



Andy Warhol Foundation v. Goldsmith

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ANDY WARHOL FOUNDATION V. GOLDSMITH

*Alyssa Weitkamp**

I. Background of the Case

Andy Warhol Foundation v. Goldsmith focuses on a possible copyright infringement of Lynn Goldsmith's Prince photograph from 1981.¹ Andy Warhol was an artist known for his significant contributions to contemporary art, particularly with silkscreen portraits of celebrities.² The Andy Warhol Foundation is a New York not for profit corporation that was established in 1987 after Warhol's death and holds title and copyright in most of Warhol's work.³

Lynn Goldsmith is a professional photographer who focuses primarily on celebrity photography including portrait and concert photography, particularly of rock and roll musicians.⁴ She founded Lynn Goldsmith, Ltd., the first photo agency focused on celebrity portraiture, which represents the work of over 200 photographers.⁵

In 1981, Goldsmith took a photograph of the artist Prince and proceeded to file and receive copyright.⁶ In 1984, her agency licensed the photograph to Vanity Fair for an Andy Warhol artist reference, though she was unaware of the name of the artist at the time of licensing.⁷ Vanity Fair commissioned Warhol to create an image of Prince and it was published with an attribution to Goldsmith.⁸ Unbeknownst to Goldsmith, Warhol created an additional 15 works (not commissioned by Vanity Fair) which

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¹ *Andy Warhol Foundation for Visual Arts, Inc. v. Goldsmith*, 11 F.4th 26, 32 (2021).

² *Id.* at 33.

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Andy Warhol Foundation for Visual Arts, Inc.* 11 F.4th at 34.

⁸ *Id.*

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became known as the Prince Series, to which the Andy Warhol Foundation owns the copyright.⁹

The original photographs were completely controlled by Goldsmith, who adjusted the lighting, as well as handled the makeup and background, in addition to other aspects.¹⁰ The Warhol images, on the other hand, are suspected to have been developed by reproducing the photograph as a high contrast two-tone image with a painted background. The pencil sketches were created by projecting an image onto paper and Warhol creating a contoured pencil drawing around the projected image.¹¹

Goldsmith became aware of this series shortly after Prince's death in 2016. At that time, Conde Nast, Vanity Fair's parent company, obtained a commercial license for a different Prince Series image for the cover of the tribute magazine, which was published May 2016.¹² She then notified the Warhol Foundation of the perceived violation to her copyright.¹³ The Foundation sued her for declaratory judgment in 2017 that the Prince Series was non-infringing or they made fair use of the photograph.¹⁴ Goldsmith countersued.¹⁵

II. Background of Copyright Law and the Fair Use Standard

Understanding this decision requires an understanding of copyright law. The U.S. Constitution gives Congress the power to enact Copyright Laws "to promote the Progress of Science and useful Arts."¹⁶ These laws include the various Copyright Acts,

⁹ *Id.* at 34-35.

¹⁰ *Id.* at 32.

¹¹ *Id.* at 34-35.

¹² *Id.* at 34.

¹³ *Andy Warhol Foundation for Visual Arts, Inc.* 11 F.4th at 34.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Constitution art I section 8. Cl. 8

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starting with the Copyright Act of 1790 up until the current one, the Copyright Act of 1976.¹⁷ According to the current act, copyright extends to both creative original works and derivative works, defined as “a work based upon one or more preexisting works, such as an art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.”¹⁸

The occurrence of a copyright infringement has two elements. First, there must be ownership of a valid copyright, and then a copying of original constituent elements of the work.¹⁹ The second element has two parts: first, a claimant must prove the defendant copied their work and second, that such copying was unlawful because a substantial similarity exists between the allegedly infringing works and the protectible elements of the copyrighted work.²⁰ In order to determine if a substantial similarity exists, the court must determine which of the two observer tests they will use. The basic test is the ordinary observer test, which states that two works are substantially similar when “an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.”²¹ The more discerning observer test is utilized with works with both protectable and unprotectable elements, often with larger share of non-copyrightable elements.²² In this test, the court must attempt to extract the unprotectable elements from consideration and determine whether the protectable elements alone are substantially similar.²³

¹⁷ *Id.* at 36.

