

Artwork Based On Iconic Photo Is Not Fair Use

Andy Warhol Foundation for the Visual Arts v. Goldsmith, (2nd Cir. Aug. 24, 2021)

By: Joe Saltiel & Alexa Tipton | December 13, 2021

Recently, the Second Circuit held that it was not fair use for an artist (“Andy Warhol”), who was licensed to create an artist reference for a 1984 Vanity Fair article based on an iconic photograph of Prince, to also create a 15-work series based on the iconic photograph. *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, (2nd Cir. Aug. 24, 2021). In doing so, the Second Circuit interpreted its previous precedent of what constitutes “transformative use” narrowly.

Lynn Goldsmith photographed a portrait of Prince (“Photograph”) which was licensed to Vanity Fair magazine for use as an “artist reference” with an attribution to Goldsmith. Unbeknownst to Goldsmith, Andy Warhol was commissioned by Vanity Fair to create this “artist reference” illustration. He later created 15 additional works based on the Photograph known as the Prince Series, without attribution to Goldsmith.

After becoming aware of the Prince Series in 2016, Goldsmith registered the Photograph with the U.S. Copyright Office as an unpublished work, and subsequently filed suit against the Andy Warhol Foundation (“AWF”) for copyright infringement. The district court granted summary judgment for the AWF on its fair use defense. To determine fair use, a court weighs the following four factors: (1) purpose and character of use, (2) 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 district court found that the four factors favored the AWF here because (1) Warhol’s Prince Series was “transformative” as the Photograph and the Prince Series provide different portrayals of Prince’s character; (2) Photograph was both creative and unpublished but that did not outweigh the transformative nature of Warhol’s work; (3) in creating the Prince Series, Warhol removed nearly all of the protectible elements of the Photograph; and (4) the Prince Series is not a market substitute that has harmed, nor has the potential to harm, Goldsmith.

The Second Circuit disagreed with the district court’s analysis and concluded that all four factors, weighed together in light of the purposes of copyright, favored Goldsmith. Under the first fair use factor, the Second Circuit clarified how its precedent defined “transformative work” by stating that that “any secondary work that adds a new aesthetic or new expression to its source material is [not] necessarily transformative” as a matter of law. The Second Circuit concluded that the Prince Series is not transformative because it retains the essential elements of the Photograph without significantly adding to or altering those elements. In analyzing the second factor, the Second Circuit reasoned that because the Photograph was creative and unpublished, the scope of fair use is considerably narrower and weighs in favor of Goldsmith even if the Prince Series was transformative.

For the third factor, the Second Circuit concluded that because the Prince Series borrows significantly from the Photograph, both quantitatively and qualitatively, and the Warhol images are recognizable as depictions of the Photograph, this factor favors Goldsmith. As for the last factor, the Second Circuit concluded that this favored Goldsmith because although the primary markets for the Prince Series and the Photograph differ, the AWF’s use harms Goldsmith’s derivative market and deprives her of royalty payments that she would have otherwise been entitled. And finally, because substantial similarity is a prerequisite to a fair use defense, the Second Circuit applied the “ordinary observer test” finding the two works substantially similar and rejected the AWF’s request to apply the more rigorous “more discerning observer test.”

The Second Circuit’s ruling has increased protection for original creators and emphasized the importance of licensing to protect the secondary market for works.