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Liz Brown

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REMIXING TRANSFORMATIVE USE: A THREE-PART PROPOSAL FOR REFORM

LIZ BROWN*

Recently the Second Circuit held, in Cariou v. Prince, that Prince's unlicensed appropriation of Patrick Cariou's photographs, with what many consider to be only minor modifications, was fair use rather than copyright infringement, thus broadening the scope of copyright law's fair use defense. The Cariou decision resolved issues that are critical to appropriation art, but the Second Circuit's ruling in that case—final now that the Supreme Court has denied certiorari—has troubling implications for the entire art market. By broadening the definition of "transformative," the Second Circuit's decision in Cariou may encourage other appropriation artists to use original images in ways that have never before been considered fair use. Without the revival or reaffirmation of limitations on how one artist can use another's work, many creative artists—and the businesses that rely on their work—are likely to suffer severe economic loss. After Cariou, one might question who is best suited to evaluate the creativity that the law is designed to foster. In its wake, lawyers, artists, and dealers face growing uncertainty as to what kind of copying is legal. The ruling has led to a new sense of unease, has uncovered a generational shift in the perception of artistic ownership rights, and reflects a dramatic reversal of the roles of artists and judges in evaluating art. In order to preserve the balance between protecting existing works and incentivizing the creation of new ones, in light of recent jurisprudence, this proposal calls for three critical, interdependent changes to copyright law as it applies to visual art.

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INTRODUCTION

Art is big business. Worldwide, the global art market was valued at approximately $64 billion in 2012.[1] Institutional investors are also turning to art as an investment vehicle.[2] The assets in art investment funds worldwide rose 69% to

[1] *See, e.g.*, Kyle Chayka, *The Art Market was Worth $64 Billion in 2012*, HYPERALLERGIC (Jan. 2, 2013), http://hyperallergic.com/62911/the-art-market-was-worth-64-billion-in-2012/; *see also* TEFAF Art Market Report 2013, TEFAF MAASTRICHT, (Mar. 13, 2013), http://www.tefaf.com/DesktopDefault.aspx?tabid=15&tabindex=14&pressrelease=14879&presslanguage=.

[2] *See* Kathryn Tully, *Are Investors Bullish on the Art Market?*, FORBES (Apr. 30, 2013, 7:13 PM),http://www.forbes.com/sites/kathryntully/2013/04/30/are-investors-bullish-on-the-art-market/.

$1.62 billion in 2012.[3] In May 2014, the auction house Christie's brought in record sales of $744 million in a single evening, including sales of two Andy Warhol works for $100 million, $30 million more than their pre-sale estimate.[4]

At the center of this high-stakes art world are appropriation artists, such as Richard Prince, whose work is built on the works of other artists.[5] These works command the highest prices for modern art sales. In *Cariou v. Prince*, for example, the Prince artworks at issue were marketed to A-list celebrities like Beyoncé, Tom Brady and Anna Wintour.[6] One series of these works sold at the Gagosian gallery for more than $10 million.[7] In *Cariou*, the Second Circuit held that Prince's unlicensed appropriation of Patrick Cariou's photographs, with what many consider to be only minor modifications, was fair use rather than copyright infringement, broadening the scope of copyright law's fair use defense.[8]

The *Cariou* decision resolved issues that are critical to appropriation art, but the Second Circuit's ruling in that case—final now that the Supreme Court has denied *certiorari*—has troubling implications for the entire art market. By broadening the definition of "transformative," the Second Circuit's decision in *Cariou* may encourage other appropriation artists to use original images in ways that have never before been considered fair use. Without the revival or reaffirmation of limitations on how one artist can use another's work, many creative artists—and the businesses that rely on their work—are likely to suffer severe economic loss. The Supreme Court has noted that the fair use doctrine "permits and requires courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster."[9]

After *Cariou*, one might question who is best suited to evaluate the creativity that the law is designed to foster. In its wake, lawyers, artists, and dealers face

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[3] *Id*.

[4] Ben Beaumont-Thomas, *Christie's post-war sale reaches $744m via Warhol, Bacon and Newman*, THE GUARDIAN, (May 14, 2014, 7:16 PM), www.theguardian.com/artanddesign/2014/may/14/christies-andy-warhol-francis-bacon-barnett-newman.

[5] *See, e.g.*, Randy Kennedy, *Apropos Appropriation*, N.Y. TIMES, (Dec. 28, 2011), http://www.nytimes.com/2012/01/01/arts/design/richard-prince-lawsuit-focuses-on-limits-of-appropriation.html?pagewanted=all.

[6] Cariou v. Prince, 714 F.3d 694, 709 (2d Cir. 2013) *cert. denied*, 134 S. Ct. 618 (2013).

[7] *Id*.

[8] *Cariou*, 714 F.3d at 710.

[9] Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 577 (1994) (internal quotation marks omitted) (citing Stewart v. Abend, 495 U.S. 207, 236 (1990)).

growing uncertainty as to what kind of copying is legal. The ruling has led to a new sense of unease, has uncovered a generational shift in the perception of artistic ownership rights, and reflects a dramatic reversal of the roles of artists and judges in evaluating art.

The importance of appropriation art as a cultural element will grow exponentially in the future. The ubiquity of photo sharing sites like Pinterest, Flickr, Tumblr, 4Chan, and Instagram, together with new photography databases like Photogrammar, which catalogues FSA photographs, makes it easier to access other people's images than ever before. This is the moment for a robust discussion of how law can protect photographers and other source artists without curtailing the continued development of appropriation art. It is only the privileged few major artists who can afford the kind of complex litigation defense mounted by Prince's elite legal team. If we do not want to limit the making of appropriation art to those privileged few, we must adopt a more sensible and predictable approach to assessing the legality of this kind of art. This article proposes such an approach.

In order to preserve the balance between protecting existing works and incentivizing the creation of new ones, in light of recent jurisprudence, this proposal calls for three critical, interdependent changes to copyright law as it applies to visual art. First, courts should clarify that meritorious appropriation art is *per se* transformative use. Adopting a transformative use presumption for appropriation art will reduce the current confusion as to how much variation between the original work and the new work is permissible and what role market value plays in visual art copyright infringement cases, providing much-needed clarity to the rights of all visual artists. Second, courts should encourage expert testimony from art scholars in order to guide judges as to whether the works in question are meritorious appropriation art or not, an intentionally unexacting standard. Judges should resume their historic reluctance to evaluate visual art, especially in light of the non-obvious meanings of appropriation art. Instead, courts should invite experts on the merits of art to guide judicial determinations of infringement. Finally, Congress should revise the Copyright Act to narrow the scope of fair use for visual artists to reproductions, eliminating the current confusion between the protected transformative use defense and the infringing transformation of original works within the scope of the artists' derivative rights.

These three recommendations work best when taken together. Clarifying the transformative use determination for visual art would be significantly more difficult without the adoption of expert testimony on merit and the concurrent statutory narrowing of visual artists' derivative rights. Similarly, expert testimony would not be worth the trouble and expense without the focused point of

contention that both the adoption of the transformative use *per se* standard and the limited derivative rights would provide. Unless these three critical changes are made, visual artists' derivative rights under current copyright law will continue to collide regularly with appropriation art in untenable ways.

This article explores the consequences of the current doctrinal chaos of fair use in the visual arts, particularly in the lucrative world of appropriation art, while also providing a tripartite remedy. It contends that reforms to the judicial standards for evaluating appropriation art in infringement cases, the use of expert testimony to support those determinations, and the derivative rights of source artists are needed to clarify the scope of the transformative use defense. Part I describes the origins of transformative use as an extension of the fair use defense to copyright infringement and explains how the Second Circuit's ruling in *Cariou* and other recent decisions have expanded the scope of transformative fair use. Part II explores the impact of this expansion on the production and valuation of art, placing this legal development in the context of the modern art market. Part III reviews solutions proposed by other scholars to limit the over-expansion of the transformative use doctrine, and explores the benefits and drawbacks of each, concluding that none will be sufficient standing alone or in combination with each other. Part IV describes the benefits of adopting a transformative use *per se* standard for meritorious appropriation art, expanding the use of art experts, and reducing the scope of derivative rights for visual artists. Part V concludes.

It is time to recognize that current copyright law cannot fairly and effectively resolve the tensions between the rights of source artists like Cariou and appropriation artists like Prince. There is a fundamental mismatch between appropriation art, a form of visual art central to the modern art market, and copyright law in the visual arts. While many scholars have offered piecemeal solutions to this problem,[10] a more comprehensive set of reforms like the ones proposed here is necessary. Appropriation art requires a unique approach to

[10] *See, e.g.*, Matthew D. Bunker & Clay Calvert, *The Jurisprudence of Transformation: Intellectual Incoherence And Doctrinal Murkiness Twenty Years After Campbell v. Acuff-Rose Music,* 12 DUKE L. & TECH. REV. 92, 127 (2014) (suggesting *inter alia* that transformative use be limited to certain types of copyrightable expression); Deepa Varadarajan, *Improvement Doctrines*, 21 GEO. MASON L. REV. 657, 682 (2014) (suggesting a "substantial improvement" limitation to the fair use defense); Monika Isia Jasiewicz, Note, *"A Dangerous Undertaking": The Problem of Intentionalism and Promise of Expert Testimony in Appropriation Art Infringement Cases*, 26 YALE J.L. & HUMAN. 143, 146 (2014) (proposing that courts invite expert testimony on whether an artistic use is "transformative" in a way that would qualify for the fair use defense).

copyright infringement allegations, one that balances a limitation on the scope of derivative rights with a properly informed transformative use standard that limits judicial subjectivity on matters of artistic judgment.

The current trend toward expansion of the fair use defense creates an uncertain legal environment because it lacks clarity and predictability, potentially chilling an increasingly valuable art market in future years. This growing market requires an effective legal solution to remain sustainable. The three reforms presented here, while perhaps controversial, provide a sound basis for the realignment of copyright law in the visual arts to accommodate art creation in the 21st century.

I
Cariou's Impact on Transformative Use and the Art Market

The doctrinal confusion arising out of *Cariou*'s interpretation of transformative use is important because it concerns the application of copyright law to appropriation art, a critically and financially important form of modern art that depends on copying for its meaning and impact. While the doctrine of transformative use first entered the judicial lexicon in a case about songs, its subsequent expansion and application in art cases underscores the need for a more selective application. In short, transformative use in the visual arts requires a different set of standards than such use in other forms of copyrightable expression. The reasons for this selective application stem both from the nature of appropriation art, an established type of art that may not be well understood by judges and the general public, and from the consequences flowing from decisions like *Cariou* that threaten the future of the art market.

