

## NOTES

### Yes, Rasta 2.0: *Cariou v. Prince* and the Fair Use Test of Transformative Use in Appropriation Art Cases

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#### I. OVERVIEW

Patrick Cariou, a professional photographer, was in negotiations with gallery owner Christiane Celle to exhibit images from his *Yes, Rasta* published collection when Celle cancelled plans for the show because, among other things, she did not want to exhibit work that had already “been done” at a previous show.<sup>1</sup> The photographs, of which Cariou is the sole copyright holder, were taken under Cariou’s creative direction during his six-year tour in Jamaica and were later published in 2000 in his *Yes, Rasta* book.<sup>2</sup> Except for the publication and through private sale, Cariou never exhibited or sold any of the photographs, nor had he licensed or given consent for their use.<sup>3</sup> Cariou learned that well-known contemporary appropriation artist, Richard Prince, had appropriated forty-one of Cariou’s original Rastafarian and Jamaican landscape photographs in twenty-eight of Prince’s twenty-nine-piece Canal Zone series exhibit.<sup>4</sup>

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1. *Cariou v. Prince*, 784 F. Supp. 2d 337, 344 (S.D.N.Y. 2011) (noting that Celle cancelled Cariou’s show after hearing of Prince’s Canal Zone “because she did not want to seem to be capitalizing on Prince’s success and notoriety, and because she did not want to exhibit work that had been ‘done already’ at another gallery.” (internal citations omitted).

2. *Id.* at 343.

3. *Id.* at 344.

4. *Id.*

Prince exhibited twenty-two pieces from the Canal Zone exhibit at the Gagosian Gallery during November and December of 2008.<sup>5</sup> Works in Prince's collection varied in the scope of appropriation of Cariou's *Yes, Rasta* images. Pieces such as "Canal Zone (2007)," which consisted of approximately thirty-five torn-up photographs pasted onto a wooden board, were almost exclusively comprised of *Yes, Rasta* images.<sup>6</sup> Other pieces, such as "Canal Zone 2008" were aesthetically manipulated through collage, paint and image size variations.<sup>7</sup> To complement Prince's show, the Gagosian published and sold an exhibition catalog, containing print reproductions of many of the Canal Zone series paintings and *Yes, Rasta* photographs.<sup>8</sup> Proceeds from the Gagosian exhibit yielded eight-figure aggregate sales.<sup>9</sup>

Upon learning of Prince's unauthorized appropriation of his *Yes, Rasta* images, Cariou, filed suit in the United States District Court for the Southern District of New York against Prince; Gagosian Gallery Inc., the gallery that represented and marketed Prince and his work; Lawrence Gagosian, founder and owner of Gagosian Gallery in Manhattan, New York; and Rizzoli International Publications, Inc., the publisher of Prince's exhibit catalog.<sup>10</sup> Cariou argued that Prince's use of his *Yes, Rasta* photographs constituted copyright infringement, and accused the defendants of conspiracy to violate Cariou's rights under the Copyright Act.<sup>11</sup> Prince subsequently filed a cross-motion, requesting the court to issue a declaratory judgment that his use of Cariou's photographs was justified under the doctrine of fair use.<sup>12</sup> Pointing to the cobalt blue guitar pasted into the hands of a now garish portrait of a Jamaican Rastafarian, Prince testified at his deposition that his intended message with this particular work related to the fact that the Rastafarian had become a guitar player: "[H]e's playing the guitar now, it looks like he's playing the guitar, it looks as if he's always played the guitar, that's what my message was."<sup>13</sup>

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5. *Id.*

6. *Id.*

7. *Id.*

8. *Id.*

9. *Id.* at 350-55 ("As a result of these and other marketing efforts, Gagosian Gallery sold eight of the Canal Zone Paintings for a total of \$10,480,000.00, 60% of which went to Prince and 40% of which went to Gagosian Gallery. Seven other Canal Zone Paintings were exchanged for art with an estimated value between \$6,000,000.00 and \$8,000,000.00. Gagosian Gallery sold \$6,784.00 worth of Canal Zone exhibition catalogs." (internal citations omitted)).

10. *Id.* at 342 n.1 (confirming that Rizzoli was dismissed as a party to the litigation).

11. *Id.* at 342.

12. *Id.*

13. *Id.* at 349 (citing transcript of defendant Richard Prince's deposition at 340).

The United States District Court for the Southern District of New York granted summary judgment for Cariou on the copyright infringement claim.<sup>14</sup> Rejecting Prince's fair use defense, the court held that the transformative content of Prince's Canal Zone works, paintings, and collages that incorporated significant portions of Cariou's previously published photographs was "minimal at best."<sup>15</sup> The United States District Court for the Southern District of New York *held* that because Prince's intent in reproducing the photos was to send his own message, Prince's failure to "in some way comment on, relate to the historical context of, or critically refer back to the original works negate[d] his fair use defense." *Cariou v. Prince*, 784 F. Supp. 2d 337, 348 (S.D.N.Y. 2011).

## II. BACKGROUND

In order to show a *prima facie* case of direct copyright infringement, a filing party must prove: (1) ownership of a valid copyright to the allegedly infringed material and (2) that the alleged infringers copied particular elements of the work that are categorically "original."<sup>16</sup> Investigating courts inquire whether the defendant's work evidences copying of the plaintiff's work, and if so, whether such copying amounts to an improper appropriation of the copyrighted work.<sup>17</sup> Appropriation art, the form of visual art at issue in the noted case, "borrows images from popular culture, advertising, the mass media, other artists and elsewhere, and incorporates them into new works of art."<sup>18</sup> Hence, in almost all circumstances, the owner of the source material used in a piece of appropriation art would be able to prove ownership of a valid copyright through registration and notice.<sup>19</sup>

The confines of the "originality" requirement for copyright protection of photography was first examined in *Burrow-Giles Lithographic Co. v. Sarony*, wherein the United States Supreme Court considered whether the U.S. Constitution permitted Congress to extend copyright protection to photographs.<sup>20</sup> Holding that photographs come within the scope of constitutional authority covering "writings," the

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14. *Id.* at 342-43.

