

THE TRANSFORMATIVE USE DOCTRINE AND FAIR DEALING IN NIGERIA COPYRIGHT SYSTEM: A REVIEW OF U.S. SUPREME COURT DECISION IN ANDY WARHOL FOUNDATION FOR THE VISUAL ARTS, INC. V. LYNN GOLDSMITH, NO. 21-869 (U.S. MAY 18, 2023)

Abstract

A transformative work, better put ‘distinct enough’ is one that imbues the original ‘with a further purpose or different character, altering the first with new expression, meaning, or message’. Given that the wordings of the first statutory factor of fair dealing under section 20(1)(i) of the Nigeria Copyright Act, 2022, for all intent and purposes, is closely related to the provisions of sections 107 and 35(2)(a) of the United States of America and Singapore Copyright Act respectively, same with the three other statutory factors. This article will focus on the evaluation of this first fair dealing factor, and the potential application of the transformative use doctrine. It neither intends to examine the fair dealing defence in its entirety nor to explore the interaction of various factors of fair dealing. This article argues that the type of activity fair use doctrine intends to protect for the enrichment of society ought to be a secondary use that adds value to the copyrightable expression in an original work; as raw material, transformed in the creation of new information, new aesthetic, new insights and understanding. Examining the recent US Supreme Court decision in Andy Warhol v Lynn Goldsmith demonstrates that fair use is an objective inquiry into what a user does with an original work, not an inquiry into the subjective intent of the user. This decision relieves judges of the qualification to evaluate the aesthetic merits of a work of art. It is argued that the narrower version of fair dealing/use is purpose specific and do not allow for a very flexible and expansionist interpretation. Essentially, derivative right (adaptation) principle has attributes of transformative use, therefore, restraint should be exercised to avoid infringing on the statutory derivative right of a plaintiff original owner under the guise of transformative use. The position of the US Supreme court therefore is a water shed to Nigerian courts and shall be useful for the pleading of the fair dealing defence, and shall be a persuasive force to transformative use doctrine.

Keywords: Transformativeness, Fair Use/Dealing, Copyright, Review, US Supreme Court Decision

1. Introduction

The focal point of this article is to determine whether a new work merely supersedes the object of an original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning or message. In other words, whether and to what extent is the new work transformative or distinct? The fair use defence has been described as ‘the most nebulous and unpredictable aspects’ in copyright law.¹ In the United States (US), the affirmative defence to copyright infringement is found in section 107 of the Copyright Act,² listing four non-exhaustive factors, like in Nigeria, that courts shall consider whether such a use is fair and thus non-infringing. Singapore for example has adopted almost identical wordings in articulating four statutory factors in its revamped fair dealing defence,³ with the addition of a fifth factor.⁴ Fair dealing in the copyright law jurisprudence of many Commonwealth jurisdictions is exclusion to copyright infringement so that others may be allowed to use copyrighted works without first seeking permission, but only in certain purpose-specific manner – like research, study, criticism and review – as codified in statute. The striking similarity between the US, Nigeria and Singaporean provisions is that the fair use/fair dealing defence may be pleaded for all uses where infringement is alleged, and is not confined to enumerated categories; this important development signals that Nigeria has developed a fair dealing standard that departs from the current practice of other Commonwealth common law jurisdictions like the UK and Australia.⁵ The work of David TAN, PhD, laid a foundation for this review having dealt with the subject matter previously.⁶

*By **Ikenna U. IBE, PhD, BL, ACArb, AICMC**, Reader, Faculty of Law, Chukwuemeka Odumegwu Ojukwu University, Igbariam Campus. Email: iu.ibe@coou.edu.ng; and

***Noel N. UDEOJI, PhD**, Lecturer, Department of Public and Private Law, Nnamdi Azikiwe University, Awka, Email: nn.udeoji@unizik.edu.ng, udeojinoel@yahoo.com, Tel: +234-803-324-0300 | +234-905-004-5505.

¹J Thomas McCarthy, *The Rights of Publicity and Privacy* (Thomson-West, 2nd Ed, 2000) at 8-9. Similar exasperating comments abound in American legal scholarship. E.g. Paul Goldstein, ‘Fair Use in Context’ (2008) 31 *Colum JL. & Arts.* 433 at 433 (describing fair use as ‘the great white whale of American copyright law’ and a concept that is ‘enthraling’ and enigmatic’

² Copyright 17 USC (US); Copyright Act of 1976

³ Copyright Act (Cap 63, 2006 Rev Ed) s 35 (2)

⁴The fifth factor appears to have been borrowed from Australian law. See Copyright Act 1968 (Act No 63 of 1968) (Cth) (Aust) s 40 (2) © (‘the possibility of obtaining the work or adaptation within a reasonable time at an ordinary commercial price’).