A. The Rise and Rise of Appropriation Art

Appropriation art is art made from other artists' work, and can involve modifying that source work in a number of different ways. As defined by the Museum of Contemporary Art in Los Angeles, California:

> Appropriation is the practice of creating a new work by taking a pre-existing image from another context—art history, advertising, the media—and combining that appropriated image with new ones. Or, a well-known artwork by someone else may be represented as the appropriator's own. Such borrowings can be regarded as the two-dimensional equivalent of the found object. But instead of, say, incorporating that "found" image into a new collage, the postmodern appropriator redraws, repaints, or re-photographs it. This provocative

> act of taking possession flouts the modernist reverence for originality.[11]

Another definition of appropriation art posits that it "takes a (usually) recognizable object, text or image and recontextualizes it. In the new context, the associations that the reader/viewer has with the appropriated object are subverted, and he or she is forced to reexamine his/her relationship to it. Therefore appropriated art is often political, satirical and/or ironic."[12]

Most people have seen appropriation art without recognizing it as a genre. Shepard Fairey's *Hope* poster depicting President Obama is perhaps the best known example of appropriation art that has been subject to a copyright challenge.[13] As a genre, however, appropriation art is at least a century old. It evolved in part from the Cubist practice of incorporating newspapers, musical scores, and drawing scraps in their work, creating new meaning from the displacement and combination of these materials.[14] Then, in a 1912 work titled "L.H.O.O.Q.," Marcel Duchamp painted a moustache onto a postcard reproduction of Leonardo da Vinci's Mona Lisa. He also wrote its title, which, in French, sounds like the phrase "elle a chaud au cul," meaning "she's got a hot ass," underneath.[15]

Appropriation art became more prominent in the 1970s, with the emergence of the "re-photographers" including Sherrie Levine, Cindy Sherman, and Barbara Kruger.[16] These artists created works largely incorporating the work of earlier photographers, and which are critical of the works that they reproduce.[17] As

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[11] MOCA THE MUSEUM OF CONTEMPORARY ART, LOS ANGELES, http://moca.org/pc/viewArtTerm.php?id=2 (last visited Sept. 2, 2014).

[12] REMIXTHEBOOK, APPROPRIATION, http://www.remixthebook.com/the-course/appropriation (last visited Oct. 29, 2014).

[13] Mike Masnick, *AP and Shepard Fairey Settle Lawsuit over Obama Image; Fairey Agrees to Give up Fair Use Rights to AP Photos,* TECHDIRT (Jan. 12, 2011, 11:22 AM), https://www.techdirt.com/articles/20110112/10170012637/ap-shepard-fairey-settle-lawsuit-over-obama-image-fairey-agrees-to-give-up-fair-use-rights-to-ap-photos.shtml.

[14] *See* HAL FOSTER ET AL., ART SINCE 1900: MODERNISM, ANTIMODERNISM, POSTMODERNISM, VOL. 1: 1900 TO 1944, at 112 (Thames & Hudson eds., 2004).

[15] *See* John Carlin, *Culture Vultures: Artistic Appropriation and Intellectual Property Law*, 13 COLUM.-VLA J.L. & ARTS 103, 109 (1988).

[16] For a more extensive discussion of the evolution of appropriation art, please see Jasiewicz, *supra* note 11, at 147-151.

[17] *Id*. at 150.

Monika Jasiewicz has noted, "[Levine's] appropriation is a form of 'criticism' or 'comment'--types of use that are supposed to be privileged in fair use analysis."[18]

What was once a fringe movement is now part of the art canon. Appropriation art is not only here to stay, it is primed to multiply. Aided by technological improvements to sourcing, sharing and manipulating images, it has become a springboard for a new generation of artists and art forms. It has never been so easy for appropriation artists to source and use existing material in all forms, including film, video and multi-media. As the website for an annual appropriation-based audio-visual media fest explains, "the past decade has witnessed the emergence of a wealth of new audiovisual elements available for appropriation into new works. In addition to official state and commercial archives, resources like vernacular collections, home movie repositories and digital archives now also provide fascinating material to repurpose in ways that lend it new meaning and resonance."[19]

Appropriation art has also evolved into new forms, many of which fall under the heading of remix, or the incorporation of source material into new works generally. The rise of remix culture and scholarship provides a new dimension to appropriation art, further signifying its permanent status. The variety of forms and purposes artists employ in remixing can be inferred from the introduction to Professor Mark Amerika's Remix Culture seminar, which:

> investigates the emergence of interdisciplinary media art practices that experiment with the art of remixing, including but not limited to literary cut-ups and procedural composition, image appropriation, Internet or net.art, sound art, glitch, collage film, installation art, live A/V performance (DJ, VJ, live coding), culture jamming / hactivism,[20] and other art forms that engage with renewable source material.[21]

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[18] *Id*. at 151.

[19] FESTIVAL OF INAPPROPRIATION, ABOUT THE FESTIVAL (Oct. 28, 2014), http://festivalofinappropriation.org.

[20] Hactivism is "a neologism that mashes up the creative use of digital tools associated with the computer hacker with the interventionist strategies of political activists. Cleverly inserting themselves into the networked space of flows, digitally inclined hactivists use whatever new media technologies they may have access to subvert the mainstream media discourse and tweak the way we construct meaning in the corporate media economy." REMIXTHEBOOK, HACTIVISM, http://www.remixthebook.com/the-course/hactivism (last visited Oct. 28, 2014).

[21] REMIX CULTURE, http://altx.com/remix/ (last visited Oct. 28, 2014); REMIXTHEBOOK, THE COURSE, http://www.remixthebook.com/the-course (last visited Oct. 28, 2014).

While many of these terms may be unfamiliar to lawyers and judges, it is easier for them and the general public to appreciate the fact that billions of images are now available on the Internet and that the number is growing daily. Several technological developments including the ubiquity of the mobile phone camera, the rise of photo sharing sites including Flickr, Instagram, Pinterest and Tumblr, and the ability to attach pictures to most if not all general social media sites, have vastly increased the number of images available to the public.

The numbers are staggering. By one estimate, 500 million photographs are shared *every day*, and the number is likely to rise.[22] Studies showing that Facebook posts containing photos are far more likely to generate "likes" also encourage the posting of pictures online.[23] Those developments make it much easier to use and adapt existing images than it was in 1990, when Hon. Pierre Leval wrote his influential article on transformative use, or, in 1994, when the Supreme Court first adopted the doctrine in *Campbell*.[24]

The clash between appropriation art as a recognized artistic movement and current copyright law came to a head in *Cariou*. It began, however, with the development of transformative use as a kind of fair use defense to copyright infringement.

B. The Origins of Transformative Use

In most cases, the Copyright Act prevents one person from taking and using another's protectable work without permission.[25] An accused copyright infringer can escape liability by showing that his use falls within the fair use exception, which allows for the use of copyrighted materials for certain limited purposes. The Copyright Act codifies the fair use defense in Section 107, setting out four factors for the court to consider in ruling on the defense:

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[22] *See, e.g.*, Seth Fiegerman, *More than 500 Million Photos are Shared Every Day,* MASHABLE (May 29, 2013), http://mashable.com/2013/05/29/mary-meeker-internet-trends-2013/.

[23] *See, e.g.*, Rebecca Corliss, *Photos on Facebook Generate 53% More Likes than the Average Post,* HUBSPOT (Nov. 15, 2012, 9:00 AM), http://blog.hubspot.com/blog/tabid/6307/bid/33800/Photos-on-Facebook-Generate-53-More-Likes-Than-the-Average-Post-NEW-DATA.aspx.

[24] *See* Pierre N. Leval, Commentary, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105 (1990); *see also* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994).

[25] *See* 17 U.S.C. § 107 (2012).

> (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.[26]

Although the Copyright Act defines the four factors clearly, it does not specify how each factor should be weighted. Limited by precedent, each court has some latitude in its interpretation and weighing of each factor.

In an influential *Harvard Law Review* article, the Hon. Pierre Leval (then of the Southern District of New York) developed a theory of "transformative use," which elaborates on the first fair use factor.[27] According to Leval, in order to be transformative, the second work must add something new, with a further purpose or different character, altering the first work with a new expression, meaning, or message.[28] A work's commercial qualities are less significant when the work is extremely transformative and parodic.[29]

The Supreme Court analyzed the fair use defense and adopted the doctrine of transformative use, citing Judge Leval's article, in its 1994 decision in *Campbell v. Acuff-Rose Music, Inc*.[30] In that case, the Court was asked to decide whether 2 Live Crew's song "Pretty Woman" infringed the copyright in Roy Orbison's song "Oh Pretty Woman."[31] In determining that the rap version was a parody, and therefore fair use, the Court noted that in evaluating a fair use defense, "[a]ll [of the four factors] are to be explored, and the results weighed together, in light of the purposes of copyright."[32]

In discussing the expansion of transformative use, it may be helpful to distinguish "appropriation artists," as defined above, from "source artists." The term "source artist" denotes the artist whose work is used by the "appropriation artist" in creating the newer work at issue. These terms are fluid, in the sense that they must be defined with reference to a particular work or series of works. The

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[26] *Id*.
[27] *See* Leval, *supra* note 25, at 1111.
[28] *Id*.
[29] Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 803 (9th Cir. 2003).
[30] *Campbell*, 510 U.S. at 579.
[31] *Id*. at 571.
[32] *Id*. at 578.

source for a work created by an appropriation artist may itself have relied on the work of another artist.[33] In that way, she would become an appropriation artist with respect to that new work. That said, some artists tend to be, and have developed reputations as, one or the other. Richard Prince, for example, is well known as an appropriation artist in the global art market, and his work played a central role in the recent expansion of the legal limits of appropriation.

C. The Expansion of Transformative Use in Cariou

On November 12, 2013, the Supreme Court denied certiorari in *Cariou*, letting stand a decision that has dangerous repercussions for the art business.[34] *Cariou* concerned the appropriation artist Richard Prince, who created a series of artworks using the photographs of another artist, Patrick Cariou, as his base materials.[35] In 2000, Cariou published a book of his photographs of Jamaican Rastafarians called *Yes Rasta*.[36] Cariou testified about the creative choices involved in composing his photographs, including the equipment, staging, and development techniques and processes involved.[37]

Prince's works are highly collectable and expensive. They have been the subject of major survey exhibitions at the Whitney Museum of American Art in New York, the San Francisco Museum of Modern Art, and the Serpentine Gallery in London, among other places.[38] In July 2008, a New York dealer paid $8.4 million at auction for Prince's 2002 work *Overseas Nurse*.[39] Prince bought copies of *Yes Rasta*, and incorporated some of the photographs in works he displayed in St. Barth's in 2007-2008.[40] Prince ultimately completed a series of twenty-nine paintings in what he called the "Canal Zone" series, twenty-eight of which incorporated Cariou's *Yes Rasta* photographs.[41]

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[33] The term "relied on" raises a host of issues itself, since almost all art derives in some way from previous works.

[34] Cariou v. Prince, 134 S. Ct. 618 (2013).

[35] Cariou v. Prince, 784 F. Supp. 2d 337, 343 (S.D.N.Y. 2011), *rev'd in part, vacated in part*, 714 F.3d 694 (2d Cir. 2013).

[36] *Id*.

[37] *Id*.

[38] Press Release, Gagosian Gallery, Richard Prince: Cowboys (Jan. 28, 2013), *available at* http://gagosian.vaesite.net/__data/ae1f26f3f3e95aad455dccf8ffea355a.pdf.

[39] Carol Vogel, *Bacon is Again a Top Draw at Auction*, N.Y. TIMES, (Jul. 2, 2008), http://www.nytimes.com/2008/07/02/arts/design/02auct.html.

[40] *Cariou*, 784 F. Supp. 2d at 343.

[41] *Id*. at 344.

