From the Bench

Judge Pierre Leval*, Judge M. Margaret McKeown**, & Jane C. Ginsburg***

TRANSCRIPT

Jane Ginsburg: After *Campbell v. Acuff-Rose*,[1] some lower courts latched on to the Court's reference to the "new meaning or message" the defendant's use conferred on the plaintiff's work, taking the phrase out of context to excuse as fair use almost any use that added something new to the copied material or changed its context, thereby setting up the tension between the derivative works right and fair use. But over time, as Judge Leval predicted at a symposium at Fordham Law School in 2019, appellate courts looked somewhat more critically at what is meant by a transformative use.[2] And it seemed as if the pendulum, if it had swung way out, was coming back.

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** Judge McKeown was appointed to the United States Court of Appeals for the Ninth Circuit in 1998. Before appointment, she was the first female partner at Perkins Coie, where she specialized in intellectual property and complex litigation.

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

2. Judge Pierre N. Leval, Remarks at 9C Copyright Law Session. Fair Use (Apr. 26, 2019), *in* 27TH ANN. INTELL. PROP. L. & POL'Y CONF. 25, Apr. 2019, at 7, https://ir.lawnet.fordham.edu/ipli_conf_27th_2019/25/ [https://perma.cc/VE7T-6AUY] [https://web.archive.org/web/20240702154855/https://ir.lawnet.fordham.edu/ipli_conf_27th_2019/25/] ("[A] number of erroneous district court rulings of the sort that I discussed in *TCA* and *TVEyes*—either not getting correct what should be deemed transformative or attaching too much importance to it—have been largely corrected by reversals in the courts of appeals.").

Under those circumstances, do you think the Court should have taken the *Warhol* case,[3] especially having limited its inquiry to the first factor? What difference do you think the *Warhol* decision will make? So let me start with you, Judge Leval, and then I'll ask Judge McKeown for her views on the same question.

Judge Leval: The majority's decision in *Warhol* is in two parts. The first part essentially consists of a locking of horns with, and rebutting, Justice Kagan's dissenting opinion. It found that Warhol's work was not favored by the first statutory factor because it could not claim a justification for copying by commenting on the copied work, an interest given great importance by the Supreme Court in *Campbell v. Acuff-Rose*.[4]

The second part of the majority decision concludes that Andy Warhol's changes to the Goldsmith portrait were not transformative, and for this reason as well were not favored by *Campbell*'s interpretation of the first factor.[5] Both offered photographic representations of Prince. In addition, there were strange things said in the second part of the opinion. The first part is very faithful to prior Supreme Court authority in *Campbell* and *Google LLC v. Oracle America, Inc.*[6] I think that part will have very great effect on the understanding of the fair use law. As to the second part, it is more difficult to guess its future effects. I believe certain observations—those about transformativeness—will be influential; others about channels of marketing will be less so.

To understand the importance of the first part, I think we have to consider three events—these three cases—in their sequential order.

In *Campbell*, the Court set forth two important requirements for satisfying the first factor for achieving fair use. The first one was transformativeness, and the second one was justification for copying.[7]

It's not entirely clear whether justification is a separate factor or an elaboration of the meaning of transformativeness. But in any case, it's an intellectually separable concept. Using the verb "target," the majority opinion speaks of parody's inherent criticism of the original as its justification for copying. Especially where there is little danger of market substitution, looser forms such as commenting or shedding light on the original can also be considered justified.[8]

The Court went on to say, if the copying work does not relate to the original in that manner, "the claim to fairness in borrowing from another's

3. Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508 (2023).
4. *Id.* at 530–33, 540, 542–43, 547, 550.
5. *Id.* at 540–41.
6. Google LLC v. Oracle America, Inc., 593 U.S. 1 (2021).
7. *Campbell*, 510 U.S. at 578–79, 586.
8. *Id.* at 580 & n.14.

work diminishes accordingly (if it does not vanish)."[9] This requirement at the time went practically unnoticed.

I think the reason that it went unnoticed was that as this was a parody case, it was couched in terms of the difference between parody and satire. And so readers thought, well, that's about parody and satire. Most cases are not about parody and satire, so it usually is not a concern.

Actually, as eventually shown in *Warhol*, it was not just about parody and satire. It was about justification for the copying, a major issue. But it went unnoticed for a while. And, as Jane said, there developed a tendency among some courts, mostly district courts, to demand nothing more than transformativeness—i.e., changes. Some courts found that making changes was sufficient to establish transformativeness and thus win the first factor. But the *Warhol* decision would put an end to that misconception.

Event number two was *Google v. Oracle*. *Campbell*, as I just said, had talked about the importance of justification. And that justification would normally consist of some kind of commentary or shedding of light on the original.

