

Fair Use and the Artwork Formerly Known as 'Orange Prince'

Marlia Saunders (Partner) and **Amelia Causley Todd** (Associate), Thomson Geer, summarise the US Supreme Court's recent Andy Warhol decision.

In May 2023, the Supreme Court of the United States (**SCOTUS**) in *Andy Warhol Foundation for Visual Arts, Inc v Goldsmith et al* ruled by a 7-2 majority that a licence granted to the publisher of Vanity Fair of an Andy Warhol artwork based on an earlier photograph of Prince taken by Lynn Goldsmith was not protected by "fair use".

While the judgment is replete with dramatic flourishes, stinging (and somewhat personal) critiques and a lecture in contemporary art appreciation, the key principle confirmed by the case is that where the "purpose and character" of the allegedly infringing use is the same as that of the original work, this is a factor which weighs against fair use being established.

Background

Facts

In 1981, Lynn Goldsmith (**Goldsmith**), a professional photographer, was commissioned by Newsweek to photograph Prince Rogers Nelson, an "up and coming" musician. Newsweek published an article about Prince, along with Goldsmith's photograph. In 1984, Goldsmith granted a limited licence to Vanity Fair for use of one of her photographs of Prince as an "artist reference for an illustration" on a one-time use basis, for a fee of \$400.

Andy Warhol was hired by Vanity Fair to create the illustration, a purple silkscreen portrait of Prince. Warhol's purple silkscreen portrait appeared in Vanity Fair's November 1984 issue. Goldsmith was credited for the "source photograph".

Unbeknownst to Goldsmith, Warhol then used her photograph to create a series of portraits of Prince (known as the "Prince Series") comprised of 13 silkscreen prints and 2 pencil drawings, including "Orange Prince".

Warhol died in 1987. The Andy Warhol Foundation for the Visual Arts, Inc (**AWF**) is his successor in title and owner of the copyright subsisting in his works. Prince died in 2016 and Condé Nast (Vanity Fair's parent company) obtained a licence from AWF to use Orange Prince for a special edition magazine to commemorate Prince.

When Goldsmith saw Orange Prince on the cover of Vanity Fair, she notified AWF of her belief that it had infringed her copyright. AWF then sued Goldsmith for a declaratory judgment of noninfringement, or in the alternative, fair use. Goldsmith counterclaimed for infringement.



Vanity Fair, November 1984. Illustration by Andy Warhol (1984). Source photograph by Lynn Goldsmith. Article written by Tristen Vox.

Fair use

Section 107 of the US Copyright Act (1976) provides that fair use of a "copyrighted work" does not constitute infringement. The section provides for four "fair use factors" which must be considered in determining whether the use made of a work amounts to fair use, namely:

- 1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit 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 road to the SCOTUS

At first instance, the District Court granted AWF summary judgment on its defence of fair use. The Court of Appeals for the Second Circuit reversed its decision and found that all four use factors favoured Goldsmith.

AWF appealed on the question of the first of the fair use factors. Before the SCOTUS, the only question was whether "the purpose and character of the use [of Goldsmith's photograph], including whether such use is of a commercial nature or is for nonprofit educational purposes" weighed in favour of AWF's commercial licensing of Orange Prince to Condé Nast.

The decision

Summary

The majority of the SCOTUS (in an opinion written by Justice Sotomayor, Justices Thomas, Alito, Kavanaugh and Coney Barrett agreeing) and Justice Gorsuch (in a separate opinion with which Justice Jackson agreed) held that the first fair use factor did not favour AWF's licence of Orange Prince to Condé Nast because the licence was granted for substantially the same purpose as the purpose for which Goldsmith's original photograph was created: to depict Prince in magazine stories about Prince.

AWF's argument

AWF contended that the Prince Series works were "transformative" because the works conveyed a different meaning or message than Goldsmith's original photograph and that the first factor therefore weighed in its favour. AWF argued that Orange Prince is a comment on the "dehumanising nature" and "effects" of celebrity and therefore is justified.

The majority

The crux of the majority's opinion was that the relevant use in issue was the licensing to Condé Nast – not Warhol's creation of the Prince Series. The majority expressed no opinion as to whether the creation, display or sale of any of the original Prince Series works amounted to copyright infringement.

The majority disagreed with AWF's characterisation of the first fair use factor, stating that it "focuses on whether an allegedly infringing use has a further purpose or different character, which is a matter of degree, and the degree of difference must be weighed against other considerations, like commercialism", citing *Campbell v Acuff-Rose Music, Inc* (**Campbell**, the "Pretty Woman" case). Although a new meaning or message might be relevant to determining whether the new use has a different character or purpose, it is not determinative.

Citing *Campbell*, the majority held that the central question asked by the first factor is whether the use "merely supersedes the objects of the original creation... (supplanting the original), or instead adds something new, with a further purpose or different character", and to what extent the use in issue has a purpose or character different to the original.