The Gagosian Gallery, one of the most prominent art galleries in the United States, exhibited twenty-two of Prince's Canal Zone paintings in November and December 2008 at one of its Manhattan galleries.[42] The gallery sold eight of the paintings for a total of $10,480,000, 60% of which went to Prince.[43] Although another New York gallery had approached Cariou about exhibiting his work, that gallery withdrew its offer when it became aware of the Canal Zone exhibit.[44] Cariou sued Prince and Gagosian for copyright infringement.[45]

1. The District Court's Ruling

The facts of the Cariou case were largely undisputed, and the District Court ruled on cross-motions for summary judgment.[46] In evaluating the first fair use factor, the purpose and character of Prince's use of Cariou's photographs, the court considered three sub-factors: commerciality, bad faith, and the extent to which Prince's art was "transformative."[47] The three factors were not given equal weight: "the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use."[48]

In order to be transformative, the court noted, the new work should "comment on, relate to the historical context of, or critically refer back to the original works."[49] In light of that requirement, the court determined that Prince's work is transformative "only to the extent that they comment on the [Cariou] Photos."[50] Relying largely on Prince's own testimony that he didn't "really have a message" when making art, the court concluded that he "did not intend to comment on any aspects of the original works."[51] Accordingly, it found that "the transformative content of Prince's paintings [was] minimal at best."[52]

In doing so, the court suggested a negative view of Prince's artistry. For example, it quoted Prince's testimony that his message in collaging guitars onto Cariou's portraits of Rastafarian men had to do with the fact that men played

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[42] *Id*.
[43] *Id*. at 350.
[44] *Id*. at 344.
[45] *Cariou*, 714 F.3d at 704.
[46] *Cariou*, 784 F. Supp. 2d at 355.
[47] *Id*. at 347-51.
[48] *Id*. at 348 (*citing* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994)).
[49] *Id*.
[50] *Id*. at 349.
[51] *Id*.
[52] *Cariou*, 784 F. Supp. 2d at 350.

guitars: "He'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."[53]

The other two components of the first fair use factor, commerciality and bad faith, also weighed against Prince. In light of the Gagosian Gallery's extensive marketing of the Canal Zone show and the sale prices of Prince's works, the court determined that the "Defendants' use and exploitation of the Photos was also substantially commercial."[54] Prince's failure to even attempt to license from Cariou sealed the court's conclusion of bad faith.[55]

The court interpreted the second fair use factor, the nature of the copyrighted work, to be more restrictive where the work at issue is "expressive or creative," as opposed to "factual or informational."[56] Without further explanation, the court found that Cariou's photographs were "highly original," weighing against a finding of fair use.[57] The court quickly disposed of the third factor, the amount used, noting that Prince had appropriated the "central figures depicted in portraits taken by Cariou" in most of the works at issue, weighing heavily against a finding of fair use.[58]

The analysis of the final factor, the effect on potential market, is perhaps the most interesting. The court rejected Prince's efforts to minimize the potential market for Cariou's works even though Cariou had not aggressively marketed them.[59] The potential market, the court noted, could be larger than the actual market for the original works.[60] An author is "entitled to protect his opportunity to sell his [works]"[61] and may be entitled to judgment even when he "has evidenced little if any interest in exploiting this market for derivative works."[62]

A New York gallery owner, Cristiane Celle, had offered to show Cariou's works, but later withdrew the offer in light of the Prince exhibit.[63] Celle testified that she cancelled the Cariou show because she "did not want to seem to be

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[53] *Id*. at 349 (internal quotation marks omitted).
[54] *Id*. at 350-51.
[55] *Id*. at 351.
[56] *Id*. at 352 (citing Howard B. Abrams, THE LAW OF COPYRIGHT, § 15:52 (2006)).
[57] *Id*.
[58] *Cariou*, 784 F. Supp. 2d at 352.
[59] *Id*. at 353.
[60] *Id*.
[61] *Id*. (*citing* J.D. Salinger v. Random House, Inc., 811 F.2d 90, 99 (2d Cir. 1987)).
[62] *Id*. (*citing* Castle Rock Entm't, Inc. v. Carol Pub. Grp, Inc., 150 F.3d 132, 145-46 (1998)).
[63] *Cariou*, 784 F. Supp. 2d at 344.

capitalizing on Prince's success and notoriety," fed by the Gagosian show.[64] She did not want to exhibit work which had been "done already" at another gallery.[65] Celle's cancellation supported the court's conclusion that the defendants usurped the market for Cariou's works.[66]

The District Court may have gone a step too far by permitting the destruction of the infringing artworks. The Court ordered the defendants to hand over all copies of the infringing works for "impounding, destruction, or other disposition, as Plaintiff determines," among other remedies.[67] In its reversal, the Second Circuit described the lower court's order as granting "sweeping injunctive relief."[68] It is possible that what was perceived as too severe a remedy led in part to the reaction and the reversal that followed.

2. The Second Circuit's Reversal

On appeal, Prince retained the firm of Boies, Schiller & Flexner.[69] Although the oral argument took place on May 21, 2012, the appellate decision did not issue until April 25, 2013, nearly a year later.[70] When it did issue, the Second Circuit's reversal sent shock waves through the art world.

Throughout the decision, the court assumed that Prince's work differed in an important way from Cariou's without explaining its rationale. For example, in describing Prince's use of the *Yes Rasta* photographs, the court noted, "Prince altered those photographs significantly by among other things painting 'lozenges' over their subjects' facial features and using only portions of some of the images."[71] In general, placing an oval cut out over part of a photo does not necessarily alter the photo significantly and the basis for the court's characterization of it as such is unclear. The court did interpret size differences as significant, however, noting that the *Yes Rasta* book measures "approximately 9.5" x 12"" while Prince's artworks are "several times that size."[72]

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[64] *Id*.
[65] *Id*.
[66] *Id*. at 353.
[67] *Id*. at 355.
[68] *Cariou*, 714 F.3d at 704.
[69] *Id*. at 697.
[70] *Id*. at 695.
[71] *Id*. at 699.
[72] *Id*. at 700.

What troubled the Second Circuit most about the lower court's ruling, apparently, was the implication that a secondary work must "comment on the original or its author in order to be considered transformative."[73] In order to qualify as fair use, a secondary work could "serve[ ] some purpose other than those (criticism, comment, news reporting, teaching, scholarship and research) identified in the preamble to the [fair use] statute."[74] The secondary work only needs to "alter the original with new expression, meaning, or message."[75]

The court went on to declare that Prince's works passed the "new expression, meaning or message" test, noting that "Prince's composition, presentation, scale, color palette, and media are fundamentally different and new compared to the photographs, as is the expressive nature of Prince's work."[76] Rejecting Cariou's arguments that Prince's own failure to identify any substantial message or purpose in his work were fatal to his fair use defense, the court stated that "[w]hat is critical is how the work in question appears to the reasonable observer."[77] The court found Prince's works so transformative that the fact that they were also commercial – another first-factor element – was, effectively, irrelevant.[78]

With regard to the effect of Prince's copying on the market for Cariou's work, the court found that Prince's copying did not usurp that market.[79] The bases for that conclusion were that (1) Celle did not cancel her plans to show Cariou's work "because it had already been done at Gagosian," (2) Cariou had "not aggressively marketed his work," and (3) wealthier people were more interested in Prince's work than Cariou's.[80]

The court's emphasis on the socioeconomic status of Prince collectors was striking. Observing that "Prince's artwork appeals to an entirely different type of

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[73] *Cariou*, 714 F.3d at 706.

[74] *Id*.

[75] *Id*. (internal quotation marks omitted) (citing Campbell Acuff-Rose Music, Inc, 510 U.S. 569, 579 (1994)).

[76] *Id*. (citing Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994)).

[77] *Id*. at 707.

[78] *See Cariou*, 714 F.3d at 708 ("Although there is no question that Prince's artworks are commercial, we do not place much significance on that fact due to the transformative nature of the work.").

[79] *See id*. at 709 ("Although certain of Prince's artworks contain significant portions of certain of Cariou's photographs, neither Prince nor the *Canal Zone* show usurped the market for those photographs.").

[80] *Id*.

collector than Cariou's," the court went on to note that Prince's works sold for millions of dollars.[81] It observed further that the invitation list for the opening dinner included:

> Jay-Z and Beyonce Knowles, artists Damien Hirst and Jeff Koons, professional football player Tom Brady, model Gisele Bundchen, *Vanity Fair* editor Graydon Carter, *Vogue* editor Anna Wintour, authors Jonathan Franzen and Candace Bushnell, and actors Robert DeNiro, Angelina Jolie, and Brad Pitt.[82]

After comparing the Prince and Cariou works, the court determined that twenty-five of the thirty Prince works at issue were protected by the fair use doctrine.[83] It remanded for consideration another five works to the district court, deeming them too close to call.[84] In doing so, however, the court did not articulate any basis on which the district court could make such a determination. It is not clear why the appellate court believed the district court would be better able to determine whether the five remaining works were sufficiently transformative than the appellate court.[85]

D. The Dubious Trend Toward Expanding Transformative Use

Cariou was not the only case to expand the fair use defense in 2013. Across the country, an appellate decision in the Ninth Circuit also expanded the scope of the transformative use defense in unpredictable and troubling ways. It concluded that a high-profile rock band's unlicensed use of an artist's original work as a concert backdrop qualified as transformative fair use. In *Seltzer v. Green Day, Inc.*, the Ninth Circuit found that the rock band Green Day's use of Derek Seltzer's

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[81] *Id*.

[82] *Id*. Although the ruling did not so specify, it is reasonable to infer from both the elite nature of the Gagosian Gallery and the price point for Prince's work that only the wealthiest collectors could afford to buy these pieces.

[83] *Cariou*, 714 F.3d at 712.

[84] *Id*.

[85] Prince's response to the verdict was interesting. When the twenty-five paintings which had been held for five years pending the resolution of the case were finally returned to him after the Second Circuit's ruling, he tweeted: "Canal Zone paintings finally back. Saw Em for the first time in 5 years. What they should of [sic] sued me for was making shitty paintings. XingEmOut." Irina Tarsis, *Photographs and Richard Prince: The Gifts That Keep on Giving*, Center for Art Law, (Feb. 24, 2014), http://itsartlaw.com/2014/02/24/photogrpahs-and-richard-prince-the-gifts-that-keep-on-giving/.

work in its concert backdrops was fair use.[86] Seltzer created an image called "Scream Icon," which he sold on stickers and posters.[87] Green Day used a version of "Scream Icon" in a video that ran during its concerts during a multi-city tour in 2009.[88] Seltzer sued Green Day for copyright infringement.[89]

Citing *Cariou*, among other precedents, and noting that "whether a work is transformative is a[n] often highly contentious topic," the Ninth Circuit ruled in Green Day's favor.[90] The court found that Green Day's use of "Scream Icon" amounted to new creative expression because it juxtaposed the original image with religious imagery: "With the spray-painted cross, in the context of a song about the hypocrisy of religion, surrounded by religious iconography, Staub's video backdrop using *Scream Icon* conveys 'new information, new aesthetics, new insights and understandings' that are plainly distinct from those of the original piece."[91] This, the court ruled, was transformative, and therefore the first fair use factor weighed in Green Day's favor.