15. *Id.* at 350.

16. *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991).

17. CRAIG JOYCE ET AL., *COPYRIGHT LAW* 616 (7th ed. 2006).

18. William M. Landes, *Copyright, Borrowed Images, and Appropriation Art: An Economic Approach*, 9 GEO. MASON L. REV. 1, 1 (2000).

19. 17 U.S.C. § 401(c) (2006) ("The notice shall be affixed to the copies in such manner and location as to give reasonable notice of the claim of copyright.").

20. 111 U.S. 53 (1884).

Supreme Court remarked that “writings” include all forms of recording “by which the ideas in the mind of the author are given visible expression.”<sup>21</sup> The Supreme Court in *Bleistein v. Donaldson Lithographing Co.*<sup>22</sup> modified this proposition and held that originality lies in formulating new mental images of reality and transferring them to fixed form, but not in mere reproductions.<sup>23</sup>

In the landmark decision, *Feist Publications, Inc. v. Rural Telephone Service Co.*,<sup>24</sup> the Supreme Court determined that a work need only display a “minimal degree of creativity,” such that the work is at least slightly distinctive from any preexisting work on which it relies or borrows.<sup>25</sup> Only a modicum of creativity is required; it is enough that the alleged creativity not be “mechanical or routine.”<sup>26</sup> Specifically, the allegedly copyrighted material must “owe its origin” to the author and must not have been copied from another source.<sup>27</sup>

An affirmative defense to copyright infringement is the fair use doctrine. Fair use permits certain unauthorized uses of copyrighted works insofar as such uses further the purposes of copyright law without significantly undercutting the authors incentive to create.<sup>28</sup> However, fair use was not part of the original copyright statute, but instead a judicially created defense to copyright infringement. Fair use was first articulated in Justice Story’s seminal opinion in *Folsom v. Marsh*.<sup>29</sup> Addressing a claim that a biographer of George Washington had improperly copied some of Washington’s copyrighted letters, Story wrote:

In short, we must often, in deciding questions of this sort, look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work.<sup>30</sup>

As the court in *Folsom* suggests, the fair use doctrine serves two unique purposes. First, it ensures that copyright does not unfairly restrict the public’s access to protected works. Second, the fair use balancing test ensures that the appropriated portion of the copyrighted work is not significant enough to injure the copyright holder.

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21. *Id.* at 57-58.

22. 188 U.S. 239 (1903).

23. *See id.* at 251-52.

24. 499 U.S. 340 (1991).

25. *Id.* at 345.

26. *Id.* at 362.

27. *Id.* at 363.

28. *See Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1163 (9th Cir. 2007).

29. 9 F. Cas. 342 (C.C.D. Mass. 1841).

30. *Id.* at 348.

To aid the courts in evaluating disputed uses, Congress codified fair use in section 107 of the Copyright Act of 1976.<sup>31</sup> Congress identified four nonexclusive factors that courts must consider to determine whether a use is fair:

- (1) the 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.<sup>32</sup>

The preamble to the fair use section of the Copyright Act describes a few of the areas where Congress felt the fair use defense might apply. It says that “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.”<sup>33</sup> Unfortunately, nothing in the text or the history of the statute offers any guidelines of how courts should evaluate the four factors of fair use. Therefore, courts are left to “free[ly] adapt the doctrine to particular situations on a case-by-case basis.”<sup>34</sup> Examining how various courts have interpreted and applied the four fair use factors help provide a proper framework to assess the United States District Court for the Southern District of New York’s opinion in *Cariou v. Prince*.<sup>35</sup>

A. *The Purpose and Character of the Use: (i) Transformative Use, (ii) Commerciality, and (iii) Bad Faith*

The first factor of the fair use defense assesses whether the allegedly infringing work “fulfill[s] the objective of copyright law to stimulate creativity for public illumination.”<sup>36</sup> The success of this factor weighing in favor of fair use “turns primarily on whether, and to what extent, the challenged use is *transformative*.”<sup>37</sup> Arguing that the issue of transformation is one of the most significant, if not the sole consideration in a fair use analysis, Judge Pierre Leval<sup>38</sup> held that for a secondary work

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31. 17 U.S.C. § 107 (2006).

32. *Id.*

33. *Id.*

34. Fisher v. Dees, 794 F.2d 432, 435 (9th Cir. 1986) (citing 17 U.S.C. § 107 historical and revision notes (1982)).

35. 784 F. Supp. 2d 337 (S.D.N.Y. 2011).

36. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990).

37. *Id.* (emphasis added).