In their analysis of "purpose", the majority turned their minds to the purposes listed in s 107 as constituting fair use (criticism, comment, news reporting, teaching, scholarship, research) and noted that all contemplate use of an original work for a different purpose than the original work itself. The majority also considered that *Campbell* made it clear that whether the intended use is commercial or not for profit is to be weighed against the other purpose(s) of the use.

Campbell also demonstrates that the first factor relates to any "justification" for the challenged use. The majority considered there were two ways to approach justification. First, a broad one: a use that furthers the goal of copyright, namely to promote the progress of science and the arts, without diminishing the incentive to create is justified. Second, a narrow one: where copying is reasonably necessary to achieve the user's new purpose, a use is justified.

According to the majority, an independent justification like this is particularly relevant to assessing fair use where an original work and copying use share the same or highly similar purposes, or where wide dissemination

of a secondary work would otherwise run the risk of substitution for the original or licensed derivatives of it.

The majority determined that the purpose of celebrity photographs could be to accompany stories about a celebrity or serve as a reference for an artist. They noted that these licences are how photographers make money and provide an economic incentive to create original works. Here, it was found that AWF's licensing of Orange Prince shared the objectives of Goldsmith's original photograph, even if the two were not perfect substitutes. Given they shared substantially the same purpose and that AWF's use of Goldsmith's photograph was commercial, the majority found that the first factor did not weigh in favour of AWF.

The majority was concerned to ensure that author's exclusive rights in their works were not limited by an overly broad concept of "transformative" use. It found that adopting the approach proposed by AWF (that by adding new expression to the photograph Warhol had made transformative use of it) would narrow the copyright owner's exclusive right to create derivative work because it "would swallow the copyright owner's exclusive right to prepare derivative works". Therefore, to preserve authors' rights to create derivative works, "the degree of transformation required to make "transformative" use of an original must go beyond that required to qualify as a derivative". The exclusive right to create derivative works forms part of the policy balancing act of the Copyright Act: to balance the benefits of incentives to create against the costs of restrictions on copyright.

The majority opinion points out that in situations such as these (as well as where a musician wishes to sample the work of another, or a filmmaker wishes to adapt a play into a film) the usual practice is to obtain a licence.

Ironically, in one of the authorities relied on by the majority – *Google LLC v Oracle America, Inc* – SCOTUS used Warhol's "Campbell's Soup Cans" series as an example of transformative, and therefore fair, use. This juxtaposition perhaps best illustrates the majority's point. The two situations are easily distinguishable by looking at the purpose of the two uses:

- AWF's use of Goldsmith's photograph in licensing Orange Prince to Condé Nast was for the same purpose as the creation of Goldsmith's photograph, namely inclusion in a magazine; whereas
- Warhol's use of the Campbell's Soup Cans in his work was to create an artistic commentary on consumerism, which was different to the purpose of the Campbell's logo to advertise soup.

Had the majority been concerned with Warhol's creation of the Prince Series, this may not have shared the same purpose as Goldsmith's photograph, and could have constituted fair use as an artistic commentary on fame and consumerism. However, it was AWF's licensing of Orange Prince that was in issue, which had a radically different purpose from Warhol's treatment of Goldsmith's photograph in Orange Prince and, crucially, a substantially similar one to Goldsmith's original photograph.

Gorsuch's (Jackson agreeing) decision

Justice Gorsuch provided a succinct concurring opinion (with which Justice Jackson agreed).

Justice Gorsuch stated the first factor "trains our attention on the particular use under challenge", in this case AWF's licensing of Orange Prince to Condé Nast.

He pointed to “three contextual clues” that confirmed this reading.

First, the statutory preamble indicates that the court must examine the purpose of the particular use under challenge, not the artistic purpose underlying a work. It “instructs courts to assess whether the person asserting a fair-use defence seeks to “use” a copyrighted work “for purposes such as criticism, comment, news reporting, teaching... scholarship or research.”” (Emphasis in original).

Second, derivative works that transform or adapt an original work are expressly protected in the Copyright Act. A transformation of the message of a “copyrighted work” cannot by itself be fair use of the original.

Finally, the fourth fair use factor asks courts to enquire whether the challenged use would be treated as a “market replacement” or a “market complement” of the original work by consumers. As the four factors are not to be treated in isolation, considering s 107 as a whole, “the statute proceeds from step to step, asking judges to assess whether the challenged use (as revealed by its purpose, character, amount of source material used, and effect) serves as a complement to or a substitute for a copyrighted work”.

In summarising, his Honour stated:

Instead, the first fair-use factor requires courts to assess only whether the purpose and character of the *challenged use* is the same as a protected use. And here, the undisputed facts reveal that the Foundation sought to use its image as a commercial substitute for Ms. Goldsmith’s photograph. Of course, competitive products often differ in material respects and a buyer may find these differences reason to prefer one offering over another. But under the first fair-use factor the salient point is that the purpose and character of the Foundation’s use involved competition with Ms. Goldsmith’s image. To know that much is to know the first fair-use factor favours Ms. Goldsmith. (Emphasis in original.)