Green Day and *Cariou* are not the only indicia of transformative use's expansion, although they are among the most newsworthy recent cases. Scholarly surveys underscore the conclusion that courts are expanding the scope of transformative use, and consequently fair use, across the country. Professor Sag examined more than 280 fair use cases from 1978 to 2011.[92] His research "reinforce[d] the dominance of transformative use over other factors" in determining case outcomes.[93] In another study, Professor Netanel looked at 79 opinions in fair use cases from 1996 through 2010.[94] He concluded that "the transformative use paradigm, as adopted in *Campbell*, overwhelmingly drives fair use analysis in courts today."[95] The trend toward consideration of transformative use was significant. Netanel observed that courts' use of the transformativeness analysis "increased measurably during the period 2006-2010, even if it was already

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[86] Seltzer v. Green Day, Inc., 725 F.3d 1170, 1179 (9th Cir. 2013).
[87] *Id*. at 1173.
[88] *Id*. at 1174.
[89] *Id*. at 1175.
[90] *Id*. at 1176.
[91] *Id*. at 1177.
[92] *See* Matthew Sag, *Predicting Fair Use*, 73 OHIO ST. L.J. 47, 52 (2012).
[93] *Id*. at 84.
[94] *See* Neil Weinstock Netanel, *Making Sense of Fair Use*, 15 LEWIS & CLARK L. REV. 715, 731 (2011).
[95] *Id*. at 734.

quite high previous to that period."[96] "[Eighty-five percent] of district court opinions and 93.75%, or all but one, of appellate opinions" analyzed whether the challenged use was transformative.[97]

More importantly, Netanel's research underscored the determinative nature of transformative use in the courts' determinations. He noted that since 2005, "decisions that unequivocally characterize the defendant's use as transformative almost universally find fair use."[98] When a court found that the challenged use was transformative, there was a "sharp decline in the weight that courts say they are giving to whether a use is commercial."[99]

One interpretation of this data is that a finding of transformativeness effectively reinterprets fair use factors three and four toward inevitably favoring fair use.[100] Arguably, it also reinterprets the market analysis underlying the fourth factor. The driving concern changes from "whether the use falls within a conceivable licensing market for the copyright owner" to disregarding that potential market entirely.[101] Instead, it "effectively delimits the legally relevant market for the fourth factor. If a use is unequivocally transformative, then, by definition, it causes no market harm since the copyright holder does not have a right to exclude others from the market for transformative uses."[102]

The rise of transformative use as a guiding if not determinative factor in fair use analysis is exemplified in a pair of cases concerning another prominent artist, Jeff Koons. In the earlier case, Koons' use of another artist's work was held to be copyright infringement. In the later case, on similar facts, Koons' use of another artist's work was held to be transformative and fair use.

The first case, *Rogers v. Koons*, concerned a Koons sculpture called String of Puppies exhibited at New York's Sonnabend Gallery in 1988.[103] Koons based this work on a black and white photograph by Art Rogers called Puppies, which

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[96] *Id*. at 736.

[97] *Id*.

[98] *Id*. at 740.

[99] *Id*. at 742.

[100] Kim J. Landsman, *Does Cariou v. Prince Represent the Apogee or Burn-Out of Transformativeness in Fair Use Jurisprudence? A Plea for a Neo-Traditional Approach*, 24 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 321, 354 (2014).

[101] Netanel, *supra* note 95, at 745.

[102] *Id*. at 744.

[103] Rogers v. Koons, 751 F. Supp. 474 (S.D.N.Y. 1990), *aff'd*, 960 F.2d 301 (2d Cir. 1992), *cert. denied*, 506 U.S. 934 (1992).

had been licensed by Museum Graphics for a notecard. Rogers sued Koons for copyright infringement in 1989. Although Koons argued that String of Puppies was fair use because it was a parody or satire, the court granted summary judgment in Rogers' favor.[104] When Koons appealed, the court of appeals affirmed the district court's decision.[105]

The second case, *Blanch v. Koons*, concerned Koons' appropriation of photographer Andrea Blanch's work in Koons' 2000 collage, Niagara.[106] Niagara consists of images of women's lower legs and feet dangling above a tray of pastries.[107] One pair of feet was modeled on Blanch's photograph, "Silk Sandals by Gucci."[108] Blanch's photograph showed the woman's feet resting on a man's lap in an airplane cabin.[109] For Niagara, Koons reproduced only the legs, feet, and shoes from Blanch's photograph, adding a heel to one shoe, altering their orientation, and varying the coloring.[110] Blanch sued Koons for copyright infringement. The Supreme Court's *Campbell* decision had issued in the years between *Rogers* and *Blanch,* and Koons now argued the defense of transformative and fair use instead of parody.[111] The district court agreed that Koons' use of Blanch's photograph was fair, and the court of appeals affirmed.[112]

This is not to say that courts always find in favor of the appropriation artist when confronted with copyright infringement claims.[113] However, its influence on judicial decision-making in this area suggests that the precedent set by *Cariou* is here to stay, at least for the time being. Following the Supreme Court's denial of certiorari, *Cariou* will stand as precedent in the Second Circuit, the home of one of the most influential art markets in the world. Given these rulings and the scholarly surveys of many other court rulings, we may expect circuit courts to continue to expand the scope of transformative use. The standards used in these cases are too

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[104] *See Rogers*, 751 F. Supp. at 480.
[105] *See Rogers*, 960 F.2d at 306.
[106] Blanch v. Koons, 467 F.3d 244, 246-47 (2d Cir. 2006).
[107] *See id*. at 247.
[108] *Id*. at 247-248.
[109] *Id*. at 248.
[110] *Id*.
[111] *Id*. at 252-253.
[112] *Id*. at 259.
[113] *See, e.g*., Morris v. Guetta, No. LA CV12-00684 JAK (RZx), 2013 WL 440127, at *8 (C.D. Cal. Feb. 4, 2013) (rejecting defendant's fair use defense to plaintiff photographer's copyright infringement claims); Friedman v. Guetta, No. CV 10–00014 DDP (JCx), 2011 WL 3510890, at *7 (C.D. Cal. May 27, 2011) (finding infringement despite defendant's claims that his use of plaintiff's photograph was transformative).

often unclear and unpredictable. This trend makes it all the more important to impose sensible limitations on fair use in the making of 21st century art.

II
THE TROUBLING CONSEQUENCES OF EXPANDING TRANSFORMATIVE USE

The expansion of fair use illustrated by *Cariou* and its progeny raises several types of concerns: doctrinal, societal, and market-based. By blurring the line between transformative and derivative works, these decisions represent a significant shift in copyright law. The repercussions will affect the business relationships among artists, dealers, and investors, and will shift the legal boundaries of creativity.

A. The Doctrinal Impact

In the wake of *Cariou*, several observers have commented on the doctrinal shifts that the ruling represented.[114] Legal scholars were not the only critics of the opinion. Artists banded together to decry the *Cariou* ruling. When the Second Circuit remanded consideration of five works back to the district court, a coalition of professional associations and photographers filed a comprehensive amicus brief urging the court to reject the fair use defense as to those works.[115] The amici included the American Society of Media Photographers, the Picture Archive Council of America, Professional Photographers of America, the National Press Photographers Association, photographer Jeremy Sparig, the Graphic Artists Guild, American Photographic Artists, and the American Society of Journalists and Authors.[116]

Perhaps the most disturbing aspect of *Cariou* is the lack of guidance offered as to how much difference is necessary for a reasonable observer to determine that the use is transformative. A balancing test based on unclear factors is easy to get wrong. If adapting one artist's photographs by reprinting them in a different color

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[114] *See, e.g.*, Elizabeth Winkowski, *A Context-Sensitive Inquiry: The Interpretation of Meaning in Cases of Visual Appropriation Art*, 12 J. MARSHALL REV. INTELL. PROP. L. 746, 760 (2013); *Copyright Law - Fair Use - Second Circuit Holds That Appropriation Artwork Need Not Comment on the Original to Be Transformative. - Cariou v. Prince, 714 F.3d 694 (2d Cir. 2013)*, 127 HARV. L. REV. 1228, 1229 (2014).

[115] Brief for The American Photographic Artists et al. as Amici Curiae Supporting Plaintiff, Cariou v. Prince, 784 F. Supp. 2d 337 (S.D.N.Y. 2011) (No. 08 CIV 11327), *available at* http://blogs.nppa.org/advocacy/files/2013/12/Cariou-v-Prince-Dist-Ct-Amicus-Brief-12-16-13.pdf.

[116] *Id.*

and size and perhaps adding small decorative elements is fair use, then it is hard to imagine what kind of adaptive copying would not be permitted. A likely effect of this doctrinal vagueness is that whether one artist infringes the copyright of another will boil down to the aesthetic judgment of a particular judge or panel of judges. Subsequent decisions may therefore require lawyers and courts to parse the differences between copies of accused artworks, which may not be widely available, in order to make their best guess as to what is "different enough" to pass legal muster.

A related danger of recent case law is the increasingly blurry line between derivative and transformative use. According to the Copyright Act,

> A "derivative work" is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications, which, as a whole, represent an original work of authorship, is a "derivative work."[117]

A transformative work, by contrast, is one that adds "something new, with a further purpose or different character, altering the first with new expression, meaning or message."[118] The definition of transformative use is comparatively vague, inviting a great deal of judicial creativity in its application.

The difference between derivative use and transformative use is getting harder to detect: "[i]f a court finds that defendants' use of an author's work is 'transformative' because it reaches new markets or makes the work available to a new audience, that finding could risk usurping the author's derivative work rights. Ultimately, those rights could hinge on a 'race to the market' for new and sometimes unanticipated uses."[119]

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[117] 17 U.S.C. § 101 (2010).

[118] *Campbell*, 510 U.S. at 579.

[119] *See Fair Use: Hearing Before the Subcomm. on Courts, Intellectual Property, and the Internet of the H. Comm. on the Judiciary*, 113th Cong. 10 (2014) (statement of June M. Besek, Exec. Dir. of the Kernochan Center for Law, Media and the Arts and Lecturer-in-Law, Columbia Law School), *available at* http://judiciary.house.gov/_cache/files/83d5bf33-9587-4908-849f-e63edc1b49f5/012814-testimony---besek.pdf [hereinafter, Statement of June M. Besek].

Arguably, that is what happened to Cariou. In his Canal Zone exhibit, Prince established a high-end market for what could be considered derivative works based on Cariou's photographs, usurping that market and foreclosing the possibility of a Cariou exhibit like the one Celle had planned.

A further danger of the current slide toward finding that all appropriation art is *per se* fair use may be a violation of the United States' obligations under the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and other international treaties.[120] For example, the TRIPS agreement requires that signatories' copyright exceptions (for foreign works) meet a three-step test.[121] That test provides:

> Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.[122]

The first of the three steps requires that any exceptions to copyright protection be limited in scope, according to the World Trade Organization's dispute resolution panel.[123] "Normal exploitation" includes all ways in which the author would normally seek to exploit the work now or in the future.[124] In other words, an exception may not compromise a normal market for the work. The third step requires that the law protect authors from unreasonable loss of income.[125] Expanding the scope of transformative use without clearer boundaries may violate each of these three steps.

B. The Commercial Impact

In order to appreciate the impact of *Cariou* on the art industry, it is important to understand both the recent rise of appropriation as a means of making art and the central role of dealers and auction houses in the art market. Appropriation is a hot

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[120] *Id*. at 12-13.

