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# The Transformation Test: Artistic Expression, Fair Use, and the Derivative Right

Frank Houston\*

“It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of [art] . . . .”<sup>1</sup>

– Justice Oliver Wendell Holmes

The fair use doctrine is perhaps copyright law’s most malleable concept. Defined as a privilege allowing the use of copyrighted material, for limited purposes, without the copyright owner’s consent,<sup>2</sup> fair use stands for the proposition that copyright protection is not absolute. Copyright law’s purpose is twofold: It protects the remunerative interests of authors, and it cultivates a culture of learning and creativity.<sup>3</sup> If its protections are too narrow, copyright’s incentives may be inadequate to motivate authors to create; if they are extended too broadly, copyright owners might chill discourse and cultural development.<sup>4</sup> Fair use straddles this divide. The doctrine is a recognition that society is served by a free flow of ideas; copyright should not dam the river at its source, depriving those who seek to drink from its waters downstream. Fair use requires courts to apply copyright law

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<sup>1</sup> *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903).

<sup>2</sup> *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 549 (1985) (quoting H. BALL, *LAW OF COPYRIGHT AND LITERARY PROPERTY* 260 (1944)).

<sup>3</sup> Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1109 (1990).

<sup>4</sup> Neil Weinstock Netanel, *Copyright and a Democratic Civil Society*, 106 YALE L.J. 283, 285 (1996).

with flexibility when it threatens to squelch the very creativity it is supposed to nurture.<sup>5</sup>

Fair use is an affirmative defense to copyright infringement that allows the reproduction, without permission, of copyrighted material for such purposes as commentary, criticism, and news-gathering. Though it had been part of the common law of copyright for centuries, the doctrine was codified in the Copyright Act of 1976.<sup>6</sup> The objective is to carve out certain “fair uses” that allow a secondary author to incorporate copyrighted elements of an original work – whether an excerpt or something new that derives from that original – that are technically infringing, but statutorily defensible. In deciding whether such uses are “fair,” judges consider four statutory factors that look, essentially, to the nature of the borrowing and its economic impact on the author of the original.<sup>7</sup> In applying the four factors, judges wield a tremendous amount of discretion.<sup>8</sup>

A particularly difficult issue in fair use determinations is the concept of “transformation,” the question to what extent a secondary work may draw on a copyrighted original because it goes on to “transform” that original into something new.<sup>9</sup> On the one hand, transformation lies at the heart of creative expression; on the other, it clashes with one of modern copyright law’s most expansive provisions: the copyright holder’s right to control derivative works. As a result, courts sometimes struggle to distinguish between a fair use and a derivative one.<sup>10</sup> “The source of confusion is a distinction the law no longer cares to draw . . . between republishing someone else’s work [and] building upon or transforming that work.”<sup>11</sup>

This Comment will explore the fair use doctrine, focusing specifically on the evolution of transformative fair use as it has been defined and interpreted in several key decisions related to artistic expression. In Part I, I sketch a brief history of copyright law, leading up to the 1976 codification of both the fair use doctrine and the derivative right, two concepts that are frequently at odds. I explore the challenges faced by judges charged with interpreting the statute, as well as those

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<sup>5</sup> *Campbell v. Acuff Rose Music, Inc.*, 510 U.S. 569, 577 (1994) (quoting *Stewart v. Abend*, 495 U.S. 207, 236 (1990)).

<sup>6</sup> Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101-810 (2006)).

<sup>7</sup> 17 U.S.C. § 107; see also Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978-2005*, 156 U. PA. L. REV. 549 (2008).

<sup>8</sup> See Leval, *supra* note 3, at 1126.

<sup>9</sup> *Id.* at 1111.

<sup>10</sup> LAWRENCE LESSIG, *FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY* 19 (2004).

<sup>11</sup> *Id.*

faced by secondary authors confronted with an expanding bundle of rights held by copyright holders.

Part II investigates the major court decisions, from the district court level to the Supreme Court, that have defined and interpreted transformative fair use in the context of artistic expression. I place special emphasis on *Campbell v. Acuff-Rose Music*,<sup>12</sup> in which the Supreme Court first recognized and defined the scope of transformative use, and *SunTrust Bank v. Houghton Mifflin Co.*,<sup>13</sup> a recent and potentially influential decision in which the Court of Appeals for the Eleventh Circuit vacated an injunction against the publisher of *The Wind Done Gone*,<sup>14</sup> a parody of Margaret Mitchell's *Gone With the Wind*. While inarguably derivative, *The Wind Done Gone* was found to have sufficiently transformed the original – as both parody and critique – to be a fair use of its key characters and concepts, and not merely a sequel.<sup>15</sup> Importantly, in reaching its decision, the court also held that the First Amendment militated against injunctive relief, a first in fair use jurisprudence. Because the Supreme Court has yet to define the contours of transformative fair use in a purely literary context, *SunTrust Bank* has the potential to have a great impact on future fair use decisions.

The decision has already been brought to bear in *Salinger v. Colting*,<sup>16</sup> where the U.S. District Court for the Southern District of New York<sup>17</sup> drew a line such a transformative use must transcend to be a valid fair use. The suit centers on *Sixty Years Later: Coming Through the Rye*, an unauthorized sequel to J.D. Salinger's *Catcher in the Rye* written by Frederik Colting; the district court enjoined the publication of Colting's book last year.<sup>18</sup> Simply put, the book just isn't transformative enough. Taken together, the two lower court cases suggest an emerging approach: In the case of *Wind*, the court deemed the exercise artistically worthwhile (although despite the lifting of the injunction, the case was still remanded to the district court to assess economic harm and potential damages).<sup>19</sup> In the case of *Salinger*, the court has read *Rye*-redux and found it wanting. (During oral argu-

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<sup>12</sup> 510 U.S. 569 (1994).

<sup>13</sup> 268 F.3d 1257 (11th Cir. 2001).

<sup>14</sup> *Id.* at 1277.

<sup>15</sup> *Id.* at 1271.

<sup>16</sup> 641 F. Supp. 2d 250 (S.D.N.Y. 2009), vacated, 607 F.3d 68 (2d Cir. 2010).

<sup>17</sup> This marks the second time the Court has ruled in favor of Salinger in a copyright infringement claim. In *Salinger v. Random House*, 650 F. Supp. 413 (S.D.N.Y. 1987), the reclusive author was granted an injunction against publication of a biography that quoted from his personal letters.

<sup>18</sup> *Salinger*, 641 F. Supp. 2d at 254.

<sup>19</sup> *SunTrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1277 (11th Cir. 2001).

ments, the court of appeals suggested it may agree with the lower court's literary, if not legal, critique.<sup>20</sup> Ultimately the court remanded the case, but did not disturb the lower court's fair use finding.)<sup>21</sup> The *Salinger* and *SunTrust* cases find courts navigating a course somewhere between judicial interpretation and outright literary criticism in an attempt to define transformative fair use in a derivative literary context.<sup>22</sup>

Part III of the Comment considers a variety of prescriptions for overhauling – or, at the very least, refining – the fair use doctrine. These include narrowing or at least reinterpreting the derivative right, and curbing the use of preliminary injunctions in the interest of protecting expression.

In Part IV, I urge the adoption of a doctrine of transformation. I begin with an attempt to stitch together a workable definition of transformation from the case law. From there I propose a compulsory statutory license as a means of easing and systematizing the implementation of transformative uses by mandating a fee for original creators, and I proceed to emphasize the important role a transformation doctrine can play in restoring balance to the First Amendment – legal monopoly continuum on which copyright law exists. The Comment concludes with an exhortation of the importance of fair use reform in view of the seismic changes occurring as digital technologies transform artistic expression.

## I. A BRIEF HISTORY OF COPYRIGHT PROTECTION AND FAIR USE

The origins of modern copyright law stretch back 300 years, to the English Statute of Anne, passed by Parliament in 1710.<sup>23</sup> The law created a statutory right in authors limited to fourteen years and renewable for an additional fourteen years.<sup>24</sup> In the United States, copyright statutes among the newly independent states were modeled on the British statute until the Constitution explicitly vested power in the

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<sup>20</sup> “One of the judges, Guido Calabresi, elicited loud laughter from the gallery when he offered as an aside that *60 Years Later* . . . ‘is a rather dismal piece of work if I may say so.’” Ed Shanahan, *Second Circuit Judge: Catcher-based Book “Rather Dismal Piece of Work”*, THE AM LAW DAILY, Sept. 3, 2009, <http://amlawdaily.typepad.com/amlawdaily/2009/09/salinger-appeal.html>.

<sup>21</sup> *Salinger*, 607 F.3d at 83.

<sup>22</sup> *Salinger*, 607 F.3d 68; *SunTrust Bank*, 268 F.3d at 1260.

<sup>23</sup> Act for the Encouragement of Learning, 8 Anne, C.19 (1710), reprinted in 8 MELVILLE NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 7-5 (1990).

