COPYRIGHT LAW — FAIR USE — SECOND CIRCUIT HOLDS THAT APPROPRIATION ARTWORK NEED NOT COMMENT ON THE ORIGINAL TO BE TRANSFORMATIVE. — *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013).

Fair use is a carve-out to a copyright owner's statutory rights when enforcement of those rights "would stifle the very creativity which [copyright] law is designed to foster."[1] In *Campbell v. Acuff-Rose Music, Inc.*,[2] the Supreme Court adopted an analysis for the first of the four statutory fair use factors[3] — "the purpose and character of the use"[4] — that asks whether the secondary use is "transformative."[5] Since *Campbell*, courts have developed a variety of definitions of "transformation,"[6] the narrowest being that a work must be a parody[7] and the broadest that a work must manifest a different purpose than the original.[8] Recently, in *Cariou v. Prince*,[9] the Second Circuit held that a series of photographic collages described as "appropriation art" qualified as fair use despite the fact that both the collage and the original photographs served similar expressive purposes, albeit in very different manners.[10] The court adopted the broadest definition of transformation to date, which, though formally reliant on the language in *Campbell*, relaxed the requirements for transformativeness such that a work need only show "new expression, meaning, or message."[11] Because of the variety of prior definitions and the broad language in *Campbell*,[12] the *Cariou* rule is not precluded by precedent. However,

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[1] Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 577 (1994) (quoting Stewart v. Abend, 495 U.S. 207, 236 (1990)); *see also* U.S. CONST. art 1, § 8, cl. 8 (specifying that the purpose of Congress's power to create copyrights is "[t]o promote the Progress of Science and useful Arts"). Fair use, while originally developed as a common law doctrine, is now codified at 17 U.S.C. § 107 (2012).

[2] 510 U.S. 569.

[3] The four factors courts are encouraged to look to are: (1) the purpose and character of the use, (2) the nature of the copyrighted work, (3) the amount and substantiality of the original portion used, and (4) the effect on the market for the original. 17 U.S.C. § 107.

[4] *Campbell*, 510 U.S. at 578 (quoting 17 U.S.C. § 107(1)).

[5] *Id.* at 579 (quoting Pierre N. Leval, Commentary, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990) (proposing the "transformative" standard)) (internal quotation marks omitted).

[6] *See* William W. Fisher III et al., *Reflections on the Hope Poster Case*, 25 HARV. J.L. & TECH. 243, 321–22 (2012) (enumerating the various definitions that courts have adopted and describing the most popular approach: whether the purpose of the new work is different from the original).

[7] *See, e.g.*, Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1399 (9th Cir. 1997).

[8] *See, e.g.*, Gaylord v. United States, 595 F.3d 1364, 1373 (Fed. Cir. 2010); Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 609–11 (2d Cir. 2006).

[9] 714 F.3d 694 (2d Cir. 2013).

[10] *Id.* at 706, 712.

[11] *Id.* at 706 (quoting Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994)).

[12] *See* Neil Weinstock Netanel, *Making Sense of Fair Use*, 15 LEWIS & CLARK L. REV. 715, 746 (2011) ("As courts and commentators have lamented, the *Campbell* definition leaves unclear whether either, both, or some combination of transforming content and transforming message are required to constitute a transformative use.").

such a broad formulation blurs the line between a transformative work and the right to prepare derivative works under 17 U.S.C. § 106(2),[13] and the court does not provide an aesthetically neutral method of distinguishing between the two. Unless and until the statute is changed, future courts should resolve the tension in a way that both preserves the derivative work right and precludes value judgments of new art forms.

In 2000, photographer Patrick Cariou released a book entitled *Yes, Rasta* containing portraits of Rastafarians and the Jamaican landscape.[14] Richard Prince, a well-known appropriation artist, then incorporated photographs from the book into a series of collages entitled *Canal Zone*[15] without Cariou's permission.[16] In some of Prince's works, only pieces of Cariou's pictures had been included;[17] in others, entire photographs had been appropriated and altered only slightly — in one case by painting "lozenges" over the subject's eyes and mouth and pasting a picture of a guitar over his hands.[18] In late 2008, the Gagosian Gallery in New York exhibited the full *Canal Zone* series to commercial success.[19] Before Prince's Gagosian show began, a gallery owner contacted Cariou about the possibility of an exhibit in New York City, but Cariou's exhibit was canceled after the gallery owner mistakenly thought Cariou was working with Prince.[20] Cariou sued Prince, the Gagosian Gallery, and Lawrence Gagosian, the gallery's owner, for copyright infringement in the Southern District of New York.[21]

In the district court, Prince asserted fair use as a defense.[22] On the first fair use factor, the purpose and character of the use, Judge Batts held that Prince's works would be "transformative only to the extent that they comment on the [original] Photos."[23] Relying in part on Prince's own testimony that he did not have a particular message he

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[13] *See generally* R. Anthony Reese, *Transformativeness and the Derivative Work Right*, 31 COLUM. J.L. & ARTS 467 (2008) (describing the tension between transformativeness and the derivative right in pre-*Cariou* doctrine).