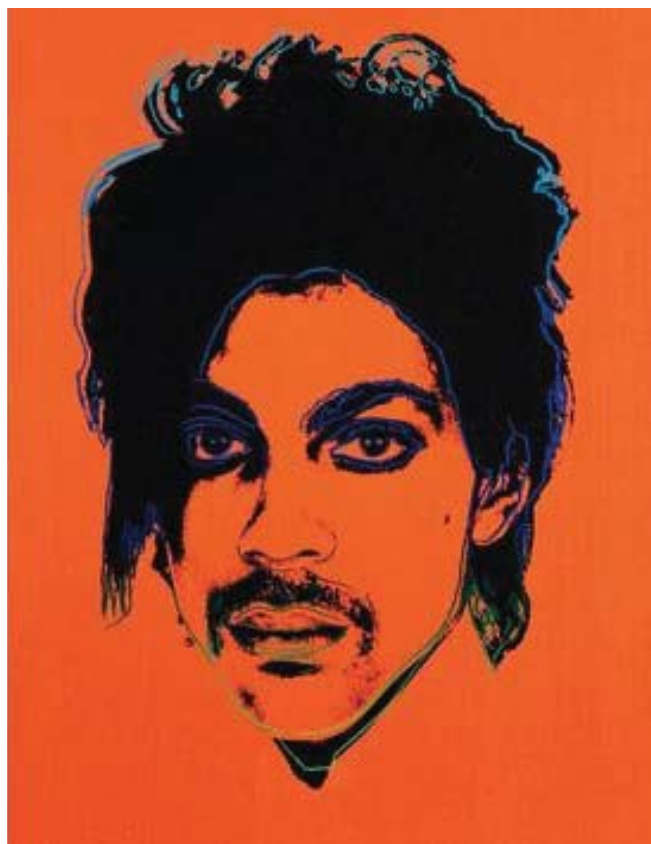
Justice Gorsuch suggested that certain other uses of Orange Prince by AWF may constitute fair use (such as displaying Orange Prince in a not-for-profit museum or including it in a for-profit book commenting on twentieth century art).

Dissent – Justice Kagan (Chief Justice Roberts agreeing)

That Justice Kagan elects to refer to AWF as “Warhol” in her dissent is a sign of what’s to come: an impassioned dissent that covers art criticism and art history, and appears to take the suggestion that AWF’s conduct should be critiqued as a personal affront to Warhol himself. Justice Kagan describes the majority’s analysis of whether AWF’s licensing of Orange Prince to Condé Nast is transformative as “the majority’s lack of appreciation for the way his [Warhol’s] works differ in both aesthetics and message from the original templates”.

Crucially, Justice Kagan does not address what is the starting point in both the majority and Justice Gorsuch’s opinions: that the challenged use in question is AWF’s licensing of Orange Prince to Condé Nast, not Warhol’s creation of the Prince Series itself. Her sole focus is whether Warhol’s treatment of Goldsmith’s photograph in Orange Prince shares a purpose and character with Goldsmith’s original photograph. It is understandable then why the dissent differs so virulently from the majority.

As a result, much of her analysis and defence of Warhol’s methods, are, respectfully, irrelevant to the consideration of whether the first fair use factor should weigh in AWF or



“Orange Prince” by Andy Warhol (1984). Source photograph by Lynn Goldsmith.

Goldsmith’s favour. Justice Kagan’s focus is on Warhol’s use of Goldsmith’s photograph in the *creation* of Orange Prince, rather than AWF’s use of Goldsmith’s photograph in licensing Orange Prince to Condé Nast.

A glaring omission from Justice Kagan’s dissent is the consideration of Goldsmith’s rights as a creator. Had the dissent been as interested in protecting Goldsmith’s rights as it is in protecting Warhol’s legacy, the opinion may have fallen differently. The question has to be asked: if it were another artist, less well-known and less popular than Warhol, would Justice Kagan have leapt so valiantly to their defence?

Conclusion

Whether by chance or strategy, Goldsmith’s case arrived in the SCOTUS in the perfect vehicle for the rights of authors to be upheld. Ironically, it is the highly emotive dissent which waxes lyrical about artistic and creative value that does more to undermine the rights of creators. As stated by the majority, to hold the first factor in favour of AWF “might authorise a range of commercial copying of photographs to be used for purposes that are substantially the same as those of the originals”.

The Court of Appeals’ decision finding that fair use was not made out was affirmed by the SCOTUS.

The matter had been remanded by the Court of Appeals for further proceedings consistent with its opinion, which we expect to proceed following the SCOTUS’ decision.