[121] *Id*.

[122] Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, art. 13, 1869 U.N.T.S. 299 (1994).

[123] *See* Panel Report, *United States – Section 110(5) of the US Copyright* Act, WT/DS160/R (June 15, 2000), *available at* http://www.wto.org/english/tratop_e/dispu_e/1234da.pdf.

[124] *See* Statement of June M. Besek, *supra* note 120, at 12.

[125] *Id*.

topic in the art world.[126] Some of the most sought after modern art is made by high-profile appropriation artists like Prince, who sold a piece at an auction for more than $3.7 million in May 2014.[127] A widely acclaimed, 24-hour long video made up of appropriated bits of film and television shows called "The Clock" has been touring major art venues around the world since its debut in 2010.[128] In recent years, appropriation art has been the focus of major exhibitions in New York, Chicago, and Los Angeles.[129]

The Second Circuit's emphasis on the socioeconomic strata and celebrity of the people who attended Prince's opening gala correlates with an increasingly important characteristic of the art market. Dealers, collectors, museums, and auction houses all play significant roles in driving up the market prices of certain artists' work. According to one economist, collectors describe contemporary art "in terms of innovation, investment value, and the artist being 'hot,' meaning a relative unknown where word-of-mouth reports make them suddenly sought-after."[130]

The valuation of any given work depends in large part on the investments that dealers, collectors, and museums make in certain emerging artists.[131] When museums exhibit an artists' work, they add to the work's exhibition and sale history, or provenance, thereby increasing the price that work can command in the future.[132] High-profile exhibitions like the Whitney Museum of American Art's

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[126] *See, e.g.*, Kennedy, *supra* note 6.

[127] *Richard Price, Untitled (Cowboy)*, CHRISTIE'S, http://www.christies.com/lotfinder/photographs/richard-prince-untitled-5792595-details.aspx (last visited May 27, 2014).

[128] *See, e.g., Christian Marclay's* The Clock *Makes Midwest Debut,* WEXNER CTR. FOR THE ARTS, http://wexarts.org/press/christian-marclay-s-clock (last visited Sept. 2, 2014).

[129] *See, e.g.*, Kennedy, *supra* note 6; Deborah Vankin, *An Appropriate Time for Appropriation Art at Hammer*, LATIMES.COM (Feb. 7, 2014), http://articles.latimes.com/2014/feb/07/entertainment/la-et-cm-hammer-art-appropriation-20140209; *A Study in Midwestern Appropriation*, HYDE PARK ART CENTER, http://www.hydeparkart.org/exhibitions/ema-study-in-midwestern-appropriationem (last visited Sept. 2, 2014).

[130] DON THOMPSON, THE $12 MILLION STUFFED SHARK: THE CURIOUS ECONOMICS OF CONTEMPORARY ART 12 (2008).

[131] *See, e.g.*, Elizabeth M. Petty, *Rauschenberg, Royalties and Artists' Rights: Potential Droit de Suite Legislation in the United* States, 22 WM. & MARY BILL OF RTS J. 977, 1005-1006 (2014).

[132] *Id*.

Biennial help create taste and add to an artists' value.[133] So do exhibitions at certain galleries, including those of "superdealers" Larry Gagosian, who exhibited the Prince works at issue in *Cariou*.[134] The director of the Andy Warhol Museum observed that "[i]n many ways, having a show with [Gagosian] is synonymous with having a show at MoMA or the Tate Modern [in London]."[135]

Given the increasing ubiquity of the practice, the legal scope of borrowing source material shapes both the artistic and ethical development of the profession. This is especially true for younger artists, whose attitude toward borrowing is significantly different from artists of earlier generations. As Stephen Frailey, the head of the undergraduate photography program at the School of Visual Arts in Manhattan, told the *New York Times*, "[t]hey feel that once an image goes into a shared digital space, it's just there for them to change, to elaborate on, to add to, to improve, to do whatever they want with it. They don't see this as a subversive act. They see the Internet as a collaborative community and everything on it as raw material."[136] This sense of freedom among young artists is mirrored in the general public by the creation of apps such as Mixel, which facilitates the appropriation of images in new user-generated art.[137]

The expansion of fair use will affect source artists as well. If the law permits appropriation artists like Prince to adapt materials without clear limits, it is easy to imagine that the sources such artists appropriate from may dry up for lack of commercial incentive.[138] That incentive is critical. Cariou's investment of time and trust-building in creating his photographs was significant. He spent "some six years" with the Rastafarians he documented in *Yes Rasta*, "gaining their trust and taking their portraits."[139] One could argue that that time and effort was necessary for Cariou to develop the kind of relationships with his subjects that would permit him to take the portraits in the first place. The Second Circuit's decision undermines the importance of this kind of effort.

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[133] *Id*.

[134] *See* Eric Konigsberg, *The Trials of Art Superdealer Larry Gagosian*, VULTURE (Jan. 20, 2013, 9:10 PM), http://www.vulture.com/2013/01/art-superdealer-larry-gagosian.html.

[135] *Id*.

[136] *See, e.g.*, Kennedy, *supra* note 6.

[137] *See, e.g.*, MIXEL, mixel.cc (last visited Sept. 2, 2014).

[138] This is not to suggest that all artists have a profit motive—indeed, Patrick Cariou did not commercialize his art extensively—but simply to recognize that commodifying art requires compensation.

[139] Cariou v. Prince, 784 F. Supp. 2d 337, 343 (S.D.N.Y. 2011) *rev'd in part, vacated in part*, 714 F.3d 694 (2d Cir. 2013).

In fact, photographers like Cariou may be more vulnerable to this expansion of fair use copying than painters, sculptors, and other visual artists. Some commentators have suggested that copyright law gives less protection to visual artists than to authors because it limits the right to copy, which isn't as important to visual artists as it is to authors because of their different modes of profit.[140] While visual artists rely on a "single-copy business model," selling one unique version of each work, authors, rely on a "multi-copies business model," in which they expect to sell many copies of each original work. By focusing on the right to copy, as its name suggests, copyright law effectively discriminates against visual artists in comparison to authors.[141] This argument, however, ignores a key distinction of photography as a medium. It is easier and more common for photographers to sell copies of their work than for many other kinds of artists. Cariou primarily sold his work, for example, through a mass-produced book.[142] Appropriation artists, especially painters, primarily exhibit and sell single copies of their work, commanding higher prices in part because of their scarcity.

Lastly, the expansion of fair use as illustrated by *Cariou* threatens the existence of the photographic licensing market. That market, which serves as a conduit between photographers and the publications or other entities that want to license their work, can be sidestepped entirely if stealing photos is fair use.[143] Indeed, the fact that there is currently an operational licensing market that Prince could have accessed makes it more difficult to justify his unlicensed use of Cariou's photographs as fair.[144]

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[140] *See, e.g.*, Guy A. Rub, *The Unconvincing Case for Resale Royalties*, 124 YALE L.J. F. 1 (April 25, 2014), http://yalelawjournal.com/forum/the-unconvincing-case-for-resale-royalties.

[141] *See, e.g.*, U.S. COPYRIGHT OFFICE, RESALE ROYALTIES: AN UPDATED ANALYSIS 2 (Dec. 2013), *available at* http://copyright.gov/docs/resaleroyalty/usco-resaleroyalty.pdf ("many visual artists [are placed] at a material disadvantage vis-à-vis other authors"); Rub, *supra* note 141 at 31 ("[C]opyright law has effectively discriminated against [visual artists] in many respects for centuries.") (*quoting* Shira Perlmutter, *Resale Royalties for Artists: An Analysis of the Register of Copyrights' Report*, 16 COLUM.-VLA J. L. & ARTS 395, 403 (1995)); *see also* Petty, *supra* note 132, at 986-987.

[142] Cariou v. Prince, 784 F. Supp. 2d at 343.

[143] *See, e.g.*, Brief for The American Photographic Artists et al., *supra* note 116, at 18.

[144] *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 568 n.9 (1985) ("[here] there is a fully functioning market that encourages the creation and dissemination of memoirs of public figures. In the economists' view, permitting 'fair use' to displace normal copyright channels disrupts the copyright market without a commensurate public benefit"); Am. Geophysical Union v. Texaco Inc., 60 F.3d 913, 931 (2d Cir. 1994) ("it is sensible that a particular unauthorized use should be considered 'more fair' when there is no ready market or

C. The Societal Impact

The *Cariou* case has important implications for the relationship between law and society as well. Prince's business approach, like that of many appropriation artists, also raises ethical concerns. Even if courts determine that his adaptation of Cariou's photographs was legal, was it ethical of him to use Cariou's images without attribution? If Prince can make headlines, and millions of dollars, from taking another artists' work, his success sends a message to younger artists that is not easily countered. It is difficult to expect art teachers to demand integrity of their students when the art world and/or the legal system discards its value.[145]

The issue is especially acute for younger artists, who have come of age in an era that lauds appropriation art as much as entirely original compositions. Copyright law, like all intellectual property law, must strike a balance between the protection of original creative work and the common interest in access. If case law undermines the importance of original work, as *Cariou* arguably does, what is the counterweight against free-for-all use of visual works that are not yet in the public domain? Indeed, if current trends continue, the future of the "public domain" as a concept may change as well.

III
EVALUATING PROPOSED SOLUTIONS TO THE TRANSFORMATIVE USE PROBLEM

Copyright scholars, art critics and general observers have been exchanging ideas about how to repair the damage done by *Cariou* since the Second Circuit's decision issued. While many scholars have offered innovative solutions based on important insights into the nature of the problem, their proposals often suffer from a lack of practicality. However, the shortcomings of these proposals form, in part, the basis on which more workable solutions can be developed.

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means to pay for the use, while such an unauthorized use should be considered 'less fair' when there is a ready market or means to pay for the use").

[145] *Cariou* can also be viewed as an example of the imbalance of power in the legal system. While the identity of counsel is not generally considered relevant to the outcome of the case, it would be disingenuous to ignore the fact that Prince's appellate law firm was Boies, Schiller & Flexner LLP, one of the most expensive and prestigious law firms in the country. The dramatic reversal of the Second Circuit's opinion must have resulted from a significant legal effort by appellate counsel, some of which was described in a *New York Times* article on the increasing prevalence of appropriation art. *See* Kennedy, *supra* note 6.

A. Proposed Statutory Amendments Paint With Too Broad a Brush

One potential remedy for the lack of clarity exposed by *Cariou*, *Green Day*, and similar cases might be to amend the Copyright Act to provide guidance for the proper scope and application of the transformative use defense. Congress could, for example, amend the Copyright Act to clarify the distinction between derivative use and transformative use, which is not codified in the statute.[146] Such an amendment, however, would likely do less to ease the interpretive burden on judges than the recommendations proposed in this article. No single definition of transformative use is likely to capture the fine but important distinctions inherent in the ways artists create meaning among the various types of copyrightable expression.

