

Insights: Alerts

Andy Warhol Foundation v. Goldsmith: A Sea Change or Muddy Waters?

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In the first U.S. Supreme Court decision to consider the copyright fair use doctrine in the context of artistic works in almost three decades, the Court ruled that Andy Warhol Foundation's licensing to Condé Nast of Warhol's "Orange Prince" (which was based on a photograph of the musician Prince by Lynn Goldsmith) was not sufficiently "transformative" under the first of the four statutory fair use factors to support a fair use defense.



Copyright fair use, codified at 17 U.S.C. § 107, is a balancing test that consists of four nonexclusive factors. In recent years, the first factor has grown in importance, and when the secondary use was found to be "transformative" under the first factor, the other factors mattered much less.

In a detailed majority opinion focused solely on this first factor, Justice Sotomayor emphasized several times that the statutory language of the first factor looks expressly to "the purpose and character of the use, *including whether such use is of a commercial nature or is for nonprofit educational purposes.*" 17 U.S.C. § 107(1)

(emphasis added). In the majority's opinion, this factor requires not so much "artistic" transformation in the copyrighted work's *appearance*, but instead requires more "practical" transformation in the copyrighted work's *purpose*.

Accordingly, the Court found that the Warhol Foundation's specific use in this instance—licensing the "Orange Prince" image to Condé Nast for use in a commemorative magazine issue about Prince—was not sufficiently transformative from Goldsmith's original use for her own photo—which was also to accompany magazine articles about Prince—and that Goldsmith therefore prevailed on Factor 1.

This decision potentially adds layers of nuance to the prevailing Factor 1 analysis in a number of ways:

- The analysis must consider only the specific use that is alleged to be "an infringement," rather than the aesthetic transformation in a vacuum. The same secondary work could be infringing in one context yet constitute fair use in another. (Justice Gorsuch's concurrence provides an example of this, suggesting that the Warhol Foundation's use may have been fair if it displayed "Orange Prince" as part of a Warhol retrospective in a nonprofit museum.)
- Transformative use is a *matter of degree*, and it must leave room for a copyright owner's right to prepare derivative works. The inquiry is *whether and to what extent* the secondary use has a further purpose and character different from the original. The greater the difference, the more likely the first factor to weigh in favor of fair use.
- Whether the use is *commercial*, rather than nonprofit, is an additional element in the Factor 1 analysis. Commercial use is not necessarily infringing, but commerciality must be weighed against the degree to which the challenged work achieves a further purpose or different character.
- "New expression, meaning or message," without more, is insufficient for the use to be transformative. Moreover, the subjective intent of the artist creating the new work is of no consequence. Rather, the meaning of a secondary work should be considered, *as it reasonably can be perceived*, to determine whether the purpose of the use is distinct from the original.
- Fair use requires *justification*—the copying must be *reasonably necessary* to achieve the user's new purpose. A compelling independent justification is particularly relevant to assessing fair use where the original and secondary works share the same or highly similar purposes, or where widespread dissemination of the secondary work would risk the substitution of the original or licensed derivatives of it. "I can make it better" is not a sufficient justification.

In this case, while the Orange Prince made significant aesthetic changes that, arguably, imbued Goldsmith's photograph with new meaning, message or expression, the Warhol Foundation offered no additional "fair" justification for the copying. Importantly, the Court emphasized that it was not deciding whether the creation, display, or sale of "Orange Prince" was infringing, only that this particular act of licensing was not itself a sufficiently transformative use of the work.

In holding that Orange Prince was not a fair use, the Court has arguably reined in an era of continuous expansion of the fair use doctrine, where, in some cases, a "transformative" appearance (in the mind of a court) was all that was needed for a use to be fair. But the 7-2 decision certainly does not resolve all questions definitively, and the lengthy and equally detailed dissent shows this remains a divisive issue.

Kilpatrick Townsend will closely watch how the federal district and appellate courts interpret and apply the new analysis. We invite you to contact any member of our Copyright Team to help you navigate these uncharted waters.

The case is *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. ____ (2023).

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