<sup>24</sup> The 1790 Act allowed renewal of a copyright for a second fourteen-year term if the author was alive at the expiration of the first fourteen-year term. See Act of May 31, 1790, ch. 15, § 1, 1 Stat. 124, 124.

federal government to create patents and copyrights. Congress passed the first Copyright Act in 1790.<sup>25</sup>

As recently as 1991, the Supreme Court clarified that “the *sine qua non* of copyright is originality. . . . Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity.”<sup>26</sup> The writings worthy of protection, the Court said, are those that “are *the fruits of intellectual labor*.”<sup>27</sup> Copyright “assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work.”<sup>28</sup>

The original 1790 legislation granted authors protection for books, maps, and charts for fourteen years and allowed copyright renewal for a second fourteen-year term.<sup>29</sup> There copyright law stood, for more than a century. Subsequent revisions in 1909, 1976, and 1998 significantly expanded copyright’s domain.<sup>30</sup> Copyrightable subject matter grew to encompass music and dance, visual arts like painting and photography, movies, and computer programs. To qualify for protection, a work need only exhibit a “modicum of creativity”<sup>31</sup> and be fixed in a “tangible medium of expression.”<sup>32</sup> The duration of copyright has grown to encompass the lifetime of the author plus seventy years. And most importantly, the bundle of rights associated with copyright protection now stretches well beyond mere copying, enfolded rights of distribution, performance and display, and derivative works based on the original but in different forms or otherwise altered.

As the rights conferred by copyright have expanded, they have increasingly come into conflict with the Constitution’s overarching philosophy toward intellectual property, which is that copyright exists primarily in order not to reward authorship, but rather to “promote the Progress of Science and useful Arts.”<sup>33</sup> While acknowledging that copyright bestows a kind of monopoly on authors, in 1984 Justice Ste-

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<sup>25</sup> Act of May 31, 1790, ch. 15, § 1, 1 Stat. 124, 124-26.

<sup>26</sup> *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 345 (1991).

<sup>27</sup> *Id.* at 346 (emphasis in original).

<sup>28</sup> *Id.* at 349-50.

<sup>29</sup> ROBERT P. MERGES, PETER S. MENELL & MARK A. LEMLEY, *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* 384-86 (4th ed. 2007).

<sup>30</sup> Act of Mar. 4, 1909, ch. 320, § 1(b), 35 Stat. 1075; Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101-810 (2006)); Act of Oct. 27, 1998, Pub. L. No. 105-298, 112 Stat. 2827 (codified at 17 U.S.C. §§ 302-304).

<sup>31</sup> *Feist*, 499 U.S. at 346 (citing *The Trademark Cases*, 100 U.S. 82 (1879)).

<sup>32</sup> 17 U.S.C. § 102(a).

<sup>33</sup> U.S. CONST. art. I, § 8, cl. 8.

vens reminded that the privilege is not “designed to provide a special private benefit . . . [but instead] is a means by which an important public purpose may be achieved.”<sup>34</sup>

That purpose was recognized from the beginning of copyright. Not long after the Statute of Anne appeared, courts in England began recognizing that certain uses of copyrighted material would not infringe the rights of authors. The doctrine, first referred to as “fair abridgement,” later became known as “fair use.”

### A. Fair Use

Behind the fair use doctrine is the idea that if copyright protection bestows the benefits of intellectual property rights on authors and artists in order to stimulate the resulting intellectual and cultural enrichment for all of society,<sup>35</sup> these rights should be counterbalanced in the interest of the thinkers and creators who follow in their footsteps. The idea dates back at least 200 years, to Lord Mansfield’s statement in *Sayre v. Moore*<sup>36</sup>:

[W]e must take care to guard against two extremes equally prejudicial; the one, that men of ability, who have employed their time for the service of the community, may not be deprived of their just merits, and the reward of their ingenuity and labour; the other, that the world may not be deprived of improvements, nor the progress of the arts be retarded.<sup>37</sup>

Without some level of copyright protection for authors, unfettered competition from others who copy and distribute the work with impunity would greatly hinder the author’s and publisher’s ability to recover the costs of production. The result would be a world in which only authors with few, if any, monetary concerns would bother creating, and publishers looking for return on their production, marketing, and distribution investments would be loathe to play their role in the process.<sup>38</sup> On the other hand, to some extent, all creative work is inherently derivative of that which has come before, and in areas like philosophy, history, journalism, and criticism, secondary works are inherently referential.<sup>39</sup> Fair use, then, allows for these secondary uses

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<sup>34</sup> *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).

<sup>35</sup> *See* Leval, *supra* note 3, at 1109. At the time he wrote this article, Leval was a United States District Court judge in the Southern District of New York. Today he is a judge on the Court of Appeals for the Second Circuit.

<sup>36</sup> *Cary v. Longman*, (1801) 102 Eng. Rep. 138 (K.B.) 140 n.b; 1 East 358, 362 n.b.

<sup>37</sup> *Id.* at 140.

<sup>38</sup> Netanel, *supra* note 4, at 292-93.

<sup>39</sup> *See generally* Leval, *supra* note 3.

where they in some way further artistic or scientific progress,<sup>40</sup> the ultimate, Constitutional goal of copyright law. In other words, fair use “is a necessary part of the overall design.”<sup>41</sup>

Fair use had been part of the common law for more than a century when it was codified in the Copyright Act of 1976.<sup>42</sup> The statute set out the doctrine as a four-part test, which traces its roots back to *Folsom v. Marsh*,<sup>43</sup> an 1841 copyright infringement case involving a biographer of George Washington named Jared Sparks, whose *The Writings of George Washington* included the former president’s official and private correspondence, addresses, messages, and other papers. Nearly 400 of the book’s 866 pages were copied verbatim from Washington’s personal records. The decision, written by Justice Story, formed the eventual basis of the four factors to be considered when evaluating a secondary work’s infringing qualities:

- 1) The purpose and character of the use, including whether such use is of commercial nature or is for nonprofit educational purposes;
- 2) The nature of the copyrighted work;
- 3) The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- 4) The effect of the use upon the potential market for, or value of, the copyrighted work.<sup>44</sup>

In addition to acting as a kind of First Amendment counterweight to the monopolistic tendencies of copyright, another advantage of fair use is that its protections are designed to be broad. Copyrighted material has long been re-purposed in areas of research and commentary; recent decades have seen the doctrine expand to allow technological uses like videotaping, photocopying, software, reverse engineering, and search engineering.<sup>45</sup> The flexibility of fair use makes it particularly adaptable to an era of rapid technological metamorphosis.

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<sup>40</sup> U.S. CONST. art. I, § 8.

<sup>41</sup> Leval, *supra* note 3, at 1110.

<sup>42</sup> Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101-810 (2006)).

<sup>43</sup> 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4901).

<sup>44</sup> 17 U.S.C. § 107 (2006).

<sup>45</sup> See, e.g., *Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701 (9th Cir. 2007); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984); *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992), amended by 1993 U.S. App. LEXIS 78 (9th Cir. Jan. 6, 1993); *Field v. Google Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006).

For example, within a decade of its incorporation into the United States copyright statutes in 1976, fair use played a key role in legitimizing the emergence of a new technology: video cassette recorders (VCRs). In *Sony Corp. of America v. Universal City Studios, Inc.*,<sup>46</sup> Universal Studios and Walt Disney Productions brought a contributory infringement action against Sony and several retailers of its Beta-max recorders on the premise that the new devices allowed others to infringe their copyrighted television programming. Sony's own survey showed that the primary consumer use of the VCR was "time-shifting," a nifty bit of jargon coined to describe the now ubiquitous practice "of recording a program to view it once at a later time, and thereafter erasing it."<sup>47</sup> Although some infringing uses of VCRs were acknowledged, the Supreme Court upheld the district court's finding that even if there had been infringing home-use recording of copyrighted material, the VCR could still be legally used to record non-copyrighted material or material whose owners consented to the copying.<sup>48</sup> An injunction, the Court held, would deprive the public of access to the VCR for such non-infringing uses.<sup>49</sup> It was a resounding victory for fair use.

#### B. The Challenges of Applying the Fair Use Doctrine

While the objective of fair use is clear, its exact prescription in practice is less so. Even as he groped his way to articulating what became the basis for the fair use doctrine, Justice Story lamented the difficulties inherent in its application: "Patents and copyrights approach, nearer than any other class of cases belonging to forensic discussions, to what may be called the metaphysics of the law, where the distinctions are, or at least may be, very subtle [sic] and refined, and, sometimes, almost evanescent."<sup>50</sup> He continued:

[W]hat constitutes a fair and bona fide abridgment, in the sense of the law, is one of the most difficult points, under particular circumstances, which can well arise for judicial discussion. It is clear, that a mere selection, or different arrangement of parts of the original work, so as to bring the work into a smaller compass, will not be held to be such an abridgment. There must be real, substantial condensation of the materials, and intellectual labor and judgment bestowed thereon; and not merely the facile use of

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<sup>46</sup> 464 U.S. 417.

<sup>47</sup> *Id.* at 423.

<sup>48</sup> *Id.* at 456.

<sup>49</sup> *Id.* at 454-56.

<sup>50</sup> *Folsom v. Marsh*, 9 F. Cas. 342, 344 (C.C.D. Mass. 1841) (No. 4901).

the scissors; or extracts of the essential parts, constituting the chief value of the original work.<sup>51</sup>

Just where the line is to be drawn between intellectual laboring and facile scissoring – cutting and pasting, in today’s parlance – continues to bedevil the courts.