Google, however, found fair use in a use in which the copying work made no commentary whatsoever on the original and shed no light on it. It merely took the original software for purposes of functional efficacy.[10] That was software. Software by its nature doesn't comment. Software doesn't talk about things. It's a tool—a process—and therefore traditionally ineligible under 17 U.S.C. § 102(b) for copyright protection, until Congress added software to the definition of literary works.[11]

A very important part of Justice Breyer's opinion in *Google* was the insistence that software is different. He said it again and again and again. He quoted the work of the great First Circuit Judge Michael Boudin, who wrote in *Lotus Dev. Corp. v. Borland Int'l, Inc.* that "applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit."[12] The different nature of software was so significant that Justice Breyer's opinion took the almost unheard-of step of giving great importance to factor two. Nobody has ever given great importance to factor two until this case. *Google*, however, ruled that, when you are dealing with software, that gives great significance to factor two, the nature of the copyrighted work.[13] The Court found that factor two favored fair use because not only was the nature of the copyrighted work software—which, as a process, would normally be ineligible for copyright protection—but furthermore, the

9. *Id.* at 580.
10. *Google*, 141 S.Ct. at 1202–04.
11. 17 U.S.C. § 101; H.R. REP. No. 94-1476, at 57 (1976).
12. *Google*, 141 S.Ct. at 1198 (quoting Lotus Dev. Corp. v. Borland Int'l, 49 F.3d 807, 820 (1st Cir. 1995) (Boudin, J., concurring), *aff'd*, 516 U.S. 233 (1996)).
13. *Id.* at 1201–02.

particular software infringed, because it was inextricably bound up with unprotectable ideas for making it functionally appealing to programmers, was "further than are most computer programs . . . from the core of copyright," which "diminishes the fear . . . that application of 'fair use' here would seriously undermine the general copyright protection that Congress provided for computer programs."[14] Coming to the end of the opinion, Justice Breyer summed it up saying, "The fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world . . . . In doing so here, we have not changed the nature of those concepts. We do not overturn or modify our earlier cases involving fair use."[15]

So the message of *Google* was, this taking of *software* was a fair use. But software is different. The normal rules of copyright don't apply and cannot apply to it.

Event number three was the *Warhol* case. It is best understood by focusing on the majority's rejection of the dissent. The dissent relied heavily on its interpretation of *Campbell* and *Google*. Justice Kagan acknowledged that Warhol did not comment or shed light on the Goldsmith original photograph.[16] But that didn't matter in Justice Kagan's view because of what she deemed Warhol's very muscular changes to the original Goldsmith photograph.[17]

As for *Campbell*'s insistence on a justification in the nature of shedding light on the original, Justice Kagan barely mentions it. She makes a very casual reference to the so-called targeting requirement, only to say that *Campbell* acknowledged that there could be exceptions.[18] The *Campbell* opinion indeed did not present targeting as an absolute requirement, but something to which there could be exceptions. That is all Justice Kagan had to say about a factor given so much importance in *Campbell*.

The dissent invoked the *Google* case, where fair use was found without targeting. The dissent interpreted the *Google* case as meaning that the Court had essentially written out of the law *Campbell*'s insistence on the importance of targeting, commenting on, criticizing, or shedding light on the original work.[19]

The *Warhol* majority unequivocally rejected the dissent's interpretations of those two cases. The majority goes to great lengths repeating and quoting verbatim at length the language from *Campbell* that talked about

14. *Id.* at 1202.
15. *Id.* at 1208.
16. Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508, 575–76 (2023) (Kagan, J., dissenting).
17. *Id.* at 565–67.
18. *Id.* at 580–81.
19. *Id.* at 581.

how when there is no reflection on the original, the justification for the copying is diminished, if it does not altogether vanish.[20]

When it came to the question whether *Google*, as Justice Kagan suggested, essentially did away with *Campbell*'s targeting requirement, Justice Sotomayor emphasized the *Google* Court's insistence that software was different.[21] She concluded that we cannot treat the *Google* case as having read the importance of targeting out of the *Campbell* case.[22]

The arrival of the *Warhol* case in the Supreme Court's docket provoked a great deal of debate in the copyright world over works of art that take an existing work of art and use it to make a different work that does not comment on the original, but rather uses the original work as raw material to create a new work—what is sometimes called appropriation.

The *Warhol* opinion seems to settle the proposition that that the mere making of changes is likely insufficient to favor fair use. Such appropriation is a negative with respect to assessing the first factor and very likely will be determinative as to whether the thing is found to be a fair use.

Rejecting the dissent's reading of *Google*, furthermore, the *Warhol* majority doubled down on *Campbell*'s insistence on the importance of justification for the copying.[23]

Jane Ginsburg: Judge McKeown, do you want to elaborate further?