38. Judge Leval is a United States Appellate Court Judge for the Second Circuit Court of Appeals.

to be sufficiently transformative to create a new original work, “[t]he use must be productive and must employ the quoted matter in a different manner or for a different purpose from the original.”<sup>39</sup> In addition to the statutory language and legislative history of section 107, Judge Leval suggested that transformative secondary works used for criticism, parody, symbolism and aesthetic declaration, and those which “criticiz[e] the quoted work, expos[e] the character of the original author, prov[e] a fact, or summariz[e] an idea argued in the original in order to defend or rebut it,” may also qualify.<sup>40</sup>

In *Campbell v. Acuff-Rose Music, Inc.*, the Supreme Court adopted Judge Leval’s definition of transformation, expounding in particular upon the principles that should guide examination of the first fair use factor.<sup>41</sup> Specifically, the Court identified three supplemental considerations to the “purpose and character of use” test: whether the use was transformative or merely superseded the market for the original; whether the use was commercial in nature; and the propriety of the defendant’s conduct.<sup>42</sup> Embracing Justice Story’s established common law application as to “whether the new work merely ‘supersede[s] the objects’ of the original creation,” the Court in *Campbell* clarified this policy by coupling it with Judge Leval’s suggestion that a fair use inquiry should examine whether, and to what extent, a new work reflects a transformative purpose.<sup>43</sup> The proper inquiry for the reviewing court is whether the use adds something new, “with a further purpose or different character, altering the first with new expression, meaning, or message,”<sup>44</sup> or whether the infringer simply copied the copyrighted material.<sup>45</sup> From this rationale, the transformative element of the “purpose and character” factor becomes the cornerstone of the fair use defense’s “guarantee of

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39. See Leval, *supra* note 36, at 1111 (arguing that the fair use doctrine is intended to promote the type of secondary use which “adds value to the original” and which leads to “the creation of new information, new aesthetics, new insights and understandings” because the promotion of such uses will ensure the enrichment of society based on its free access to new works).

40. *Id.*

41. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994) (citing Leval, *supra* note 36, at 1111).

42. *Id.* at 579-80.

43. *Id.* at 579 (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841); *Harper & Row v. Nation Enters.*, 471 U.S. 539, 562 (1985)).

44. *Id.* at 569.

45. See *id.* at 579 (finding that the transformative nature of the defendants’ use of copyrighted material within a parody constituted a fair use based on the theory that the public should benefit from new works).

breathing space within the confines of copyright.”<sup>46</sup> The more transformative the work, the less significant the other fair use factors become in the court’s analysis.<sup>47</sup>

The United States Court of Appeals for the Second Circuit has supplemented two additional elements in the fair use analysis: (1) the amount of the original sample used, and (2) how much the secondary work added material to the original, so as to minimize the original work’s expressive value.<sup>48</sup> Though both these considerations will resurface in the third fair use factor delineated in section 107 of the copyright act, they too must be evaluated to determine whether the amount of the original work used in the derivative work is reasonable in relation to the justification for copying the original.<sup>49</sup> These factors become particularly important to a court’s determination of transformative use in cases where an artist has taken large portions of the original work and attempted to recontextualize it to create a new work.

Following the precedent of *Campbell*, the Second Circuit in *Castle Rock Entertainment, Inc. v. Carol Publishing Group* denied fair use to an infringer who took pieces of dialogue from the hit television show *Seinfeld* and inserted them into a trivia book.<sup>50</sup> The court found that the infringer merely copied excerpts of the show’s materials, neither supplementing any new significant expression or providing any meaningful criticism or commentary about the show.<sup>51</sup> Further, the court held that transforming or recasting an original work to create a derivative work does not automatically render the secondary work “transformative.”<sup>52</sup> In fact, the derivative work can have a negative effect on the original work’s potential derivative market.<sup>53</sup> Implicit in the court’s rationale is the long-followed policy that when an alleged infringer copies an original work without adding anything of value, the justification for the secondary work’s “borrowing” of the copyrighted

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46. *Id.* (citing *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 478-80 (1984) (Blackmun, J., dissenting)).

47. *Id.*

48. *See* *Bill Graham Archives v. Dorling Kindersley, Ltd.*, 448 F.3d 605, 611 (2d Cir. 2006).

49. *See* *Campbell*, 510 U.S. at 586 (noting that “attention turns to the persuasiveness of a parodist’s justification for the particular copying done, and the enquiry will harken back to the first of the statutory factors, for, as in prior cases, we recognized that the extent of permissible copying varies with the purpose and character of the use”); Leval, *supra* note 36, at 1123.

50. 150 F.3d 133, 142-43 (2d Cir. 1998).

51. *Id.*

52. *Id.* at 145-46.

53. *Id.*

original dissolves.<sup>54</sup> The public has not benefited from any new work and the copyright holder has been deprived of the rewards of copyright.<sup>55</sup>

In *Bill Graham Archives v. Dorling Kindersley, Ltd.*, a factually comparable case to *Castle Rock*, the Second Circuit evaluated the use of reduced images in a commemorative book of the work and history of the Grateful Dead.<sup>56</sup> However, unlike its decision in *Castle Rock*, the Court found fair use, reasoning that the defendants' presentation of the images rose to a creative level above that of the original images.<sup>57</sup> The court deemed the work transformative for three specific reasons: (1) the book's creators significantly reduced the size of the original images, (2) the defendants added material to the work, and (3) the portion of the original work used was inconsequential.<sup>58</sup>

The Second Circuit decisions in *Castle Rock* and *Bill Graham* were recently applied to an appropriation art case. In *Blanch v. Koons*, the Second Circuit found that contemporary artist Jeff Koons' use of copyrighted material in a collage painting was sufficiently transformative.<sup>59</sup> "Niagara," the painting at issue that recreated a photograph of a woman's feet, was taken by plaintiff and professional photographer Andrea Blanch.<sup>60</sup> The photograph was originally used in an advertisement for Gucci sandals, which Koons clipped out of a magazine, scanned into digital format, and incorporated into his work.<sup>61</sup> To Koons, the photograph represented a "particular type of woman frequently presented in advertising."<sup>62</sup> Use of this depiction was necessary "to further Koons' purpose of commenting on 'commercial images . . . in our consumer culture.'"<sup>63</sup> Thus, as Koons explained to the court, his artistic intention to critique consumer culture by having "[his] . . . viewer . . . think about his/her personal experience with these objects, products, and images and at the same time gain new insight into how these affect our lives," justified his incorporation of Blanch's photograph under fair use.<sup>64</sup> The court contrasted Koons' reasoning for using Blanch's photograph with Blanch's goal "to get . . . more of a sexuality to the photographs"<sup>65</sup> and

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54. *Id.*

55. *Id.*

56. 448 F.3d 605, 607 (2d Cir. 2006).