“What is most curious about this doctrine is that neither the decisions that have applied it for nearly 300 years, nor its eventual statutory formulation, undertook to define or explain its contours.”<sup>52</sup> Even the U.S. Copyright Office itself notes that the line between fair use and infringement can be fuzzy.<sup>53</sup> Critics routinely bemoan the doctrine’s lack of precision and predictability.<sup>54</sup> So do judges.<sup>55</sup> “It is *de rigeur* to begin a scholarly discussion by quoting one of the judicial laments that fair use defies definition . . . before going on to define it anyway. The field is littered with the corpses of overturned opinions.”<sup>56</sup> As common law, fair use was mercurial, but when Congress incorporated the doctrine into the Copyright laws, it did nothing to curb its expansive nature:

Congress adopted three considerably inconsistent ways of doing nothing: simple reference to fair use, specification of what is fair use by illustrative examples, and prescription of nonexclusive “factors to be considered” in determining whether a particular use is fair. As Hercule Poirot observed about the murder on the Orient Express, the problem is not that there are too few clues but that there are too many.<sup>57</sup>

For example, while it was a landmark triumph for fair use, the *Sony* decision pointed up the difficulties judges would face in applying the statutory factors to their fair use deliberations. Without guidance from Congress, it would be up to the judiciary, on a case-by-case basis, to decide which factors were the most important in deciding whether a use was defensible. The *Sony* Court appeared to tilt the fair use balancing test toward the economic factors, seeming to create a presumption of harm where a purported fair use was commercial in na-

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<sup>51</sup> *Id.* at 345.

<sup>52</sup> Leval, *supra* note 3, at 1105.

<sup>53</sup> U.S. Copyright Office – Fair Use Factsheet, FL-102, available at <http://www.copyright.gov/fls/fl102.html> (last visited Nov. 2, 2009).

<sup>54</sup> Symposium, *Fair Use: “Incredibly Shrinking” or Extraordinarily Expanding?*, 31 COLUM. J.L. & ARTS 571 (2008).

<sup>55</sup> Judge Learned Hand characterized fair use as “the most troublesome in the whole law of copyright.” *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661, 662 (2d Cir. 1939).

<sup>56</sup> Lloyd Weinreb, *Fair’s Fair: A Comment on the Fair Use Doctrine*, 103 HARV. L. REV. 1137 (1990).

<sup>57</sup> *Id.* at 1139.

ture. There, the Court had found that “time-shifting” for private use was noncommercial, but also noted in dicta that “every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright” and that “if the intended use is for commercial gain, that likelihood [of economic harm] may be presumed.”<sup>58</sup>

A year later, *Harper & Row v. Nation Enterprises*,<sup>59</sup> a case involving the political magazine *The Nation*’s unauthorized publication of verbatim quotations from a forthcoming memoir by former President Gerald Ford, officially elevated the fourth factor to preeminence in fair use deliberations. The holding in *Harper & Row* characterized the “effect of the use” upon the potential market or value of the copyrighted work as “undoubtedly the single most important element of fair use.”<sup>60</sup>

As difficult as it may be for judges to apply the doctrine, writers and artists who seek to rely on fair use have the most to lose. This is because creators may find it difficult to ascertain their rights to draw on existing works.<sup>61</sup> Overly optimistic reliance by secondary users on a fair use defense frequently leads courts to issue injunctions against their attempts to publish.<sup>62</sup>

In other cases, uncertainty about fair use – or even the fear of litigation despite a good faith belief that the doctrine applies – leads some creators to decide it isn’t even worth the *potential* battle, especially against powerful media companies that zealously guard the gates to their content. Lawrence Lessig describes an episode in which documentary filmmaker Jon Else, while filming opera stagehands playing checkers backstage, inadvertently captured four seconds of an episode of *The Simpsons* playing on a television in the background, a bit of color the filmmaker found fortuitous – at least until he was confronted with the dilemma of either trying to obtain permission to use the copyrighted footage or claiming fair use. *The Simpsons* creator Matt Groening approved, but directed Else to the Fox network, which sought \$10,000 for the use of the clip.<sup>63</sup> Despite widespread assurances from the legal community that the footage amounted to fair use, Else told Lessig he was also informed that “Fox would ‘depose and

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<sup>58</sup> Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 449, 451 (1984).

<sup>59</sup> 471 U.S. 539 (1985).

<sup>60</sup> *Id.* at 566.

<sup>61</sup> William W. Fisher III, *Reconstructing the Fair Use Doctrine*, 101 HARV. L. REV. 1659, 1693-94 (1988).

<sup>62</sup> See, e.g., SunTrust Bank v. Houghton Mifflin Co., 268 F.3d 1257 (11th Cir. 2001); *Salinger v. Colting*, 641 F. Supp. 2d 250 (S.D.N.Y. 2009), *vacated*, 607 F.3d 68 (2d Cir. 2010); *Salinger v. Random House*, 650 F. Supp. 413 (S.D.N.Y. 1986), *rev’d*, 811 F.2d 90 (2d Cir. 1987).

<sup>63</sup> LESSIG, *supra* note 10, at 96.

litigate [me] to within an inch of [my] life' regardless of the merits of my claim."<sup>64</sup> He cut the footage out of his film. (Else may have benefited from the later development of the Documentary Filmmakers' Statement of Best Practices, in which the community asserts, preemptively, certain uses of copyrighted material as fair: "quoting media in order to critique or analyze it; quoting media to make a point about the culture; incorporation of copyrighted works in the process of filming something else; and quoting to make a historical point.")<sup>65</sup>

Some commentators find this especially problematic in an era of media consolidation, where content producers own enormous inventories of existing content that they have either created or acquired, content they can endlessly recycle at low marginal costs, all while forcing secondary authors to contemplate a perilous dilemma: invoking fair use, or pursuing a license at a prohibitively high cost facilitated, at least in part, by copyright protection itself.<sup>66</sup>

### C. The Derivative Right

While commentary and criticism are expressly permitted by fair use as it was codified in 1976, the doctrine was put on a collision course with another of copyright law's core protections: the derivative right. The same legislation granted copyright owners exclusive rights to prepare derivative works based on their original creations, including translations, arrangements, versions in other media, sequels, and "any other form in which a work may be recast, transformed, or adapted."<sup>67</sup>

This new right was a product of the Copyright Act of 1976,<sup>68</sup> wherein Congress expanded the growing bundle of rights to include that of adapting works in new media that had been added by the Copyright Act of 1909.<sup>69</sup> The derivative right can be traced back to 1870, when Congress responded to a Supreme Court decision that had upheld the right of a German author to translate Harriet Beecher Stowe's *Uncle Tom's Cabin* by explicitly adding the right of translation to the bundle of exclusive rights guaranteed to a copyright owner.<sup>70</sup>

<sup>64</sup> *Id.* at 95-98.

<sup>65</sup> Rebecca Tushnet, *User-Generated Discontent: Transformation in Progress*, 31 COLUM. J.L. & ARTS 497, 498 (2008) (citing Pat Aufderheide & Peter Jaszi, *Fair Use and Best Practices: Surprising Success*, INTELL. PROP. TODAY, Oct. 2007, available at <http://www.iptoday.com/articles/2007-10-aufderheide.asp>).

<sup>66</sup> Neil Weinstock Netanel, *Locating Copyright Within the First Amendment Skein*, 54 STAN. L. REV. 1, 27 (2001).

<sup>67</sup> 17 U.S.C. § 101 (2006).

<sup>68</sup> See *id.* § 106(2).

<sup>69</sup> See Act of March 4, 1909, ch. 320, § 1(b), 35 Stat. 1075.

<sup>70</sup> Act of July 8, 1870 ("Copyright Act of 1870"), ch. 230, § 86, 16 Stat. 198.

While the 1870 Act provided that “authors may reserve the right to dramatize or to translate their own works,”<sup>71</sup> Congress went even further in 1909, adding novelization and musicalization to the expanding list of derivative rights for copyright holders.<sup>72</sup>

*Daly v. Palmer*,<sup>73</sup> the first derivative rights case in the United States, marked a turning point in the dramatic expansion of copyright. The plaintiff claimed a copyright in his play, *Under the Gaslight*, and sued another playwright for infringing his “Railroad Scene,” described by the New York court:

[O]ne of the characters is represented as secured by another, and laid helpless upon the rails of a railroad track, in such manner, and with the presumed intent, that the railroad train, momentarily expected, shall run him down and kill him, and, just at the moment when such a fate seems inevitable, another of the characters contrives to reach the intended victim, and to drag him from the track as the train rushes in and passes over the spot.<sup>74</sup>

Though the scene has become, by now, abundantly familiar, at the time the court noted, “this incident and scene was entirely novel, and unlike any dramatic incident known to have been theretofore represented on any stage, or invented by any author before the plaintiff so composed, produced, and represented the same.”<sup>75</sup> The court held that the defendant’s play, *After Dark*, infringed the Railroad Scene, issuing an injunction to prevent the defendant from publicly performing any version of the scene.<sup>76</sup> The court held that it was “piracy” if an original work “is recognized by the spectator . . . as conveying substantially the same impressions to, and exciting the same emotions in, the mind, in the same sequence or order.”<sup>77</sup> Thus, an arguably fair use could be considered infringing where underlying “impressions” were discernable by an audience. This recognition of the derivative right, soon to be codified, marked copyright law’s turn away from encouraging progress in the arts, toward protecting the natural property rights of authors.<sup>78</sup>

The justifications offered for the derivative right are the same economic arguments that underpin copyright itself: that an interest in

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<sup>71</sup> § 86, 16 Stat. at 212.

<sup>72</sup> Copyright Act of 1909, ch. 320, 35 Stat. 1075.

<sup>73</sup> 6 F. Cas. 1132 (C.C.N.Y. 1868).

<sup>74</sup> *Id.* at 1133.

<sup>75</sup> *Id.*

<sup>76</sup> *Id.* at 1140.

<sup>77</sup> *Id.* at 1138.

