Reconciling Fair Use and the Derivative Work Right: Did *Warhol* Say "Kenough?"[1]

Aimée Wolfson*

TRANSCRIPT

Good morning. Thank you to the Kernochan Center for the opportunity to speak with you today. Of course, these comments are my own and are not attributable to my company or to my trade organization. But it's important to note that the Motion Picture Association filed an amicus brief in support of *neither* party in the *Warhol*[2] litigation. Our interest was not in the specific result in the case so much as ensuring an appropriate, balanced framework for assessment, without championing one artist over another.

As audiovisual content creators, we very much need to know what the rules are when art is on both sides of the equation. I hope to provide a practitioner's perspective on how, in the wake of the *Warhol* decision, we can try to navigate and to make sense of the First Amendment and copyright guardrails that the fair use statutory provision is designed to ensure.

We start with the simple and unassailable proposition that the transformative use test as developed in case law must not be confused with or substituted for the statutory four-factor fair use test.[3] Yet the posture of

* Aimée Wolfson is Executive Vice President, Intellectual Property and Deputy General Counsel for Sony Pictures Entertainment.

1. This is a reference to the 2023 *Barbie* movie, for reasons that will become apparent below. *See Barbie The Movie Official "I Am Kenough" Unisex Hoodie*, MATTEL CREATIONS, https://creations.mattel.com/products/barbie-the-movie-i-am-kenough-unisex-hoodie-hyn77 [https://perma.cc/K2KK-WFQM] [https://web.archive.org/save/https://creations.mattel.com/products/barbie-the-movie-i-am-kenough-unisex-hoodie-hyn77] (last visited Mar. 21, 2024).

2. Andy Warhol Found. for Visual Arts, Inc. v. Goldsmith, 598 U.S. 508 (2023).

3. "(1) [T]he purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit 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." 17 U.S.C. § 107.

the *Warhol* litigation as it arrived at the Supreme Court both presented and reflected a bias in fair use jurisprudence: that is, an unbalanced and almost myopic focus on the first factor and, more specifically, the transformative use test.

Indeed, the sole question presented for the Court to decide was "whether a work of art is 'transformative' when it conveys a different meaning or message from its source material," even "where it 'recognizably derives from its source material . . . ."[4] As the question presented makes apparent, the big issue was this: Ever-expanding transformative test jurisprudence seemingly introduced a tension, or at least a potentially uncertain continuum, between transformative fair use and the exclusive right to make and control derivative works.

As a reminder, the first fair use factor in the copyright statute provides that courts must consider "the purpose and character of the use, including whether such use is of a commercial nature."[5] In *Campbell v. Acuff-Rose*,[6] also known as the *Pretty Woman* case, the Supreme Court adopted the term "transformative" from Judge Leval's seminal article and incorporated it into the first factor consideration. Building on Justice Story's 1841 *Folsom v. Marsh*[7] opinion, and importantly, in the context of 2 Live Crew's *parodic* work, the *Campbell* Court focused the first factor analysis on "whether the new work merely 'supersede[s] the objects' of the original,"[8] or "instead adds something new with further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is 'transformative.'"[9]

But while the word "transformative" does not appear in the first statutory fair use factor—only in judicial precedent—it *does* appear in the statutory definition of what constitutes a "derivative work," and thus defines the scope of that exclusive right of copyright holders.[10] Hence the tension and potential confusion as to at what point a transformative fair use might impinge on the exclusive derivative work right. As Justice Gorsuch noted in his *Warhol* concurrence, you don't want to put a statute "at war with itself."[11]

4. Brief for Petitioner at i, *Andy Warhol Found. for Visual Arts, Inc.*, 598 U.S. 508 (No. 21-869) (citation omitted) (internal quotation marks omitted).

5. 17 U.S.C. § 107.

6. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994).

7. Folsom v. Marsh, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841).

8. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994) (quoting Folsom v. Marsh, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841)).

9. *Id.* (quoting Pierre N. Leval, *Towards a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990)).

10. 17 U.S.C. § 101.

11. Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508, 555 (2023) (Gorsuch, J., concurring).

Confusion does not serve my industry, where the derivative work right is so important. Across the last twenty years of Oscar Best Picture nominees, sixty-five percent of these critically acclaimed films are derivative works.[12] And across the same twenty years, eighty-six percent of the top ten films at the domestic theatrical box office are derivative works.[13]

The motion picture industry needs assurance in the exclusivity of our copyright interests, so that we can confidently invest in acquiring rights and building franchises on our own original creative material. By taking that financial and creative risk, any rewards that flow from our exclusive rights allow us to continue investing in and creating new productions.