[14] Cariou v. Prince, 784 F. Supp. 2d 337, 343 (S.D.N.Y. 2011). As of January 2010, the publisher had sold 5791 copies and had paid Cariou just over $8000 in royalties. *Cariou*, 714 F.3d at 699. The book is currently out of print. *Id.*

[15] *Cariou*, 714 F.3d at 699.

[16] *Id.* at 703.

[17] *Id.* at 700.

[18] *Id.* at 701. The Court of Appeals presented a complete appendix of Cariou's and Prince's respective works at issue in this case. *See Patrick Cariou v. Richard Prince, 11-1197*, U.S. COURT OF APPEALS FOR THE SECOND CIRCUIT, http://www.ca2.uscourts.gov/11-1197apx.htm (last visited Nov. 24, 2013). *See also Cariou*, 714 F.3d at 699 n.3.

[19] *Id.* at 703, 709. Some of Prince's pieces sold for more than two million dollars. *Id.* at 709.

[20] *Id.* at 704. It is not entirely clear why the owner canceled the show, but the court suggested that she thought the concept had been "done already" by Prince. *Id.*

[21] *Id.*

[22] Cariou v. Prince, 784 F. Supp. 2d 337, 342 (S.D.N.Y. 2011).

[23] *Id.* at 349; *see also id.* at 348 ("[T]he Court is aware of no precedent holding that such use is fair absent transformative comment on the original.").

wanted to convey,[24] the court held that his works were only "minimal[ly]" transformative overall.[25] In light of the court's finding on the transformativeness inquiry, and in light of its findings of both substantial commerciality and bad faith, the court held that the first factor weighed against Prince and the gallery.[26]

The court found that the last three fair use factors weighed against Prince as well. On the second factor, the nature of the copyrighted work, the court found Cariou's photographs to be both highly creative and published works, which "fall [] within the core of the copyright's protective purposes."[27] On the third factor, the amount and substantiality of the portion used, Judge Batts held that the use was extensive, especially given the "slight transformative value" of Prince's works.[28] On the fourth factor, the effects of the defendant's work upon the market for the original, the court found that Prince's works unfairly usurped the market for the originals.[29] Because all four factors weighed against fair use, the district court held both Prince and the Gagosian Gallery liable for direct copyright infringement[30] and granted a sweeping injunction.[31]

The Second Circuit reversed in part, vacated in part, and remanded for further proceedings. Writing for the panel, Judge Parker[32] held that "the law does not require that a secondary use comment on the original artist or work"[33] and concluded that twenty-five of Prince's thirty works were transformative as a matter of law, remanding for a determination, under the correct standard, of whether Prince had a fair use defense with regard to the remaining five works.[34] On the first factor, the court held that for a use to be transformative, "a new work generally must alter the original with 'new expression, meaning, or message.'"[35]

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[24] *Id.* at 349.

[25] *Id.* at 350.

[26] *Id.* at 351.

[27] *Id.* at 352 (alteration in original) (quoting Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 586 (1994)) (internal quotation marks omitted).

[28] *Id.*

[29] *Id.* at 353. Judge Batts pointed to the canceled gallery showing of Cariou's work in New York as an example of how Prince "usurped" the market for the originals, and emphasized that widespread appropriation of the sort Prince engaged in would "destroy an identifiable derivative market" for new artworks derived from the originals. *Id.*

[30] *Id.* at 354–55. The court also found the Gagosian Gallery and Lawrence Gagosian liable for contributory and vicarious infringement, *id.* at 354, and dismissed a claim of conspiracy to violate the Copyright Act, which the court pointed out was not a cause of action, *id.* at 355.

[31] *Id.* at 355.

[32] Judge Parker was joined by Judge Hall.

[33] *Cariou*, 714 F.3d at 698.

[34] *Id.* at 698–99.

[35] *Id.* at 706 (quoting Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994)).