<sup>78</sup> John Tehranian, *Et Tu, Fair Use? The Triumph of Natural Law Copyright*, 38 U.C. DAVIS L. REV. 465, 491 (2005).

the reward that comes with derivative work serves as a necessary incentive for the production of such work.<sup>79</sup> A secondary rationale is that the right to control the use of her creation, including any derivative use, is a matter of an author's moral or natural rights.

But the derivative right casts a heavy shadow over the defense to copyright infringement represented by fair use. In reality, as it has been interpreted by judges, much of the derivative right is already encompassed in the expansive rights of reproduction, particularly in light of a Ninth Circuit decision in 1970 that construed the reproduction right to include works that did not literally copy but merely evoked the same "total concept and feel" as the original.<sup>80</sup> Because an important element of the inquiry into infringement of both rights is the "substantial similarity" test, infringement of the derivative right almost automatically entails infringement of the reproduction right, because a derivative work inevitably borrows some aspect of the original that will likely be independently copyrightable.<sup>81</sup>

Considered in tandem, both rights represented a dramatic enlargement of copyright protection beyond its roots, one that "would seem most bizarre to our framers, though it has become second nature to us."<sup>82</sup> Indeed, for the first century of copyright law, authors could freely borrow from existing works, provided they made significant contributions and didn't usurp demand for the original work.<sup>83</sup> The expansion of copyright into derivative uses represents a fundamental recharacterization: What once was part of the public domain, in the form of ideas, is now considered protected, in the form of expression.<sup>84</sup>

The Ninth Circuit embraced the broad derivative right in 1988. In *Abend v. MCA*,<sup>85</sup> the holder of the copyright to *It Had to be Murder*, the story upon which Alfred Hitchcock based his 1954 film *Rear Window*, sued over the re-release of the movie in theaters, on television, and on videocassette. MCA had acquired the original rights to produce the film for \$10,000, but Abend claimed that the re-release interfered with his derivative rights to produce other works, including a proposed play for HBO.<sup>86</sup> The Court of Appeals for the Second

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<sup>79</sup> Stewart Sterk, *Rhetoric and Reality in Copyright Law*, 94 MICH. L. REV. 1197, 1215 (1996).

<sup>80</sup> Roth Greeting Cards v. United Card Co., 429 F.2d 1106, 1110 (9th Cir. 1970).

<sup>81</sup> Michael Abramowicz, *A Theory of Copyright's Derivative Right and Related Doctrines*, 90 MINN. L. REV. 317, 335 (2005).

<sup>82</sup> LESSIG, *supra* note 10, at 138.

<sup>83</sup> See Netanel, *supra* note 4, at 301-02 (citing the case of a German author whose translation of Harriet Beecher Stowe's *Uncle Tom's Cabin* did not constitute copyright infringement).

<sup>84</sup> *Id.* at 304.

<sup>85</sup> 863 F.2d 1465 (9th Cir. 1988).

<sup>86</sup> *Id.* at 1468.

Circuit denied MCA's fair use claim and further stated that Abend was entitled to damages based on "[a]ny impairment of [his] ability to produce new derivative works" resulting from the film's re-release.<sup>87</sup> The *Rear Window* case established the nearly boundless extent of a copyright holder's derivative rights.

Taken as a whole, these new and expanding rights create a gauntlet any potentially transformative fair use will have difficulty navigating. It has been observed that Leonard Bernstein's Broadway musical *West Side Story* may have infringed Shakespeare's *Romeo and Juliet* were it protected by copyright today, and T.S. Eliot's *The Waste Land* might have suffered a similar fate were its source material not spread across the centuries.<sup>88</sup>

## II. TRANSFORMATION AS FAIR USE

Beginning in the 1990s, courts began to grapple with tests of fair use that moved beyond technological (*Sony*) and journalistic (*Harper & Row*) invocations of the doctrine to cases involving artistic expression. Where courts had once evaluated fair use largely in terms of market harm, requiring judges to think like economists, fair use determinations involving potentially transformative uses now involved judges in the act of critical interpretation. This put judges in precisely the position that Oliver Wendell Holmes had warned against in 1903: that "persons trained only to the law [might] constitute themselves final judges of the worth of [a work of art] . . . [denying copyright protection] to pictures which appealed to a public less educated than the judge."<sup>89</sup>

Over a series of cases, courts have been forced to define "transformation" for the purposes of fair use analysis, as applied to the visual arts, popular music, photography, and literature. While circuit courts have weighed in on the former and the latter, the Supreme Court has yet to define the contours of transformative fair use in a purely literary context. Transformative fair use decisions necessarily involve the court in an enterprise of criticism, evaluating the relative artistic merits of the works of secondary authors in an attempt to separate original works from free riding ones. This role - court as critic - is unusual, but given the doctrine we have, inevitable.

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<sup>87</sup> *Id.* at 1479 (remanding to the district court for the calculation of such damages).

<sup>88</sup> Netanel, *supra* note 4, at 303 (citing NIMMER ON COPYRIGHT, *supra* note 23).

<sup>89</sup> *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251-52 (1903).

### A. *Rogers v. Koons*: Puppies and Parody

In 1991, a professional photographer named Art Rogers brought a copyright infringement suit against visual artist Jeff Koons, who had used a photograph called “Puppies,” an image of a couple holding a litter of German Sheperd puppies, to create a sculpture called “String of Puppies,” part of an exhibition he called “The Banality Show.” Koons had seen the image on a note card, and viewed the picture as a part of the mass culture “resting in the collective sub-consciousness of people regardless of whether the card had actually ever been seen by such people.”<sup>90</sup> Rogers’s photo became the basis for one of a series of puppy sculptures, which were displayed at New York City’s Sonnabend Gallery in 1988. (The gallery was also named as a defendant in the suit.)

Koons cited fair use. The artist argued that his sculpture was a satire of society at large, a form of social criticism that drew upon the Cubist and Dada movements and artists like Marcel Duchamp, parodying the mass production of commodities and media images by incorporating them into works of art.<sup>91</sup>

The court began its fair use analysis where the *Harper & Row* court left off, having declared that the effect of the secondary use on the potential market of a copyrighted work was “undoubtedly the single most important element of fair use.”<sup>92</sup> The *Rogers* court posited the first fair use factor, purpose and character of the use, as a question of “whether the original was copied in good faith to benefit the public or primarily for the commercial interests of the infringer. . . . Knowing exploitation of a copyrighted work for personal gain militates against a finding of fair use.”<sup>93</sup>

This emphasis on public benefit was loading the deck. Finding the nature and purpose of the use by Koons to be commercial, and even in bad faith, the court was still bound to explore the sculpture’s artistic claims. In so doing, the court played the role of art critic, and added a criterion to the legal definition of a parody: “the copied work must be, at least in part, an object of the parody, otherwise there would be no need to conjure up the original work.”<sup>94</sup> Koons’s “String of Puppies” may have commented on a materialistic society, the court conceded, but there was no discernable parody of “Puppies” itself to be found within it.

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<sup>90</sup> *Rogers v. Koons*, 960 F.2d 301, 306 (2d Cir. 1992).

<sup>91</sup> *Id.* at 309.

<sup>92</sup> *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985).

<sup>93</sup> *Rogers*, 960 F.2d at 309.

<sup>94</sup> *Id.* at 310.

Whether the court was ever prepared to evaluate Koons's art in a light favorable to the artist – i.e., to give the artist the benefit of the doubt when he claimed his aim was to spoof – is doubtful. The opening paragraph of the decision suggests the court was not eager to play art critic, and would instead view the case through a more populist lens:

The key to this copyright infringement suit, brought by a plaintiff photographer against a defendant sculptor and the gallery representing him, is defendants' borrowing of plaintiff's expression of a typical American scene – a smiling husband and wife holding a litter of charming puppies. 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 thousand to one, their piracy of a less well-known artist's work would escape being sullied by an accusation of plagiarism.<sup>95</sup>

The judge seemed primed to turn Holmes's admonition against artistic elitism on its head, instead aiming his derision at high, rather than low, art. Indeed, the ruling, which affirmed the lower court's issuance of an injunction against further manufacture, sale, or display of "String of Puppies,"<sup>96</sup> decisively rejected Koons's fair use defense: "[T]here is simply nothing in the record to support a view that Koons produced 'String of Puppies' for anything other than sale as high-priced art. Hence, the likelihood of future harm to Rogers' photograph is presumed, and plaintiff's market for his work has been prejudiced."<sup>97</sup>

## B. 2 Live Crew, *Pretty Woman*, and Parody as Transformation

A few years after Koons lost his court battle, parody was sanctioned by the high court as a "transformative" fair use, in a decision whose logic derived largely from a highly influential article about fair use by Pierre N. Leval,<sup>98</sup> then a judge on the U.S. District Court for the Southern District of New York.<sup>99</sup> In the seminal case *Campbell v. Acuff-Rose Music, Inc.*,<sup>100</sup> the Supreme Court held that rap group 2

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<sup>95</sup> *Id.* at 303.

<sup>96</sup> Pursuant to § 503 of the Copyright Act, the district court had ordered Koons to "turn-over" all extant copies of "String of Puppies." Instead, the artist shipped them to a museum in Germany, and was held in contempt of court.

<sup>97</sup> *Rogers*, 960 F.2d at 312.

<sup>98</sup> See Leval, *supra* note 3.

<sup>99</sup> Laura A. Heymann, *Everything is Transformative: Fair Use and Reader Response*, 31 COLUM. J.L. & ARTS 445, 451 (2008); see also Leval, *supra* note 3.