To do this, motion picture and television producers are on both sides of the fair use and derivative works equations. We regularly rely on fair use in our productions, and we vigilantly protect and defend our exclusive rights. We are in the culture business. We create hopefully iconic cultural content, and we also comment upon the cultural content of others. Therefore, we need to know the rules of the road to support creative talent who want to engage in these cultural conversations.

So, let's explore this tension with a hypothetical question that takes these considerations to extremes. I hope by now you have all seen Greta Gerwig's brilliant *Barbie* movie.[14] The question I have is this: Could a filmmaker have made the *Barbie* movie without rights? I'm not suggesting that you could, but I'd like to play it out.

On the pro side, the film provides a serious and persistent commentary on the doll's reflection and construction of women's roles in modern society. It's unusual in that it's not a documentary or a biopic or a true story. Rather, it's an entirely fictional narrative. Gerwig's film pointedly explores the world and culture that the copyrighted doll has spawned. [15] The outfits, the characters, the props and sets, the narrative of their creation and

12. *See Experience Over Nine Decades of the Oscars From 1927 To 2024*, ACAD. MOTION PICTURE ARTS & SCIENCES, https://www.oscars.org/oscars/ceremonies [https://perma.cc/4HUT-DWH2] [https://web.archive.org/save/https://www.oscars.org/oscars/ceremonies] (last visited Apr. 3, 2024).

10. *See Domestic Yearly Box Office*, BOX OFFICE MOJO, https://www.boxofficemojo.com/year/?ref_=bo_nb_hm_secondarytab [https://perma.cc/Q7M2-RRV3] [https://web.archive.org/save/https://www.boxofficemojo.com/year/?ref_=bo_nb_hm_secondarytab] (last visited Apr. 3, 2024).

14. BARBIE (Warner Bros. Pictures 2023).

15. *See, e.g.*, Richard Brody, *"Barbie" Is Brilliant, Beautiful, and Fun as Hell*, NEW YORKER (July 21, 2023), https://www.newyorker.com/culture/the-front-row/barbie-is-brilliant-beautiful-and-fun-as-hell [https://perma.cc/6Z8P-HZJZ] [https://web.archive.org/save/https://www.newyorker.com/culture/the-front-row/barbie-is-brilliant-beautiful-and-fun-as-hell].

exploitation—they are all "real," reproducing decades-worth of actual Barbie merchandise.[16]

It's worth reminding ourselves that comment or criticism is not reserved only for finding fault or criticizing. It can also encompass a positive, celebratory analysis or review of a work, or an effort to connect it to the culture in which it exists. Typically, in assessing claims of fair use, we are making determinations involving a scene or two, or maybe a few clips or quotes. It is exceedingly rare—it might even be unprecedented—for a narrative feature film that is not based on a true story to sustain a persistent level of comment upon the third-party copyrighted material that it is exploring.

In my opinion, there is hardly an element or a moment in the *Barbie* movie that doesn't directly address the doll's pervasive cultural impact, both within Barbie's merchandised world of play and in the construction of modern American culture. The imagined narrative structure that engulfs the Barbie character is perfectly encapsulated by Billie Eilish's transcendent musical theme, "What Was I Made For?,"[17] which ties the fictional heroine's specific journey to the doll's cultural impact on contemporary questions about gender and purpose. Which is to say, one doesn't have to work too hard to extrapolate or discover commentary as an ex-post rationalization; it's very much the point of the film.

So, for the sake of this exploration, let's assume that I've offered a fair assessment of the film's status as commentary. Can you make this film without underlying rights, relying on fair use alone? How would you advise your hypothetical studio? And has the *Warhol* decision helped you in reaching a conclusion?

Luckily, we have some prior case law on which to lean: the 2001 *Wind Done Gone* case out of the Eleventh Circuit, and the Ninth Circuit's 2020 decision on the Dr. Seuss-*Star Trek* mash up book titled *Oh, the Places You'll Boldly Go*.

In *SunTrust Bank v. Houghton Mifflin*, the Eleventh Circuit held that Alice Randall's novel, *The Wind Done Gone*, had a viable fair use defense to the claim that it violated the derivative rights of Margaret Mitchell's *Gone With*

16. *See, e.g.*, Beauty Inside a Box, *EVERY Doll Reference in the Barbie Movie!*, YOUTUBE (Sept. 22, 2023), https://www.youtube.com/watch?v=006OMXLTLPk [https://perma.cc/RG87-U25T] [https://web.archive.org/web/20240419005314/https://www.youtube.com/watch?v=006OMXLTLPk]; *see also* Pema Bakshi, *All the Real-Life Barbie Dolls Inspiring Greta Gerwig's Barbieland Citizens*, GRAZIA, https://graziamagazine.com/articles/barbie-movie-characters-real-dolls/ [https://perma.cc/5MA5-2VAL] [https://web.archive.org/save/https://graziamagazine.com/articles/barbie-movie-characters-real-dolls/] (last visited Apr. 3, 2024).