⁵Contra Copyright Act 1968 (Aust) s 40; Copyright Act 1985 (Canada) s 29; Copyright Act 1994 (New Zealand) ss. 42-43; Copyright, Designs and Patents Act 1988 (UK) ss. 29-30

⁶Faculty of Law, National University of Singapore, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://journalonline.academyPublishing.org.sg/Journals/Singapore-Academy-of-Law-Journal-Special-Issue/eArchive/ctl/eFirstSALPDFJournalView/mid/513/ArticleId/341/Citation/JournalsOnlinePDF accessed 10/12/2023

2. Highlighting the Need for Copyright Limitations

The ultimate goal of copyright is arguably to benefit society by stimulating creativity through providing economic incentives to create new works.⁷ Its objectives are, first, to promote new and original expression in the arts (which includes literature, music, and painting), and second to permit other public interest activities like education, research, news reporting, and comment and criticism of existing works. However, without appropriate limitations, the grant of exclusive monopoly rights over exploitation of these works has the potential to impede, not advance, creativity. Hence the fair dealing doctrine is the primary mechanism that balances the ‘inherent tension’ between copyright protection and creative expression.⁸ While Singapore courts have yet to address the interpretation of the factors of fair dealing articulated in section 35(2) of the revised Copyright Act,⁹ same with Nigeria who are yet to test the provisions of its latest copyright enactment, courts and scholars in the US have grappled with the fair use doctrine for over three decades.¹⁰ In US fair use jurisprudence, the first statutory factor of fair use – the ‘purpose and character of the use’ – is examined in the context of the transformative nature of the infringing work. Generally, a transformative work is one that imbues the original ‘with a further purpose of different character, altering the first with new expression, meaning, or message’.¹¹ According to the Supreme Court in *Campbell v Acuff-Rose Music Inc*¹² (Campbell), transformativeness not only occupies the core of the fair use doctrine but also reduce the importance of all other factors such that ‘the more transformative the new work, the less will be the significant of other factors, like commercialism, that may weigh against a finding of fair use’.¹³

Fair Dealing in Singapore

In Singapore, fair dealing defence as encapsulated in section 35(2) of the Copyright Act¹⁴ states:

For the purpose of this Act, the matters to which regard shall be had, in determination whether a dealing with a literary, dramatic, musical or artistic work or with an adaptation of a literary, dramatic or musical work, being a dealing by way of copying the whole or a part of the work or adaptation, constitute a fair dealing with the work or adaptation for any purpose other than a purpose referred to in section 36 or 37 shall include –

- a) the purpose and character of the dealing, including whether such dealing is of a commercial nature or is for non-profit educational purposes;
- b) the nature of the work or adaptation;
- c) the amount and substantiality of the part copied taken in relation to the whole work or adaptation;
- d) the effect of the dealing upon the potential market for, value of, the work or adaptation; and
- e) the possibility of obtaining the work or adaptation within a reasonable time at an ordinary commercial price.

Under the Singapore law, this fair dealing defence, which requires an examination of a non-exhaustive but compulsory list of five factors, is applicable to *all* uses except for criticism or review (section 36) and reporting of current events (section 37), came into effect on 1 January 2005. It replaces the previous section 35(2) of the Copyright Act,¹⁵ which lists four non-exhaustive factors to be examined in respect of fair dealing for the *specific* purpose of research or private study. By delinking the new fair dealing defence from these permitted purposes, it was observed that ‘Singapore shifted away from the British model of fair dealing and move closer towards the American ‘fair use’ model’.¹⁶ The US fair use defence in section 107 of the Copyright Act¹⁷ also contains a non-exhaustive but compulsory list of factors to be examined for all uses. Moreover, section 35(2)(a) of the Singapore Copyright Act¹⁸ adopts the exact wording as the first statutory fair use factor of section 107 of the US Copyright Act,¹⁹ substituting the word ‘use’ with ‘dealing’.

⁷ *Sony Corp of America v Universal City Studios Inc* 464 US 417 at 429 (1984); *Twentieth Century Music Corp v Aiken* 422 US 151 at 156 (1975)

⁸ *Campbell v Acuff-Rose Music Inc* 510 US 569 at 575 (1994) (‘Campbell’). Pierre Leval noted that Justice Souter’s opinion in *Campbell* ‘rescued’ fair use by ‘reorient[ing] the doctrine of fair use to serve the central goal of copyright – promote the growth and dissemination of knowledge’: Pierre N Leval, ‘*Campbell v Acuff-Rose: Justice Souter’s Rescue of Fair Use*’ (1994) 13 *Cardozo Arts & Ent LJ* 19 at 26

⁹ Cap 63, 2006 Rev Ed. The Court of Appeal recently declined to consider the fair dealing provision as the defendant was found not to infringe on the plaintiff’s exclusive right to copy and/or communicate the work to the public. See *RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd* [2011] 1 SLR 830 at [65]

¹⁰ The statutory four-factor fair use test under s 107 of Copyrights 17 USC (US) came into force on 1 January 1978 via the Copyright Act of 1976. For an analysis of almost 30 years of fair use decisions, see Barton Beebe, ‘An Empirical Study of US Copyright Fair Use Opinions, 1978-2005’ (2008) 156 *U Pa L Rev* 549

¹¹ *Campbell v Acuff-Rose Music Inc* 510 US 569 AT 579 (1994)

¹² *Supra*

¹³ 510 US 569 at 579 (1994)

¹⁴ Cap 63, 2006 Rev Ed.

¹⁵ Cap 63, 1999 Rev Ed.