<sup>100</sup> 510 U.S. 569 (1994).

Live Crew's parody of Roy Orbison's *Oh, Pretty Woman* was a lawful form of commentary on the original.

While the district court had allowed this fair use defense proffered by 2 Live Crew, the Sixth Circuit, in overturning the decision, signaled the long shadow of the *Sony* dicta's commercial considerations on fair use deliberations. (Indeed, a recent history of fair use decisions supports the idea that, like a pendulum, courts over time swing back and forth between the first and fourth factors; sometimes the purpose and character of the use is ascendant, while at other times the market impact is the key determination.)<sup>101</sup> Under the Sixth Circuit's reasoning, "[i]f sold for money, [a secondary work] will be deemed commercial and presumptively unfair . . . the first factor not only may but *must* be resolved against fair use where the use is commercial."<sup>102</sup>

While the first fair use factor, purpose and character of the use, has an economic dimension (insofar as the statute asks whether the use is commercial or noncommercial, as the *Sony* court pointed out), in 1994 the Supreme Court granted certiorari to Campbell's appeal and took the opportunity to amplify this "content" factor. In its decision, the *Campbell* Court betrayed the influence of Judge Leval's article and marked a return to Justice Story's original fair use formulation:

The central purpose of this investigation is to see, in Justice Story's words, whether the new work merely "supercedes the objects" of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is "transformative."<sup>103</sup>

The Court decided, for the first time,<sup>104</sup> that parody could be considered fair use, even where it was a commercial one: "[P]arody has an obvious claim to transformative value . . . . [T]he heart of any parodist's claim to quote from existing material, is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works."<sup>105</sup> Having found

<sup>101</sup> See generally Beebe, *supra* note 7.

<sup>102</sup> William Patry & Shira Perlmutter, *Fair Use Misconstrued: Profits, Presumptions, and Parody*, 11 CARDOZO ARTS & ENT. L.J. 667, 712 (1993) (emphasis added).

<sup>103</sup> *Campbell*, 510 U.S. at 579.

<sup>104</sup> "This Court has only once before even considered whether parody may be fair use, and that time issued no opinion because of the Court's equal division." *Id.* at 579 (citing *CBS v. Benny & Loew's Inc.*, 356 U.S. 43 (1958)).

<sup>105</sup> *Id.* at 579-80.

Campbell's composition sufficiently parodic, however, the Court declined to assess its merits:

[W]e will not take the further step of evaluating its quality. The threshold question when fair use is raised in defense of parody is whether a parodic character may reasonably be perceived. Whether, going beyond that, parody is in good taste or bad does not and should not matter to fair use. As Justice Holmes explained, “[i]t would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of [a work of art], outside of the narrowest and most obvious limits.”<sup>106</sup>

The Court quoted Holmes's opinion in *Bleistein v. Donaldson Lithographic Co.*<sup>107</sup> Were judges to assess artistic merit, Holmes had written, “copyright would be denied to pictures which appealed to a public less educated than the judge. Yet if 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.”<sup>108</sup>

### C. *The Wind Done Gone*: Defining, Refining “Parody”

In 2001, author Alice Randall completed *The Wind Done Gone*, a retelling of Margaret Mitchell's Civil War epic *Gone With the Wind* from the perspective of a slave on Scarlett O'Hara's plantation. The owners of the copyright in *Gone With the Wind*, the Mitchell Trust, sued in district court in Atlanta to enjoin publication of Randall's book. In a declaration filed with the district court, Randall stated that her purpose in writing the book was to create “a literary parody . . . that stood in ironic relationship to the [original] . . . [to] turn *Gone With the Wind* inside out and skewer that work's profound deficiencies and distortions,”<sup>109</sup> particularly its use of racial stereotypes. Publisher Houghton Mifflin argued that, as a parody, *The Wind Done Gone* fell within the fair use exception, but the district court disagreed, granting the Trust's motion for a preliminary injunction.<sup>110</sup>

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<sup>106</sup> *Id.* at 582.

<sup>107</sup> 188 U.S. 239 (1903).

<sup>108</sup> *Id.* at 251-52.

<sup>109</sup> Declaration of Alice Randall ¶ 2, *SunTrust Bank v. Houghton Mifflin Co.*, 136 F. Supp. 2d 1357 (N.D. Ga. 2001) (No. 1:01 CV-701-CAP), available at [http://www.houghtonmifflinbooks.com/features/randall\\_url/pdf/Declaration\\_Alice\\_Randall.pdf](http://www.houghtonmifflinbooks.com/features/randall_url/pdf/Declaration_Alice_Randall.pdf).

<sup>110</sup> *SunTrust Bank v. Houghton Mifflin Co.*, 136 F. Supp. 2d 1357, 1386 (N.D. Ga. 2001), *rev'd*, 268 F.3d 1257 (11th Cir. 2001).

The lower court allowed that *The Wind Done Gone* was a transformative parody, but found it insufficiently transformative to overcome the Mitchell Trust's derivative rights in *Gone With the Wind*, which would enfold any sequel rights. The court found *The Wind Done Gone* to be composed primarily of the original, with few additions or changes, and therefore found Randall's to be a superseding use that merely fulfilled demand for the original.<sup>111</sup>

On appeal, however, the Eleventh Circuit vacated the injunction. The court cited the importance of a "free flow of ideas,"<sup>112</sup> and found the injunction to be "at odds with the shared principles of the First Amendment and the copyright law, acting as a prior restraint on speech."<sup>113</sup> Relying heavily on the jurisprudence of *Campbell*, including the notion "that courts should not judge the quality of the work or the success of the attempted humor in discerning its parodic character," the court noted that decision's bifurcated definition of parody: "The Supreme Court's definition of parody in *Campbell*, however, is somewhat vague. On the one hand, the Court suggests that the aim of parody is 'comic effect or ridicule,' but it then proceeds to discuss parody more expansively in terms of its 'commentary' on the original."<sup>114</sup>

Importantly, the Eleventh Circuit decided to take the broad view of parody, defining it as a work whose "aim is to comment upon or criticize a prior work by appropriating elements of the original in creating a new artistic, as opposed to scholarly or journalistic, work."<sup>115</sup> The court placed particular emphasis on the need to avoid subjective inquiries, noting that both plaintiff and defendant had attempted to sway the court with critiques of Randall's humor. "The benefit of our approach to 'parody,' which requires no assessment of whether or not a work is humorous, is apparent from the arguments made by the parties in this case. . . . Under our approach, we may . . . simply bypass what would always be a wholly subjective inquiry."<sup>116</sup>

The court's analysis found *The Wind Done Gone* to be principally a work of criticism whose objective was to lampoon and refute the racist and romanticized antebellum South depicted by Mitchell.

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<sup>111</sup> *Id.* at 1378 (citing *Campbell*, 510 U.S. at 588-89).

<sup>112</sup> *Suntrust Bank*, 268 F.3d at 1268.

<sup>113</sup> *Id.* at 1277.

<sup>114</sup> *Id.* at 1268.

<sup>115</sup> *Id.* at 1268-69.

<sup>116</sup> *Id.* at 1269, n.23 ("Suntrust quotes Michiko Kakutani's review of *TWDG* in the *New York Times*, in which she states that the work is 'decidedly unfunny.' Houghton Mifflin, on the other hand, claims that *TWDG* is an example of 'African-American humor,' which, Houghton Mifflin strongly implies, non-African-American judges are not permitted to evaluate without assistance from 'experts.'").

It is clear within the first fifty pages . . . that Randall's work flips *Gone With the Wind's* traditional race roles, portrays powerful whites as stupid or feckless, and generally sets out to demystify *Gone With the Wind* and strip the romanticism from Mitchell's specific account of this period of our history. Approximately the last half of *The Wind Done Gone* tells a completely new story that, although involving characters based on *Gone With the Wind* characters, features plot elements found nowhere within the covers of *Gone With the Wind*.<sup>117</sup>

While the court spent the bulk of its fair use analysis on the purpose and character of use test, it also found it unlikely that Randall's work would act as a market substitute or harm *Gone With the Wind's* derivative uses in any way.

The importance of the *SunTrust* decision lies in the Eleventh Circuit's embrace of the *Campbell* court's broad definition of parody. The court's definition of parody sets objective parameters, and, importantly, disavowed literary criticism; one commentator finds the court's definition of parody the rightful heir to the standards first espoused in *Campbell*.<sup>118</sup> To have ruled otherwise would have placed the fair use analysis within the narrow and subjective constraints of evaluating the work's comedic success.

Instead, as the court recognized, the essential inquiry is whether, using parody as its vehicle, a later work comments on or criticizes the original upon which it is based. This, the court seems to say, is the core definition of parody, and it is crucial that "the definition of parody – against which the theme, language, purpose, and style of disputed works are to be measured – have some objective content because the definitions of these elements of writing are difficult to state with precision, especially for those trained in law rather than literature."<sup>119</sup>

The approach reinforces the essential test in Justice Story's original formulation of fair use a century and a half ago: whether a later work is intellectually fresh, or a mere cut-and-paste job. The true inquiry, under fair use's first factor, is "whether the work supplants the original, or whether it transforms it into a new work."<sup>120</sup> In one sense, the case brings fair use full circle; in another sense, it represents a pushing back against the ever-expanding protections of copyright. Whether *The Wind Done Gone* is "destined to influence Fair Use and

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<sup>117</sup> *Id.* at 1270.

<sup>118</sup> *Eleventh Circuit Allows Publication of Novel Parodying Gone With the Wind*, 115 HARV. L. REV. 2364, 2371 (2002).