17. BILLIE EILISH, WHAT WAS I MADE FOR? (Atlantic, Darkroom & Interscope Records 2023).

The Wind.[18] Randall's novel presents the flip side of Mitchell's fictional saga, exploring the same situational narratives from the perspective of the earlier novel's African American characters and following those characters into newly imagined futures. Randall transparently renames Mitchell's characters, and iconic scenes from the original work are described.

By switching narrators and perspectives, *The Wind Done Gone* functions as a parodic commentary on Mitchell's fictional novel, which sanitized the brutality of slavery, offered a biased narrative of the South, and perpetuated racial stereotypes. As the court summarized, "[*The Wind Done Gone*] is more than an abstract, pure fictional work. It is principally and purposefully a critical statement that seeks to rebut and destroy the perspective, judgments, and mythology of [*Gone With The Wind*]."[19] Randall's novel thus serves as a comment on Mitchell's specific work—not just the historic times that she depicts.

That said, the court also rightly acknowledged that Randall took a lot—and I emphasize, *a lot*—from Mitchell's work. Recognizing this huge taking in assessing the first factor, the court acknowledged the transformative conundrum, writing, "The issue of transformation is a double-edged sword in this case."[20] On the one hand, Randall infuses the borrowed elements with new meaning and message. But the court also concedes that *The Wind Done Gone*'s "success as a pure work of fiction depends heavily on copyrighted elements appropriated from [*Gone With The Wind*] to carry its own plot forward."[21] The court refers to the second half of the book, which functions as a sequel, allowing Mitchell's thinly veiled characters to experience completely new plot extensions.

Typically, one assumes that more changes constitute greater transformation. But for a parody to avoid being a derivative work, *The Wind Done Gone* court seemed to suggest that staying closer to the original would have signaled an even greater degree of comment, rather than operating as a sequel.

So how can we assess Randall's work? Is it fair use, or is it an unauthorized derivative work? The transformative test just can't and couldn't answer that question without a robust, four-factor analysis. Interestingly, the Eleventh Circuit's analysis of the third factor was longer than that of the first. Reading *Campbell* as instructing that no factor should be considered in isolation, the Eleventh Circuit discussed commercial issues in the third and fourth factor analyses. As a result, the court did not issue a

18. Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257, 1277 (11th Cir. 2001).
19. *Id.* at 1270.
20. *Id.* at 1279.
21. *Id.* at 1269.

conclusion of fair use, but it found the defense "viable."[22] Accordingly, the court determined that the district court's preliminary injunction was unwarranted, remanding the case for further proceedings. The Mitchell Estate dropped the case shortly thereafter.

In a clearer case, *Dr. Seuss Enterprises v. ComicMix*, the Ninth Circuit had no difficulty reversing the district court and declaring that the challenged mashup of the Dr. Seuss classic book, *Oh, The Places You'll Go!*, with *Star Trek* elements—resulting in the challenged book *Oh, the Places You'll Boldly Go!*—was not fair use.[23] Like the *Wind Done Gone* case, the clear conclusion was based on a four-factor analysis.

With respect to the first factor, *Boldly* wasn't critical of Seuss. It joyfully occupied the same space, with a generous infusion of Seuss's other work, *The Sneetches*. The defendants didn't even articulate how their offering was a parody, just that it was "funny".[24] The illustrations and text were "slavish" copies of the original that "meticulously" imitated them.[25] The court held that the mashup did not transform the original merely because it included some new elements; it "merely repackaged" the original.[26] Add in robust fourth factor usurpation analysis, telling facts, and terrible defense witnesses, and the result was clear: The secondary work was not fair use.[27]

So, with these two circuit cases as factual and jurisprudential guideposts, does the *Warhol* decision advance our understanding and help us resolve our *Barbie* hypothetical?

Unfortunately, the *Warhol* Court was stuck with an appeal only on the first factor, and as the question presented was phrased, only on the transformative test. Recent case law's overreliance on the transformative test needed a course correction, and the majority provides it by infusing the first factor with what the Court itself distilled to three subcomponents.