Another scholar has proposed amending Section 101 of the Copyright Act to establish a precise list of uses that would qualify as transformative, to parallel the current statutory definition of derivative use that appears in 17 U.S.C. § 101.[147] Indeed, writers have suggested and courts have adopted a number of other more specific measures of transformative use across genres, none of them satisfactory. These include exemptions for "productive copying,"[148] copying for "socially laudable purposes,"[149] copying for "a different purpose from the original,"[150] and copying with "implied consent" which in turn would accord with the "prevailing understanding of the community" and/or "customary practice."[151]

Defining transformative use more precisely through amendment of the Copyright Act has some drawbacks. First, any illustrative list of transformative uses will, by nature, be limited in scope. A determination of fair use based on transformative use will still rely on the fact finder's subjective analysis to some extent. The same can be said, however, for the interpretation of other kinds of fair use and, more generally, in any application of precedent. The open-ended nature

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[146] In fact, the Judiciary Committee held a hearing on the proper scope of the fair use defense on January 28, 2014. *The Scope of Fair Use: Hearing Before the Subcomm. on Courts, Intellectual Prop. and the Internet of the H. Comm. on the Judiciary*, 113th Cong. (2014), *available at* http://judiciary.house.gov/index.cfm/2014/1/the-scope-of-fair-use.

[147] MICHAEL A. EINHORN, MEDIA, TECHNOLOGY AND COPYRIGHT: INTEGRATING LAW AND ECONOMICS, 33 (2004).

[148] Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 455 n.40 (1984).

[149] *Id*. at 478-9 (Blackmun, J., dissenting).

[150] Am. Geophysical Union v. Texaco, 802 F. Supp. 1, 14-15 (S.D.N.Y. 1994), *aff'd*, 60 F.3d 913 (2d Cir. 1994).

[151] Lloyd L. Weinreb, *Fair's Fair: A Comment on the Fair Use Doctrine*, 103 HARV. L. REV. 1137, 1143-4, 1160 (1990).

of the fair use defense, and of transformative use in general, has long been recognized as a necessary condition.[152]

Second, a more specific definition of transformative use may have the overall effect of narrowing the defense, thereby increasing the chances that appropriation artists will be held liable for copyright infringement. They may be discouraged, in turn, from producing work that the art market, media, and popular audiences value. Because appropriation artists' work often commands such high prices, investors and collectors may claim that regulating appropriation art more closely will hurt the art market overall. Dealers and galleries may be more hesitant to sell and show such work if they perceive an increased risk of liability themselves. After all, Larry Gagosian, the owner and founder of the prestigious Gagosian Gallery was a named defendant in *Cariou v. Prince*.[153] Resistance from the intermediaries between artists and collectors may further depress the market for this lucrative type of art.

B. Compulsory Licensing for Visual Artists Is Untenable in the United States

Scholars have also proposed amending the Copyright Act to provide compulsory licensing for visual artists who incorporate copyright-protected works of others into their work.[154] Compulsory licensing already exists to some extent in music with regard to cover songs,[155] and some commentators have proposed expanding the scope of compulsory licensing to include digital sampling as well.[156] In the wake of *Cariou*, some commentators suggested that it might be time to

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[152] *See, e.g.*, Matthew Sag, *G-d in the Machine: A New Structural Analysis of Copyright's Fair Use Doctrine*, 11 MICH. TELECOMM. & TECH. L. REV. 2 (2005).

[153] *See* Cariou v. Prince, 784 F. Supp. 2d 337, 343 (S.D.N.Y. 2011), *rev'd in part, vacated in part*, 714 F.3d 694 (2d Cir. 2013).

[154] *See, e.g.*, Judith Bresler, *Begged, Borrowed or Stolen: Whose Art Is It, Anyway? An Alternative Solution of Fine Art Licensing*, 50 J. COPYRIGHT SOC'Y OF THE U.S.A. 15 (2002).

[155] Section 115 of the Copyright Act provides for compulsory licensing in order to perform or record someone else's original song. 17 U.S.C. § 115(a)(1) (2012).

[156] *See, e.g.*, Kenneth M. Achenbach, *Grey Area: How Recent Developments in Digital Music Production Have Necessitated the Reexamination of Compulsory Licensing for Sample-Based Works,* 6 N.C. J. L. & TECH. 187, 190-191 (2004); Chris Johnstone, Note, *Underground Appeal: A Sample of the Chronic Questions In Copyright Law Pertaining to the Transformative Use of Digital Music in a Civil Society*, 77 S. CAL. L. REV. 397, 399-402 (2004); Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses In Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 547 (2006) (critiquing compulsory licensing proposals).

revive that idea in the visual arts in order to ensure fair compensation for source artists.[157]

Licensing is particularly inapt in this context because of the critical and transgressive nature of appropriation art as a movement, as described above.[158] The history of appropriation art reveals that the practice of appropriation is fundamentally aimed at challenging and departing from prior modes of representation.[159] As one scholar has put it, "[w]hile societal criticism is usually incidental to traditional parody, it is the avowed purpose of appropriationist visual art."[160]

Another difficulty inherent in a potential compulsory licensing scheme is the question of whether exhibited or published secondary works would be subject to a license fee, or whether the licensing scheme would be limited to actual sales. As noted above, appearing in an exhibit, especially at a premiere location such as the Whitney Museum or the Gagosian Gallery, can vastly increase the worth of an artist's work.[161] A compulsory licensing scheme that addressed only the actual sale of art would address only part of the process by which art is valued, and increases in value, in the global art market.

A greater challenge would be determining who might administer the licensing program. Since so many major art sales take place through galleries and auction houses, they would be the logical first choices. If galleries were compelled to direct a percentage of the sale price of an appropriation piece to a source artist(s), however, the galleries would bear the burden of identifying (or verifying, if the appropriation artist will assist in this task) the source artist(s) and the date of the source work in order to determine whether or not the work was in the public

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[157] *See, e.g.*, Tarsis, *supra* note 86.

[158] *See, e.g.*, Martha Buskirk, *Commodification as Censor: Copyrights and Fair Use*, 60 October MIT Press 82, 102 (1992) (explaining that *Rogers v. Koons* "raises a number of important and troubling questions about the legal status of artistic appropriation, and it may set an important precedent with respect to the appropriation of images in works of art.... The decision is particularly troubling given the way in which strategies of appropriation have often performed a critical function").

[159] Jasiewicz, *supra* note 11, at 151.

[160] E. Kenly Ames, Note, *Beyond* Rogers v. Koons*: A Fair Use Standard for Appropriation*, 93 COLUM. L. REV. 1473, 1500 (1993). *But cf*. Darren Hudson Hick, *Appropriation and Transformation*, 23 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1155, 1177 (2013) (rejecting the idea that "we [can] describe the contemporary category of appropriation art on the basis that it is essentially a form of social commentary.").

[161] *See, e.g.*, Petty, *supra* note 132, at 1006-7.

domain. If so, presumably no license fees would be due. If not, however, the gallery would then face the task of transferring payment to that person or those people. If the source artist does not know that a fee is owed to her, she has no incentive to verify the payment.

That complication suggests that enforcement of the licensing scheme would be challenging as well. This would be especially difficult with regard to private sales. The difficulty of ensuring that the license fee extracted from the seller makes its way to the source artist multiplies when the seller is a private individual rather than a gallery or auction house. Increasingly, collectors and sellers are using private sales to transfer art rather than public auctions.[162] One reason is that private sales lessen the risk of failure in a prestigious market. As one New York gallery director explained, "If [a piece] doesn't sell [privately], it's not a public event. […] However, if your painting is on the cover of an auction catalog and it's been marketed globally and then doesn't sell – ouch!"[163] As more transactions are handled privately, a compulsory licensing scheme becomes harder to administer and enforce.

Compulsory licensing may be easier to administer and enforce in the music business than it would be in the visual arts. Although the Supreme Court developed the transformative use defense in the context of a music case,[164] the differences between the music business and the art business help illustrate why licensing would be harder to administer in the latter. In the music industry, a few major organizations help consolidate the licensing process, including the Recording Industry Association of America (RIAA) and Broadcast Music Incorporated (BMI). In the visual arts, however, there is no comparable hegemony. Organizations such as VAGA and Artists' Rights Society (ARS), which describes itself as the "preeminent copyright, licensing, and monitoring organization for visual artists in the United States,"[165] represent many visual artists' interests. VAGA, for example, serves as a licensing clearinghouse for its member artists. When "any type of image user seeks to reproduce a work of art by one of our members, VAGA issues a license document, which details and limits the rights granted, contains clauses protecting the integrity of the licensed work,

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[162] Katya Kazakina, *Bargain Warhols, Secrecy Bring Collectors to Private Art Sales*, BLOOMBERG (July 27, 2009, 12:01AM), http://www.bloomberg.com/apps/news?pid=newsarchive&sid=apWHIzppllaM.

[163] *Id*.

[164] *See Campbell*, 510 U.S. at 569.

[165] *History of ARS*, ARTISTS RIGHTS SOC'Y, http://www.arsny.com/about.html (last visited Oct 26, 2014).

and ensures payment of a fee commensurate with the nature of the use."[166] ARS, in contrast, "act[s] on behalf of [its] members to streamline the process for reviewing requests for reproduction" but does not license or sell their art on their behalf.[167]

Perhaps the most intransigent difficulty in a general licensing scheme, however, has to do with the difficulty of pinpointing a single original work. As discussed above, it is difficult to pinpoint verbally what the "expression" of any artwork is, and therefore what elements can be protected by copyright, as a rule, in the same way that "expression" can be identified and quoted in written work.[168]

The many problems inherent in a compulsory licensing scheme can be illustrated in part by analogy to the recent debate over the possible institution of a federal resale royalty structure.[169] A resale royalty provides that when a work of art is sold by someone other than the artist, some percentage of the sale price goes to the artist no matter how long it has been since the artist sold the work originally. Resale royalty laws are common in Europe and other parts of the world, but have been met with mixed success in the United States.[170] In 2013, however, the Copyright Office issued a report recommending that Congress consider adopting such rights.[171] In February 2014, a group of congresspersons introduced a bill which, if passed, would grant visual artists the right to collect resale royalties.[172] Critics of the bill pointed out that the logistical burden and administrative costs of such a scheme are likely to outweigh the benefits. They noted, for example, that the bill's provisions making the collection of resale royalties transferable and retroactive would have done more harm than good.[173] Similar arguments can be

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[166] *General Information and Services*, VAGA RIGHTS, http://vagarights.com/general-information-services/ (last visited Oct. 26, 2014).

[167] *Services Provided*, ARTISTS RIGHTS SOC'Y, http://www.arsny.com/services.html (last visited Oct. 26, 2014).

[168] That said, it could be argued that determining whether an excerpt of a written work is the "heart" of the original, as fair use requires us to do when evaluating the use of quotes is a comparably difficult exercise. *See, e.g.*, *Campbell*, 510 U.S. at 569.

[169] The concept of a resale royalty itself is not meant to redress the imbalance of power between a source artist and an appropriation artist. In other words, resale royalties would not compensate a source artist like Cariou when an appropriation artist like Prince uses his work.

[170] *See, e.g.*, Petty, *supra* note 132, at 985 (noting that every European country other than Switzerland has a resale royalty law, as do several Latin and South American countries); *see also* Rub, *supra* note 141.

[171] *See, e.g.*, U.S. COPYRIGHT OFFICE, *supra* note 142.

[172] The American Royalties Too Act of 2014, H.R. 4103, 113th Cong. (2014).

