court will review a [decision](#) by the U.S. Court of Appeals in New York City, holding that screenprints depicting the late pop star Prince, made by the late artist Andy Warhol in 1984, could infringe photographer Lynn Goldsmith’s portrait of the musician. The Court’s decision could have far-reaching impacts on the tension between creative innovation and rights protection in a wide variety of fields beyond the visual arts, including music, literature, and computer code.

The case is scheduled for oral argument on Wednesday, October 12. Below is a detailed breakdown of the case’s history, the parties’ arguments, and one practitioner’s views on what we might expect from the Court. Following that is a brief breakdown of six noteworthy pending petitions for *certiorari*.

Warhol’s 1984 Creation of the “Prince Series” from Goldsmith’s Photo

Lynn Goldsmith—a professional photographer primarily focusing on celebrity portraits and rock concert photos—took a series of portrait photos of musician Prince Rogers Nelson, popularly known simply as “Prince,” in December 1981. In 1984, Goldsmith’s agency licensed the photograph to *Vanity Fair* magazine for use as an artist reference. Unbeknownst to Goldsmith, the artist in question was famed contemporary artist Andy Warhol, who had been commissioned to create an image of Prince for the magazine. Also unbeknownst to Goldsmith, Warhol created 15 additional works (a combination of screenprints and pencil illustrations) based on the Goldsmith Photograph, referred to (along with the *Vanity Fair* image) as the “Prince Series.” After Warhol’s death, the Andy Warhol Foundation for the Visual Arts, Inc., acquired title to and copyright in the Prince Series. With the Foundation’s permission, *Vanity Fair* publisher Conde Nast used a different image from the

series for the cover of a magazine issue paying tribute to the deceased musician. Goldsmith was not given any credit or attribution for the image, which was instead attributed solely to the Foundation. The Foundation also commercially licensed the images for use on mass-produced posters and other merchandise.

Flash Forward to 2016: An Infringement Dispute Emerges

In July 2016, Goldsmith contacted the Foundation to advise that her copyright was being infringed. In April 2017, the Foundation filed an action against Goldsmith and her agency, seeking a declaratory judgment that the Prince Series did not infringe because the works qualified as fair use. Goldsmith countersued for copyright infringement. On July 1, 2019, the district court [granted](#) summary judgment in the Foundation’s favor, finding that the Foundation made fair use of Goldsmith’s photographs. The district court determined that the Prince Series was “transformative” because, while the Goldsmith Photograph portrayed Prince as “not a comfortable person” and a “vulnerable human being,” the Prince Series portrayed Prince as an “iconic, larger-than-life figure.” On March 26, 2021, the Second Circuit reversed, concluding that the district court erred in its application of the four fair use factors listed in Section 107 of the Copyright Act.

Statutory Fair Use Factors and *Campbell's* Addition of 'Transformativeness' to the Mix

Section 107 of the Copyright Act sets forth four nonexclusive factors for determining whether a use is "fair" and therefore not infringing: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work. The first factor often hinges on whether the challenged use is "transformative."

The concept of transformation as indicative of fair use was explicated by the Court in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), a case involving a song parody. Writing for the majority, Justice David Souter said that the central inquiry under the first factor is whether the defendant's work merely "supersedes the objects" of the copied work "or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is 'transformative.'" A finding that a new work is transformative is not automatically determinative, but it can lessen the importance of the other factors.

Second Circuit's Holding Rejecting the Foundation's Fair Use Defense

In rejecting the fair use determination, the Second Circuit made particular note of the fact that Warhol's prints did not alter or remove protectable elements of Goldsmith's photo, and that her work was "instantly recognizable" in the Warhol prints. The district court improperly focused on its subjective interpretation of the works' underlying artistic message rather than an

objective assessment of their purpose and character, said the appellate court.

"An overly liberal standard of transformativeness risks crowding out statutory protections for derivative works." —Second Circuit

Opining that "an overly liberal standard of transformativeness, such as that embraced by the district court in this case, risks crowding out statutory protections for derivative works," the Second Circuit clarified that "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." According to the court, "the secondary work itself must reasonably be perceived as embodying an entirely distinct artistic purpose, one that conveys a 'new meaning or message' entirely separate from its source material."

The result of this incorrect approach led to the district court making faulty conclusions as to the rest of the fair use factors, the appellate court concluded. Along with reversing the fair use judgment, the appellate court vacated the district court's order dismissing Goldsmith's counterclaim for copyright infringement.