¹⁸ 17 U.S.C. § 101.

¹⁹ *Williams v. Crichton*, 84 F.3d 581, 587 (2d Cir. 1996) (quoting *Feist Publications, Inc. v. Rural Tel. Serv.*, 499 U.S. 340,361 (1991)).

²⁰ *Andy Warhol Foundation v. Goldsmith*, 11 F.4th at 53 (citing *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 996, 1003 (2d Cir. 1995)).

²¹ *Id.*

²² *Andy Warhol Foundation v. Goldsmith*, 11 F.4th at 53 (citing *Peter F. Gaito Architecture, LLC v. Simone Dev. Corp.*, 602 F.3d 57,66 (2d Cir. 2010)).

²³ *Id.*

The secondary work might not infringe a copyrighted work, however, if the defendant can prove fair use, an affirmative defense. The Fair Use Standard includes four factors. “These factors are

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.”²⁴

These factors make up a balancing test which has been used to balance the right to protect one’s work as well as the right to create derivative works while referencing the works of others.²⁵

The first factor focuses on whether the new image is transformative, or whether the use adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.²⁶ However, not every secondary work that adds a new aesthetic or expression to the source material is necessarily transformative.²⁷ Where a secondary work does not obviously comment on or relate back to the original or use the original for a purpose other than that for which it was created, the bare assertion of a higher or different artistic use is insufficient to render a work transformative.²⁸ The secondary work itself must reasonably be perceived as embodying an entirely distinct artistic purpose, one that conveys a new meaning or message entirely separate from the source material.²⁹ The second factor focuses on whether the work is expressive and creative or more factual and

²⁴ 17 U.S.C. § 107.

²⁵ *Blanch v. Koons*, 467 F.3d 244, 250 (2d Cir. 2006).

²⁶ *Andy Warhol Foundation*, 11 F.4th at 37 (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579(1994)).

²⁷ *Id.* at 38-39.

²⁸ *Id.* at 41.

²⁹ *Id.*

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whether the work is published or unpublished.³⁰ The third factor focuses on the quantity of materials used as well as their quality and importance in relation to the original work.³¹ Copyright protects the original and unique way an author expresses an idea, not the idea itself.³² The fourth factor focuses on the effect the new work will have on the potential market and value of the copyrighted work.³³

III. Southern District of New York Decision

The District Court granted summary judgment to the Andy Warhol Foundation due to the Fair Use Doctrine.³⁴

First, however, the court addresses the issue of copyright infringement. The first element of copyright infringement, ownership of valid copyright, exists here, with neither party disputing Goldsmith's valid and registered copyright for the Prince photographs.³⁵ The second element of copyright infringement, the copying of constituent elements of original works, has two parts.³⁶ Here, the Andy Warhol Foundation does not deny the first part of the second element, which is the existence of copying.³⁷ Warhol had access to Goldsmith's works.³⁸ The Foundation also does not deny that there was sufficient similarity to establish that Warhol copied the photograph.³⁹ For the second part, the substantial similarity test, Goldsmith argued for the use of the ordinary observer test, while the Andy Warhol Foundation argued for the use of the more discerning

³⁰ *Id.* at 45.

³¹ *Id.* at 45-46.

³² *Andy Warhol Foundation*, 11 F.4th at 46-47.

³³ *Id.* at 48.

³⁴ *Andy Warhol Foundation v. Goldsmith*, 382 F.Supp.3d 312, 316 (S.D.N.Y. 2019).

³⁵ *Id.* at 323.