Judge McKeown: My thanks to Columbia Law School for inviting me to this timely symposium. I agree with Judge Leval that the starting point for the analysis is *Campbell*. And one of the mysteries is that since we had *Campbell*, which was clear, why do we even need *Warhol*? Well, there's a reason.

You remember of course that *Campbell* was a parody case. And there were some who thought *Campbell* was limited to parody, which it clearly was not. If you look at all the cases since *Campbell*, less than twenty percent actually involve parody.[24]

So the result was that the district courts and the circuit courts were basically off and running on "what does *Campbell* mean?" And the opinions focused more specifically on "what does *transformative* mean?" I hope we now have a little more nuance and texture on that question because we've been debating that issue for a number of years now.

20. *See id.* at 530–31, 546–47 (majority opinion).
21. *See id.* at 533 n.8.
22. *Id.* at 532–33; *see id.* at 547 n.21.
23. *Id.* at 530–33, 540, 542–43, 547, 550.
24. *U.S. Copyright Office Fair Use Index*, U.S. COPYRIGHT OFFICE, https://www.copyright.gov/fair-use/index.html [https://perma.cc/Q54Y-ZCNW] [https://web.archive.org/web/20240410034058/https://www.copyright.gov/fair-use/index.html] (last visited Apr. 9, 2024).

As it evolved, any new meaning or any additional aesthetics all of a sudden were transformed into transformative. That, of course, couldn't be right. I like to think that the Ninth Circuit and the Second Circuit brought some guardrails to all of this. In the Ninth Circuit, our courts have about one third of the U.S. copyright docket; the Second Circuit too has a significant copyright docket.[25]

So Jane's question is, should the Court have taken the *Warhol* case because its analysis was limited to the first factor? My answer is, absolutely. I'm delighted that the Court took the case. We've seen a lot of academic articles belittling fair use, saying it's billowing goo and suggesting that there are no guardrails, which isn't really true.

The truth is that courts have been all over the map on fair use. Go back and read the many decisions, and then ask yourself, "Can I divine a principle from these decisions?" Not necessarily, and it might depend on what circuit you're in.

The Seventh Circuit criticized *Cariou v. Prince*, [26] a Second Circuit case holding that some of Prince's uses of Cariou's photographs were transformative.[27] There is little doubt that courts have struggled with how to analyze fair use. As we know, the hard work is done in the district court because that's where the facts are on the table, and that's where the cases are first presented.

I went back to look at the district court opinion in *Warhol.* The court found that Warhol's art was of a very different character because it brought new aesthetics, and Warhol gave the photo new expression.[28] So I would say that decision was exhibit one for why it was important for the Court to take the case. The Court wanted to bring us back to first principles, to the justification, and the targeting that we first saw in *Campbell*.

As we look at cases over the years, most often, the first factor focused on transformativeness. And if the court found that something was transformative, it seemed like the other factors just fell off the table. On the other hand, if a court found that the work was not transformative, then the fair use analysis would be eclipsed. And that's not the right approach either.

25. A Lex Machina search of federal court of appeals cases originating from copyright-related district court cases, from January 1, 2019, to April 10, 2024, shows that the 9th Circuit has thirty-three percent of the copyright docket, and the 2nd Circuit has fourteen percent. *Lex Machina*, LEXISNEXIS, https://law.lexmachina.com/shared/eyJzaGFyZWRfcGFnZV9pZCI6OTc0MTB9.ZgcqZA.Jps09jGE2QtnMF5auZbdhW8DkcY [https://perma.cc/M7W3-UDBE] (last visited Apr. 9, 2024).

26. Cariou v. Prince, 714 F.3d 694 (2d Cir. 2013).

27. Kienitz v. Sconnie Nation LLC, 766 F.3d 756, 758 (7th Cir. 2014).

28. Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 382 F.Supp.3d 312, 326 (S.D.N.Y. 2019).

So that dichotomy in analysis was one of the difficulties and challenges in reviewing fair use cases. I think that the good thing about *Warhol* is it gives us both context and language to invoke under the first factor. We now have a purpose-driven inquiry that channels the discussion in a different way than we've had historically, but in a way that I think is quite clear.

You might understandably say, "I thought *Campbell* did that." And *Campbell* did. But apparently, and despite unambiguous language, the opinion didn't do it strongly or convincingly enough because here we are facing the issue nearly thirty years later. We needed *Warhol*. The bottom line is that the transformation language has really muddied the waters, and we now have clear language from the Court.

As Judge Leval alluded to, if a commentary doesn't have any critical bearing on the substance or style, then the transformative genre of fair use diminishes.