Google v. Oracle—Fair Use of Software Code

The last time the Supreme Court addressed copyright fair use was in *Google LLC v. Oracle America, Inc.*, 141 S. Ct. 1183 (2021). In a six-to-two [decision](#) authored by

Justice Stephen Breyer, the Court held that Google's copying of approximately 11,000 lines of code from the Java SE application programming interface to create the Android mobile operating system was a fair use of that material and did not support copyright infringement claims by the code's owner, Oracle America, Inc. According to the Court, Google's use included only those lines of code that were needed to allow programmers to create a new and transformative program. The Court overturned a [decision](#) of the U.S. Court of Appeals for the Federal Circuit, which had reversed a jury's [finding](#) that Google's use of Oracle's Java API interfaces in its Android OS was fair use. As for its fair use analysis, the Court held that Google's use of the Java API code was "transformative" because it was aimed at creating new products and to expand the use and usefulness of Android-based smartphones. "To the extent that Google used parts of the Sun Java API to create a new platform that could be readily used by programmers, its use was consistent with that creative 'progress' that is the basic constitutional objective of copyright itself," Justice Breyer wrote.

Petition for Review

The Foundation's [petition](#) poses the question:

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).

The Foundation asserts that the Second Circuit's decision creates a split with the Ninth Circuit, which [held](#) in *Seltzer v. Green Day, Inc.*, 725 F.3d 1170 (9th Cir. 2013), that a secondary work is "typically viewed as transformative as long as new expressive

content or message is apparent.” This test, according to the Foundation, has been adopted by the First, Fourth, Third, Sixth, and Federal Circuits.

The Second Circuit’s approach “will chill artistic expression and undermine First Amendment values,” the petition argues, further asserting that it “has the effect of hollowing out Congress’s duly enacted fair use defense in the context of visual art.”

Parties’ Briefs

In their briefs, the parties not only spar over the proper role for the “purpose and character of use” factor and the extent to which “transformativeness” should inform the analysis, but also differ as to Warhol’s legacy and importance as an artistic innovator, and what place his role should take in the debate over the contours of fair use.

Respondent’s brief. Goldsmith’s [brief](#) argues that the Foundation is attempting to “throw the traditional fair-use test” overboard by isolating the “purpose and character of use” factor and by arguing that “infringing works are transformative, and presumptively fair use, if they add new meaning or message to the original.” The brief notes that the Copyright Act doesn’t refer to “new meaning or message” and calls the Foundation’s preferred approach “completely unworkable and arbitrary.” Goldsmith suggests that a wide array of changes to copyrighted works—such as altering a song’s key to convey different emotions—would be deemed fair uses and not infringing. “That alternative universe would decimate creators’ livelihoods,” Goldsmith asserts. “Massive licensing markets would be for suckers, and fair use becomes a license to steal.”

Goldsmith also contends that Warhol’s work was not actually transformative, and that the 2016 use of one of Warhol’s prints was for the same purpose as the original photo, which in fact supplanted the original image

in the market. According to Goldsmith, the Foundation’s position is that “because Goldsmith testified that Prince seemed ‘vulnerable’ but art critics opined that Warhol made celebrities appear ‘iconic,’ Warhol’s versions are transformative.” Applying this reasoning will “fuel endless litigation,” in Goldsmith’s view.

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“Under [the Foundation’s] test, every Warhol-style silkscreen conveys a different message from the original photograph,” Goldsmith asserts. “That ‘logic would inevitably create a celebrity-plagiarist privilege; the more established the artist and the more distinct that artist’s style, the greater leeway that artist would have to pilfer the creative labors of others’ [citing amicus brief by American Intellectual Property Law Association]. No one doubts Warhol’s artistic innovations. But Warhol charged for his art and AWF will continue profiting, including by vigorously asserting Warhol’s copyrights. Fame is not a ticket to trample other artists’ copyrights.”

Petitioner’s reply brief. In its [reply brief](#), the Foundation contends that the test set forth by the Supreme Court in *Campbell*—referred to as the “meaning-or-message test,” is settled precedent and the governing rule in this case. According to the Foundation, the Second Circuit’s holding “hollows out” the fair use defense. In *Campbell*, the brief points out, the Court emphasized transformativeness because doing so promotes “breathing space within the confines of copyright” for works that “add[]

something new” by “altering the [original] with new expression, meaning, or message.” Weighing that factor against the other Section 107 factors in a “holistic” manner is required in order to strike the proper balance between encouraging creativity and affording fair compensation to creators.