Discounting Prince's testimony,[36] the court analyzed "how the work[s] in question appear[] to the reasonable observer,"[37] holding that twenty-five of Prince's works "manifest[ed] an entirely different aesthetic from Cariou's photographs" and were therefore transformative.[38] Although the court found that Prince's works were commercial, it noted that the more transformative a work is, the less important is its commercial nature.[39] Thus, the first factor weighed in Prince's favor.[40]

After concluding that the twenty-five works were transformative, the court applied the remaining factors. On the second factor, the nature of the original work, the court found that the originals were both creative and published; nevertheless, just like commercialism under the first factor, such a consideration has limited importance when a second work is transformative.[41] On the third factor, the amount and substantiality of the portion taken, the court emphasized that the secondary use must be allowed to "conjure up *at least* enough of the original" in order to fulfill its particular transformative purpose; the transformative nature of Prince's works tipped this factor in his favor.[42] On the final factor, the effect on the market, the court reasoned that "[t]here is nothing in the record to suggest that Cariou would ever develop or license secondary uses of his work in the vein of Prince's artworks," and found for Prince.[43] Thus, in total twenty-five works were fair use.[44] As to the remaining five works, however, the court concluded that the call was too close to make and remanded for further consideration.[45]

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[36] The court quoted Prince as testifying in his deposition: "[W]hat I do is I completely try to change it into something that's completely different. . . . I'm trying to make a kind of fantastic, absolutely hip, up to date, contemporary take on the music scene." *Id.* at 707 (alteration in original) (quoting Prince Deposition at 338–39, Cariou v. Prince, 784 F. Supp. 2d 337 (S.D.N.Y. 2011) (No. 08 Civ. 11327)) (internal quotation mark omitted). Such a statement is at odds with the district court's characterization of Prince's stated intent. *See Cariou*, 784 F. Supp. 2d at 349 (finding that Prince's testimony did not assert a transformative purpose).

[37] *Cariou*, 714 F.3d at 707.

[38] *Id.* at 706; *see also id.* ("Where Cariou's serene and deliberately composed portraits and landscape photographs depict the natural beauty of Rastafarians and their surrounding environs, Prince's crude and jarring works . . . are hectic and provocative. . . . Prince's composition, presentation, scale, color palette, and media are fundamentally different and new compared to the photographs, as is the expressive nature of Prince's work.").

[39] *Id.* at 708 ("[T]he more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use." (quoting *Campbell*, 510 U.S. at 579) (internal quotation marks omitted)).

[40] *Id.*

[41] *Id.* at 710 ("[J]ust as with the commercial character of Prince's work, this factor 'may be of limited usefulness where,' as here, 'the creative work of art is being used for a transformative purpose.'" (quoting Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 612 (2d Cir. 2006))).

[42] *Id.* (quoting *Campbell*, 510 U.S. at 588).

[43] *Id.* at 709.

[44] *Id.* at 712. On these grounds, the court vacated the district court's injunction. *Id.* at 712 n.1.

[45] *Id.* at 711–12.

Judge Wallace[46] concurred in part and dissented in part. While he agreed with the majority's standard, he believed the call to be too difficult to make overall and would have remanded the entire case to the district court for further factfinding.[47]

The *Cariou* court's rule was not precluded by precedent, but the definition the court adopted is still the broadest of any circuit court yet — and is in direct tension with the statutory definition of derivative works. Though any definition of transformativeness necessarily will remove from infringement some number of works that otherwise would have been subject to the copyright owner's rights, there must be some way to distinguish the two categories if the derivative work right is to have meaning. This problem is particularly acute in appropriation art, a genre that uses prior works as raw material to create new expression. Without a clear standard, judges may be likely to decide according to taste, and artists will have no principled method of conforming their actions to the law ex ante. Future courts would be wise to clarify the contours of these two overlapping doctrines, lest appropriation art be left in uncharted waters, subject to the shifting winds of judges' artistic appraisals.

In *Campbell*, the Supreme Court introduced the concept of transformation into the first fair use factor using broad language[48] and then applied it to the parody context[49] — thus leaving open the question of whether the broad language or the narrow genre analysis constituted the Court's rule. This uncertainty was reflected in the varying definitions that courts adopted in *Campbell*'s wake, from the narrowest rule that transformation applies solely to parodies, to a definition that asks whether a work criticizes or comments on the original, to a broader definition that looks to whether a work's purpose is different from that of the original.[50] Before *Cariou*, the Second Circuit had already declared works transformative even when they were not classified as parody[51] or did not comment on the original,[52] but had generally followed those circuits that required that a work manifest a different purpose.[53] The *Cariou* court took one further step by adopting a rule that a work can be transformative — even when the work serves the same purpose

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46 Judge Wallace of the Ninth Circuit sat by designation.

