

Context-Sensitivity Outweighs Transformative Use

Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith,
2021 WL 1148826 (2d Cir. Mar. 26, 2021)

By: Lisa Holubar & Ted Mahan | April 5, 2021

Determining Andy Warhol’s artistic works titled “The Prince Series” were not a fair use of photographer Lynn Goldsmith’s photograph of musical artist Prince, the Court of Appeals for the Second Circuit reversed the Southern District of New York’s grant of summary judgment. The Second Circuit further held “The Prince Series” works substantially similar to the Goldsmith’s photograph as a matter of law.

The Andy Warhol Foundation (AWF), holder of copyrights in a series of Warhol’s works depicting musician Prince, filed for declaratory judgment that the silk screens and pencil drawings did not infringe the copyright in the source photograph, or alternatively that fair use provided a defense. The primary work was an image taken by Goldsmith, a celebrity portraiture photographer, in 1981. Struck by Prince’s reticence, Goldsmith arranged lighting and makeup to accentuate the musician’s sensuality and bone structure. Through a 1984 licensing agreement with Vanity Fair, the magazine was permitted to create a work of art as an illustration, limited to two images and requiring attribution. Unbeknownst to Goldsmith, however, Vanity Fair had commissioned Warhol to create the illustration and Warhol went on to create an additional 15 works he titled “The Prince Series.” When Prince died in 2016, the magazine’s parent company contacted AWF, obtained a commercial license for a different image from The Prince Series, and published a tribute cover. Goldsmith then raised copyright infringement concerns, leading to AWF’s declaratory judgment action.

The district court concluded fair use existed, based on its subjective determination that Warhol’s applied aesthetic made the secondary work transformative, disproportionately relying on the new expressive result. But on appeal, the Second Circuit emphasized that under 17 U.S.C. § 107, the fair use defense required a context-sensitive assessment, balancing 1) the purpose and character of the use, 2) the nature of the work, 3) the quality and quantity used, and 4) potential market harm. By focusing subjectively on the perceived expressive differences between Warhol’s graphic images and Goldsmith’s source photo, the lower court failed to objectively assess whether the use fit within purposes defined by statute—including criticism, commentary, or teaching—or fair use purpose defined by case law, *e.g.* parody (*see Campbell v. Acuff-Rose*, 510 U.S. 569 (1994)). Mistaking changed aesthetics for transformative use supporting an altered purpose, the initial error rippled through the other factors, said the Second Circuit, which carefully reassessed each of the fair use factors. The Court concluded by determining as a matter of law that a reasonable juror acting as an ordinary observer could only find that Warhol’s prints—“down to the glint in Prince’s eyes”—were substantially similar to the source work.

The case is important for its thorough application of statutory fair use, contextually resetting transformative use when weighing the purpose and character of a secondary work. Further, by ruling the subsequent work is substantially similar, the case shows how quickly prior dismissal may turn into damages on appeal.