¹⁶ Ng-Loy Wee Loon, *Law of Intellectual Property* (Sweet & Maxwell, 2008) at para 11.3.16

¹⁷ Copyright Act of 1976, Copyright 17 USC (US)

¹⁸ Cap 63, 2006 Rev Ed

¹⁹ Copyright Act of 1976, Copyright 17 USC (US)

Fair Dealing Provisions in Nigeria

Section 20 (1) of the Copyright Act 2022 also contains a non-exhaustive but compulsory list of factors, state as follows:²⁰

20.—(1) The rights conferred in respect of a work under sections 9-13 of this Act, do not include the right to control any of the acts specified in those sections by way of fair dealing for purposes such as —

- (a) private use;
- (b) parody, satire, pastiche, or caricature;
- (c) non-commercial research and private study;
- (d) criticism, review or the reporting of current events, subject to the condition that, if the use is public, it shall, where practicable, be accompanied by an acknowledgment of the title of the work and its author except where the work is incidentally included in a broadcast:

Provided that in determining whether the use of a work in any particular case is fair dealing, the factors to be considered shall include the —

- (i) purpose and character of its usage,
- (ii) nature of the work,
- (iii) amount and substantiality of the portion used in relation to the work as a whole, and
- (iv) effect of the use upon the potential market or value of the work;
- (e) the inclusion in an audiovisual work or a broadcast of an artistic work situated in a place where it can be viewed by the public;
- (f) the incidental inclusion of an artistic work in an audiovisual work or broadcast;
- (g) quotations in the form of short excerpts from a work;
- (h) reading or recitation in public or in a broadcast, not for commercial purposes, of any reasonable extract from a published literary work if, accompanied by an acknowledgment of the title of the work and its author;
- (i) any use made of a work by or under the direction or control of the Government or by such public libraries, non-commercial documentation centres and scientific or other institutions as may be prescribed, where the use is in the public interest, provided that —
 - (i) no revenue is derived, and
 - (ii) the use does not substantially affect the potential market or value of the work;
- (j) the reproduction of a work by or under the direction or control of a broadcasting organisation, where the reproduction or any copies are intended exclusively for a lawful broadcast and are destroyed before the end of the period of six months immediately following the making of the reproduction or such longer period as may be agreed between the broadcasting organisation and the owner of the relevant part of the copyright in the work, provided that any reproduction of a work made under this paragraph —
 - (i) may, if it is of an exceptional documentary character, be preserved in the archives of the broadcasting organization,
 - (ii) shall not be used for any other purpose without the consent of the owner of copyright in the relevant part of the work, and
 - (iii) —lawful broadcast means a broadcast that does not infringe on the copyright in the work;
- (k) news of the day for public broadcast or publicly communicated by any other means;
- (l) any use made of a work for the purpose of judicial or legislative proceedings or the reporting of such proceedings;
- (m) the making of not more than three copies of a work, by or under the direction of the person in charge of a public library, for the use of the library, where such a work is not available for purchase;
- (n) reproduction for the purpose of research or private study of an unpublished literary or musical work kept in a library, museum or other similar institutions to which the public has access;
- (o) transient and incidental reproductions, which are integral and essential parts of a technological process, whose sole purpose is to enable transmission in a network between third parties by an intermediary or for other lawful use, where such use has no independent economic significance;
- (p) without prejudice to section 26 of this Act, use for the benefit of persons with disabilities and of a non-commercial nature, to the extent required by the specific disability;
- (q) use of an artistic work in the form of a building model or a drawing or plan of a building for the purposes of reconstructing the building; and
- (r) communication or making available of works and other material not subject to purchase or licensing terms to members of the public for the purpose of research or private study through

²⁰ General Exceptions to Copyright

dedicated terminals on the premises of publicly accessible libraries, educational establishments, museums and archives.

3. The United States (US) ‘Transformative Use’ Doctrine in Fair Use

The fair use defence is widely believed to have its American origins in Justice Story’s test for a fair and *bona fide* abridgement as set out in his 1841 decision in *Folson v Marsh*.²¹ In the US, if *prima facie* copyright infringement was found, the ‘fair use’ defence – as codified in section 107 of the US Copyright Act²² - can nonetheless provide a safe harbour for the defendant, especially if transformative elements may be discerned in the infringing work. Section 107 states as follows:

The fair use of a copyrighted work ... for purposes such as criticism, comment, news, reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include –

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purpose;
- (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.²³

The phrase ‘transformative use’ has surged into prominence in fair use jurisprudence ever since the US Supreme Court in 1994 embraced transformativeness as the cynosure of fair use in *Campbell’s case*.²⁴ The Decision is important in its emphasis on how a highly transformative use of an original work may qualify the secondary infringing work for fair use protection even if the latter was commercial in nature, rebutting earlier presumptions in cases like *Harper & Row Publishers v Nation Enterprises*²⁵ and *Sony Corp of America v Universal City Studios Inc.*²⁶ In respect of the first factor of fair use, this approach requires courts to examine the ‘purpose and character of the use’, but neither ‘purpose’ nor ‘character’ is defined in the statute. Courts therefore may consider a kaleidoscope of relevant factors like what kind of transformation is present in the secondary work, the track record of the author of the secondary work, the extent of commentary or criticism present in the secondary work, the significance of the secondary use to research or study, as well as its public benefit.²⁷ The *Campbell* court emphasized that the creation of transformative works, although not necessary in every case, lies ‘at the heart of the fair use doctrine’s guarantee of breathing space within the confines of copyright’.²⁸ Neil Netanel argued that under the transformative use paradigm, fair use is viewed as ‘integral to copyright’s purpose of promoting widespread dissemination of creative expression, not a disfavoured exception to copyright holder’s exclusive rights’.²⁹

In respect of the first factor of fair use, the transformative test has become the defining standard for fair use, and has risen to the top of the agenda of the copyright academic community in the US in the last decade.³⁰ The empirical studies of US fair use case law offer valuable insights to the transformative use doctrine.