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.*

observer test.⁴⁰ This part was not fully addressed, however, as the works are protected by fair use in the eyes of the District Court.⁴¹

The first factor of fair use, the purpose and character of the use, favors the Andy Warhol Foundation.⁴² While Warhol's works are commercial in nature, due to the Andy Warhol Foundation's public exhibition of some of his works and the Foundation's status as a not-for-profit, the Prince Series works add value to the broader public interest.⁴³ Additionally, the works are seen as transformative, as Warhol's use has a different character, expression, and aesthetic from the original and adds a new contribution to the art world.⁴⁴

The second factor of fair use, the nature of the copyrighted work, does not favor either party. While the photographs are creative unpublished works, the normal reasons for the additional protections for unpublished works, such as respect for the author's choices of when to make a work public, do not apply here as Goldsmith licensed the photograph for use as an artist's reference.⁴⁵

The third factor, the amount and substantiality of the portion used in relation to the work as a whole, favors the Andy Warhol Foundation.⁴⁶ The Prince Photographs contain elements of originality such as the posing of the subjects, lighting, angle, selection of film and camera, expression, and other variants involved.⁴⁷ Warhol removed almost all of these protectible elements from Goldsmith's photographs when creating the Prince Series works.⁴⁸

⁴⁰ *Andy Warhol Foundation*, 382 F.Supp.3d at 324.

⁴¹ *Id.*

⁴² *Id.* at 326.

⁴³ *Id.* at 325-26.

⁴⁴ *Id.*

⁴⁵ *Id.* at 327.

⁴⁶ *Andy Warhol Foundation*, 382 F.Supp.3d at 330.

⁴⁷ *Id.* at 329.

⁴⁸ *Id.*

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The fourth factor, the effect of the use on the potential market for or value of the copyrighted work, favors the Andy Warhol Foundation.⁴⁹ The markets for the two works are different, and Goldsmith has not shown that Warhol's works have replaced or harmed the market for her works.⁵⁰

IV. U.S. Court of Appeals, Second District Decision

The Court of Appeals concluded the district court erred in their assessment of the fair use factors, holding that the factors all favored Goldsmith.⁵¹ The court also concluded that the two works were substantially similar.⁵²

The Court of Appeals addressed the Fair Use factors first, with all four factors favoring Goldsmith. The Prince Series in question is not transformative within the meaning of the first factor, as there is no dispute the overarching purpose and function of the two works in question is identical, not only because they are works of art but also because they are portraits of the same person.⁵³ The Prince Series retains the essential elements of the Goldsmith photograph without significantly adding to or altering those elements.⁵⁴ While the Prince Series may change the photograph to give a different impression of the subject, the Goldsmith photograph remains the recognizable foundation upon which the Series is built.⁵⁵ Also in the first factor is the issue of commercial use. The court here determined while the commercial non-transformative work may serve the public interest, it does not factor significantly in favor of finding fair use under the circumstances present.⁵⁶

⁴⁹ *Id.* at 330-331.

⁵⁰ *Id.*

⁵¹ *Id.* at 32.

⁵² *Andy Warhol Foundation*, 382 F.Supp.3d at 32.

⁵³ *Id.* at 42.

⁵⁴ *Id.* at 43.

⁵⁵ *Id.* at 42-43.

⁵⁶ *Id.* at 45.

Regarding the second factor, the original photograph was unpublished and creative, and though Goldsmith made the photograph available for a single use on limited terms, its status as unpublished does not change.⁵⁷ The analysis of the third factor shows that the Prince Series borrows significantly from the Goldsmith photograph both quantitatively and qualitatively.⁵⁸ While Warhol did alter the image, it is still a screen-print readily identifiable as deriving from a specific photograph of Prince, the Goldsmith photograph.⁵⁹ They are instantly recognizable.⁶⁰ In regards to the fourth factor, both images are illustrations of the same famous musician with the same overlapping customer base.⁶¹ Goldsmith presented this market in court and the Foundation failed to put forth any evidence that the availability of the Prince Series works pose no threat to Goldsmith's revenue (actual or potential) in that market.⁶²

The Court of Appeals also concludes the Prince Series is substantially similar to the Goldsmith photograph.⁶³ The court rejected the Andy Warhol Foundation's argument for the use of the more discerning observer test, choosing to use the ordinary observer test instead.⁶⁴ Warhol produced the Prince Series works by copying the Goldsmith photograph itself, i.e. Goldsmith's particular expression of the idea, rather than taking his own photographs in a similar pose.⁶⁵ Given the degree to which Goldsmith's work remains recognizable within Warhol's, there can be no reasonable debate that the works are substantially similar.⁶⁶

⁵⁷ *Id.*

⁵⁸ *Andy Warhol Foundation*, 11 F.4th at 47.