57. *Id.* at 612.

58. *Id.* at 611.

59. 467 F.3d 244, 255-56 (2d Cir. 2006).

60. *Id.* at 248.

61. *Id.*

62. *Id.*

63. *Id.*

64. *Id.* at 258.

65. *Id.* at 248 (citing Blanch Dep. Mar. 8, 2005, at 112-13).



determined that Koons' work was transformative.<sup>66</sup> The court found that the goals of the two works were divergent, that Koons' went beyond mere repackaging of the original work, and that he used "Blanch's image as fodder for his commentary on the social and aesthetic consequences of mass media."<sup>67</sup> In finding that Koons's work was transformative, the court relied largely on Koons's own explanation of the meaning behind his art.<sup>68</sup>

### B. Commerciality and Bad Faith

Commerciality, unlike bad-faith, is weighed against the transformation of a secondary work and any other countervailing interests the secondary work serves, such as the public interest.<sup>69</sup> Therefore, the less transformative a work, the more weight a court places on "the extent of its commerciality" in its determination of whether the first fair use factor warrants fair use.<sup>70</sup> Because a commercial secondary use gives no rise to a presumption against fair use, "the mere fact that a use is educational and not for profit does not insulate it from a finding of infringement, any more than the commercial character of a use bars a finding of fairness."<sup>71</sup>

Bad faith is another integral part of a court's analysis of the purpose and character of use, although, like commerciality, it is not determinative.<sup>72</sup> Consideration of the propriety of a defendant's conduct in a fair use analysis was first introduced in *Harper & Row Publishers, Inc. v. Nation Enterprises*.<sup>73</sup> In that case, the Supreme Court found that the defendant's unauthorized, commercial use of verbatim excerpts from plaintiff's unpublished manuscript precluded a finding of fair use.<sup>74</sup> In its evaluation of the first fair use factor, the Court focused on the defendant's commercial motive and the "propriety of the defendant's conduct."<sup>75</sup> Reasoning that "[f]air use presupposes good faith and fair dealing," the Court determined that because the defendant magazine knowingly exploited a purloined manuscript with the intended purpose of

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66. *Id.* at 259.

67. *Id.* at 253.

68. *Id.*

69. *Id.* at 253-54.

70. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 580 (1994).

71. *Id.* at 584.

72. *NXIVM Corp. v. Ross Inst.*, 364 F.3d 471, 478-79 (2d Cir. 2004).

73. *See Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562, 569 (1985); *see also NXIVM*, 394 F.3d at 478.

74. *Harper*, 471 U.S. at 562, 569.

75. *See id.* at 562-63.

displacing plaintiff's right of first publication, defendant's actions weighed against a finding of fair use.<sup>76</sup>

While the court in *Harper* did not expand on its definition of "bad faith" it was later considered by the Court in *Campbell*. In *Campbell*, the Supreme Court found that the petitioner's commercial parody of respondent's copyrighted song did not constitute copyright infringement.<sup>77</sup> The petitioner had contacted the respondent about licensing the copyrighted song in question, but the respondent declined the petitioner's request.<sup>78</sup> The Court found that the petitioner's use of the song, even without permission, did not weigh against a finding of fair use.<sup>79</sup> The Court held that the bad-faith subfactor, although a necessary consideration, should not be weighted heavily within the analysis of the first fair use factor.<sup>80</sup>

### C. Nature of Copyrighted Work

The second fair use factor considers the "nature of the original copyrighted work, focusing on whether a work is factual or creative in nature."<sup>81</sup> Recognizing that some works are more amenable to the fair use doctrine, this factor focuses on safeguarding incentives for artists to create.<sup>82</sup> Courts consider "the protection of the reasonable expectations of one who engages in the kinds of creation/authorship that the copyright seeks to encourage."<sup>83</sup> For example, in *Bill Graham Archives*, the Second Circuit determined that the nature of the copyrighted work in question weighed against a finding of fair use because "the images [were] creative artworks, which are traditionally the core of intended copyright protection."<sup>84</sup> However, the court ultimately allocated less weight to the

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76. See *id.* (internal quotation marks omitted).

77. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 594 (1994) (considering the defendant's intent in weighing the first fair use factor). But see *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 449 (1984) (holding that a commercial purpose of defendant's work bears a presumption of unfair use).

78. See *Campbell*, 510 U.S. at 572-73.

79. *Id.* at 585 (citing *Fisher v. Dees*, 794 F.2d 432, 437 (9th Cir. 1986)).

80. *Id.*; see also Leval, *supra* note 36, at 1126-28 (arguing against considering a defendant's good or bad faith).

81. *Campbell*, 510 U.S. at 586.

82. See Leval, *supra* note 36, at 1116, 1122 (noting that this factor "concerns the protection of the reasonable expectations of one who engages in the kinds of creation/authorship that the copyright seeks to encourage"); see also *Campbell*, 510 U.S. at 586 (illustrating that the second statutory factor "calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied").