Highlighting Key U.S Empirical Studies

Barton Beebe’s pioneering empirical study of fair use decisions in the US, which covered judicial opinions from 1978 to 2005,³¹ and Matthew Sag’s statistical analysis, which focused on the *ex-ante* predictability of fair use based on 280 fair use cases decided between 1978 and 2011,³² affirm the important role that transformative use – a judicial inquiry in the first statutory factor of the fair use inquiry when examining ‘the purpose and character of the use’ – plays in the evaluation of fair use. Beebe observed that ‘in those opinions in which transformativeness did play a role, it exerted nearly dispositive force not simply on the outcome of factor one but on the overall outcome of the fair use test. More specifically, the data suggest that while a finding of transformativeness is not necessary to trigger an overall finding of fair use, it is sufficient

²¹ 9 F Cas 342 at 349 (CCD Massachusetts, 1841) (No 4901)

²² Copyright 17 USC (US); Copyright Act of 1976

²³ *Ibid*

²⁴ The controversial rap group, 2 Live Crew, sampled the distinctive baseline from Roy Orbison’s original hit song ‘Pretty Woman’, used the same title in their parody song, and the romantic lyrics were replaced with talk about a ‘big hairy woman’ and her exploits

²⁵ 471 US 539 (1985)

²⁶ 464 US 417 (1984)

²⁷ US Constitution Art 1 & 8 cl 8: ‘To promote the progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries’

²⁸ *Campbell v Acuff-Rose Music Inc* 510 US 569 at 579 (1994)

²⁹ Neil Weinstock Netanel, ‘Making Sense of Fair Use’ (2011) 15 *Lewis & Clark I. Rev* 715 at 736

³⁰ Michael D Murray, ‘What is Transformative? An Explanatory Synthesis of the Convergence of Transformation and Predominant Purpose in Copyright Fair Use Law’ (2012) 11 *Chi-Kent J Intell Prop* 260 at 262

³¹ Barton Beebe, ‘An Empirical Study of US Copyright Fair Use Opinions, 1978 – 2005’ (2008) 156 *U Pa L Rev* 549

³² Matthew Sag, ‘Predicting Fair Use’ (2012) 73 *Ohio St LJ* 47

to do so'.³³ While courts have not demonstrated an overriding desire to find transformativeness in the cases before them, Beebe concluded that, based on the regression analysis, if a use were found to be transformative, the defendant's chance of winning the fair use defence would be 94.9%.³⁴ Sag more confidently asserted that the evidence 'confirms the centrality of transformative use' and when 'measured in terms of the variable Creativity Shift, it appears that transformative use by the defendant is a robust predictor of a finding of fair use'.³⁵

However, it is Neil Netanel's study of US district and circuit court cases decided between 2006 and 2010 that is more conclusive that 'the transformative use paradigm ascended to its overwhelmingly predominant position only after 2005, following the period that Beebe studied'.³⁶

Transformativeness and Derivate Work (Adaptation)

It is important to note that a transformative work that qualifies for fair use protection is different from a 'derivate work'. Section 106(2) of the US Act³⁷ gives copyright owners an exclusive right to prepare derivative works based on the copyright owner's original work; as defined in the statute, a derivate work takes a pre-existing work and 'recast[s], transform[s], or adapt[s]' that work.³⁸ The Singapore statute uses the phrase 'adaptation of the work'.³⁹ The kind of transformations referred to in a derivative work in the US are not necessarily 'transformative' in the sense that was referred to by the Supreme Court in the context of fair use.⁴⁰ A transformative work in the fair use context is one that imbues the original 'with a further purpose or different character, altering the first with new expression, meaning, or message'.⁴¹ The assessment of transformativeness is 'not merely a question of the degree of difference between two works; rather, it requires a judgment of the motivation and meaning of those differences'.⁴² To preserve the right to transform a work of art, the degree of transformation required to make 'transformative' use of an original must go beyond that required to qualify as a derivative.⁴³ In Nigeria, section 108⁴⁴ of the Copyright Act provides 'adaptation' to mean 'the modification of a pre-existing work from one type of work to another or altering a work within the same type to make it suitable for different conditions of exploitation and may also involve altering the composition of the work'. Although the *Campbell* decision downplayed the commerciality of the infringing use and directed the inquiry to the transformativeness of secondary work, it unfortunately generated tremendous confusion in respect of the application of the transformative use doctrine to parodic and satirical works. Unfortunately, the Supreme Court only provided one concrete example of a sufficiently transformative use that would clearly lead to a fair use determination, that of parody. Over the years, lower courts have bluntly asserted that because a parody targets and comments on the original work and is therefore transformative, while a satire uses the original work as a weapon to comment on something else and is not transformative.⁴⁵ However, the *Campbell* court did not state that in order for a use to be transformative it must always comment on the original.

4. District Court: Highlights and Background Facts of *Andy Warhol v Lynn Goldsmith*⁴⁶

In 1984, Goldsmith granted *Vanity Fair* a 'one-time use' license of her photograph of Prince for use as an artwork reference to accompany a *Vanity Fair* article about Prince. Unknown to Goldsmith, the artist creating that work was the famous Warhol. Goldsmith also did not know that Warhol used her photograph to create 16 silkscreen portraits of Prince⁴⁷, which came to be known as the Prince Series. After Prince died in 2016, Condé Nast — the magazine conglomerate that owns *Vanity Fair* — licensed from the Andy Warhol Foundation (AWF) the use of one of Warhol's Prince silkscreen portraits, 'Orange Prince,' on the cover of its commemorative edition magazine about Prince's life. Unlike the first time that *Vanity Fair* used the image, it did not obtain a license from Goldsmith nor include an attribution to her. Goldsmith became aware of the Prince Series only after the release of the 2016 Condé Nast publication and notified the foundation of her belief that it had infringed her copyright. In turn, AWF brought an action against Goldsmith seeking a declaratory judgment of non-infringement or, in the alternative, fair use, and Goldsmith counterclaimed for copyright infringement. The district court had ruled in favour of Warhol, but an appeal court reversed that ruling. Justice