[173] *See, e.g.*, Rub, *supra* note 141 at 2; Petty, *supra* note 132, at 1006-7.

made against a compulsory licensing scheme, and would likely arise if a compulsory licensing scheme were to be proposed in a more formal manner.

IV
A THREE-STEP SOLUTION TO REFORMING TRANSFORMATIVE USE IN THE VISUAL ARTS

Resolving the current mismatch between 21st century appropriation art and copyright law requires at least three changes. First, courts should clarify that meritorious appropriation art is *per se* transformative use, thus reducing the current confusion as to how much variation between the original work and the new work is permissible. Second, courts should encourage expert testimony from art scholars on whether the works in question are meritorious appropriation art or not, allowing judges to resume their historic reluctance to evaluate visual art. Finally, Congress should revise the Copyright Act to narrow the scope of fair use for visual artists to reproductions, eliminating the current confusion between the protected transformative use defense and the infringing transformation of original works within the scope of the artists' derivative rights. Taken together, these three changes will restore clarity to the question of how artists can create new works without infringing the rights of other artists. This increased clarity will allow artists to stop litigating and focus their attention on creating, a development that all parties should favor.

A. Recognize Appropriation Art as Transformative Use Per Se

As a first element of this tripartite solution, courts should accept meritorious appropriation art as transformative *per se*. In other words, courts should determine – preferably with the assistance of expert testimony, as described in the following section – whether the accused work is meritorious appropriation art. If so, the court should take that determination into account when evaluating the first of the fair use factors. The second, third and fourth factors should remain open to the court's analysis, without a correlative presumption.

In the past, courts have been reluctant to supplant the entire four-factor analysis with a broader presumption that appropriation art should be considered *per se* fair use. In *Morris v. Guetta*, for example, the Central District of California Appellate Court ruled that Guetta's adjustments to photographs of Sid Vicious

taken by Dennis Morris constituted copyright infringement.[174] The court rejected Guetta's argument that appropriation art should be considered fair use *per se*: "[t]o permit one artist the right to use without consequence the original creative and copyrighted work of another artist simply because that artist wished to create an alternate work would eviscerate any protection by the Copyright Act."[175]

Prior to *Cariou*, a few scholars proposed unique fair use standards for appropriation art, but none were adopted. In 1988, for example, John Carlin suggested modifying fair use standards to better accommodate appropriation art.[176] Instead of the standard four-factor test, Carlin suggested focusing on the purpose of the copying and the nature of the work copied.[177] Carlin's test, however, applied different standards depending on whether the copied image was recognizable to the average viewer.[178] Carlin also limited his proposed fair use determination to the appropriation of works whose creator was no longer living or actively exhibiting his work.[179]

In 1993, E. Kenly Ames proposed a different approach to fair use in appropriation art cases.[180] Ames would have limited the presumption of fair use to works of visual art as defined under the Visual Artists' Rights Act of 1990 (VARA), in part to "avoid any need to decide whether it is 'good art,' or even 'art' at all, or whether it is successful in getting its critical message across to the viewer." [181] She further proposed a minimal standard of review for the appropriating work's effect on the potential market for the original work, suggesting that such appropriation should be deemed fair so long as the secondary work cannot reasonably function as a market substitute for the original. [182]

Both Carlin and Ames' proposals recognized that appropriation art required different legal treatment from more traditional 19th century forms of image creation, but their standards would have been relatively difficult to implement.

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[174] Morris v. Guetta, No. LA CV12-00684 JAK (RZx), 2013 WL 440127, at *8 (C.D. Cal. Feb. 4, 2013) (rejecting defendant's fair use defense to plaintiff photographer's copyright infringement claims).

[175] *Id*. at *13.

[176] Carlin, *supra* note 16, at 137-38.

[177] *Id*. at 139.

[178] *Id*.

[179] *Id*.

[180] *See* Ames, *supra* note 161, at 1515-1516.

[181] *Id*. at 1518-1519.

[182] *Id*. at 1523.

Carlin's qualification that recognizable works deserved more protection introduces the unwieldy question of what an "average viewer" recognizes, and answering such a question is no easy task in a culture that is increasingly subdivided in terms of what people see and recognize. Ames' proposal introduces the excellent notion of using the VARA standard to remove the subjective evaluation of art from the courts, but would apparently allow that determination to override the consideration of the other four fair use factors. However, a better approach would allow courts to deem appropriation art that falls under a minimal VARA standard to be transformative use, while retaining consideration of market impact and other important fair use considerations and without allowing any one of those considerations to dominate.

A critical question is how much transformation of a source work is necessary to qualify as appropriation art, and therefore transformative use *per se*, under this proposal. This question plagued the Second Circuit in *Cariou* as well. In its decision, the majority determined that most of Prince's work qualified as transformative use without specifying the standards used to reach that determination. While some of Prince's works transformed Cariou's photographs beyond judicial doubt, other works were too close to call. As Judge Parker noted with regard to one work, *Graduation*:

> Prince did little more than paint blue lozenges over the subject's eyes and mouth, and paste a picture of a guitar over the subject's body... Where the photograph presents someone comfortably at home in nature, *Graduation* combines divergent elements to create a sense of discomfort. However, we cannot say for sure whether *Graduation* constitutes fair use or whether Prince has transformed Cariou's work enough to render it transformative.[183]

The court remanded the question of whether Prince was entitled to the fair use defense for Graduation and four other works, but failed to provide any clear standards by which to make that determination. It is hard to see how the lower court would be any more qualified than the appellate court to make this determination, unless additional testimony was permitted on this point. Even so, it would have been difficult to introduce such testimony absent standards of proof.

When a work is appropriation art, it is creative and progressive. It is "not premised on rote copying," but is instead "about quotation, recontextualization,

[183] Cariou v. Prince, 714 F.3d 694, 701-11 (2d Cir. 2013).

and criticism – the very building blocks of artistic progress."[184] The Copyright Clause of the Constitution, after all, authorizes Congress to promote the Progress of Science and useful Arts.[185] Because genuine appropriation art represents artistic progress, it is "the sort of innovative criticism and reassessment of our environment that one might argue the Copyright Act is designed to protect."[186] For that reason, it deserves at least *per se* protection as transformative use.

One way to remove judges from their newly adopted and ill-suited role as art critics is to create a brighter line between what does and does not infringe a source artist's copyright. Given the prominent role of appropriation art in the modern art canon, the time has come to recognize it explicitly in the context of copyright law. The simplest bright line to use is the term Congress has already adopted in another copyright statute designed to protect artists: VARA.[187] In adopting a relatively simple standard for basic protection, VARA relieves courts of the responsibility they are ill equipped to bear: making aesthetic judgments and determinations of artistic worth.

B. Broaden the Use of Expert Testimony By Art Scholars in Infringement Cases

Another way to restore the proper distance between judges and art evaluators is to expand the use of qualified expert testimony in visual art copyright infringement cases. Judges should not be in the business of judging art. The Second Circuit's foray into artistic evaluation in *Cariou* appears to have been entirely subjective, since it did not specify any standards used to determine that twenty-five of the accused paintings were fair use and five were too close to call.[188]

I propose instead that courts invite expert testimony on the issue of whether an accused work is meritorious appropriation art, mere copying without more, or something in between. Specifically, my proposal is that parties to copyright infringement cases involving appropriation art retain experts to testify as to whether the allegedly infringing work is meritorious appropriation art or not. Other scholars, most notably Monika Jasiewicz, have recently suggested inviting expert testimony on whether an artistic use is transformative so as to qualify for the fair use defense.[189] Although it is grounded in many of the same concerns, my

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[184] Jasiewicz, *supra* note 11, at 147.
[185] U.S. CONST. art 1, § 8.
[186] Jasiewicz, *supra* note 11, at 151.
[187] 17 U.S.C. § 106A (2006).
[188] *Cariou*, 714 F.3d at 708-711.
[189] *See* Jasiewicz, *supra* note 11, at 146.

proposal is narrower in that it calls for a parallel *per se* determination of transformativeness for appropriation art.

Expert testimony is necessary in appropriation art cases because of its unique forms of expression, interpretation and meaning. It is harder for judges to evaluate the fair use of art than other kinds of copyrightable expression. This is especially true for appropriation art, which has its own canon and semiotics. While judges are likely to be familiar with the conventions of parody and jokes present in literary works, they are less likely to have a comparable understanding of the conventions of photography and appropriation art, because those conventions lay farther outside the popular discourse.[190]

As *Cariou* illustrates, the current "new expression, meaning or message" test is difficult at best to implement without expert assistance. Any new depiction of a source work that varies even slightly from the original, for example, might qualify as "new expression" in that it differs from the original expression. Even if courts were to narrow the "expression" element of the current test, it is challenging to define transformative use in the visual art medium. It is significantly harder to define the "meaning or message" of a visual artwork than to define the "meaning or message" of a written work, in part because visual art is less literal by nature. There can be no single meaning of a work of art, as so much of the interpretation of a work rests with the observer.[191]

Judicial opinions are also a poorer vehicle for conveying the bases of a transformative use determination in cases involving the visual arts than those involving written works. As Matthew Bunker and Clay Calvert have observed, the "perception of whether something constitutes a written parody may be more reasonably gleaned and more readily explained in a judicial opinion than the perception of whether image-based appropriation art is transformative."[192]

Indeed, judges' willingness to engage in aesthetic judgments in the course of legal judgments is a relatively recent phenomenon. In *Bleistein v. Donaldson Lithographing Co.*, Justice Holmes observed that

> It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of [works] … if

[190] Bunker & Calvert, *supra* note 11, at 127.

[191] *See, e.g.*, Alex Kiefer, *The Intentional Model in Interpretation*, 63 J. AESTHETICS & ART CRITICISM 3, 271-281 (2005).

[192] Bunker & Calvert, *supra* note 11, at 127.

> they command the interest of any public, they have a commercial value – it would be bold to say that they have not an aesthetic and educational value, – and the taste of any public is not to be treated with contempt.[193]

Holmes' statement underscores an important limitation on judges' ability to interpret art in copyright cases. So, too, did Judge Wallace's dissent in the Second Circuit's *Cariou* ruling, belying his discomfort in the role of art critic. Citing a cautionary note from the Supreme Court in the *Campbell* case that "it would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of [a work], outside of the narrowest and most obvious limits,"[194] Judge Wallace wrote that "[i]t would be extremely uncomfortable for me to do so in my appellate capacity, let alone my limited art experience."[195] His hesitation to engage in art criticism is well-reasoned, and should be instructive to courts in general.

Nor should artists be in the business of judging their own art. Several observers have pointed out the difficulties inherent in asking artists to comment on their own intention in creating works at issue.[196] While an artist's intent should not be viewed as dispositive, *Cariou* can be read to suggest that it is not even relevant. After all, in *Cariou*, the District Court interpreted Prince's testimony to mean that he had no transformative intent.[197] But it is not artists' potential inability to articulate their intent that is the problem. Indeed, any witness has the potential to be inarticulate. Dealing with that possibility is one of the trial lawyers' responsibilities.

The larger problem is that the artist's perspective and intent is irrelevant to the commercial impact of the alleged copying, which is at the heart of the first and fourth factors of the fair use defense.[198] Scienter need not be part of a fair use determination. Whether an artist like Prince can articulate a transformative intent behind his work is not determinative of whether his work is appropriation art. As

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[193] Bleistein v. Donaldson Lithographing Co., 188 U.S. 239, 251-252 (1903).