83. Leval, *supra* note 36, at 1122.

84. *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 612 (2d Cir. 2006).

second factor because the secondary work was being used for a transformative purpose.<sup>85</sup> In contrast, the court in *Ringgold v. Black Entertainment Television, Inc.* did not reduce the importance of the second factor in proportion to its transformative use, finding that the infringing creative work was being used for the same decorative purpose as the original.<sup>86</sup>

*D. Amount and Substantiality of Portion Used*

The third factor of the fair use defense, “the amount and substantiality of the portion used in relation to the copyrighted work as a whole,” considers both the amount copied and whether that amount is “reasonable in relation to the purpose of the copying.”<sup>87</sup> The proper analysis of this factor includes a determination of not only the quantity used, but also the quality of the borrowed copyrighted material.<sup>88</sup>

In *Campbell*, the Supreme Court recognized that “the extent of permissible copying varies with the purpose and character of the use.”<sup>89</sup> The Court focused on the purpose of the new work as a parody, and determined that the rap group “2 Live Crew” could use as many lyrics from the original song as necessary to “conjure up” the original work.<sup>90</sup> The Court held that even the “heart” of the original work can be used if it is the very portion necessary to conjure up the original song in the audience’s mind.<sup>91</sup> Consequently, the Court established that the amount of a copyrighted work that an artist could use while still receiving fair use protection depends on the derivative work’s transformation from the original work.<sup>92</sup>

*E. Effect of Use on the Potential Market for or Value of the Copyrighted Work*

The final fair use factor requires a consideration of “the effect of the use upon the potential market for or value of the copyrighted work,” or if “unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the

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85. *Id.*

86. 126 F.3d 70 (2d Cir. 1997).

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

88. See MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.05[A][3] (2011).

89. *Campbell*, 510 U.S. at 586.

90. *Id.* at 588.

91. *Id.*

92. *Id.* at 586, 588 (postulating that reasonable use will depend on “the extent to which the song’s overriding purpose and character is to parody the original”).

potential market for” the plaintiff’s present work.<sup>93</sup> However, the precise meaning of market impact as described in section 107 is unclear, as it provides no bright-line rule or precise guidance in determining when and what forms of market injury weigh against a finding of fair use. At minimum, section 107 suggests that a secondary use is not protected if the accused infringer directly competes with the copyright owner for sales of copies of the work.<sup>94</sup> Market injury under the fair use framework may also consist of injury to the market for derivative works, rather than to only the direct market for copies of the original work. Distinctions between these markets and their respective harms, therefore, have been left to the courts to resolve.

As to the presumption of per se infringement when a secondary use affects the copyrighted work’s direct market, the Supreme Court has provided a supplemental condition: the commerciality found under the first fair use factor. The Supreme Court in *Campbell* asserted that “when a commercial use amounts to mere duplication of the entirety of an original, it clearly, ‘supersede[s] the objects,’ of the original and serves as a market replacement for it, making it likely that cognizable market to harm to the original will occur.”<sup>95</sup> Thus, when the infringing use is commercial, harm to the plaintiff’s market can be presumed and the defendant-infringer will retain the burden of proving that their secondary use was fair. With respect to harm to the plaintiff’s direct market, the Supreme Court further noted that this part of the further factor coincides with the purpose and character of the use, because when the use is sufficiently transformative, albeit commercial, it is less likely to become a market substitute of the original and, instead, will serve a “different market function.”<sup>96</sup> In terms of the impact on the market for derivative uses of copyrighted work, the *Campbell* Court suggested that future courts employ a consideration of whether the secondary use is the type that “creators of original works would in general develop or license others to develop.”<sup>97</sup>

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93. *Id.* at 590 (ellipsis in original).

94. *Harper & Row v. Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566-67 (1985) (“Fair use, when properly applied, is limited to copying by others which does not materially impair the marketability of the work which is copied.”).

95. *Campbell*, 510 U.S. at 590 (citing *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984); *Folsom v. Marsh*, 9 F. Cas. 342, 348 (C.C.D.M. 1841)).

96. *Id.* at 582-83.

97. *Id.* at 592.

## III. COURT'S DECISION

In the noted case, the United States District Court for the Southern District of New York held that the lack of transformation and the substantial market harm to the original copyright holder's original and derivative works precluded a finding of fair use as an affirmative defense to the alleged copyright infringement.<sup>98</sup>

Before evaluating the fair use statutory factors, the court addressed preliminary issues concerning the actual copyrightability of Cariou's *Yes, Rasta* photographs.<sup>99</sup> The court first reaffirmed the undisputed fact that Cariou held a valid copyright in the *Yes, Rasta* photographs, and thus satisfied the first required element to advance a copyright infringement claim.<sup>100</sup> Prince argued that Cariou's photographs were merely compilations of facts and therefore lacked the requisite originality to qualify for copyright protection.<sup>101</sup> In response, the court highlighted the long-settled precedent that photography, by virtue of the creative choices made in its development, meets the requisite originality standards to qualify for copyright protection.<sup>102</sup> Accordingly, the court confirmed that Cariou's photographs were deserving of copyright protection.<sup>103</sup>

Next, the court addressed Prince's claim of fair use.<sup>104</sup> Using the framework outlined in section 107, the court examined each of the four fair use factors in depth.<sup>105</sup> Regarding the purpose and character of the allegedly infringing use, the majority recognized that the focus of the inquiry was whether the secondary use simply superseded the purpose of the original, or whether the use was instead transformative.<sup>106</sup> The court further explained that merely "recast[ing], transform[ing], or adapt[ing] an original work" into a derivative work under section 107 of the Copyright Act would not automatically render the use "transformative."<sup>107</sup> Prince argued that the utilization of copyrighted works in appropriation art is per se fair use regardless of whether the appropriation

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98. *Cariou v. Prince*, 784 F. Supp. 2d 337 (S.D.N.Y. 2011).