<sup>119</sup> *Id.* at 2369.

<sup>120</sup> Jeffrey D. Grossett, *The Wind Done Gone: Transforming Tara into a Plantation Parody*, 52 CASE W. RES. L. REV. 1113, 1116 (2002).

parody litigation, particularly in the field of literature,” as one commentator has contended,<sup>121</sup> remains to be seen.

#### D. *Blanch*: The Koons Comeback

A 2006 case also involving Koons, tried by the same court, suggests a growing judicial acceptance of transformative fair use. In *Blanch v. Koons*,<sup>122</sup> a fashion photographer sued the artist for copyright infringement after Koons incorporated one of her images, a depiction of a pair of legs called *Silk Sandals*, into a painting called *Niagara*. Acknowledging that the court had “declined to find a transformative use when the defendant has done no more than find a new way to exploit the creative virtues of the original work,”<sup>123</sup> the court went on to confirm the transformative qualities of Koons’s work:

The sharply different objectives that Koons had in using, and Blanch had in creating, ‘Silk Sandals’ confirms the transformative nature of the use. . . . When, as here, the copyrighted work is used as ‘raw material,’ in the furtherance of distinct creative or communicative objectives, the use is transformative.<sup>124</sup>

The court went on to note that a finding of substantial transformation reduced the significance of the other three statutory fair use factors.<sup>125</sup>

Importantly, the court also appeared to broaden the constraining distinction between parody (lawful fair use) and satire (unlawful fair use) that the Supreme Court had delineated in *Campbell*. The *Campbell* court had noted that a parody depended on use of the original because the original was its subject, and thus had to be recognized as such; satire, it held, was something else, which “stood on its own.”<sup>126</sup> In *Blanch*, however, the court suggests satire that has its object beyond the employed copyrighted matter can still claim fair use: “Koons’s use of a slick fashion photograph enables him to *satirize* life as it appears when we see it through the prism of slick fashion photography.”<sup>127</sup> The court’s choice to recognize *Niagara* as satire, rather than parody, marks a significant shift.

If anything has changed since the court last ruled on Koons’s art, it seems to be not the art itself, but rather the court’s attitude toward

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<sup>121</sup> *Id.* at 1127.

<sup>122</sup> 467 F.3d 244 (2d Cir. 2006).

<sup>123</sup> *Id.* at 252.

<sup>124</sup> *Id.* at 252-53.

<sup>125</sup> *Id.* at 254.

<sup>126</sup> *Campbell v. Acuff Rose Music, Inc.*, 510 U.S. 569, 581. (1994).

<sup>127</sup> *Blanch*, 467 F.3d at 255 (emphasis added).

transformative uses. Koons's aim in *Niagara*, after all – to provide “commentary on the social and aesthetic consequences of mass media”<sup>128</sup> – was not so different from what his goal had been in the “String of Puppies” case: signaling his belief that “the mass production of commodities and media images has caused a deterioration in the quality of society.”<sup>129</sup> Peter Jaszi has written that the *Blanch* decision suggests that, today, “transformativeness figures as a kind of metaconsideration arching over the fair use analysis.”<sup>130</sup>

#### E. *Gaylord*: Transformation by the Postal Service

In 2002, the United States Postal Service (USPS) decided to issue a thirty-seven-cent postage stamp commemorating the fiftieth anniversary of the armistice of the Korean War. The stamp featured a photograph by John Alli of stainless steel soldier sculptures, called “The Column,” that are part of the Korean War Veterans Memorial located on the national mall in Washington, D.C. Frank C. Gaylord II, the World War II veteran who created the sculpture, sued the USPS in Federal Claims Court, alleging that the stamp infringed his exclusive copyright in the sculpture and seeking a royalty of ten percent on the net sales of the commemorative stamp and related merchandise.<sup>131</sup>

The court rejected out of hand the USPS's claim that the sculpture itself was a joint work, and that, because it was commissioned by the government, its copyright was also at least partially owned by the government.<sup>132</sup> But it went on to weigh the agency's claim of fair use, finding it to be transformative:

[T]hrough his photographic talents, [Alli] transformed this expression and message, creating a surrealistic environment with snow and subdued lighting where the viewer is left unsure whether he is viewing a photograph of statues or actual human beings. . . . Alli's efforts resulted in a work that has a new and different character than “The Column” and is thus a transformative work . . . [and] the Postal Service further transformed the character and expression of “The Column” when creating the Stamp.<sup>133</sup>

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<sup>128</sup> *Id.* at 253.

<sup>129</sup> *Rogers*, 960 F.2d at 309.

<sup>130</sup> Peter Jaszi, *Is There Such a Thing as Postmodern Copyright?*, 12 TUL. J. TECH. & INTELL. PROP. 105, 115 (2009).

<sup>131</sup> *Gaylord v. United States*, 85 Fed. Cl. 59, 62 (2008), *aff'd in part and rev'd in part*, 595 F.3d 1364 (Fed. Cir. 2010).

<sup>132</sup> *Id.* at 68.

<sup>133</sup> *Id.* at 68-69.

While the court went on to analyze the stamp in the context of the other fair use factors, including the stamp's impact on the potential market for sculptor's market in similar works,<sup>134</sup> it was clear that it was transformation – as employed by photographer and Postal Service alike, and rhapsodized by Judge Thomas C. Wheeler – that carried the day.

#### F. The *Salinger* Court Takes Literary Criticism to New Judicial Heights

J.D. Salinger published *Catcher in the Rye* in 1951, and in the half-century since, the iconic novel and its reclusive author have been the subject of widespread admiration and fascination. While originally published for adults, the novel became a classic text in high schools everywhere, although it was frequently banned (and still is, from time to time).<sup>135</sup> Its protagonist, Holden Caulfield, became the prototype for disaffected youth of the post-war era. “Most critics who looked at *The Catcher in the Rye* at the time of its publication thought that its language was a true and authentic rendering of teenage colloquial speech.”<sup>136</sup> More than 35 million copies of the book have been sold, and *Catcher* is estimated to rank as one of the tenth or fifteenth most commonly read novels in American classrooms.<sup>137</sup> In 2005, *Time* magazine named the book one of the 100 best English-language novels published since 1923.<sup>138</sup>

The recent death of J.D. Salinger highlighted the extent to which the author's cultural profile was at odds with that of his antihero: “Salinger . . . turned his back on success and adulation, becoming the Garbo of letters, famous for not wanting to be famous.”<sup>139</sup> As Salinger's public persona waned, that of his creation waxed, and in the half-century after the book was published, the author all but disappeared from public view. This was by choice: The words “reclusive

<sup>134</sup> *Id.* at 69-71.

<sup>135</sup> The American Library Association places *Catcher in the Rye* as the tenth most frequently banned book of the 1990s, eight positions higher than *Sex*, by Madonna. American Library Association, 100 Most Frequently Challenged Books: 1990-1999, [http://www.ala.org/ala/issuesadvocacy/banned/frequentlychallenged/challengedbydecade/1990\\_1999/index.cfm](http://www.ala.org/ala/issuesadvocacy/banned/frequentlychallenged/challengedbydecade/1990_1999/index.cfm) (last visited Apr. 10, 2011).

<sup>136</sup> Donald P. Costello, *The Language of “The Catcher in the Rye”*, 34 AM. SPEECH 172, 172 (1959), available at [http://links.jstor.org/sici?sici=00031283\(195910\)34%3A3%3C172%3ATLO'CI%3E2.0.CO%3B2-4](http://links.jstor.org/sici?sici=00031283(195910)34%3A3%3C172%3ATLO'CI%3E2.0.CO%3B2-4).

<sup>137</sup> Marc Iglar, *Please, Mr. Salinger, Let Go of Poor Holden Caulfield*, SAN JOSE MERCURY NEWS, Aug. 26, 2009, at 14A.

<sup>138</sup> Lev Grossman & Richard Lacayo, *100 All-Time Novels*, TIME, [http://www.time.com/time/2005/100books/the\\_complete\\_list.html](http://www.time.com/time/2005/100books/the_complete_list.html) (last visited Apr. 10, 2011).

<sup>139</sup> Charles McGrath, *J.D. Salinger, Author Who Flew Fame, Dies at 91*, N.Y. TIMES, Jan. 29, 2010, at A1.

author” can almost always be found appended to the name “J.D. Salinger,”<sup>140</sup> and the novelist vigorously defended his privacy. Salinger’s fame, the iconic status of his most beloved work, and his near-hermit like existence and protection of his privacy have combined over the past two-and-a-half decades to create a sort of perfect storm of copyright case law in the area of fair use.<sup>141</sup>

In 2009, Salinger’s attorneys, armed with copyright infringement claims, sought a preliminary injunction against Swedish author Fredrik Colting, who had written a sort-of sequel to *Catcher in the Rye* called *60 Years Later: Coming Through the Rye*.<sup>142</sup> Writing under the dubious pen name J.D. California, the author’s main character, “Mr. C,” clearly an aged Holden Caulfield, escapes from a retirement home and embarks on a series of adventures that roughly parallel the plot of *Catcher in the Rye*. The novel’s later chapters depict the aged Caulfield confronting his creator, Salinger himself. On July 1, 2009, the U.S. District Court for the Southern District of New York – the same court that had found fair use grounds to justify Ian Hamilton’s biographical use of Salinger’s letters in 1986 – granted Salinger a preliminary injunction against the publication of Colting’s book.