“Throughout this litigation, that basic framework has been common ground,” the Foundation asserts “But at the eleventh hour, Goldsmith now asks this Court to jettison the transformativeness inquiry altogether.” Limiting the application of the fair use doctrine to cases in which the challenged use “necessarily” required copying from the original and that do not “substitute” for it in any market “would suppress vast swaths of material long treated as lawful,” the Foundation states, urging that the Court reject Goldsmith’s “novel theory.”

The Foundation also criticized the approach set forth by the government in its amicus brief, contending that. “The government’s suggestion that this case concerns only the licensing of one work in the Prince Series is demonstrably wrong,” the Foundation argues. “And even if it were not, the government’s proposed legal rule, to the extent it is discernible at all, effectively rejects *Campbell* by banishing its meaning-or-message inquiry from the fair-use analysis altogether.”

The Foundation urges the Court to reject Goldsmith’s contention that the *Campbell* meaning-or-message test be rejected in favor of a new test based on the view that “licensors like her should have the final say on whether even genuinely transformative works can ever see the light of day.” It concludes its argument with an appeal to Warhol’s significance as an artist: “This Court should reject any approach that dismisses quintessential works by Warhol—an innovator who blazed new trails for modern art—as contributing nothing in the eyes of copyright law.”

Amicus Curiae Briefs

Over 20 amicus curiae briefs have been filed, with a slight majority favoring Goldsmith's position. Below are summaries of a few of the more noteworthy ones.

"Fame is not a ticket to trample other artists' copyrights."

United States. In its [amicus brief](#), the U.S. government sides with Goldsmith and argues that the Second Circuit's decision should be affirmed. The brief notes that "the relevant use [for purposes of assessing fair use] is petitioner's commercial licensing of the Orange Prince image to Condé Nast for reproduction in a 2016 edition celebrating Prince's legacy after his death." In the government's view, the "purpose and character" factor favors Goldsmith, and treating the purportedly different meaning or message conveyed by the 2016 use as a sufficient basis for finding a new work transformative "would dramatically expand copyists' ability to appropriate existing works." The allegedly infringing use was the commercial licensing of a visual depiction of Prince to accompany an article about Prince in a popular print magazine, which is the same purpose that Goldsmith's photograph served, including the licensing of that image to *Vanity Fair* in 1984, the brief contends. Moreover, the brief asserts, the Foundation was not arguing that Warhol needed to copy the creative elements of the photograph in order to communicate any message about Prince or about the broader topic of celebrity.

RIAA and NMPA. The Recording Industry Association of America (RIAA) and the National Music Publishers' Association (NMPA) also filed a [brief](#) in support of Goldsmith, providing further indication that the case has interest outside of the

realm of photography. Their brief argues that an "overemphasis on transformation" in the fair use analysis improperly weakens the Section 106 exclusive right to create derivative works and undermines the "market effects" factor. In the RIAA and NMPA's view, Warhol's Prince Series consisted of derivative works based on Goldsmith's photo, and more than "transformativeness" was required under Section 107 to deem the challenged use in this case "fair." The brief opines that adopting the Foundation's "broad and subjective" transformative use test could be particularly damaging to the music industry by reducing or even eliminating the market for sound recording sample licenses or re-mix licenses.

Robert Rauschenberg Foundation, Roy Lichtenstein Foundation, and Brooklyn Museum. The Robert Rauschenberg Foundation, the Roy Lichtenstein Foundation, and the Brooklyn Museum submitted a [brief](#) in support of the Andy Warhol Foundation. According to their brief, the Second Circuit's holding was "contrary to centuries of artistic tradition" involving open and even extensive borrowing from existing works. They argue that "the history of artistic innovation is the history of artists using, reusing, and recontextualizing the work of their contemporaries and predecessors." The brief cites several examples of well-known paintings that were "transformed" into new expressions by subsequent artists, including a Warhol piece depicting Elizabeth Taylor that inspired a visually similar self-portrait by contemporary artist Deborah Kass. Not limiting itself to visual artworks, the brief contends that "transformative music routinely appropriates older music," mentioning, among other works, Igor Stravinsky's ballet *Pulcinella*, which "injects modernist rhythms and harmonies into 18th-century music." The brief also describes instances of literary "borrowing" by Shakespeare and T.S. Eliot. "The

Second Circuit's reasoning is therefore irreconcilable with the basic realities of artistic practice and tradition," the brief opines. "A decision that would dismiss centuries of original art as derivative and not transformative cannot be correct."