99. *Id.* at 345-46.

100. *Id.* at 346.

101. *Id.*

102. *Id.* (citing *Burrow-Giles Lithographic Co. v. Saronoy*, 111 U.S. 53, 60 (1884); *Rogers v. Koons*, 960 F.2d 301, 307 (2d Cir. 1992)).

103. *Id.*

104. *Id.*

105. *See id.* at 346-54.

106. *Id.* at 347 (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994) (internal quotations and citations omitted); *Salinger v. Colting*, 641 F. Supp. 2d 250, 256, *rev'd on other grounds*, 607 F.3d 68 (2d Cir. 2010)).

107. *Id.* at 348 (citing *Castle Rock Entm't v. Carol Publ'g Group, Inc.*, 150 F.3d 133, 143 (2d Cir. 1998)).

comments on the original art.<sup>108</sup> The court rejected Prince's argument concluding that no legal precedent warranted a finding "that such use is fair absent transformative comment on the original."<sup>109</sup> The court noted that, contrary to Prince's claim, the fair use examples in the preamble to section 107 "all have at their core a focus on the original works or their historical context," and all relative case law "imposes a requirement that the new work in some way comment on, relate to the historical context of, or critically refer back to the original works."<sup>110</sup> Accordingly, the court declined to hold appropriation art per se fair use, asserting that Prince's paintings could only be considered transformative to the extent that they commented on Cariou's *Yes, Rasta* photographs.<sup>111</sup>

Reviewing Prince's intent in creating the Canal Zone paintings and his reasoning for selecting particular copyrighted works as the material for his appropriation artwork, the court strictly applied the transformative intent test of *Castle Rock* and *Bill Graham*. The court looked to see whether the secondary user's purpose was "plainly different from the original purpose for which [the original work] was created."<sup>112</sup> Prince testified that his "intent in creating the Canal Zone paintings was to pay homage or tribute to other painters, including Picasso, Cezanne, Warhol, and de Kooning."<sup>113</sup> Prince chose Cariou's photographs and other copyrighted originals as the "material" for his appropriation artwork because it allowed him to "get as much fact into [his] work and reduce[] the amount of speculation."<sup>114</sup> From this testimony, the court concluded that Prince's use of Cariou's photographs was not transformative because his intent "in using Cariou's Rastafarian portraits was the same as Cariou's original purpose in taking them: a desire to communicate to the viewer core truths about Rastafarians and their culture."<sup>115</sup>

In the noted case, the court's transformative use analysis focused on the secondary user's minimal alteration of the original work.<sup>116</sup> The court held that Prince's works were neither commentary nor parody and thus

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108. *Id.* at 348-49.

109. *Id.* at 348.

110. *Id.* (citing *Campbell*, 510 U.S. at 579; *Bourne v. Twentieth Century Fox Film Corp.*, 602 F. Supp. 2d 499 (S.D.N.Y. 2009)); *Blanch v. Koons*, 467 F.3d 244 252-53 (2d Cir. 2006); *Liebowitz v. Paramount Pictures Corp.*, 137 F.3d 109, 114 (2d Cir. 1998); *contra* *Rogers v. Koons*, 960 F.2d 301, 310 (2d Cir. 1992), *cert. denied*, 506 U.S. 934 (1992)).

111. *Id.* at 349 (citing *Castle Rock*, 150 F.3d at 143).

112. *Id.* (citing *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 609 (2d Cir. 2006)).

113. *Id.* (citing Deposition of Defendant at 164-67, 300-01).

114. *Id.* at 348.

115. *Id.*

116. *Id.*

weighed against a finding of fair use.<sup>117</sup> The court reasoned that Canal Zone needed to transform Cariou's purpose behind taking the photographs of the Rastafarians, and not, as Prince did, merely comment on the role of appropriation in the more generalized context of artistic tradition.<sup>118</sup>

Following its finding that the transformative nature of Prince's artwork was minimal at best, the court then examined the commerciality of Prince's work and the propriety of Prince's conduct in appropriating Cariou's *Yes, Rasta* photographs.<sup>119</sup> In its analysis of whether Prince's artwork "serve[d] a commercial purpose or nonprofit educational purpose," the court was unable to minimize the significance placed on the commerciality of Prince's work due to the determination of Canal Zone's scant transformation.<sup>120</sup> If Prince's use of the work was to benefit a broader public interest, such as public access to art, then the fact that his work was not transformative would not have been detrimental to a finding of fair use. However, given the Gagosian Gallery's collective eight-figure profit from the sale of Canal Zone pieces and exhibition catalogs, the court determined that the "[d]efendants' use and exploitation of the Photos was . . . substantially commercial and weighed against a finding of fair use."<sup>121</sup>

The court also held that Prince's bad faith conduct weighed against a finding of fair use.<sup>122</sup> Because Prince failed to inquire about licensing Cariou's photographs or securing permission to use Cariou's images, the court found evidence of bad faith.<sup>123</sup> The court also held that the Gagosian Gallery had a duty to ask Prince if he had permission from the work's copyright holder to utilize the pieces because the gallery was well aware that Prince frequently used copyrighted images in his own work.<sup>124</sup>

Next, the court analyzed the second fair use factor, the nature of Cariou's photography, recognizing that this inquiry turns on whether the

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117. *Id.* at 349-50.