Leaning heavily on *Campbell* and, to a lesser extent, the *SunTrust* decision, the district court began its fair use inquiry by determining whether the new book’s “parodic character may reasonably be perceived.”<sup>143</sup> It quickly found the answer to be no: “[T]he Court finds such contentions to be post-hoc rationalizations employed through vague generalizations about the alleged naivete of the original, rather than reasonably perceivable parody.”<sup>144</sup> *60 Years Later* was no parody, the court held, because it “contains no reasonably discernable rejoinder or specific criticism of any character or theme of *Catcher*.”<sup>145</sup> While labels are not dispositive,<sup>146</sup> Colting hadn’t done himself any favors with his jacket copy, of which the court took note: “Until the present lawsuit was filed, Defendants made no indication that *60 Years*

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<sup>140</sup> A Nov. 3, 2009, search of Westlaw’s news database yielded 506 such pairings dating back to 1981.

<sup>141</sup> In *Salinger v. Random House, Inc.*, 811 F.2d 90, 98 (2d Cir. 1987), the author successfully prosecuted a copyright infringement claim against biographer Ian Hamilton when Hamilton attempted to quote from Salinger’s early letters in his unauthorized biography.

<sup>142</sup> JOHN DAVID CALIFORNIA, *60 YEARS LATER: COMING THROUGH THE RYE* (2009).

<sup>143</sup> *Salinger v. Colting*, 641 F. Supp. 2d 250, 257 (S.D.N.Y. 2009), *vacated*, 607 F.3d 68 (2d Cir. 2010) (quoting *Campbell v. Acuff Rose Music, Inc.*, 510 U.S. 569, 582 (1994)).

<sup>144</sup> *Id.* at 258.

<sup>145</sup> *Salinger*, 641 F. Supp. 2d at 257.

<sup>146</sup> *Id.* at 260 (“While it is true that an artist or author ‘need not label their whole [work] . . . a parody in order to claim fair use protection,’ it is equally true that ‘courts . . . must take care to ensure that not just any commercial takeoff is rationalized *post hoc* as a parody.’” (citing *Campbell*, 510 U.S. at 583 n.17, 600) (Kennedy, J., concurring)).

was in any way a parody . . . Quite to the contrary, the original jacket of *60 Years* states that it is ‘. . . a marvelous *sequel* to one of our most beloved classics.’”<sup>147</sup>

The opinion reveals just how fine a line a court must navigate between “discerning parody” (a potentially fair form of transformation) and employing literary criticism. While judges have long admonished each other against the latter, *Colting* makes it apparent how difficult it may be in practice to avoid literary critique in fair use deliberations. For example, in her analysis, District Judge Deborah Batts examined themes common to Salinger’s original and Colting’s derivative work, basing her estimation that the latter lacked transformative value on that very commonality. Colting’s claims to augment the portrait of Caulfield in *Catcher* by showing the effects of the character’s uncompromising world view, the judge writes, were unpersuasive because those effects were already thoroughly depicted and apparent in Salinger’s own narrative. “It is hardly parodic to repeat that same exercise in contrast, just because society and the characters have aged.”<sup>148</sup> As a later amicus brief put it, “The District Court . . . applied an unduly restrictive fair use standard by acting as a literary critic.”<sup>149</sup>

Judge Batts seems to say that, for a work to be transformative, characters must evolve in order to create new themes and facilitate new meaning. By this logic, Colting’s gambit – that Caulfield’s character would *not* change over the years, and that he would therefore come to seem, to readers who once admired him, more pathetic than endearing – was doomed to failure. “[T]o the extent Colting . . . is attempting to accentuate how Holden’s emotional growth would ultimately be stunted by his unwillingness to compromise his principles or engage with ‘the phonies,’ they were again simply rehashing one of the critical extant themes of *Catcher*.”<sup>150</sup> The statement is illustrative of the perils of judge-as-critic: Judge Batts has substituted her judgment – that to depict Holden Caulfield as an insufficiently developed character is an act of artistic expression unworthy of fair use protection – for that of the author-defendant, as well as his potential readers.

Colting appealed to the Court of Appeals for the Second Circuit, arguing several grounds on which the injunction should be vacated, including that the order constituted unlawful prior restraint, and that

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<sup>147</sup> *Id.* at 260 n.3.

<sup>148</sup> *Id.* at 259.

<sup>149</sup> Brief of Amici Curiae American Library Association et al. at 4, *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010) (No. 09-2878-cv), 2009 WL 6865321.

<sup>150</sup> See Posting of Peter Friedman to Geniocity, <http://blogs.geniocity.com/friedman/tag/coming-through-the-rye> (July 9, 2009).

the court had failed to apply the controlling preliminary injunction standards.<sup>151</sup> These require the plaintiff to establish (1) that he is likely to succeed on the merits, (2) that he is likely to suffer irreparable harm in the absence of preliminary relief, (3) that the balance of equities tips in his favor, and (4) that an injunction is in the public interest. On April 30, 2010, the Court of Appeals for the Second Circuit remanded the case, agreeing that the lower court had applied incorrect preliminary injunction standards. But on the first element, the likelihood of success on the merits, the court of appeals stacked the deck, holding that there was “not clear error” in the district court’s rejection of the fair use defense.<sup>152</sup> “It may be that a court can find that the fair use factor favors a defendant even when the defendant and his work lack a transformative *purpose*,” the court posited, before setting that question aside.<sup>153</sup>

In death, Salinger remains a figure of public fascination, but popular sentiment runs against his lawsuit. One writer lamented: “Holden remains in a specimen jar in schoolbook closets across the country – a shameful fate.”<sup>154</sup> In its Week in Review section shortly after the decision, *The New York Times* opined:

The books that get re-written and re-imagined are beloved. We don’t want them ever to be over. We pay them the great compliment of imagining they’re almost real: that there must be more to the story, and that characters we know so well . . . must have more to their lives.<sup>155</sup>

The *Times* – along with the Associated Press and Gannett Newspapers – took a more strident approach in an amicus brief, filed with the Court of Appeals for the Second Circuit, in support of vacating the injunction against Colting’s book.<sup>156</sup> “The only harm” that might stem from allowing publication of *60 Years Later*, the brief stated, “appears to be to the pride of a reclusive author in not having his desires fulfilled.”<sup>157</sup>

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<sup>151</sup> Brief for Defendants-Appellants at 24, *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010) (No. 09-2878-cv), 2009 WL 6865322, at \*24.

<sup>152</sup> *Salinger v. Colting*, 607 F.3d 68, 83 (2d Cir. 2010).

<sup>153</sup> *Id.*

<sup>154</sup> See Iglar, *supra* note 137.

<sup>155</sup> Charles McGrath, *The Sincerest Form of Lawsuit Bait*, N.Y. TIMES, Aug. 16, 2009.

<sup>156</sup> Brief for Amicus Curiae New York Times et al. on Behalf of Defendants-Appellants, *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010) (No. 09-2878-cv), 2009 WL 6865320.

<sup>157</sup> *Id.* at \*1.

## III. THE FUTURE OF FAIR USE

As a 2008 symposium at Columbia University concluded, “Fair use reform is in the air.”<sup>158</sup> A resulting law review article offered a simple proposal for reform; there are many. As Jed Rubenfeld noted in 2002, “Copyright law is today in the same position, *vis a vis* the First Amendment, as libel was before *New York Times v. Sullivan*.”<sup>159</sup> Rubenfeld’s point was that the courts must work to limit the reach of copyright law in the interest of artistic freedom, as they did libel law in the seminal press freedom case. As one lay critic of copyright law put it:

Viewed up close, copyright . . . looks like a constantly expanding government program run for the benefit of a noisy, well-organized interest group – like Superfund, say, or dairy subsidies, except that the benefits go not to endangered homeowners or hard-working farmers but to the likes of Barbra Streisand and Eminem. . . . Copyright is a trial lawyer’s dream – a regulatory program enforced by private lawsuits where the plaintiffs have all the advantages, from injury-free damage awards to liability doctrines that extract damages from anyone who was in the neighborhood when an infringement occurred.<sup>160</sup>

## A. Fixing Fair Use

What most reform proposals have in common is the aim of limiting copyright’s scope by expanding the protections of fair use. Gideon Parchomovsky and Kevin Goldman propose the adoption of legal fair use “safe harbors,” which would allow the lesser of fifteen percent or 300 words copied from any work greater than 100 words in the case of literary works, ten percent or ten seconds in the case of sound recordings.<sup>161</sup> Wendy Gordon long ago proposed a “market failure” approach that would find fair use where (1) there is market failure; (2) a transfer of copyright (or a finding of fair use) is socially desirable; and (3) that use would not cause substantial injury.<sup>162</sup> (The problem with the approach, in a case such as *Salinger*’s, is that it doesn’t recognize market failure as a result of an author’s “non-dissemination mo-

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<sup>158</sup> Joseph P. Liu, *Two-Factor Fair Use?*, 31 COLUM. J.L. & ARTS 571, 571 (2008).

<sup>159</sup> Jed Rubenfeld, *The Freedom of Imagination: Copyright’s Constitutionality*, 112 YALE L.J. 1, 59 (2002) (referring to *N.Y. Times Co. v. Sullivan*, 376 U.S. 254 (1964)).

<sup>160</sup> Stewart Baker, *Exclusionary Rules*, WALL ST. J., Mar. 26, 2004.

<sup>161</sup> Gideon Parchomovsky & Kevin Goldman, *Fair Use Harbors*, 93 VA. L. REV. 1483, 1511-12 (2007).