³³ Barton Beebe, 'An Empirical Study of US Copyright Fair Use Opinions, 1978 – 2005' (2008) 156 *U Pa L Rev* 549 at 605

³⁴ *Ibid* 549 at 606

³⁵ Matthew Sag, 'Predicting Fair Use' (2012) 73 *Ohio St LJ* 47 at 84

³⁶ Neil Welstock Netanel, 'Making Sense of Fair Use' (2011) 15 *Lewis & Clark L Rev* 715 at 734

³⁷ Copyright Act of 1976, Copyright 17 USC (US)

³⁸ *Ibid*, section 101

³⁹ Copyright Act (Cap 63, 2006 Rev Ed)ss 7 and 26(1) (a)(v)

⁴⁰ R Anthony Reese, 'Transformativeness and the Derivative Work Right' (2008) 31 *Colum JL & Arts* 467

⁴¹ *Campbell v Acuff-Rose Music Inc* 510 US 569 at 579 (1994)

⁴² Matthew Sag, 'Predicting Fair Use' (2012) 73 *Ohio St LJ* 47 at 56

⁴³ Majority decision in *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*

⁴⁴ Interpretative section

⁴⁵ *Dr Seuss Enterprises LP v Penguin Books USA Inc* 109 F 3d 1394 at 1401 (9th Cir, 1997): 'It is the rule in this Circuit that though the satire need not be only of the copied work and may ... also be a parody of modern society, the copied work must be, at least in part, an object of the parody, otherwise there would be no need to conjure up the original work

⁴⁶ The US Supreme Court ruled Andy Warhol's painting of the singer Prince infringed on the copyright of the original photographer's work <https://www.bbc.com/news/world-us-canada-65641796> accessed 12/12/2023

⁴⁷ Not just the one licensed use

Elena Kagan and Chief Justice John G. Roberts Jr dissented, saying this would ‘make our world poorer’ and ‘impede new art and music and literature’. Hence the further appeal to the Supreme and final Court.

The Supreme Court and the Argument: Did Warhol Images of Prince Cross the Line?⁴⁸

The Supreme Court weighed a major copyright clash over Andy Warhol’s use of a photo of Prince. The case was followed in the art and entertainment industries, which rely on copyrights and often license copyrighted material for new works, such as films that are based on or adapted from novels. During a lively back-and-forth, the seven justices sounded interested and engaged but divided over the case. At issue is whether an artist may use copyrighted material without paying a fee if the new work is ‘transformative’ in its meaning and message. Chief Justice John G. Roberts Jr. said Warhol’s work may qualify as new and transformative, as his silkscreen portraits of Prince were quite different from the photos they were based on. The painter’s work was a ‘comment on modern society’ and the impact of celebrity, Roberts said. Such a view, if adopted by the court, could devastate the photography industry, replied Washington attorney Lisa S. Blatt, who represents celebrity photographer Lynn Goldsmith. It could also damage the music, movie and publishing industries, Blatt said. It would be too easy, Blatt said, for artists, advertisers or others to rework a copyrighted piece and claim they had created something new. ‘Copyright will be at the mercy of copycats’ if that is allowed. Justice Clarence Thomas seemed to agree with Blatt. The normally reticent jurist also had a surprise for his colleagues. ‘Let us say that I am ... a Prince fan, which I was in the ’80s,’ he said, prompting laughter in the courtroom. ‘And ... let us say I am also a Syracuse [University football] fan ... and make one of those big blow up posters of [the Warhol painting] ‘Orange Prince’ and change the colors a little bit around the edges and put ‘Go Orange’ underneath. ‘Would you sue me’ for infringing Warhol’s copyright? Thomas asked Roman Martinez, attorney for Warhol Foundation for the Visual Arts. ‘I have changed the message,’ Martinez added. Martinez replied that such a use may not be the kind of transformation ‘that the copyright laws are intended to foster, which is really encouraging follow-on artists to use creativity to kind of introduce new ideas. ‘The exchange seemed to only complicate the question of when a new and transformed message allows for freely using copyrighted work.

Current copyright laws include a limited exemption for ‘fair use,’ such as quoting a few lines from a book for a review or a news story. But the Warhol Foundation is asking the court to uphold a much broader exemption for new works that transform a copyrighted original. Recall, Vanity Fair magazine in 1984 hired Warhol to do a painting portraying Prince, whose career had begun to reach new heights of commercial success with the release of ‘Purple Rain.’ Warhol used a copyrighted photo taken in 1981 by Goldsmith to create the silkscreen. Vanity Fair credited Goldsmith for the photo and paid a \$400 licensing fee. More than three decades later, after Prince’s death, the Warhol Foundation charged Vanity Fair \$10,250 to publish a larger set of silk screens Warhol had made in 1984. This time, Goldsmith received no credit and no fee for the use of her work. When she raised the issue, the foundation sued her, alleging its use of her work was fair and legal. The U.S. 2nd Circuit Court of Appeals disagreed, saying there is no exception to fair use for celebrity artists.