118. *See id.*

119. *Id.* at 350-51.

120. *Id.* (citing *Campbell v. Acuff Rose Music, Inc.*, 510 U.S. 579, 580-81 (1994); *Am. Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 922 (2d Cir. 1995); *Blanch v. Koons*, 467 F.3d 244, 253-54 (2d Cir. 2006)).

121. *Id.* (reporting that Gagosian had sold eight of the Canal Zone paintings for a total \$10.48 million, sixty percent of which went to Prince, with the remainder to the gallery. Seven other paintings were exchanged for art "with an estimated value between \$6,000,000.00 and \$8,000,000.00," and the gallery also "sold \$6,784.00 worth of . . . exhibition catalogues").

122. *Id.*

123. *Id.* at 351.

124. *Id.*

work is informational or creative.<sup>125</sup> The court looked to determine whether the photographs were protected by copyright because, as Prince alleged, they “were mere compilations of facts . . . arranged with minimum creativity.”<sup>126</sup> Citing the one-hundred-year case law precedent that photography is worthy of copyright protection, the court found Cariou’s photographs to be original works of art.<sup>127</sup> The court consequently found the second factor to weigh against a finding of fair use.<sup>128</sup>

Turning to the third statutory factor, the court discussed the amount and substantiality of copyrighted material Prince used for his Canal Zone paintings in relation to Cariou’s *Yes, Rasta* images as a collective whole.<sup>129</sup> Recognizing that the amount of copying permitted under fair use varies in accordance with the purpose and character of the secondary use, the court held that Prince’s secondary use of Cariou’s images was for the same purpose as Cariou’s was in taking the photographs.<sup>130</sup> The fact that Prince employed entire photographs from Cariou’s collection also weighed heavily against fair use. Finding that Prince had appropriated entire photographs in several of his paintings, and that the central figures in Cariou’s publication were used as Prince’s “raw materials” in a majority of the Canal Zone series, the court held that Prince had taken “the very heart of [Cariou’s] work.”<sup>131</sup> Therefore, because “[P]rince’s taking was substantially greater than necessary, given the slight transformative value of his secondary use,” the third fair use factor weighted against fair use.<sup>132</sup>

The court also looked at the effects of Prince’s work on Cariou’s potential market for the *Yes, Rasta* photographs. This was a determinative element in the court’s rejection of fair use. The court reasoned that the Gagosian Gallery’s decision to cancel Cariou’s proposed show because it had already exhibited Prince’s works provided the requisite evidence to hold that Prince’s Canal Zone exhibition had functioned as a direct market substitute for Cariou’s *Yes, Rasta* photographs.<sup>133</sup> Because Prince was effectively competing with Cariou for sales of the *Yes, Rasta* photographs, the court found that “Canal

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125. *Id.* at 351-52.

126. *Id.* at 346.

127. *Id.*

128. *Id.* at 352.

129. *Id.*

130. *Id.*

131. *Id.*

132. *Id.*

133. *Id.* at 353.



Zone” had a disproportionate impact on Cariou’s potential market.<sup>134</sup> Consequently, the court found that the fourth fair use factor weighed against fair use.<sup>135</sup>

Dismissing Prince’s argument that Cariou’s failure to adequately market his artwork absolved Prince of any liability, the court held that judicial examination of the potential market of a copyrighted work and its derivatives was necessary to analyze the fourth fair use factor.<sup>136</sup> Referring to Prince’s direct usurpation of the actual market for Cariou’s original work, the court determined that Prince’s unlicensed use of Cariou’s photographs had the potential to hinder Cariou’s ability to license his own photographs.<sup>137</sup> Because the licensing of derivative works is an important economic incentive for artists to create original works, the court subsequently analyzed the potential market for derivative use licenses for Cariou’s photographs.<sup>138</sup> The court found that the minimal variations of Cariou’s photographs and Prince’s paintings demonstrated a negative effect on Cariou’s potential derivative market.<sup>139</sup> Therefore, the court held that in addition to damaging Cariou’s actual market for his original work, Prince had also damaged Cariou’s potential market for derivative use licenses.<sup>140</sup>

#### IV. ANALYSIS

Given the current surge in collage, satire, digital and media sampling, and a number of other genres of recontextualized art in the post-modern era, court decisions affecting the fair use defense are of critical importance to the art community.<sup>141</sup> The highly anticipated *Cariou* opinion was no exception. Appropriation artists were disappointed that Prince did not prevail in a per se fair use ruling. Had Judge Batts accepted Prince’s invitation to set such a precedent, she would have extended the rights of appropriation artists well beyond that

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134. *Id.*

135. *Id.*

136. *Id.*

137. *Id.* (citing *Warner Bros. Enter., Inc. v. RDR Books*, 575 F. Sup. 2d 513, 549 (S.D.N.Y. 2008)).

138. *Id.*

139. *Id.*

140. *Id.*

141. Although the controlling case law discussed above has been applied to appropriation cases concerning the visual arts and music, the analysis of *Cariou v. Prince* is confined specifically to the visual arts. However, this author believes that given the popularity of the noted case, the potential for its application in cases or scholarly articles discussing the validity of fair use for appropriation musicians—such as Girl Talk, DJ DangerMouse, and Negativland—is great.

of *Blanch v. Koons*, which ruled that a derivative work has to be divergent and not just a repackaging of the original work.<sup>142</sup> The current judicial inconsistencies in both applying and explaining the fair use defense, albeit frustrating for appropriation artists, do not warrant jurisprudence that weakens the protection of original copyrights.