Specifically addressing concern for the derivative work right, footnote 22 of the *Warhol* decision concisely summarizes the other contexts that should come into play when considering whether a secondary work is sufficiently transformative: (1) The degree of difference in purpose and character from the source material; (2) the commercial nature of the use; and (3) the justification for the use.[28] Reading what the Court means by these three

22. *Id.* at 1277.
23. Dr. Seuss Enters., L.P. v. ComicMix LLC, 983 F.3d 443, 461 (9th Cir. 2020).
24. *Id.* at 452. The defendants did not consult counsel prior to creating their work. *Id.* at 450.
25. *Id.* at 450, 453.
26. *Id.* at 453.
27. *Id.* at 463.
28. Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508, 548 n.22 (2023).

concepts across the span of a very lengthy decision, it sure sounds a lot like a blend of factors one, three, and four of the fair use statute.

Footnote 22 serves as an important reminder that there is a lot of interplay between and across the fair use factors. In the same way, the *Campbell* Court recognized that when assessing factor three, a parodist's "justification" for the "extent" of the copying "harken[s] back" to factor one,[29] and the "facts bearing on this [third] factor also tend to address the fourth."[30]

I am not surprised that *Campbell* and now *Warhol* articulate a blended, holistic approach to the factors when discussing factor three in particular. As a practitioner who must regularly advise on fair use, the third factor is clutch. In the real world, where one has to risk-assess the likelihood, viability, and resiliency of potential claims, we of course look for and confirm any commentary component to a use. But factor three tends to be what drives the practical guidance. Are you taking what you need to make the comment, but not excessively more?

Typically, as I've said, it would be extremely hard for a film like *Barbie*, which is not based on real events yet so saturated in protected iconography, to satisfy that practical guidance. *Barbie* comes as close as I have ever seen. But without obtaining the right to make a derivative work, filmmakers would be unlikely to make such a major investment on a bet that a court somewhere down the line might agree that *all* of the uses of third-party protectible elements were "fair uses." The practical advice then becomes, would you be able to make the film that you *want* to make if you can't borrow everything that you wish?

When a fictional narrative that might be viewed as a derivative work attempts to rely on fair use, it could become an artistic compromise. Could the filmmakers make do with less? Would *Barbie* have made as much of an impact if it hadn't been so saturated with genuine Barbie iconography? Would including fewer protected elements have fully communicated the level to which Barbie culture is infused as a mirror to our own?

We have an inkling of what a genericized version of the film might have looked like. If you watch the band Aqua's music video for the song "Barbie Girl," it just doesn't look as pointed or "real" as images from the *Barbie* movie.[31] Further, knowing that so many of the visual, character, and

29. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 586 (1994).

30. *Id.* at 587.

31. Aqua, *Barbie Girl (Official Music Video)*, YOUTUBE (Aug. 20, 2010), https://www.youtube.com/watch?v=ZyhrYis509A [https://perma.cc/WR7M-5F2S] [https://web.archive.org/web/20240419005642/https://www.youtube.com/watch?v=ZyhrYis509A]. The *Barbie Girl* case presented trademark claims, but the visuals of the music video nonetheless illustrate attempts at commentary on a third-party property without crossing the line into an unauthorized derivative work. *See* Mattel, Inc. v. MCA Records, Inc., 28 F. Supp. 2d 1120, 1137 (C.D. Cal. 1998) ("Although the singers adopt the names of the dolls, they do not

narrative elements from *Barbie* really were part of the doll's decades-long history only enhances the significance of Gerwig's commentary, which would not be nearly as sharp or meaningful if the environment and characters were genericized.[32]

In addition to the enhancement of the creative commentary, studios enhance the odds of becoming a successful "event" film with major advertising, merchandising, and co-promotion campaigns. Audiovisual works require thousands of assets and images, not just one. It would be a big risk to rely on earlier cases, such as the *Walking Mountain* case,[33] for all the collective imagery necessary for a film like *Barbie*.

In *Walking Mountain*, Mattel sued fine art photographer Tom Forsythe for trademark and copyright infringement for his series *Foodchain Barbie*, which depicts Barbie dolls in concocted scenes of domestic peril.[34] For instance, *Barbie Enchiladas* depicts dolls wrapped in tortillas and baking inside an oven.[35] In considering Forsythe's fair use defense, the Ninth Circuit declared Mattel's argument that artist Tom Forsythe didn't need to show the *whole* Barbie as "absurd."[36] But existing decisions involving fine art pieces don't necessarily capture the scale of imagery used in full-length motion pictures

adopt their likeness, either on the album cover or in the related video."), *aff'd*, 296 F.3d 894 (9th Cir. 2002).