The Supreme Court agreed to decide *Warhol Foundation vs. Goldsmith* because judges were divided over whether a new work that ‘transforms’ a copyrighted original is protected as fair use.⁴⁹ In their legal briefs, lawyers for the Warhol Foundation argued that ‘a creative work that conveys a new meaning or message is transformative for purposes of the Copyright Act’s fair use defense’ — so Warhol was free to use Goldsmith’s copyrighted photo for his silk screens of Prince. But Blatt, Goldsmith’s lawyer, said this view, if upheld, would upset all of copyright law. It ‘would transform copyright law into all copying, no right,’ she argued, saying that songs could be altered, book endings changed or photographs airbrushed to escape the reach of a copyright. In that scenario, she wrote in her brief to the court, ‘fair use becomes a license to steal.’

Supreme Court: *Andy Warhol v Lynn Goldsmith* on Test of First Factor of Fair Use

The Rule: ‘Purpose and Character’ Factor Requires the Use of Another's Work to Be Sufficiently Distinct from the Original⁵⁰

Highlights of the US Decision

- a. In a 7-2 decision, the U.S. Supreme Court held that pop artist Andy Warhol's use of a photograph of late music legend and cultural icon Prince without photographer Lynn Goldsmith's permission did not constitute fair use under the first factor of the fair use defense, relying largely on the fact that Warhol's use was not only for a similar purpose as the original, but was for a commercial purpose.

⁴⁸ David G. Savage, <https://ca.style.yahoo.com/supreme-court-copyright-case-did-194018502.html> accessed 12/12/23

⁴⁹ Underline mine

⁵⁰ ‘Purpose and Character’ Factor: <https://www.hklaw.com/en/insights/publications/2023/06/us-supreme-court-holds-that-first-factor-of-fair-use> accessed 12/12/23

- b. Visual works of art that are not ‘distinct enough’ (transformative) will weigh against the artist who attempts to transform an ‘original work.’ Holding, ‘to preserve that right,⁵¹ the degree of transformation required to make ‘transformative’ use of an original must go beyond that required to qualify as a derivative.’
- c. The Supreme Court decision relieves judges of the qualification to evaluate the aesthetic merits of a work of art, stating that fair use ‘is an objective inquiry into what a user does with an original work, not an inquiry into the subjective intent of the user, or into the meaning or impression that an art critic or *judge* draws from a work.’
- d. The Supreme Court ruling reinforces the principle that fair use will continue to be analyzed on a case-by-case basis. This opinion ‘does not mean that all of Warhol's derivative works, nor all uses of them, give rise to the same fair use analysis.’

While courts have struggled with fair use — i.e., lawful use of another's copyrighted work — the *Warhol* case reaffirmed some of the core purposes of the Copyright Act⁵² while clarifying others. This explores how Supreme Court's *Warhol* decision transforms the law of fair use and the importance of analyzing the ‘purpose’ and ‘character’ of copyrighted works that are in dispute.

Why This Case Is Important

The *Warhol v. Goldsmith* case is the first Supreme Court case in decades to tackle fair use. Fair use is a notoriously difficult analysis requiring a balancing of four factors that is highly dependent on the facts of each case. Therefore, any guidance on how to conduct a fair use analysis from the Supreme Court is closely watched. What the justices have decided could redefine fair use for major works of arts and social media posts, including addressing a major concern among music labels as copyrighted vocals from artists are being used, without authorization, to train artificial intelligence systems to incorporate artists' vocals into songs that they never recorded.

How Did We Get Here?

In 1984, Vanity Fair asked Andy Warhol to create a piece they could pair with an article titled Purple Fame - coinciding with when Prince's song Purple Rain was released. At the time, the magazine agreed to credit photographer Goldsmith, known for portraits of rock-and-roll stars including Mick Jagger, and paid her \$400 to license her 1981 black-and-white portrait as an artist reference. Vanity Fair ran one of the 16 altered photographs Warhol created. Following Warhol's death, the Andy Warhol Foundation (AWF) for the Visual Arts assumed ownership of the series and sold 12 of the 16 original paintings, according to CBS News. Vanity Fair published an edition honouring Prince following his death in 2016 and used a new image from Warhol's series. The parent company, Condé Nast, did not pay or credit Goldsmith at the time but the Andy Warhol Foundation for the Visual Arts was paid about \$10,000 (£8,056) for the new image. In 2016, Vanity Fair published a Prince tribute which featured Warhol's image but no credit or payment was given to the photographer, Lynn Goldsmith. The crux of the case was whether or not Warhol's work falls under fair-use laws. The ‘fair use’ clause in copyright law, allows the use of copyright-protected works in some instances. The law also takes into account whether the work is for commercial or non-commercial use.

Procedural History

The Southern District of New York

In 2019, the U.S. District Court for the Southern District of New York granted summary judgment to Andy Warhol Foundation (AWF) under its assertion of fair use and dismissed Goldsmith's claims with prejudice. With respect to transformative use under the first factor, the District Court held that Warhol's portrayal of Prince was for a different purpose or character from the photographers, because the photographer portrayed him as an uncomfortable and ‘vulnerable human being,’ whereas Warhol depicted Prince as an ‘iconic, larger-than-life figure.’

The Second Circuit

The U.S. Court of Appeals for the Second Circuit reversed and remanded, holding that all four fair use factors favored Goldsmith. Simply put, the Second Circuit ruled that the Orange Prince portrait is essentially a copy of Goldsmith's photograph and artists have rights to derivatives of their work. Furthermore, the Second Circuit determined that the photograph was not distinct enough and faulted the District Court for playing art critic by evaluating the aesthetic meaning of the art work in what the Second Circuit considered light alterations to Goldsmith's original photograph.

Following the Second Circuit's ruling, AWF appealed to the Supreme Court for certiorari to resolve whether an artist's use of a photograph of a singer as the basis for a series of artwork was protected as fair use under the Copyright Act, 17 U.S.C.S. § 107.

