

U.S. Supreme Court Issues Long-Awaited Copyright Decision in Warhol Foundation v. Goldsmith

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On Thursday, the U.S. Supreme Court issued its decision in the Andy Warhol Foundation's lawsuit against photographer Lynn Goldsmith. The case concerned the use of Goldsmith's photographic portrait of Prince as a reference image in a famous Warhol color portrait of Prince that was published by Conde Nast to illustrate an article about Prince. The Court found in favor of Goldsmith, concluding that "Goldsmith's original works, like those of other photographers, are entitled to copyright protection, even against famous artists" when the purpose of the artist's use is commercial.

The case had been expected to shed new light on appropriation in artwork and the application of the four-factor test for fair use. The case was argued in October, and the long delay in the issuance of the decision heightened speculation about how the votes would align.

The Supreme Court's decision was a narrow one. The dispute concerned the licensing of the Warhol portrait in 2016 by the Andy Warhol Foundation to Conde Nast to illustrate an article about Prince published shortly after Prince's death. The issue before the Supreme Court was limited: in the licensing of the Warhol work in 2016 (*not* the creation of that Warhol work more generally), whether the first of the four factors in the statutory fair use test, the "purpose and character of the use," weighs in favor of the Andy Warhol Foundation. The Andy Warhol Foundation conceded that the other three factors all favored Goldsmith.

In holding for Goldsmith, the court held that the "purpose and character of the use" was the commercial licensing of the work for a magazine article about Prince. Goldsmith is a well-known photographer, earns licensing income from her photographs, and the licensing of the Warhol photograph displaced potential licensing of her photograph for use with the same Conde Nast article about Prince. In this respect, it went further than the the Second Circuit decision that the Court affirmed, which defined "purpose and character" of the Goldsmith and Warhol works as identical in that they were both portraits of the same person.

The Court's decision is also notable for the strongly worded dissent penned by Justice Elena Kagan, who is ideologically aligned with the author of the majority opinion, Justice Sonia Sotomayor, on many issues. Justice Kagan's dissent focused on the aesthetic adaptation and artistic intent of the Warhol's portrait, and would have found it transformative, so that the first factor would have favored the Warhol Foundation.

Oral argument foreshadowed the outcome, where the Justices debated the property rights of copyright holders against appreciation for the aesthetic innovations of Warhol and the role of appropriation in art. Justice Sotomayor wrote for a majority of five. Justice Neil Gorsuch issued a concurrence joined by Justice Ketanji Brown Jackson. Justice Kagan's dissent was joined by Chief Justice Roberts.

The decision is also notable for the dialogue between the majority and dissent that played out in the footnotes, in which both authors claimed to be faithfully applying the Court's precedent and section 107 of the Copyright Act, which sets out the four fair use factors. For example, the majority dismissed the dissent's "magazine editor test," which it characterized as whether a magazine editor would have seen a difference between the realistic Goldsmith portrait and the Warhol adaptation when selecting an image to illustrate an article on Prince. Even if the two

works were not perfect substitutes, the majority opinion pointed out that the Warhol work could “supersede” Goldsmith’s image as the illustration for an article about Prince.

All the opinions claimed to be faithfully applying the Court’s most recent and on-point precedent, *Campbell v. Acuff-Rose Music*, a case involving 2 Live Crew’s transformative copying of Roy Orbison’s “Pretty Woman” to create a new song, “Oh Pretty Woman.” The majority emphasized that 2 Live Crew’s commentary on the original did more than overlay the Roy Orbison original with a new style. In this case, the Court held in the majority opinion that Warhol did not comment on the original (such as by parody), doing little more than applying Warhol’s signature style. It concluded that when the alleged “commentary” in the new work has no bearing on the substance of the original work (rather than commentary on Prince or celebrity culture more generally), the claim to fairness in borrowing is diminished or vanishes entirely. It is true that Warhol did not select Goldsmith’s image; Goldsmith’s image was licensed from Goldsmith by Conde Nast in 1984 for one-time use by Warhol for an illustration to be published in *Vanity Fair*, with Goldsmith receiving credit for the source image. Warhol then on his own created a further series of works using the Goldsmith photo, and in 2016, after his death, his successor in interest, the Andy Warhol Foundation licensed one of the works in the further series to Conde Nast for \$10,000. It did so without obtaining permission from, crediting or paying Goldsmith. By contrast, the dissent would have it that if one can immediately understand of the new work that “It’s a Warhol,” the work is transformative and the first fair use factor would weigh strongly (and perhaps dispositively) in favor of the appropriator.

The majority opinion by Justice Sotomayor emphasized repeatedly that it was not determining whether the Warhol portrait itself infringed on Goldsmith’s copyright, much less all of Warhol’s works.

Nevertheless, it offered a few clues about how such a case might be analyzed. For example, the majority distinguished Warhol’s soup can series. Warhol’s soup cans transformed an iconic image used to sell soup into a commentary on the iconic image and thereby used it for a new purpose. The majority noted, however, that if Warhol’s soup can images were then used to sell another kind of soup, the “purpose and character” analysis might come out differently. Similarly, if the Warhol *Orange Prince* portrait at issue had been used to illustrate an article in an art publication about Warhol, rather than a Conde Nast article about Prince, the analysis might have come out differently.

The majority came back repeatedly to the example of movie adaptations, and the need to preserve the rights of copyright holders to license derivative works like movie adaptations of books. As pointed out by Goldsmith, the Martin Scorsese adaptation of *The Irishman* would be clearly recognizable as a Scorsese movie, it noted, but that did not eliminate the requirement for licensing the copyright in the original book manuscript to create this new derivative motion picture work. The majority noted with approval the Second Circuit’s observation that to allow the imposition of a characteristic style to satisfy the first fair use factor would create a “celebrity copying privilege.”

The case also serves as a cautionary tale about heavy-handed litigation strategy. After Goldsmith reached out to the Andy Warhol Foundation, the foundation filed a federal action seeking a declaratory judgment of non-infringement or fair use. Goldsmith, forced to respond, counterclaimed for infringement, and given the fee-shifting provision in the Copyright Act, the Andy Warhol Foundation is now potentially liable for all of Goldsmith’s legal fees, in addition to the comparatively modest potential damages from the infringement.

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related professionals

Judith Wallace / Partner

D 212-238-8743

wallace@clm.com

John M. Griem, Jr. / Partner

D 212-238-8659

griem@clm.com