One of the areas where I think the Supreme Court has been most helpful is its language saying that new expression may be relevant to whether copying or use has a sufficiently distinct purpose or character. But without more, it's not dispositive. Whereas in some of the earlier cases this new expression was deemed dispositive. We now have some new guidelines, or at least more explicit guidelines, for the lower courts to use.

Let me comment also, as Judge Leval did, on *Google v. Oracle*. I kind of view *Google v. Oracle* as the *Bush v. Gore*[29] of the copyright world.

Why? Remember in *Bush v. Gore*, the Court said, "Our consideration is limited to the present circumstances, for the problem of equal protection in election processes generally presents many complexities."[30] Well, that's certainly true of fair use and copyright. There are many complexities.

But the focus in *Google v. Oracle* was on the Java programming language and the use of the APIs, the Application Program Interfaces.[31] So even though there is not such an unequivocal statement like we had in *Bush v. Gore*, to me the Court essentially made the same statement in different language. The Court talked about rapidly changing technological, economic, and business-related circumstances.[32] The Court even commented in *Google v. Oracle* on the fourth factor and public benefits, posing some questions, which it left unanswered, but said they could be of interest down the road.[33]

I don't think that there is a lot to be mined from *Google v. Oracle*, other than how Justice Breyer's majority opinion laid it out, that in addressing

29. Bush v. Gore, 531 U.S. 98 (2000).
30. *Bush*, 531 U.S. at 109.
31. Google LLC v. Oracle America, Inc., 593 U.S. 1, 9 (2021).
32. *Id.* at 1197.
33. *Id.* at 1206.

software, the Court was talking about something very different.[34] It was talking about software. And obviously, software is not the same as some of the other literary and other types of work that are often presented under copyright.

I also thought that it was interesting with respect to the dissent in *Google v. Oracle*. Justice Thomas wrote that computer code occupies a unique space in intellectual property. He agreed with the majority on that point, at least, because the majority had said, when you're looking at computer code, you're almost always looking at something that's functional.[35]

There didn't need to be much of a debate in *Warhol* between the majority and the dissent on the subject of *Google v. Oracle*, but there was. The majority pretty well closes the book on that question. In short, to answer your question, for those of us who have to figure out what fair use is once the question has gone through the trial court, I think that it's a good thing that the Court took the *Warhol* case. We haven't had a case quite like that in many years and now we will see where it takes us.

Also, *Warhol* gave the Court an opportunity to lay to rest some of the misconceptions that we've seen floating around about transformativeness. As one of the speakers said earlier, *works* aren't transformative. It is the *uses* that are transformative. Now we have a slightly altered lexicon and language that we can use. And, if we didn't have the *Warhol* opinion, we wouldn't have this seminar, so.

Judge Leval: I think that *Google* may have a little bit longer tail. *Google* provides a precedent for instances where there can be a transformative use, a use that would satisfy factor one—without commenting, or shedding light, on the original.

I am thinking about AI. It will present a huge range of questions. I had a case involving one. This was the secondary application in the *Google Books* case, *Authors Guild v. Google, Inc.*, when Google copied these millions and millions of books into a database.[36] The first application did conform to the targeting requirement because its function was to enable a user of Google Books to learn facts about multitudes of originals that would help the user to determine which of those books might respond to the user's interests.[37]

The user could not read a book, but could learn facts about it, such as snippets of text and how often it uses certain words, to help the user decide whether that is a book that she wants to read.[38]

34. Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508, 533 n.8 (2023).

35. *Google*, 141 S.Ct. at 1212 (Thomas, J., dissenting).

36. Authors Guild v. Google, Inc., 804 F.3d 202, 207 (2d Cir. 2015).

37. *Id.* at 216–17, 224.

38. *Id.*

The secondary use was called the n-gram use. Millions of books were ingested into the computer database for the purpose of producing a graph that showed changes in word usage over the last hundred years, decade by decade.[39] An example is when the United States was referred to in the plural, "the United States are," and when the usage changed to "the United States is."[40] The usage of any one copied book did not in any way comment on the particular book. Each copied book furnished an infinitesimal part of the data employed to furnish information about historical language development.

As we advance into the era of AI, what questions will we see. What happens in AI is that the computers ingest gargantuan amounts of data, much of which is under copyright, for the purpose of producing all kinds of information that might have nothing to do with any particular work that was copied. I think that is going to expose uses, such as the n-gram, which, like Google's taking Oracle's software, will favor a finding of fair use without targeting. In that respect, I think *Google v. Oracle* will have a further tail, specifying circumstances in which the absence of targeting will not stand in the way of finding fair use.

Jane Ginsburg: Obviously, that's an extraordinarily contentious topic.