Judge Batts' final decision in the noted case was not surprising in its finding for Cariou, but was unusual in its rationale. Judge Batts held that Prince's work was not sufficiently transformative because it did not in some way comment on, relate to the historical context of, or critically refer back to the original work. Feared by many appropriation art enthusiasts as the legal "death knell" of appropriation art for its narrow interpretation of transformative use, the *Cariou* decision is not novel in limiting the scope of fair use in appropriation art to works that comment on the original work.<sup>143</sup> *Cariou* is far from a reversal of *Blanch*.<sup>144</sup> The distinct difference between these two recent appropriation art cases is rooted in the secret consideration present in every appropriation art case: the court's value of the secondary use's aesthetics. In *Blanch*, the court found Koons' "Niagara" to be sufficiently transformative even though the collage did not comment directly on the original copyrighted work.<sup>145</sup> However, in *Cariou*, the court held that Prince's transformative use was "minimal at best," even though Prince did not have an interest in the original meaning of Cariou's photos, but rather reproduced them to send his own message.<sup>146</sup> Prince failed to prove fair use despite citing the exact same reasoning as in *Blanch*.

What *is* disconcerting about the opinion's reasoning is the continued emphasis courts place on infringing artists' professed intent in creating secondary works. Artistic intent is anything but concrete. Simply because the artist interprets a work to represent one thing does not preclude others from viewing it in a contrary light. In fact, the court in *Cariou* explicitly notes that "if an infringement of copyrightable expression could be justified as fair use solely on the basis of the infringer's claim to a higher or different artistic use . . . there would be no practicable boundary to the fair use defense."<sup>147</sup> Moreover, judges have been expressly encouraged not to base their opinions on their particular

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142. See 467 F.3d 244 (2d Cir. 2006).

143. Walter Robinson, *Richard Prince Loses Copyright Lawsuit*, ARTNET, Mar. 21, 2011, <http://www.artnet.com/magazineus/news/artnetnews/richard-prince-loses-lawsuit-3-21-11.asp>.

144. See *Cariou*, 784 F. Supp. 2d at 349.

145. *Blanch v. Koons*, 467 F.3d 244, 257 (2d Cir. 2006).

146. *Cariou*, 754 F. Supp. 2d at 350.

147. *Id.* at 348 (citing *Koons*, 960 F.2d at 310).

presumptions of artistic merit.<sup>148</sup> This is not to say that the court in *Cariou* was passing artistic judgment on Canal Zone, but rather that the case warrants a more skeptical view of Batts' flawed reasoning.

The most striking feature of the *Cariou* opinion is the persistent, although barely noted, influence of Prince's direct market harm to Cariou. Unlike some earlier decisions, the court did not have to resort to "a mixed question of law and fact." The Gagosian Gallery provided the third-party, market-based opinion that Prince's work so closely resembled Cariou's, that the gallery owner declined to exhibit Cariou's original work. Christiane Celle's actions and statements about art "already done," and her hesitation to "capitaliz[e] on Prince's success," served as a third-party, market-based determination that Prince's work was more duplicative than transformative. Perhaps basing a secondary work's transformative use on the perceptions of society in lieu of controverted objective guidelines provides the remedy to the current debate over the application of the transformative use in a fair use analysis to appropriation art.<sup>149</sup>

The rise of post-modernism has brought surprising recontextualized works of art to the forefront of today's culture. Post-modern artists, like Koons and Prince, often use existing materials in their work. However, many copyright holders to these original materials seem rightfully hesitant to license their works to artists who clearly intend to manipulate the meaning of the original work. Courts which are sympathetic to copyright holders suggest the remedy of a bright line rule, where new artists are required to license existing material or create something truly new instead of using previous works as their proverbial paintbrushes.<sup>150</sup> However, this logic fails because all musicians and artists build on what comes before them. Judge Alex Kozinski, in his spirited dissent in *White v. Samsung Electronics American, Inc.*, observed that, "nothing today, likely nothing since we tamed fire, is genuinely new: Culture, like science and technology, grows by accretion, each new creator building on

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148. See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 291 (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.").

149. According to the art world, the transformative nature of appropriation art depends on the viewer's interpretation but in *Cariou* and other legal precedent, the courts base a work's transformativeness upon the artist's interpretation of their intent.

150. See *Bridgeport Music Inc. v. Dimension Films*, 383 F.3d 390, 398-99 (6th Cir. 2004) (setting a bright line rule that the use of any sampled material, even if just a few notes, constitutes unfair infringement).

the works of those who came before. Overprotection stifles the very creative forces it's supposed to nurture."<sup>151</sup>

Judge Kozinski's observation does not mean that all appropriation art should qualify for protection as per se fair use. Fair use seeks to defend only the truly transformative work, which adds "new information, new aesthetics, new insights and understandings."<sup>152</sup> Consistent with this policy, postmodern works succeed when they combine seemingly irreconcilable works into a new work that confounds traditional expectations. Therefore, if fair use creates an enclave for recontextualized works, it should not extend to works similar to Prince's "Canal Zone" series, which are simply "remixes" of previous art. Nor should fair use extend to other such works where an artist combines works of similar genres or styles, which results in little change from the tone or expression of the original work.<sup>153</sup>

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151. 989 F.2d 1512, 1513 (9th Cir. 1993) (Kozinski, J., dissenting).

152. Leval, *supra* note 36, at 1111.

153. *Campbell v. Acuff-Rose*, 510 U.S. 569, 599 (1994) (Kennedy, J., concurring) ("Almost any revamped modern version of a familiar composition can be construed as a 'comment on the naïveté of the original' because of the difference in style and because it will be amusing to hear how the old tune sounds in a new genre.").

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