

Copyright Compliance Tips Ahead Of Justices' Warhol Ruling

By **Ivy Estoesta and William Milliken** (October 20, 2022, 4:41 PM EDT)

The U.S. Supreme Court recently heard oral argument in the *Andy Warhol Foundation for the Visual Arts Inc. v. Goldsmith*, which concerns the scope of the fair use defense to copyright infringement.

This article provides a brief analysis of the Oct. 12 argument and practical tips for creators — particularly those wanting to create new works based on preexisting works — and copyright attorneys as they await the Supreme Court's decision.

By statute, determining whether a given use is fair requires consideration of four factors:

- First, the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- Second, the nature of the copyrighted work;
- Third, amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- Fourth, the effect of the use upon the potential market for or value of the copyrighted work.

In general:

- Factor one weighs in favor of fair use when use of the copyrighted work is transformative in nature or for a nonprofit educational purpose;
- Factor two weighs in favor of fair use when the copyrighted work is fact-based or published;
- Factor three weighs in favor of fair use when the amount and substance of the portion of the copyrighted work that is used is trivial relative to the copyrighted work as a whole; and
- Factor four weighs in favor of fair use when there is no negative effect on the potential market for or value of the copyrighted work.



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No one factor is conclusive.

The specific question presented in *AWF* involves the appropriate legal test for determining whether factor one weighs in favor of finding a given use fair. The work at issue is Andy Warhol's "Orange Prince," a silkscreen painting of a photograph of Prince taken by Lynn Goldsmith — the images can be seen in the attached opinion from the U.S. Court of Appeals for the Second Circuit

In their briefing, the Warhol Foundation and Lynn Goldsmith took polar opposite — and arguably extreme — positions on this question.

The Warhol Foundation argued that a use is transformative — and presumptively fair — when it can reasonably be perceived to "add something new, with a further purpose or different character, altering the first with new expression meaning, or message."

Goldsmith, for her part, contended that a use is transformative only where copying is necessary to accomplish a distinct creative end — for example, when the new use comments on or parodies the original.

If the questioning at oral argument is any guide, neither one of these positions is likely to garner the votes of a majority of the justices.

Counsel for both sides received significant pushback on the most extreme versions of their test, to the point where each was forced to concede some ground.

Counsel for the Warhol Foundation, for example, appeared to back off its position that a transformative use is presumptively fair, instead conceding that the other factors play an important role in the analysis even if the use in question is transformative.

Counsel for Goldsmith also gave ground, expressing openness to a test that requires the copying to be merely useful — not strictly necessary — to the borrower's creative end.

Instead, it appears that the Supreme Court is more inclined to adopt a middle-ground approach — something like the test advocated by the United States, which appeared in the case as *amicus curiae*.

Under the government's test, a use is transformative if it is "necessary or at least useful to make the second author's own expression clearer or more effective."

The government also emphasizes that transformative use is but one part of a four-factor inquiry, meaning that a finding of transformative use (or not) does not necessarily resolve the fair-use question.

Of course, even if the court does land in the middle — where it appeared to be leaning at argument — it remains to be seen whether the court will adopt the government's position wholesale or instead fashion a middle-ground position of its own.

In the meantime, what are creators — and the copyright attorneys who advise them — to do? Because fair use often is not a clear-cut defense to copyright infringement, we suggest the following as best practices.

Clear images before using them to determine if they are copyrighted.

Typically, copyrighted works appear with a copyright notice. Even if a copyright notice does not appear with the work, it is best not to assume that the work is not copyrighted material.

One way to determine whether a work is copyrighted is by searching the U.S. Copyright Office's online database of copyright registrations. Works that have known titles, like a novel, movie or television show, are typically easier to search on the database than works that have no known titles, like images.

For images, a way to determine whether a work appearing without a notice is copyrighted is by doing a reverse Google Images search. The search results may reveal the source of the image, which can then be used to determine if the work is available for use.

Because of the unreliability in determining whether a work is subject to copyright, the safest approach is to use works that are no longer under copyright protection or that have been dedicated to the public domain.

These types of works may be used by others without any restrictions. To date, works that published in the U.S. in 1926 or before are no longer subject to copyright and are freely available for all to use. For a list of some notable works that are no longer subject to copyright work, see the Public Domain Day Archives.

A work that was first published after 1926 may also be used without any restrictions if the copyright owner intentionally dedicated to the public domain. Such works typically include a notice, like, "CC0" — also known as Creative Commons Zero — or "This work is dedicated to the public domain."

Obtain a license to use a copyrighted work and carefully review the terms of use.

For a copyrighted work, obtaining a license from the copyright owner — typically the person or entity listed in a copyright notice, or the person or entity listed as the "claimant" in a copyright registration — to use the work can be a helpful first step to avoiding a copyright infringement claim.

However, as AWF itself shows, having a license may not be a defense against a claim of copyright infringement if the terms of use outlined in the license are not followed.

Notably, works that are subject to Creative Commons licenses, which generally grant the public permission to use a copyrighted work, are not necessarily free to use without any restriction.

Only the Creative Commons Zero license has no restrictions on use, while all other Creative Commons licenses require at least that credit be given to the creator of the original work.

Some Creative Commons licenses also restrict uses of a work to noncommercial purposes only — e.g., "CC BY-NC-ND."

Others permit using a work in its original, unmodified form — e.g., "CC BY-ND." Similarly, some websites that promote themselves as having free-to-use images, like MorgueFile, FreedImage and Pixabay, have restrictions on how images on their sites may be used.

Document the genesis of a work.

Independent creation — i.e., not copying another's work — is a complete defense to copyright infringement.

Therefore, maintaining a chronological record of the genesis of a work, including dated drafts, sketches and renderings can be helpful evidence to support the affirmative defense of independent creation.

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