As for the cabining of *Google v. Oracle*, Justice Thomas also suggested that the Court had produced an opinion for declaring code only, so not even just for software.[41] Although, he, of course, was in dissent. The Court did emphasize many times that the subject matter was "far from the core of copyright."

With AI, AI ingests works that are squarely in the core of copyright. What it does with them is a separate question. But as to the subject matter at issue, I think that there is a significant difference between *Google v. Oracle* and the passel of pending AI cases.

It remains to be seen how much of a long tail *Google v. Oracle* has, whether it can, in fact, be confined to subject matter far from the core of copyright—functional, interoperable software. But let me ask Judge McKeown, Judge Leval suggested that the raw material defense may not carry the day in the way that it has in the past if it's not accompanied by some kind of justification other than, "I'm an artist, and I'm using other people's stuff." So what do you think the *Warhol* case tells us about the raw material defense?

Judge McKeown: We know that there are a number of cases that have upheld a defendant's use of raw materials as fair use, even if there's no critical comment or reference to the original. As I read the majority in *Warhol*,

39. *Id.* at 208–09.
40. *Id.*
41. Google LLC v. Oracle America, Inc., 593 U.S. 1, 48–49 (2021) (Thomas, J., dissenting).

it didn't reference the raw material issue directly, so that's what prompts the question.

But I don't see how the majority would make raw material irrelevant in and of itself. You'd need to look again at the purpose and character. So obviously, the argument that just because someone used raw material makes it fair use—that can't fly. And in a way, the raw material is like a Mobius strip. You just keep folding yourself back on yourself as you talk about raw material.

We need to be cautious about the old admonition that courts are not art critics. I know we will talk about that when we're talking about raw materials. There are a couple of significant cases. I think of one earlier case in the Ninth Circuit citing *Campbell*—*Seltzer v. Green Day*.[42] It was a concert video that used a photo of some street art in the video. Sometimes, it was called a Scream Icon.[43]

When they produced the concert video, there was commentary of the concert video. The idea had to do with religion and Christianity and a defaced Jesus, which really had nothing to do with the photo taken off the street art. The court cited *Campbell* and said that the video was for a different purpose and was transformative.[44]

But the important point is the analysis did not end on the first factor. The court then marched through the other factors to see how the photos fit within the overall video. What was the commerciality and what was the impact in terms of market substitution?[45]

Now, with the benefit of *Warhol*, I think the language might have been slightly differently nuanced. But it's not clear that the outcome would have been different. It seems that raw materials are just one aspect of a challenged work. And one thing to remember is that we get stuck within the *Warhol* decision because it's only factor one. And we should not forget that we have the other factors that are to be considered.

Very few courts are going to hang their hat on just factor one—first, because they don't want to get reversed and second, because there is more to fair use than just factor one. So, it certainly could be that factor one could weigh against fair use, for example, but it may be an insubstantial use or the market isn't impacted, or there are other factors to be considered.

While *Warhol* telescopes this whole conference into factor one, I don't want to forget the other three factors.

Jane Ginsburg: That's exactly the question I was going to ask Judge Leval: How do you think lower courts are going to sort out the remaining factors,

42. Seltzer v. Green Day, Inc., 725 F.3d 1170 (9th Cir. 2013).
43. *Id.* at 1174.
44. *Id.* at 1176.
45. *Id.* at 1178–79.

especially given the criticism voiced by Justice Kagan that the majority collapsed the first and the fourth factors?[46] Justice Gorsuch says, no, the first factor inquires, "What is the purpose?" And the fourth factor inquires, "What is the effect?" And that's how you can keep them straight.[47] In practice, how workable will it be to keep them straight?

Judge Leval: Well, they necessarily have some overlap there. How the secondary user has used the copied work and what effect it had on the market are two different questions, but they both can involve the likelihood of superseding, the likelihood that the copying work is perceived as one that is intended to offer itself as a substitute for the first. That is a proper consideration under the first factor, and it will also be considered as to the fourth factor.

If the events have not occurred yet, it will be assessed in the fourth factor as what is likely to happen to the value of the copyright if this proceeds further. If it has happened already, there will be an assessment of what effect it has had on the value of the original user's copyright. I agree with that part of Justice Gorsuch's opinion.

The *Warhol* decision did not suggest that the other factors, other than the first, are irrelevant. It concluded, if I recall, by saying essentially that the others were sorted out in the lower courts. The only one that is in question before the Supreme Court is the first factor. So that is the one we are talking about, but we are certainly not saying that the others do not have importance. Indeed, at times, the Supreme Court has called the fourth by far the most important, and certainly it is important. Whether it's the *most* important is angels on the head of a pin.

Jane Ginsburg: Then neither of you think that the Court taking cert only on the first factor will have the effect of continuing the outsized importance that the first factor has received up until now?