47 *Cariou*, 714 F.3d at 712–13 (Wallace, J., concurring in part and dissenting in part).

48 Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994) (quoting Leval, *supra* note 5, at 1111).

49 *Id.* at 580.

50 *See* Fisher et al., *supra* note 6, at 321–22.

51 *See* Blanch v. Koons, 467 F.3d 244, 255 (2d Cir. 2006) ("We have applied *Campbell* in too many non-parody cases to require citation for the proposition that the broad principles of *Campbell* are not limited to cases involving parody.").

52 *See* Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 609 (2d Cir. 2006).

53 *See Blanch*, 467 F.3d at 252.

as the original — as long as it adds "new expression, meaning, or message," adopting *Campbell*'s language in its broadest form.

Such a definition is in direct tension with the right to prepare derivative works, granted to the copyright owner by 17 U.S.C. § 106(2). A "derivative work" is defined by statute as "a work based upon one or more preexisting works, such as a translation, . . . dramatization, . . . condensation, or any other form in which a work may be recast, transformed, or adapted."[54] This definition acknowledges that a derivative work is an "original work of authorship,"[55] and it therefore must contain some additional original expression in order to be protected.[56] Thus, a derivative work is more than a mere repackaging of old material in new form as the *Cariou* court contended.[57] The tension between derivative and transformative works is not new,[58] but until *Cariou*, courts had resolved the tension between them by drawing an outer line at whether a work serves a different purpose than the original.[59] By adopting a "same purpose, different meaning" definition of transformativeness, the *Cariou* court ventured beyond this outer boundary and did not erect another in its place. In other words, there is no clear, workable distinction between the amount of new expression sufficient for copyright protection[60] and the level of new expression, meaning, or message sufficient to render a piece transformative under

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[54] 17 U.S.C. § 101 (2012).

[55] *Id.* ("A work consisting of editorial revisions . . . or other modifications which, as a whole, represent an *original work of authorship*, is a 'derivative work.'" (emphasis added)).

[56] *See* 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 3.03[A] (2013) ("A derivative work consists of a contribution of original material to a pre-existing work so as to recast, transform or adapt the pre-existing work."); Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 345 (1991) (defining originality). Whether there is a difference between the threshold for protection and that for infringement is a point of contention among scholars. *See* 4 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 12:14.50 (2013).

[57] *See Cariou*, 714 F.3d at 708 (giving an example of a "derivative work that merely presents the same material but in a new form, such as a book of synopses of televisions shows"). The court's analysis misses the requirement built into the statutory definition that a derivative work be an "original work" of authorship.

[58] *See generally* 2 PAUL GOLDSTEIN, GOLDSTEIN ON COPYRIGHT § 12.2.2.1(c) (3d ed. Supp. 2013) ("On principle, the [transformative use inquiry] threatens to undermine the balance that Congress struck in section 106(2)'s derivative rights provision to give copyright owners exclusive control over transformative works to the extent that these works borrow copyrightable expression from the copyrighted work."); Reese, *supra* note 13 (describing the tension between transformative and derivative works in pre-*Cariou* doctrine).

[59] *See* Castle Rock Entm't, Inc. v. Carol Publ'g Grp., Inc., 150 F.3d 132, 143 (2d Cir. 1998) ("Although derivative works that are subject to the author's copyright transform an original work into a new mode of presentation, such works — unlike works of fair use — take expression for *purposes* that are not 'transformative.'" (emphasis added)); Netanel, *supra* note 12, at 747; Reese, *supra* note 13, at 485.

[60] *Feist Publ'ns*, 499 U.S. at 345.

the *Cariou* test.[61] For example, would the film *Apocalypse Now*, taking Joseph Conrad's *Heart of Darkness* and placing it into the context of the war in Vietnam, be excused as fair use? Before *Cariou*, the answer would have clearly been no, since — though it added new meaning through its contemporary setting — it nevertheless served the same purposes of aesthetic enjoyment and social commentary as the original.[62]

The unique genre of appropriation art brings such tension into focus. By taking an existing image and reorienting it in a new context, appropriation art takes aim at traditional notions of authorship and originality by repurposing old works in the creation of new ones.[63] Like parody, appropriation art borrows from prior works to accomplish its critical purpose — and is thus "based on" the prior work.[64] But because parodic works take direct critical aim at an identifiable prior work, they can be distinguished as transformative by the "different purpose" test. A work of appropriation art, on the other hand, can be said to have the same broadly defined purpose as the original — aesthetic enjoyment — and thus cannot be fully accounted for by such a test. Appropriation art creates new "expression, meaning, or message" in repurposing old works, but so too do sequels, adaptations, and other works traditionally understood to be protected derivatives.[65] Indeed, Judge Wallace critiqued the majority's struggle to articulate why the case was remanded for a determination with regard to the last five works while the first twenty-five got a pass.[66]

Given such a vague distinction between derivative and transformative under the new formulation, judges may be likely to make distinc-

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[61] There is also confusion in that both inquiries use the word "transform." But, as Professor R. Anthony Reese has shown, courts do not treat these two uses as analytically connected in any sense. Reese, *supra* note 13, at 494–95.