Copyright law professors. In a [brief](#) authored by Rebecca Tushnet of Harvard Law School, a group of 19 copyright law professors argue that the Second Circuit erred in refusing to consider whether Warhol transformed the meaning of Goldsmith's original photograph. The erroneous interpretation of the first fair use factor led to other errors, she contends. "The court below refused to consider, in factor three, how much of what Warhol took from the photo was original expression and how much was unprotectable," Tushnet writes. "Likewise, the court below erred in treating the accused and accusing works as market substitutes for purposes of factor four (market effect) because it refused to consider that the works appealed to different markets for different reasons." The professors' brief also points out that the analysis in this case has not reached the question of whether the parties' works are substantially similar in terms of the protectable elements of the Goldsmith photo. "Fundamentally, the court below thought that it was unfair that Warhol's works were recognizably based on Goldsmith's photo, and therefore refused to consider the distinct meaning and message of the works," Tushnet states. "That is not and cannot be the rule of fair use."

Practitioner Commentary

Morrison Foerster partner [Roman Swoopes](#) provided his views to Wolters Kluwer on the significance of the case. Swoopes was a panelist with other Morrison Foerster attorneys on a [webinar](#) hosted by the firm, titled "Defining Copyright Fair Use: Recent Key Decisions and Looking Forward," which examined

the prospects for the Supreme Court's latest foray into fair use law as well as the basics and background of the doctrine.

"The fact that the Supreme Court recently considered the nuances of fair use in *Google v. Oracle* raises the question of what unresolved issues the Court hopes to address in the *Warhol* case," Swoopes told WK. "The Court could clarify how 'transformativeness' fits in with other fair use factors, such as commercial use and the potential for market harm. The Court may also address who is best positioned to decide whether a work is transformative—a judge, a jury, or someone else.

Swoopes also emphasized a central disputed point in the case: how to distinguish between "unfair" derivative works and statutorily protected fair uses. "Perhaps the most fundamental point the Court could clarify," he said, "is the line between creating an infringing derivative work on the one hand, and creating a non-infringing 'transformative' work on the other."

Elsewhere on the Docket: Pending Petitions of Note

The Court will have the opportunity to make more waves in the world of IP law, should it grant *certiorari* in one or more of several interesting cases up for review. The thorny issue of patent-eligible subject-matter under the judge-made exceptions to patentability under Patent Act Section 101 is on the docket again, although the Court has so far been unwilling to revisit its controversial 2014 *Alice* decision. The Court also has another chance to weigh in on a long-running dispute over brand parodies. Below are summaries of a selection of petitions worth monitoring.

Trademarks—extraterritorial application of Lanham Act. In *Abitron Austria GmbH v. Hetronic International, Inc.*, No. 21-1043, a German distributor of radio remote

controls has filed a [petition](#) challenging a Tenth Circuit [decision](#), holding that the Lanham Act applied extraterritorially to the German company's actions. The petition asks, "Whether the court of appeals erred in applying the Lanham Act extraterritorially to petitioners' foreign sales, including purely foreign sales that never reached the United States or confused U.S. consumers."

"The Court could clarify how 'transformativeness' fits in with other fair use factors, such as commercial use and the potential for market harm."

On May 2, 2022, the Court invited the Solicitor General to file a brief in this case expressing the views of the United States. The government filed its [brief](#) on September 23, taking the position that the question presented warrants Supreme Court review, and the case is a suitable vehicle for clarifying the Lanham Act's geographic scope. "Under the proper analysis, the court of appeals should have considered whether particular uses of respondent's marks created a likelihood of consumer confusion in the United States (whether at the point of sale or subsequently), giving appropriate deference to any jury finding on that issue," the government opines. "The court should have permitted monetary damages only for those uses."

Drug patents—written description requirement. In *Biogen International GmbH v. Mylan Pharmaceuticals Inc.*, No. 21-1567, pharmaceuticals maker Biogen [raises](#) the issue of whether 35 U.S.C. § 112's requirement that a patent specification

"contain a written description of the invention" is met when the specification describes the invention, or whether the specification must also disclose data that demonstrates the claimed invention is "effective" and emphasize the claimed invention by singling it out and describing it more than once. Biogen seeks review of a Federal Circuit [decision](#) holding that competing pharma company Mylan established that a Biogen patent claiming a specific method for treating multiple sclerosis by administering particular compounds at a particular dose was invalid for lack of written description support. The Federal Circuit [denied](#) Biogen's petition for panel rehearing or rehearing en banc. Circuit Judge Lourie, joined by Chief Judge Moore and Circuit Judge Newman, dissenting from denial of the petition for rehearing en banc, opined that the panel majority improperly imported extraneous considerations into the written description analysis and blurred the boundaries between the written description requirement and other statutory requirements. By turning down Biogen's petition, "the court has contributed to the muddying of the written description requirement," Judge Lourie said.