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.* at 49.

⁶² *Id.* at 50.

⁶³ *Id.*

⁶⁴ *Andy Warhol Foundation*, 11 F.4th at 53.

⁶⁵ *Id.* at 54.

⁶⁶ *Id.*

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After the decision of the Supreme Court in *Google LLC v. Oracle America, Inc.*, the Andy Warhol Foundation filed for an en banc rehearing which was granted.⁶⁷ The new opinion re-affirmed their original verdict, as well as incorporated a section on the *Google* case, which states that the *Google* case did not change anything in regards to applying copyright concepts to material serving an artistic function rather than a utilitarian function.⁶⁸ “The principles enunciated in *Google* are fully consistent with our original opinion.”⁶⁹

V. Whether the Warhol Use Constituted Fair Use

The District Court and the Court of Appeals’ opinions varied extremely. The District Court found for fair use for two factors and for neither for the other two factors, while the Court of Appeals found against fair use in all four factors.

The first factor of the purpose and character of the use favors Goldsmith. As addressed earlier, a different artistic use does not render a work transformative as the use must also have a different purpose.⁷⁰ Warhol’s use of the Goldsmith photograph has the same purpose as said photographs, to function as a work of art. In addition, the character of the Warhol images is not transformative in relation to the character of the work. The Warhol images retains many of the essential aspects of the original image, making the original image clearly recognizable. In addition, while the work is commercial, this does not tip the scale in favor of fair use.

The second factor, the nature of the copyrighted work, favors Goldsmith. Her original work is both creative and unpublished, favoring a finding of no fair use.

⁶⁷ *Andy Warhol Foundation*, 11 F.4th at n.1 (citing *Google LLC v. Oracle America, Inc.*, 141 S.Ct. 1183 (2021)).

⁶⁸ *Id.* at 52.

⁶⁹ *Id.* at 51.

⁷⁰ *Rogers v. Koons*, 960 F.2d 301, 310 (2d Cir. 1992).

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The third factor, the amount and substantiality of the use, favors Goldsmith as well. Warhol utilized the entire work in the Prince Series. Cropping and flattening the original photograph does not remove the copyrightable elements. In addition, while copying of the entire image may be permitted, it must be done to further a legitimate secondary purpose.⁷¹ As addressed earlier, Warhol did not have a legitimate secondary purpose.

The fourth factor, the effect on the market, favors Goldsmith as well. As both the District Court and the Court of Appeals agree, the markets for the Prince Series and the original photograph do not overlap.⁷² The Court of Appeals, however, points out that Goldsmith's licensing markets will be impacted, as the works are both illustrations of the same artist, with the same customer base.⁷³ With the Warhol work, Goldsmith's opportunities for licensing decrease, as some publications will choose to use the Warhol works over her images. In addition, the derivative market will be impacted, as the Prince Series will likely be seen by a larger audience, especially as the Andy Warhol Foundation licensed the works to Conde Nast.

After evaluating all the factors, the Court of Appeals correctly determined all factors favored Goldsmith.

VI. Impact on Future Litigation

Before the en banc hearing, this case on the surface resembles most fair use cases. The courts determined whether infringement occurred and then addressed the four factors.⁷⁴ The en banc hearing, however, makes this case and the Court of Appeals rulings particularly impactful, particularly as a sign for how courts will deal with fair use cases in the future.

⁷¹ *Id.* at 310-11.

⁷² *Andy Warhol Foundation*, 11 F.4th at 48.

⁷³ *Id.* at 50.

⁷⁴ *Id.* at 32.