Judge McKeown: No, I don't think so. If you go to the end of the *Warhol* opinion, the Court says the four statutory fair use factors may not be treated in isolation one from another.[48] So that does get obscured in the first thirty-eight pages. But I do think, as Judge Leval said, it's important to look at the Gorsuch concurrence which will be useful, just in thinking about statutory interpretation. The concurrence does add something to the opinion. But in my view, significantly, the Court didn't say anything about its precedent that the fourth factor has been deemed the most important. Obviously, there's a relationship between commercialism and factor one and the market effect or other potential market value in factor four.

46. Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508, 559–60 (2023) (Kagan, J., dissenting).

47. *Id.* at 555 (Gorsuch, J., concurring).

48. *Id.* at 550 (majority opinion).

But I predict that you'll continue to see courts go to prior precedent and say, *Warhol* said nothing about factor four. It did not collapse factors one and four, despite the dissent's suggestion to that effect. Courts will continue to focus on factor four, and that's because a claimant can lose, potentially, under factor one, but with all of the other factors, could potentially win in this whole constellation of fair use.

The question of market analysis is a case-by-case determination that is not answered up front by the commercialism aspect of factor one. In the prior panel, it was mentioned that now this commercialism factor has been heightened to a degree. But it is a matter of degree, and it's not like a yes or no. It's not a binary decision of, oh, it's commercial, therefore—. It is a question of degree because there's commercial and there's *commercial*.

Judge Leval: I do think, in answer to your question, that there is some likelihood of misunderstanding in the lower courts. I think it happens all the time that the Supreme Court talks about the issue that is before it. And then the world gives outsized importance to the particular thing the Supreme Court was describing.

Litigants will try to use it to their advantage to give more importance to it if it favors them. And sometimes that bamboozles courts, but it usually straightens itself out in the end. I think it is sufficiently clear, as Margaret was saying, that the other factors were not being pushed out the door. They simply were not the ones that were involved in the Supreme Court's consideration. So I trust, over time, judges will understand that.

Judge McKeown: I think the reason those factors weren't involved is they weren't challenged. They weren't before the Court. These other three factors were not central to the decision. I agree that it's not often we get a big copyright decision. So the decision has something for everyone.

There will be a lot of lawyers trying to read things into the decision. I remember being a lawyer and trying to shake and squeeze language out of Supreme Court and circuit court decisions to try to see what they meant. And undoubtedly we'll see a lot of that. But you have to have some faith that both the trial courts and the circuit courts will try to see the *Warhol* opinion for what it is. It's not the be-all and end-all of copyright law, but it sure does go a long way in giving us clearer language in which to benchmark the decisions.

Jane Ginsburg: After *Warhol*, as was already said a couple of times this morning, it seems that there are three elements to assessing the first factor. One is the purpose of the defendant's or, let us say, the second author's, use relative to the first author's actual or potential exploitation of the work. The second, which we've been discussing, is the commerciality of the second author's exploitation. And the third is the justification, including whether the defendant's work shines light on or is, in at least some sense, about the copied material.

Although Judge Leval started an answer to this question, I'll return to it: Must the second author always have a justification, even in the absence of competing uses? Or is it enough to say, "we're operating in completely separate markets, so that's all that matters"?

Judge Leval: To start, I'm not quite sure, Jane, whether you are intending to eliminate transformativeness from the surviving factors after the *Warhol* opinion. You named three: the purpose of the defendant's exploitation relative to the plaintiff's actual or potential exploitation of the work, commerciality, and the defendant's justification for copying. You didn't say anything about transformativeness.

I certainly don't think that it was the intention of the *Warhol* majority to exclude transformativeness, to which *Campbell* gave such importance, from the factors that will survive to be considered in connection with fair use, especially as the *Warhol* majority observed, in disagreement with Justice Kagan, that the changes imparted by Andy Warhol to the original Goldsmith photograph did not make the copying work transformative.[49]

Jane Ginsburg: I should have clarified that those elements, at least the first and the third, are the elements that the Court looked at in determining whether or not the use was transformative.

Judge Leval: This was discussed in what I described as the second part of the *Warhol* decision. The majority opinion certainly gave a lot of attention to whether there was what we normally think of as a transformative use.

Justice Kagan made much of the changes that Warhol made. And she talked about the shifting of the angle of the head and the printing in high contrast so that all the modulated shading disappears, leaving only black and white, so that the head was like a floating balloon and then cutting off the neck and shoulders, and how all that had the effect of transforming the image from a portrait of a human being, with the human being's frailties and insecurities, to a portrait of a deified image of a celebrity, a creation of the publicity machine.[50]

For Justice Kagan that was transformative. But the majority opinion, while acknowledging those changes, finds that they are not really that big a deal in terms of transformativeness.