[194] Cariou v. Prince, 714 F.3d at 714 (*citing* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 582 (1994) (*quoting Bleistein*, 188 U.S. 239, 251 (1903))).

[195] *Id*.

[196] *See, e.g*., Caroline L. McEneaney, *Transformative Use and Comment on the Original: Threats to Appropriation in Contemporary Visual Art*, 78 BROOK. L. REV. 1521, 1543 (2013).

[197] Cariou v. Prince, 784 F. Supp. 2d 337, 349 (S.D.N.Y. 2011), *rev'd in part, vacated in part*, 714 F.3d 694 (2d Cir. 2013).

[198] *See* 17 U.S.C. § 107 (2006).

Caroline McEneaney has written, "[t]he creator often sees the work very differently from others and rarely has a true sense of the legal consequences of his own words … To rely so heavily on the testimony of the artist leaves society's exposure to valuable cultural reference in the hands of art makers, who are not versed in the law, have very different perspectives than judges and lawyers, and may not realize the impact that their words can have."[199]

In many ways, the need for expert testimony in visual art copyright infringement cases can be compared to the need for expert testimony in patent cases, which have been standardized in claim construction hearings.[200] In such hearings, courts benefit from expert testimony from each side as to the proper construction of certain terms in the claims at issue. In patent infringement litigation, courts accept the need for expert testimony on the technical details of patented inventions because the technology is so specialized, as it must be to be patentable, that no judge can be expected to appreciate the perspective of "one of ordinary skill in the art" of the patent. This is true regardless of whether the judge sits in a court of general jurisdiction or a specialized court like the Federal Circuit. Judges are no more, or at least not much more, qualified to interpret appropriation art than they are to interpret the workings of a nonvolatile semiconductor memory device with an improved gate electrode.

When courts use expert witnesses to help evaluate transformative use in the visual arts, it is critical to circumscribe their testimony. Such experts should testify only to whether the accused works meet a specific standard. This article proposes that the standard be whether the accused work is meritorious appropriation art, as described in the preceding section.

There is a danger that expert testimony on transformative use will focus on the market value, if any, of the accused and original works. Indeed, the Second Circuit's *Cariou* opinion included an extensive discussion of the market differences between Prince's work and Cariou's work.[201] This kind of testimony should be avoided. Indeed, such testimony might flow naturally from Section 107's emphasis on the market. The first factor asks whether the accused work's use of the original is "of a commercial nature or is for nonprofit educational purposes," while the fourth factor focuses on "the effect of the use upon the

[199] McEneaney, *supra* note 197, at 1543.
[200] *See* Markman v. Westerview Instruments, Inc., 517 U.S. 370 (1996).
[201] Cariou v. Prince, 714 F.3d 694, 709 (2d Cir. 2013).

potential market for or value of the copyrighted work.[202] Transformative use, however, is usually considered to affect the determination of the first fair use factor alone.[203] An important constraint of these proposals is that they allow the court to consider the other three factors of fair use independently.

One danger of allowing marketability and market value to influence the determination of transformative use is the possibility of offering greater protection to expensive artists than to lesser known artists. While art can be big business, the price tag of a work should not influence the determination of whether it is either transformative or infringed. Given the shift in judicial attitudes evidenced in *Cariou*, this is a real concern. As noted above, the Second Circuit's decision hinged in part on a finding that Cariou appealed to a different "sort of collector" than Prince. It observed that

> Certain of the *Canal Zone* artworks have sold for two million or more dollars. The invitation list for a dinner that Gagosian hosted in conjunction with the opening of the *Canal Zone* show included a number of the wealthy and famous such as the musicians Jay-Z and Beyonce Knowles […] *Vanity Fair* editor Graydon Carter, *Vogue* editor Anna Wintour, […] and actors Robert DeNiro, Angelina Jolie and Brad Pitt [...] Cariou on the other hand has not actively marketed his work or sold his work for significant sums, and nothing in the record suggests that anyone will not now purchase Cariou's work, or derivative non-transformative works (whether Cariou's own or licensed by him) as a result of the market space Prince's work has taken up. This fair use factor therefore weighs in Prince's favor.[204]

While the Court's analysis is limited on its face to the fourth fair use factor, it is impossible to ignore the air of snobbery implicit in its assessment. Contrast this with the Second Circuit's opinion in *Rogers v. Koons*, in which the court derided the arrogance implicit in the assumption that wealth insulates an artist from infringement allegations:

> The copying was so deliberate as to suggest that defendants resolved so long as they were significant players in the art business, and the copies they produced bettered the price of the copied work by a

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[202] *See* 17 U.S.C. § 107 (2006).
[203] *See Blanch*, 467 F.3d at 251; *Campbell*, 510 U.S. at 579; *Cariou*, 714 F.3d at 705-706.
[204] *Cariou*, 714 F.3d at 709.

> thousand to one, their piracy of a less well-known artist's work would escape being sullied by an accusation of plagiarism.[205]

The difference in these opinions indicates just how far the Second Circuit has slid toward accepting exactly the kind of privilege that it had derided in *Rogers v. Koons*. It also underscores the importance of eliminating (or at least minimizing) the effect of power and wealth on the scope of an artist's rights. To allow market value to infect the transformativeness decision would be to perpetuate the danger that only the wealthy can afford justice. If only highly marketable artists can protect their work in court, then we as a society effectively will be determining that lesser-known artists have fewer rights. That is inapposite to copyright's constitutional mandate "to promote the Progress of Science and useful Arts." We should not equate artistic value with commercial value.

What kind of experts should be employed? The experts testifying in transformative art cases could be art critics, art historians, or other professionals with expertise in the types of art at issue. One danger of employing gallerists and art dealers as experts instead is the possibility that their knowledge of the market and of relative value will unduly influence their opinion as to whether the accused work is meritorious appropriation art. While there need not be a bright-line exclusion of art market players from this kind of expert testimony, courts should guard against allowing market value to influence their opinions as the Second Circuit arguably did in *Cariou*.[206]

C. Limit Visual Artists' Derivative Rights to Reproduction Rights

The third element of this proposal is to amend the Copyright Act to limit the scope of derivative rights for visual artists to reproductions of their work, within limits. Authors' derivative rights in the characters they create make sense in ways that artists' derivative rights in the particular work do not. The visual image is the creative work itself. Characters, on the other hand, exist independently of the specific words used to create them.

Under the terms of this proposal, artists would retain derivative rights in reproductions of their works, including variations in size, format, materials and coloration. The reproduction of a work on a t-shirt, a poster, or a website would not qualify as transformative and, presumably, would not be fair use in most cases. Allowing for these minor differences in expression of the work is also consistent

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[205] *Rogers*, 960 F.2d at 303.
[206] *Cariou*, 714 F.3d at 709.

with the sensible outcomes of cases like *Friedman v. Guetta*.[207] In that case, Ron Friedman sued Thierry Guetta for copyright infringement based on Guetta's use of Friedman's photograph of the hip-hop group Run D.M.C. Guetta asserted the fair use defense, and lost. The court rejected the claim that Guetta's adaptation of the photograph was "transformative" even though his work differed in minor ways from Friedman's.[208]

Put simply, this limitation would help bring copyright law into line with the reality of appropriation art. If courts continue to engage in subjective analyses of how much variation of an original work is transformative, the doctrinal chaos advanced by *Cariou* will continue to confuse artists and scholars. Only those artists wealthy enough to roll the legal dice will be able to risk an infringement decision (especially if their pockets are deep enough to afford appellate counsel). The majority of artists cannot afford to take those risks. The uncertainty caused by diffuse standards may chill the creation of new works, depriving society of the "progress of the … useful arts" that the Constitution seeks to protect.[209] It may also result in fewer source works for artists to appropriate in future years.

Restoring a bright line, even one that is more conservative than that established by the current case law, will provide the certainty artists and art markets need. The scope of rights suggested here squares with case law, including *Cariou*, and has the benefit of being both simple and realistic.

To be sure, some reproductions of copyrightable works will still be found to be fair use, for example, where the reproduction serves a different purpose from the original work.[210] And reproduction may still be found to misappropriate an image even where it is surrounded by original creative elements, as was the case in *Hart v. Electronic Arts*.[211] As a general principle, however, limiting the derivative rights of visual artists to reproductions with minimal variations will help restore the proper boundaries between derivative and transformative use in this sphere.

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[207] Friedman v. Guetta, No. CV 10-00014 DDP (JCx), 2011 WL 3510890 (C.D. Cal. May 27, 2011) at *7.

[208] *Id*. at *6.

[209] U.S. CONST. art 1, §8.

[210] *See, e.g*., Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146 (9th Cir. 2007) (holding that framing and hyperlinking as part of image search engine constituted fair use of Perfect 10 images because the use was highly transformative).

[211] Hart v. Elec. Arts, Inc., 717 F.3d 141, 159-69 (3d Cir. 2013).

CONCLUSION

Reforming the determination of transformative use in this comprehensive manner is necessary to reign in the fragmentation of precedent that has left artists, scholars, and investors wondering what transformative use means now. The *Cariou* decision and other recent cases expanding the application of the fair use defense are cause for concern, not just in the multi-billion dollar global art market but for the preservation of the creative process in general. The explosion of images available on the internet feeds the development of appropriation art, demanding a legal treatment that fairly defines the rights of all players in this market.

Copyright law (like all intellectual property law) seeks the right balance between rewarding the creators of new works and ensuring that those works can be used appropriately by the public, and it must adapt to evolving technology. By allowing appropriation artists apparently unfettered access to copyrighted materials, judicial decisions like *Cariou* threaten the incentives of more original artists to create the sources on which appropriation art depends. Left unchecked, it will continue to plague the art market, adversely affect lesser known artists, and entrust the legal boundaries of creative expression to the wide range of judicial discretion. Given the likely doctrinal, commercial and societal effects of these cases, there is a need for comprehensive reform.

The proposals set forth in this article will clarify the rights of appropriation artists and source artists as well as the proper roles of judges and experts in 21st century art copyright cases. The first proposal, treating meritorious appropriation art as transformative use *per se*, removes the uncertain element of judicial subjectivity that currently makes it hard for artists to know *a priori* what their rights are when accusing someone or being accused of copyright infringement. It also allows courts to retain consideration of purpose, market impact, and other more easily determined elements of a fair use defense.

The second proposal, encouraging the use of expert witnesses to determine whether the accused works meet the appropriation art test, acknowledges the limits of judges' ability to evaluate the visual arts to the same extent that they can evaluate written works. It also dampens the likelihood that socioeconomic factors will play a large part in the court's determination of what is and is not protectable, although the costs of litigation will always affect access to justice to some extent. The third proposal, limiting source artists' copyright essentially to reproductions of their work, makes sense for the proper balance of rights in the visual arts context and is necessary for the first proposal to work well.

This comprehensive set of reforms is necessary to restore much-needed clarity to the art world and to bring copyright jurisprudence into line with current ways of making and understanding art. As technology continues to multiply the images available for artists to work with and simultaneously fractures the viewing public into an infinite number of sub-communities, the tripartite reform proposed here is not only warranted but critical to align the interests of artists, consumers, copyright lawyers, and courts alike.