Federal Courts of Appeals Paring Down Transformative Use: Two Recent Copyright Fair Use Decisions (Not Named Google v. Oracle)

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Although the Supreme Court's decision in *Google v. Oracle* may be commanding most of the spotlight these days, it is not the only recent decision likely to have a significant impact on copyright fair use. Over the past few months, the Second and Ninth Circuit Courts of Appeals have also waded into the legal morass of fair use, providing additional guidance regarding this notoriously murky area of copyright law. In both cases, the appellate courts reversed lower court summary judgments based on fair use, and taken together, these cases may further define the outer limits of the fair use defense, especially in the context of "transformative uses" of underlying works.

Fair use is an affirmative defense to copyright infringement, but establishing fair use is not cut and dried. Courts evaluate the fair use defense based on the following factors: (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 original copyrighted work; (3) the amount or substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the allegedly infringing use on the potential market for or value of the original work. *See* 17 U.S.C. § 107. Given the fact-intensive balancing test and the unique circumstances of any given case, fair use has developed a well-earned reputation for being unpredictable and subject to inconsistent application.

However, two recent fair use cases may provide some additional clarity on the so-called "transformative use test." First, in *Dr. Seuss Enterprises, L.P. v. ComicMix, LLC*, 983 F.3d 443 (9th Cir. 2020), the Ninth Circuit weighed in on a dispute regarding an unauthorized "mash-up" of Dr. Seuss and Star Trek. A few months later, the Second Circuit chimed in with a fair use opinion of its own—this time in a dispute arising from Andy Warhol's allegedly infringing use of a photograph of the recording artist Prince. In both cases, the Ninth and Second Circuits reversed summary judgments in favor of defendants based on fair use, taking issue with the lower courts' expansive interpretation of the first fair-use factor. Taken together, these opinions may rein in the expansive application of the "transformative use test," narrowing the types of uses that may support a finding of fair use.

Oh, the Places You Can't Go (Without a License)

In 2016, Dr. Seuss Enterprises ("Seuss"), the owner of the works of Theodor Geisel (better known by his *nom de plume*, Dr. Seuss) brought a copyright infringement suit against ComicMix, LLC and several individual defendants arising from defendants' creation of an unauthorized "mash-up" book entitled *Oh the Places You'll Boldly Go!* ("*Boldly*"). *Boldly* incorporates characters and elements from the Star Trek science-fiction universe and places them in "a colorful Seussian landscape full of wacky arches, mazes, and creatures." As the name suggests, the book is based on the best-selling Dr. Seuss work *Oh the Places You'll Go!*, with a rhyming structure that is deliberately evocative of

Dr. Seuss's work, and many of the illustrations "painstakingly" made to be "nearly identical to its Seussian counterpart."

Seuss sued ComicMix in California federal court, alleging that *Boldly* infringed on Seuss's copyright in *Oh the Places You'll Go*. On cross-motions for summary judgment, the district court granted Defendant ComicMix's motion, holding that *Boldly* was a fair use of the Dr. Seuss book. The district court reasoned that the use was fair in large part because *Boldly* was highly transformative and took no more than necessary to achieve its purpose. Considering the remainder of the four fair use factors, the district court granted defendants' summary judgment motion on fair use.

Seuss appealed to the Ninth Circuit, and on December 18, 2020, the court of appeals reversed the district court's ruling, expressly disagreeing with the district court's conclusion that *Boldly* is transformative of the original Seuss work, and concluding that the balance of the four fair use factors disfavored a finding of fair use.

Much of the Ninth Circuit's analysis focused on the extent to which the allegedly infringing use was transformative of the original work. At the outset, the court of appeals rejected ComicMix's argument that *Boldly* was a parody: although the work borrows from and references Dr. Seuss's works, *Boldly* does not critique or comment on Seuss or the works. Rather, the appellate court held, defendants arguably relied on the Seussian style "to get attention or to avoid the drudgery in working up something fresh." *Boldly* did not offer a "further purpose or different character" or a different "expression, meaning, or message," instead merely repackaging the original work. And although defendants incorporated new elements into the book, that alone is not sufficient to render the work transformative. Considering these factors together, the Ninth Circuit concluded that the use was not transformative.

The Ninth Circuit also disagreed with the district court's analysis of the fourth fair use factor, which looks at "the effect of the use upon the potential market for or value of the copyrighted work." Because fair use is an affirmative defense, the burden remained on the defendants to establish fair use, including the lack of market harm under the fourth factor. And because *Boldly* likely would compete with the original for high-school-graduation gifts, and because defendants' use could interfere with Seuss's ability to exploit the market for derivative works, the court concluded that *Boldly* was "likely to result in cognizable market harm to the original." Thus, considering all four factors together, the Court concluded that summary judgment was inappropriate and reversed the district court's decision.

This Is What It Sounds Like When Doves Cry Infringement

Four months after the Ninth Circuit's decision in *Dr. Seuss*, the Second Circuit issued its opinion in *The Andy Warhol Foundation v. Goldsmith*, Case No. 19-2420 (2d Cir. Mar. 26, 2021). At issue in that case was a photograph taken by plaintiff Lynn Goldsmith of the recording artist Prince.

In 1984, Goldsmith licensed the photograph to the magazine Vanity Fair as an artist reference, but unbeknownst to Goldsmith, the artist that Vanity Fair had commissioned was Andy Warhol. In addition to the licensed photograph used in the magazine, Warhol also made fifteen additional works based on the photograph, which became known as the Prince Series.

Following Prince's death in 2016, Goldsmith asserted a copyright claim against the Andy Warhol Foundation for the Visual Arts ("AWF") based on the use of the photograph in the Prince Series. AWF sought a declaratory judgment that the Prince Series works were non-infringing or, in the alternative, that they constituted a fair use of the photograph. The district court determined that the

allegedly infringing works in the Prince Series transformed the subject of the original photograph from a "vulnerable, uncomfortable person to an iconic, larger-than-life figure." The district court also noted that each work in the Prince Series is "immediately recognizable as a 'Warhol' rather than as a photograph of Prince" to support a finding of fair use.

Like the Ninth Circuit in *Dr. Seuss*, the Second Circuit reversed the district court's grant of summary judgment on the issue of fair use. The court of appeals determined that the district court's fair use analysis was overly subjective, remarking that "whether a work is transformative cannot turn merely on the stated or perceived intent of the artist of the meaning or impression that a critic—or for that matter, a judge—draws from the work." Rather, the court clarified, when assessing whether a work is "transformative," the inquiry should turn on whether an allegedly infringing work's use of the original work is of a "fundamentally different and new" purpose, comprising "something more than the imposition of another artist's style on the primary work." Here, the court determined that the Warhol Prince Series works "retain[ed] the essential elements of the Goldsmith photograph" and therefore were not sufficiently transformative to constitute a transformative use. The Second Circuit also rejected the district court's reasoning that the Prince Series pieces were "immediately recognizable as a 'Warhol,'" observing that to adopt this test would establish a "celebrity-plagiarist privilege." Thus, the Second Circuit concluded that the first fair use factor weighed against a finding of fair use. After separately considering the remainder of the fair use factors, the Second Circuit concluded that summary judgment was improper, reversed the district court's decision, and remanded for further proceedings.