For the majority, what you have is two largely photographic portraits of Prince, the famous singer, and they compete in the same marketplace. Those changes did not satisfy *Campbell*'s demand for transformativeness under the first factor.[51]

The second part of the *Warhol* opinion also makes much of the fact that the Warhol Foundation marketed Warhol's work to magazines, essentially

49. *Id.* at 541.
50. *Id.* at 564–66 (Kagan, J., dissenting).
51. *Id.* at 550–51 (majority opinion).

the same potential market for which Lynn Goldsmith's work was intended.[52] Making that largely determinative of the Supreme Court's decision turned attention away from whether Andy Warhol had made a fair use. I thought that was very odd. I'm not quite sure what the reasons for it were.

A possible explanation may have been not wanting to tangle with issues that Pam Samuelson was describing this morning, wishing to avoid any implications under Section 103(a),[53] that Warhol used the Goldsmith work unlawfully, potentially undermining the Warhol copyright in this and other Warhol works.

Nonetheless, the case came to being because the Foundation sued for a declaratory judgment that the work made by Warhol, which the Foundation later licensed to a magazine, was a fair use.[54] If it was a fair use when made, then it was not an infringement.

The Supreme Court, as I see it, could not easily get into the question whether the first factor favored fair use without at least raising implications as to what the answer would be if Andy Warhol himself had remained alive and had licensed *Orange Prince* to Condé Nast. Justice Kagan's dissent argued that Warhol had transformed the Goldsmith original and was a fair use. The majority emphatically disagreed.

There is, however, another factor that potentially limits the implications of this decision. When Andy Warhol made *Orange Prince*, he made it under a license. To be sure, the license authorized only one use, which occurred when in 1984 *Vanity Fair* published *Purple Prince*, a different Warhol reworking of the Goldsmith photograph.[55] Nonetheless the license might reasonably be understood to have allowed Andy Warhol to try out different uses before the selection of the one that would be published. If so, the creation of *Orange Prince* as a copy was protected by authorization, regardless of whether it was transformative and regardless of whether it was a fair use.

Judge McKeown: I'll just add that that's why you see all these disclaimers. We can't have a "famous artist" exception that's talked about.[56] I would say with respect to the licensing issue, to me there's a bit of a morality play going on here. And in reading between the lines, the Court was indirectly saying: You got a license once. You could have gotten another license, but you didn't ask.

That is the kind of morality issue that often underlies these copyright cases. The Court doesn't come right out and phrase the issue in this way,

52. *Id.* at 535–38, 535 n.11.
53. 17 U.S.C. § 103(a).
54. *Warhol*, 598 U.S. at 522.
55. *Id.* at 517–18.
56. *Id.* at 550.

but I certainly see it implied in the discussion. And, of course, we have to read between the lines when we're figuring out what the first license was for.

As Pam said, are we really looking at all of these prints, and yet we're not talking about them? And was the Supreme Court talking about X print, and the case was about Y prints? I guess we'll never know. We only know what the decision is directed to, which is basically the single license—the *Orange Prince*.

Jane Ginsburg: Just picking up on *AWF* as a morality play, and in relation to Eva Subotnik's photographers, the Supreme Court in five different places in the *Warhol* opinion alluded to Lynn Goldsmith's getting or not getting credit.[57] The Court didn't then draw out further implications from that. One might, however, infer that it's not so fair if Lynn Goldsmith, having received credit the first time, didn't get credit the second time. Credit seems to be extremely important, both as Professor Subotnik and as Professor Mtima indicated. That's often what creators really care about.

Do you think that credit should be taken into account? I know this was not one of the questions we pre-discussed. But since we opened it up, do you think that credit should be taken into account in a fair use evaluation, not simply mentioned, but actually figuring in the analysis?

Judge McKeown: It seems to me to be a real double-edged sword. You say that the artist gave credit and then ripped off the work. I don't know, as Professor Mtima said, if that really gives the artist a lot of solace. Or you could say, well, they never gave credit and then did what they did. So that's also bad. I'm not sure that credit, other than as a factual backdrop, really fits into the criteria that the Supreme Court has laid out. But I don't want to preclude the credit issue, or preclude any argument, because there may be some good bases for that approach. But I do see that credit issue as a double-edged sword.

Judge Leval: I also see it as a red herring because it is not really what the copyright law is about. Judges tend to write opinions in which they put emphasis on facts that make their decision look good, even when those facts are irrelevant. You see this all the time in horrible murder cases, where the facts of the case really have nothing to do with the issue of law, which might be whether the underlying facts involved interstate commerce.