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The Court of Appeals for the Second Circuit decided this case on March 26, 2021, before the Supreme Court issued their decision in the *Google* case on April 5, 2021.⁷⁵ The Supreme Court in *Google* held the copying did not violate copyright law due to Fair Use.⁷⁶

Google addresses the four fair use factors, the relevant portion of the opinion in relation to this case, last and choosing to analyze the factors with the nature of the copyrighted work coming first, followed by the purpose and character of the use.⁷⁷ The court finds for fair use in the factor of the nature of the work, as the declaring code's use is inherently bound together with uncopyrightable ideas and new creative expression, making it further than most programs from the core of copyright.⁷⁸ Even though it is functional, the program also is intended to encourage programmers to learn and use that system so they can use other non-copied programs.⁷⁹

The court in *Google* also finds for fair use for the purpose and character of the work.⁸⁰ The court found the code was transformative, as the use of the original code was consistent with the creative progress that is the objective of copyright itself.⁸¹ The new code also provided “a new collection of tasks operating in a distinct and different computing environment.”⁸² In addition, the court found, while the use was commercial, the value of the transformativeness outweighed the commercial aspect in the fair use determination.⁸³

⁷⁵ *Id.* at 26.

⁷⁶ *Google LLC v. Oracle America, Inc.*, 141 S.Ct. 1183, 1190 (2021).

⁷⁷ *Id.* at 1201.

⁷⁸ *Id.* at 1202.

⁷⁹ *Id.*

⁸⁰ *Id.* at 1204.

⁸¹ *Id.* at 1203.

⁸² *Google*, 141 S.Ct. at 1203.

⁸³ *Id.* at 1204.

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Next, the court evaluated the amount and substantiality of the portion used and found in favor of fair use.⁸⁴ When considered with the entire program in question, the portion copied was only 0.4 percent and essential to the functionality of the new program.⁸⁵

Finally, *Google* addressed the market effects and found in favor of fair use.⁸⁶ The Court determined plaintiff's profitability was directly related to third party investments in defendant's programs.⁸⁷

The Supreme Court found all four factors in favor of fair use, ruling in favor of the plaintiff in the case. Before the Court's decision, a concern was raised by law review articles about the impact of Google's win in the case. Some people worried a win in Google's favor would cause less incentive to create original work, as it would be easier to just copy someone else's and then claim fair use because it could be argued as transformative, particularly in the tech world.⁸⁸

While this case does not deal with the ramifications of *Google* on the tech industry, it does address the ramifications of *Google* on the copyright industry in general. Not even six months after the *Google* decision, the Court of Appeals in their en banc amendment to the opinion distinguished from said decision.⁸⁹ The Court of Appeals focused on the Supreme Court's emphasis on the unusual context of the case, as well as the highly contextual nature of the fair use factors.⁹⁰ The Supreme Court in *Google* determined the questions asked, particularly in relation to the market effects

⁸⁴ *Id.*

⁸⁵ *Id.* at 1205.

⁸⁶ *Id.* at 1206-8.

⁸⁷ *Id.* at 1207.

⁸⁸ Samuel J.M. Hartiens, The Battle of Big Tech: Distinguishing Fair Use and Copyright Infringement with Apis, 21 Fla. Coastal L. Rev. 1, 24 (2021).

⁸⁹ *Andy Warhol Foundation*, 11 F.4th at 51-52.

⁹⁰ *Id.* at 51.

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here were specific to this case and not always relevant to the application of fair use.⁹¹

While the ruling in *Google* did not impact the decision in question, the en banc appeal and the court's subsequent opinion do raise questions about both opinions' impact on the future of fair use, such as if other courts will follow the Second Circuit's lead and distinguish from *Google* or if they will adopt it for cases outside of the tech industry. It also raises the question of whether every fair use case will now have a section addressing the *Google* decision.

As the *Google* opinion is the first Supreme Court decision addressing fair use in many years, parties will likely attempt to use it in support of fair uses. Given this, future courts will likely at least mention and cite the *Google* opinion, either in support or to distinguish the case. This could also have an impact on the Supreme Court. With the controversiality of *Google* already sparking, the Court may choose to hear another fair use case outside of the tech industry to limit the debate.

⁹¹ *Google*, 141 S.Ct. at 1206.