Patent-eligible subject matter. In *Interactive Wearables, LLC v. Polar Electro Oy*, No. 21-1281, an owner of patents relating to wearable media players seeks review of a Federal Circuit Rule 36 [judgment](#) affirming a district court's [holding](#) that the patented invention—which covered media players that provide information related to media content as well as to media content itself—were directed to an unpatentable abstract idea. The district court also determined that the patents displayed no inventive concept because they relied entirely on well-known, conventional components used in the conventional manner. The questions presented by the patent owner's [petition](#) are: (1) What is the appropriate standard for determining whether a patent claim is

“directed to” a patent-ineligible concept under step one of the Court’s two-step framework for determining whether an invention is eligible for patenting under 35 U.S.C. § 101?; (2) Is patent eligibility (at each step of the Court’s two-step framework) a question of law for the court based on the scope of the claims or a question of fact for the jury based on the state of art at the time of the patent?; and (3) Is it proper to apply 35 U.S.C. § 112 considerations to determine whether a patent claims eligible subject matter under 35 U.S.C. § 101?

Patent-eligible subject matter. In *Tropp v. Travel Sentry, Inc.*, No. 22-22, a patent holder asks the Court to decide whether claims in his patents that recited physical rather than computer-processing steps are patent-eligible under 35 U.S.C. § 101, as interpreted in *Alice Corporation Pty v. CLS Bank International*, 573 U.S. 208 (2014). The U.S. Court of Appeals for the Federal Circuit held that the petitioner’s patents for luggage locks—which disclosed a system of master keys that allowed inspection by airport security staff without breaking the locks—were invalid as an unpatentable abstract idea. According to the appellate court, the patents merely applied the existing and conventional technology of dual-access locks.

Drug patents—INFRINGEMENT—“skinny labels.” In *Teva Pharmaceuticals USA, Inc., v. GlaxoSmithKline LLC*, No. 22-37,

pharmaceuticals manufacturer Teva has asked the Court to weigh in on a dispute over a “skinny label” for a generic drug product. Teva’s petition asks, “If a generic drug’s FDA-approved label carves out all of the language that the brand manufacturer has identified as covering its patented uses, can the generic manufacturer be held liable on a theory that its label still intentionally encourages infringement of those carved-out uses?” A federal jury found that Teva had infringed and awarded brand-name manufacturer GlaxoSmithKline over \$235 million in damages. The district court then tossed that verdict and ruled in Teva’s favor, finding that no reasonable juror could have found induced infringement. A divided panel of the Federal Circuit vacated the district court’s decision in October 2020, thus restoring the jury verdict. Teva and a wide range of amici prevailed upon the panel to rehear the case, but the panel reaffirmed its opinion, again over sharp dissent, in August of 2021. In February 2022, the Federal Circuit declined to conduct a panel rehearing or en banc rehearing.

Trademarks—parodies. In *Jack Daniel’s Properties v. VIP Products LLC*, No. 22-148, famous spirits distiller Jack Daniel’s again asks the Court to weigh in on the limits of protection from trademark infringement liability afforded to parodic expressive works. In January 2021, the

Court denied a petition (No. 20-365) by Jack Daniel’s seeking review of a Ninth Circuit decision holding that the federal district court in Phoenix erred in finding that VIP Products’ “Bad Spaniels” squeaky chew toy for dogs in the shape of a whiskey bottle infringed and diluted Jack Daniel’s Properties’ registered trade dress and bottle design. The Ninth Circuit held that the toy qualified as a parodic expressive work protected by the First Amendment and remanded the case for evaluation of the infringement claims under the *Rogers v. Grimaldi* test to determine whether VIP’s use of Jack Daniels’ marks is either not artistically relevant or explicitly misleading as to source. On remand, the district court granted summary judgment in favor of VIP Products, and the Ninth Circuit summarily affirmed. The new petition for review asks: (1) Whether humorous use of another’s trademark as one’s own on a commercial product is subject to the Lanham Act’s traditional likelihood-of-confusion analysis, or instead receives heightened First Amendment protection from trademark-infringement claims; and (2) Whether humorous use of another’s mark as one’s own on a commercial product is “noncommercial” under 15 U.S.C. § 1125(c)(3)(C), thus barring as a matter of law a claim of dilution by tarnishment under the Trademark Dilution Revision Act.