32. *See* Brody, *supra* note 15; *see also* Beauty Inside a Box, *supra* note 16; Hedy Phillips, *Fashion Historian Calls the 'Barbie' Wardrobe a 'Sophisticated Interpretation' of the Doll's Style (Exclusive)*, PEOPLE (Aug. 15, 2023), https://people.com/barbie-fashion-historian-karan-feder-barbie-movie-wardrobe-authenticity-interview-exclusive-7636627 [https://perma.cc/SKE6-2SP8] [https://web.archive.org/web/20240419010138/https://people.com/barbie-fashion-historian-karan-feder-barbie-movie-wardrobe-authenticity-interview-exclusive-7636627]; Steve Pond & Kristen Lopez, *Barbie: How They Did It*, THEWRAP (Dec. 14, 2023), https://www.thewrap.com/how-barbie-movie-was-made-greta-gerwig/ [https://perma.cc/BW77-WWLA] [https://web.archive.org/save/https://www.thewrap.com/how-barbie-movie-was-made-greta-gerwig/]; Kyle Buchanan, *How Those 'Barbie' Dreamhouses Came To Life: 'We All Had to Believe in It,"* N.Y. TIMES (Aug. 7, 2023), https://www.nytimes.com/2023/07/26/movies/barbie-movie-set-design.html [https://perma.cc/3Y2F-GVNA] [https://web.archive.org/web/20240419010904/https://www.nytimes.com/2023/07/26/movies/barbie-movie-set-design.html].

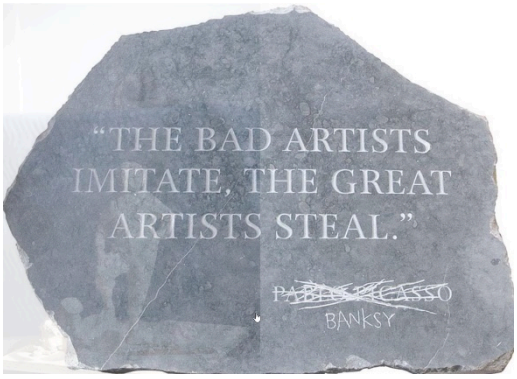
33. Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir. 2003).

34. *Id.*

35. Tom Forsythe, *Barbie Enchiladas* (photograph), *in* FOOD CHAIN BARBIE (2020), https://wiki.ncac.org/Food_Chain_Barbie [https://perma.cc/M88C-CW2B] [https://web.archive.org/save/https://wiki.ncac.org/Food_Chain_Barbie].

36. *Walking Mountain Prods.*, 353 F.3d at 804. Don't you wish the Court had said that the artist could depict the whole enchilada?

like *Barbie*, which are not based on a true story. I appreciate the wise words of Banksy, which are best expressed visually:[37]



But I haven't seen this to be true in the audiovisual space. In a lot of circumstances, you might need to have permission in order to get to "greatness." Of course, every situation is a case-by-case assessment, and that is an important attribute of *Warhol*'s use-driven analysis. It drives a conversation—a conversation about licensing. Licensing can support the creative freedom necessary to create the art that will matter most. Of course, it can also come with its own constraints and controls, and that's something you have to manage with the filmmakers.

Ultimately, the *Barbie* musical theme and the *Warhol* majority both focus on purpose and ask the same question, "What Was I Made For?" If the answer is parody or commentary, the *Warhol* decision restores a holistic approach where transformative uses can be assessed *because* of their purpose—not based on artistry or new elements alone. But is there any purpose or justification for use of another work if, like Warhol's *Orange Prince*, there is zero intention to comment in even some abstract way on the work being borrowed?[38]

There might be other ways to defend the secondary work, such as distilling the borrowed work down to any protectable elements, arguing

37. Banksy, "*The Bad Artists Imitate, The Great Artists Steal"* (engraved sculpture), *in* LAUGH NOW (at the Moco Museum in Amsterdam), https://banksy.co.uk/in.html [https://perma.cc/S5VJ-DHMP] [https://web.archive.org/save/https://banksy.co.uk/in.html]. Justice Kagan's *Warhol* dissent attributes a version of this quote to Stravinsky, perhaps demonstrating the point that artists frequently appropriate the ideas of others. Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508, 585 (2023) (Kagan, J., dissenting).

38. *Andy Warhol Found. for the Visual Arts, Inc.*, 598 U.S. at 546 n.20 (2023) ("At no point in this litigation has [the Warhol Foundation] maintained that any of the Prince Series works, let alone Orange Prince . . . comment on, criticize, or otherwise target Goldsmith's photograph.").

against substantial similarity, or any other available defenses. But *Warhol* doesn't necessarily help us answer that question based on fair use, because the issue on appeal in *Warhol* didn't present a holistic question that directly engaged all four fair use factors.

With that, I look forward to the rest of today's discussion. Thank you for your attention.