And when the appellate court expresses the conclusion that the trial court erred in finding no interstate commerce and thus overturning the jury's conviction, it will often write an opinion speaking at length about how bloody and gory and horrible the murder was, when that is totally irrelevant.

I think there is a little bit of that here with the credit. An infringement doesn't become less of an infringement because credit is given, nor is it more

57. *Id.* at 515, 517–18, 520–21.

of an infringement because credit is not given. I do not think it really matters, but it can tend to affect persuasiveness.

Jane Ginsburg: I'm not sure we'd all agree that credit is merely a matter of atmospherics. But moving on to the questions we agreed to talk about, this one is for Judge Leval. The defense analysis is arguably at odds with Justice Holmes's warning that judges should not make decisions of law based on the judges' assessments of artistic quality. If Justice Kagan's opinion had been the majority opinion, how would this affect the future development of the law for cases of similar appropriation?

Judge Leval: Yes, I think that was quite an important issue in *Warhol*. Justice Kagan was extraordinarily contemptuous of the majority. She demonstrated enormous sophistication in understanding matters of art and literature, talking about the origins of the Romeo and Juliet story and tracing lines of painters using the same theme from Giorgione to Titian to Manet.[58] She expressed contempt for the majority for not being alert to the transformative genius of Warhol, and what is worse, seeming to have no interest in it.[59]

Justice Kagan also was dismissive, I thought very unfairly so, of Goldsmith. She found it "mysterious" "why anyone would be interested in" Goldsmith's portrait of Prince.[60] It would be easy to understand the Kagan opinion as based in part on her personal assessment that Warhol was a great and ingenious artist while Goldsmith was an earthbound and pedestrian recorder of the visible. Justice Holmes admonished: You are judges. You are not art critics. Do not base your judgments on whether you think something has artistic merit.[61]

I think that if Kagan's position had been the majority position—so that it was now the law—its message would be either that any artist can take any other artist's work as long as the taking artist makes changes, or that freedom to take with changes will depend on whether the court deems the taking artist to be an artist of merit. Holmes cautioned against the latter view, and I believe he was right. We judges are not equipped to assess artistic merit.

Jane Ginsburg: Judge McKeown.

Judge McKeown: I'll just add that over the years, many opinions and many judges have invoked Holmes's admonition—and then gone on to be art critics. And that may be because some of the language used in the past decisions was focused on "is it a new expression?" But we now have some

58. *Id.* at 583, 587–88 (Kagan, J., dissenting).

59. *Id.* at 558.

60. *Id.* at 575.

61. *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.").

limitations on that approach, so it remains to be seen whether judges will talk about the art critic world as a way of background, but not necessarily by way of judgment and whether *Warhol* will cabin judges and how they talk about artistic expression. So come back in ten years, and we will see what the impact of *Warhol* has been.

Jane Ginsburg: In shifting the analysis from whether the defendant's *work* was transformative to whether its *use* was transformative, I believe the *Warhol* majority may make those explorations of artistic merit less likely because the defendant's *work* may well be highly transformative in the artistic sense (as many claimed Warhol's treatment of Goldsmith's photograph was), but that does not matter if the defendant's *use* of its work substitutes for the licensing of the plaintiff's work (as Warhol's treatment did, the second time around). By contrast, the Second Circuit, in determining whether or not the use was transformative, did get a little bit into art criticism when it distinguished between having as the subject of the defendant's work a single work, and creating a new work based on multiple works. The greater the number of source works, the more likely the defendant's work is to be transformative of any of them. This approach recalls a very bad joke in copyright law that copying from one source is infringement, and copying from multiple sources is research. The advantage of the Supreme Court's approach, comparing the *uses* rather than getting into the artistic dependency of the defendant's work on the plaintiff's work, is that its inquiry into the similarities of the works' exploitations dispenses courts from considering the artistic merit or lack of it of the defendant's work.

Having said that, we'll see in ten years the extent to which courts actually maintain the difference between the transformativeness of the use and the transformativeness of the work.

Judge McKeown: Some of the language traded back and forth between the majority and dissent highlighted the sharp divide in the decisions. The majority said that the dissent's account of fair use is unbalanced in theory and perhaps relatedly in tone. And then, of course, the dissent comes back and says, well, the majority plants itself in the "I could paint that" school of criticism, which brought to my mind a scenario when I was practicing law. We had an art historian partner who had purchased some very interesting contemporary art. As the partners were looking at the price tag of some of this art, there was a lot of, "I could have done that," or, "My kid could have done that." But I thought it was interesting and somewhat illuminating, in *Warhol* that there was fairly pointed and critical language flowing between the majority and the dissent on many of the points that Jane has asked us about. The sharp tone highlighted the significance of this case going forward.