[62] *Cf.* Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394 (9th Cir. 1997) (finding a book that borrowed heavily from Dr. Seuss works in order to portray a story satirizing the O.J. Simpson trial to be an infringing derivative); Reese, *supra* note 13, at 472–73. Under *Cariou*, *Dr. Seuss* would have likely come out the other way, and the Ninth Circuit has since adopted *Cariou*'s definition of transformation. *See* Seltzer v. Green Day, Inc., 725 F.3d 1170, 1177–78 (9th Cir. 2013).

[63] *See* E. Kenly Ames, Note, *Beyond* Rogers v. Koons*: A Fair Use Standard for Appropriation*, 93 COLUM. L. REV. 1473, 1482 (1993) ("Appropriation thus criticizes the most fundamental perceptions, both literal and symbolic, on which society is based. . . . Appropriation is not mere recycling; the meaning of the original image has necessarily been altered by removing it from its usual context and forcing the viewing audience to 'see' it differently.").

[64] *See* 17 U.S.C. § 101 (2012) (defining "derivative work").

[65] The *Cariou* majority implicitly suggests a way to distinguish traditional derivative works from the type of transformation at issue here: a different-market approach in the analysis of the fourth factor. *See Cariou*, 714 F.3d at 709 ("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."); Tracy Topper Gonzalez, Note, *Distinguishing the Derivative from the Transformative: Expanding Market-Based Inquiries in Fair Use Adjudications*, 21 CARDOZO ARTS & ENT. L.J. 229, 250–51 (2003) (defining such a different-market theory).

[66] *See Cariou*, 714 F.3d at 713 (Wallace, J., concurring in part and dissenting in part).

tions between the two based on aesthetic taste — a concern reflected in Judge Wallace's partial concurrence.[67] The *Cariou* decision itself represents a tonal shift in the approach of the Second Circuit toward appropriation art, and the majority was willing to note that the art community at large has embraced the genre.[68] However, there is no guarantee that the milieu will not tilt back in the other direction. Because outcomes based on value judgments are difficult to predict, artists will struggle to conform their actions to the law ex ante, and the ultimate outcome may be a chilling effect on the creation of cultural products.[69] And, to the extent that value judgments influence the legal analysis, the principle of aesthetic neutrality[70] in copyright law — that all types of works should be treated equally and not judged based on perceived social value — is violated. A more workable standard is needed.

Though the difference between derivative and transformative might seem like a narrow doctrinal question, there is much more at stake than doctrinal clarity. As remix culture grows with technological advancements[71] so too does the need for a clear and balanced framework to best account for and promote new modes of creativity and authorship. Only with such a framework — with the goal of copyright as a guiding beacon, and with a clearer map of the contours of doctrine — will future artists be able to navigate successfully the murky waters of fair use.

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[67] *Id.* at 714 ("Certainly we are not merely to use our personal art views to make the new legal application to the facts of this case.").

[68] *See* Lynne A. Greenberg, *The Art of Appropriation: Puppies, Piracy, and Post-Modernism*, 11 CARDOZO ARTS & ENT. L.J. 1, 29 (1992) (noting that the earlier case of Rogers v. Koons, 960 F.2d 301 (2d Cir. 1992), "effectively discredited an entire artistic movement" with its rhetoric toward, and analysis of, an appropriation artist's work). *Compare Rogers*, 960 F.2d 301, *with Cariou*, 714 F.3d at 699 ("Prince is a well-known appropriation artist. . . . [H]is work has been displayed in museums across the world . . . .").

[69] *See* Ames, *supra* note 63, at 1485. *See generally* Peter Decherney, *Communicating Fair Use: Norms, Myth, and the Avant-Garde*, 25 L. & LITERATURE 50 (2013) (describing the ways in which fair use narratives shape the behavior of gatekeepers and artists).

[70] *See* Bleistein v. Donaldson Lithographing Co., 188 U.S. 239, 251 (1903) ("It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits.").

[71] *See* LAWRENCE LESSIG, REMIX 82–83 (2008).