Copyright Law and Fair Use

There are two ways to use someone else's copyrighted works: 1) the use is licensed (used with permission) from the copyright holder, or 2) even without permission the use constitutes ‘fair use.’ There are four factors for determining fair use. No single factor is determinative; rather, they should be balanced and weighed against each other.

1. Purpose and character of the use, including:
 - a. whether the use is for a commercial versus educational or nonprofit purpose, and

⁵¹The right to transform a work of art

⁵²*Andy Warhol Foundation for the Visual Arts, Inc. v. Lynn Goldsmith, No. 21-869 (U.S. May 18, 2023).*

- b. whether the use is ‘transformative,’ that is, the user is commenting or reporting on the work, or the user creates a parody of the work, or the use is otherwise for a different character or purpose than the original work
2. Nature of the copyrighted work
 - a. creative (more protection) vs. factual
 - b. published vs. unpublished (more protection)
3. Amount and substantiality of the work used
4. The effect of the use on the potential market for or value of the copyrighted work⁵³

First Factor Analysis under Fair Use Doctrine

This appeal created a fundamental question for the court to determine whether the first factor of the fair use test weighed in Goldsmith's favor.⁵⁴ The first factor of the fair use doctrine directs a court to examine ‘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). Over time, the analysis of the first factor has largely turned into the following question: Is the new work transformative? That is, does the new work transform the prior work into something with an entirely different new meaning or message or, in the alternative, how much free reign will an artist have to take or use the work of others in pursuit of their own.

2 Live Crew Case: Landmark Decision

In a historic copyright opinion⁵⁵ involving the hip-hop group 2 Live Crew and its parody of Roy Orbison's ‘Oh, Pretty Woman,’ the Supreme Court ruled that ‘the 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.’⁵⁶ In the 2 Live Crew case, the Court indicated that transformative use adds ‘new expression,’ ‘meaning’ or ‘message’ that's not found in the original work — which brings us back to Warhol's Orange Prince portrait. Goldsmith claimed that she was trying to bring out Prince's humanity and vulnerability — the specificity of Prince as an individual. Alternatively, Warhol is known for turning the real into the mythical or iconic.

Did Warhol Transform Goldsmith's Photograph into a Work with an Entirely New Meaning and Message?

The Supreme Court held that Warhol's use of the photograph was *not* fair use, affirming the Second Circuit's decision. More specifically, the Court found Goldsmith's photograph and Warhol's Orange Prince portrait to have substantially the same commercial purpose because both were licensed for use in a magazine and that Warhol's Orange Prince photo was not distinct enough to be protected under fair use. In so holding, the Court noted the natural correlation between the first and fourth factors.⁵⁷ Determining whether a use has a similar *purpose* as the original use is naturally going to evoke the same question as the fourth factor, which is whether the use will divert revenue away from the original copyright holder to the person using the work. And that is what happened here: Goldsmith originally licensed her photograph to *Vanity Fair* for \$400 in 1984 (and she was given attribution in the 1984 magazine), and then AWF licensed Orange Prince to the same magazine in 2016 for \$10,000 — with Goldsmith receiving no revenue or attribution for the 2016 license.⁵⁸ The Supreme Court also focused on the fact that Warhol's use of the photograph was not only for a similar purpose, but was for a *commercial* purpose (i.e., the \$10,000 licensing payment). As the Court noted, ‘...although a use's transformativeness may outweigh its commercial character, here, both elements point in the same direction.’⁵⁹ The commercial nature of this particular use seemed to play a large role in the Court's conclusion, and the Court noted repeatedly that its finding was specific to the facts at issue in this case, and this particular use of the work.

Tips to Avoid Copyright Infringement

- a. Do not copy anything off the internet. It is not free to use simply because it is publicly available.
- b. Remember, no single fair use factor is determinative of whether you can use the work. There is no bright line rule that allows a person to use three seconds of a sound or film clip. There is no bright line rule that allows a person to use any work so long as it is not for a commercial purpose. Each of those are factors that weigh in favor of fair use, but alone they are not determinative. One must always balance all of the considerations and should have nearly all four factors in their favor before considering the use as a ‘fair use.’
- c. Seeking permission or getting a license is always the surest way to reduce the risk of a potential infringement claim, especially if the use is commercial in nature.

Sign ‘O’ the Times: The Supreme Court Rules on *Warhol v. Goldsmith*⁶⁰

The U.S. Supreme Court as earlier emphasized affirmed the U.S. Court of Appeals for the Second Circuit's decision that the licensing of an image Warhol created of musician Prince (titled ‘Orange Prince’) based on a photograph by Goldsmith for use

⁵³ Deduced from different cited jurisdictions

⁵⁴ Andy Warhol Foundation sought certiorari from the U.S. Supreme Court only on the first fair use factor; therefore, the Supreme Court considered only the first factor.

⁵⁵ *Campbell v. Acuff-Rose Music* (92-1292), 510 U.S. 569 (1994).

⁵⁶ See *Campbell* 510 U.S. at 579.

⁵⁷ See *Goldsmith*, 598 No. 21-869 at 24 n.12.

⁵⁸ See *Goldsmith*, 598 No. 21-869 at 24.

⁵⁹ *Ibid* at 25.

⁶⁰ The US Supreme Court has ruled Andy Warhol's painting of the singer Prince infringed on the copyright of the original photographer's work: <https://www.perkinscoie.com/en/news-insights/the-supreme-court-rules-on-warhol-v-goldsmith.html> accessed 12/12/23

as a magazine cover was not fair use. The Court held that the first fair use factor did not favor fair use because Warhol's work, when used as a magazine cover, shared the same commercial purpose as the original photograph of Prince. At a high level, the fair use doctrine allows certain unauthorized uses of copyrighted works when the uses are considered beneficial to society. The fair use statute sets forth four factors that are to be weighed in determining whether a use is fair. As mentioned, the only issue before the Supreme Court was whether the first factor, which looks at the purpose and character of the use, favored fair use. In recent years, U.S. courts have focused heavily on the concept of 'transformativeness' in analyzing fair use. The consideration of the transformative nature of a new creative work as part of the first fair use factor first arose in the 1994 Supreme Court decision in *Campbell v. Acuff-Rose Music*, which held that a work is deemed transformative if it 'adds something new, with a further purpose or different character, altering the first with new expression, meaning or message.'

The district court in the *Warhol* case originally granted judgment in favor of Warhol, holding Warhol's use of Goldsmith's photograph to be transformative. The lower court explained that while Goldsmith's photograph portrays Prince as 'not a comfortable person' and a 'vulnerable human being,' Warhol's work can reasonably be perceived 'to have transformed Prince from a vulnerable, uncomfortable person to an iconic, larger-than-life figure.' The Second Circuit reversed, finding that the district court erred in its evaluation of the transformative nature of the Warhol work by focusing on a subjective evaluation of the underlying artistic message of the series. The Supreme Court upheld the Second Circuit's interpretation. A key focus of the Court's decision was whether the transformativeness analysis looks at the specific *use* of the allegedly infringing content or at the *content itself*. The majority concluded that the inquiry must focus on whether the specific use of the secondary work at issue—in this case, the use of the artwork as a magazine cover—was transformative.⁶¹ For the use at issue here, the majority reasoned that licensing the Warhol piece to Condé Nast for a magazine cover 'share[s] substantially the same purpose' as Goldsmith's original photo because both works served as 'portraits of Prince used in magazines to illustrate stories about Prince.' It agreed with the Second Circuit that 'whether a *work* is transformative cannot turn merely on the stated or perceived intent of the artist or the meaning or impression that a critic—or for that matter, a judge—draws from the work.' To do otherwise, according to the Court, could result in any alteration to a work being recognized as a transformative fair use.⁶² Instead, the Court clarified that while new expression, meaning, or message in a work may be relevant to whether use has a different purpose and character, it is not, by itself, dispositive. In addition, it noted that the degree of transformation must go beyond what is required to qualify as a derivative work and that whether the *use* of a copyrighted work has a further purpose or different character, is a matter of degree, which must be balanced against other considerations, including the commercial nature of the use.' Notably, the majority expressly did not opine on the creation of the work or other potential uses thereof, such as the public display of Warhol's works in a museum, and they noted that 'the same copying may be fair when used for one purpose but not another.' The Court's focus on only the specific use being challenged (i.e., the use as a magazine cover) arguably creates a narrow holding that may limit its impact. At the same time, the clarification that courts should focus on whether the *use* is transformative and not the *content itself* is likely to have broad applicability. As a result, although some have heralded this decision as a narrowing of the fair use doctrine, others see the decision as actually strengthening arguments for fair use in certain areas, such as the use of copyrighted materials for training artificial intelligence (AI) models.⁶³

5. Conclusion

Fair use has always been a very fact-specific analysis and difficult to predict; the *Warhol* case has not changed that. Undoubtedly, this case heightens the consideration of commercialization when analyzing the first fair use factor and makes it clear that one cannot solely rely on broad, subjective statements about the transformative nature of the work itself to support a fair use defense. At the same time, it also clarifies that the transformativeness analysis must focus on the specific use alleged to be infringing. In light of this, when evaluating whether a use constitutes fair use, it will be important to carefully analyze whether the specific use at issue truly serves a different purpose and character and how that is balanced against other considerations, including commercialism. The US Supreme Court in *Warhol's* decision has transformed the law of fair use and was able to highlight and emphasize on the importance of proper analysis of the 'purpose' and 'character' of copyrighted works that are in dispute.

The transformative use doctrine in most jurisdictions can be a chimera. Like the mythological, fire-breathing monster commonly represented with a lion's head, a goat's body and a serpent's tail, its myriad applications to secondary uses from parody rap to fan fiction to internet search engines can be frustrating for anyone who attempts to exhaustively define categories or clusters of transformative fair use. It would be a futile endeavor. Instead, the starting point to balance the 'inherent tension' between copyright protection and creative expression should be the legislative text and one ought to attempt to discern whether there was a reasonably perceivable change in 'purpose' or 'character' of the secondary use. One need to be guided by the U.S Supreme Courts' ruling in *Campbell* and now, the most recently reviewed *Andy Warhol v Lynn Goldsmith* case which decision is both sound and unadulterated. If the secondary use adds value to the original – if [copyrightable expression in the original work] is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings – this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society. Copyright shall not be designed to be at the mercy of copycats, or fair use becomes a license to steal. Nigeria with a brand-new Copyright Act 2022, which fair dealing provisions are non-exhaustive but compulsory, can tap from this historic judgment and wave off any interpretational ambiguity with respect to the first factor of fair use under section 20 (1) (i) of the Act.

⁶¹Not whether the new work itself was transformative as compared to the original

⁶²Which could swallow up the copyright owner's exclusive right to prepare derivative works

⁶³Where many argue that the purpose of the use for training is to gain an understanding of the unprotectable elements of the work and that this is quite different from the original purpose of the training materials