<sup>162</sup> Wendy J. Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and its Predecessors*, 82 COLUM. L. REV. 1600, 1614-20 (1982).

tive.”)<sup>163</sup> Still other ideas posit the creation of fair use tribunals with judges capable of limiting liability and issuing no-action letters.<sup>164</sup>

A common thread among fair use reform proposals is far simpler: Fix the existing four-part statutory test, perhaps by reducing that test to parts one and four: nature of use and economic impact. Indeed, a statistical analysis of fair use decisions of the last three decades suggests that courts are already effectively doing so; the other two factors rarely have an impact on the outcome of fair use decisions.<sup>165</sup> In fact, critics say, the more factors there are, the more difficult it becomes to determine which factors are important.<sup>166</sup> Reducing the test to these factors boils fair use down to its essential question: Would the proposed use increase social value more than it diminishes it?<sup>167</sup>

Another proposal calls for separating the transformation “test” from fair use determinations, resulting in a second affirmative defense to copyright infringement claims. John Tehranian suggests fair use as the first line of defense, because it immunizes defendants from liability; as a next line of defense, however, a finding of “transformative use” would result in intermediate liability. The secondary author-defendant would be required to register her work as a transformative use – including parody, satire, sampling, and other forms of appropriation art – with the Copyright Office, and a judicial finding of transformative use would exempt that author from damages or injunctive relief. Instead, the “original author of the copyrighted work and the transformative user of that work would evenly divide all profits resulting from the commercial exploitation” of the later work.<sup>168</sup> As Tehranian acknowledges, however, creating a distinct, statutory “transformative use” defense would require revisiting the derivative right, because the two concepts are frequently incompatible.<sup>169</sup>

## B. Enjoining the Injunction

Another common thread in the fair use debate is an increasing aversion to preliminary injunctions as remedies in some kinds of cop-

<sup>163</sup> *Id.* at 1632.

<sup>164</sup> See Michael Carroll, *Fixing Fair Use*, 85 N.C. L. REV. 1087 (2007); David Nimmer, *A Modest Proposal to Streamline Fair Use Determinations*, 24 CARDOZO ARTS & ENT. L.J. 11 (2006).

<sup>165</sup> See Beebe, *supra* note 7.

<sup>166</sup> Liu, *supra* note 158, at 574.

<sup>167</sup> See generally Fisher, *supra* note 61; Glynn S. Lunney, Jr., *Fair Use and Market Failure: Sony Revisited*, 82 B.U. L. REV. 975, 998-99 (2002).

<sup>168</sup> John Tehranian, *Whither Copyright? Transformative Use, Free Speech, and an Intermediate Liability Proposal*, 2005 BYU L. REV. 1201, 1243.

<sup>169</sup> *Id.* at 1248 (“[T]he broad exclusive right of copyright holders to prepare derivative works has swallowed up the ability of transformative users to escape infringement liability.”).

right infringement suits. Injunctive relief has largely become the default remedy, as illustrated by the *SunTrust* and *Colting* cases and others where defendants have engaged in creative adaptation rather than literal copying.<sup>170</sup> Indeed, the injunction was once disfavored in copyright jurisprudence.<sup>171</sup> It was eschewed in *Abend*, where the court stated: “[T]here may be a strong public interest in the publication of the secondary work [and] the copyright owner's interest may be adequately protected by an award of damages for whatever infringement is found.”<sup>172</sup> The Supreme Court also admonished against this reliance on injunctive relief, in dicta, in *Campbell*:

Because the fair use enquiry often requires close questions of judgment as to the extent of permissible borrowing in cases involving parodies (or other critical works), courts may also wish to bear in mind that the goals of the copyright law . . . are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use.<sup>173</sup>

Judge Leval, who now sits on the Court of Appeals for the Second Circuit, where the *Colting* case was decided, has propounded the idea that, if a secondary work is derivative, the court should not issue an injunction. Instead, an “action for profit allocation” may be the solution, which sounds a lot like Tehranian’s intermediate liability scheme. Disparaging the injunction as an overly automatic remedy in copyright cases, especially considering that prior restraint represents such an affront to First Amendment principles, Leval argues the law should distinguish between piracy and reasonable contentions of fair use.<sup>174</sup> Transformation, it has been argued, represents one such reasonable contention:

Some view transformation as no wrong at all – they believe that our law, as the framers penned it, should not protect derivative rights at all. . . . [I]t seems plain that whatever wrong is involved is fundamentally different from the wrong of direct piracy. Yet copyright law treats these two different wrongs in the same way. I can go to court and get an injunction against your pirating my

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<sup>170</sup> Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 DUKE L. J. 147, 149 (1998).

<sup>171</sup> *Id.* at 156-57.

<sup>172</sup> *Abend v. MCA, Inc.*, 863 F.2d 1465, 1479 (9th Cir. 1988), *aff'd*, *Stewart v. Abend*, 495 U.S. 207 (1990) (finding “special circumstances” that would cause “great injustice” to defendants and “public injury” were an injunction to issue).

<sup>173</sup> *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 n.10. (1994).

<sup>174</sup> Leval, *supra* note 3, at 1132.

book. I can go to court and get an injunction against your transformative use of my book.<sup>175</sup>

In 2006, the Supreme Court in *eBay v. MercExchange, L.L.C.* admonished courts for being too quick to provide injunctions in patent cases, and said that the same rules of equity applied in the copyright context as well.<sup>176</sup> The Court vacated a court of appeals decision granting injunctive relief in a patent dispute after the lower court articulated a “‘general rule,’ unique to patent disputes, that a permanent injunction will issue once infringement and validity have been adjudged.”<sup>177</sup> In other words, irreparable harm is no longer presumed in copyright cases, but rather must be proven. “Like the Patent Act, the Copyright Act provides that courts ‘may’ grant injunctive relief □ on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.’ . . . [T]his Court has consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction automatically follows a determination that a copyright has been infringed.”<sup>178</sup>

Perhaps following this edict, the Southern District of New York in 2008 denied an injunction to Yoko Ono Lennon when she sued to prohibit further distribution of a film that used fifteen seconds of John Lennon’s “Imagine” without her permission.<sup>179</sup> “Defendants’ use of ‘Imagine’ is transformative because their purpose is to criticize the song’s message,” the court stated, adding that “plaintiffs have not shown that the balance of hardships decidedly favors them.”<sup>180</sup>

### C. Narrowing the Derivative Right

Another approach to restoring fair use balance is a proposal to constrain the wide-reaching derivative right. Glynn Lunney has dismantled the natural rights argument for the derivative right.<sup>181</sup> Taking an economics-based approach, Lunney compares the natural rights arguments involving authorship to a theoretically analogous right in other forms of property, noting, “Any number of people labor to produce products which then become inputs for someone else’s labor.”<sup>182</sup> If every end product required a license from someone in that chain of

<sup>175</sup> LESSIG, *supra* note 10, at 139.

<sup>176</sup> *eBay Inc. v. Mercexchange, LLC*, 547 U.S. 388 (2006).

<sup>177</sup> *eBay*, 547 U.S. at 393-94.

<sup>178</sup> *Id.* at 392-93.

<sup>179</sup> *Lennon v. Premise Media Corp.*, 556 F. Supp. 2d 310 (S.D.N.Y. 2008).

<sup>180</sup> *Id.* at 327-28.

<sup>181</sup> Glynn S. Lunney, Jr., *Reexamining Copyright's Incentives-Access Paradigm*, 49 VAND. L. REV. 483 (1996).

<sup>182</sup> *Id.* at 632.

production, then economic activity would be choked. In other words, do authors owe a portion of their profits to the typewriter or word-processing software makers who were part of their process? If not, the theory goes, derivative authors should not owe original creators, either.

Another commentator has suggested that the broad protections afforded by the derivative right are also inconsistent with its economic incentive rationale. Stewart Sterk has said that for the economic incentives argument to hold sway, two conditions must be present: First, the return of investment on the original work is so small as to call into question the rationality of its production in the first place. And second, the return of investment on the derivative must be sufficiently large to overcome both the low return on the original and the subsequent cost of producing the derivative.<sup>183</sup> As Sterk points out, the rare scenario most likely to produce such conditions is the licensing of movie rights, and the likelihood of any first author realizing such a windfall is “infinitesimally small.”<sup>184</sup>

It is true that eliminating the exclusive derivative right would undermine the incentive that copyright provides for the creation of the original work,<sup>185</sup> particularly where an adaptation maintains the essential content of the original work in the same or another form, as in a translation. Additionally, without a derivative right, authors would be unlikely to create derivative works, such as movies, that require time to produce and significant capital investment, since they could not be assured of coming to market first.

But the scope of the derivative right, Lunney argues, should be akin to the original scope of the reproduction right: Copyright law under the reproduction right should prohibit exact duplication; copyright law under the derivative right should prohibit exact derivative works that merely recast a copyrighted work in a new language or medium.<sup>186</sup> Under this standard, an unauthorized film or stage adaptation infringes; an unauthorized sequel does not. “[A]ny significant transformation of or variation from the underlying work should preclude a finding of infringement even if the underlying work remains recognizable.”<sup>187</sup>

This effective elimination of the derivative right would come closest to restoring to authors the freedoms they once had to create

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<sup>183</sup> Stewart E. Sterk, *Rhetoric and Reality in Copyright Law*, 94 MICH. L. REV. 1197, 1215-16 (1996).

<sup>184</sup> *Id.* at 1216.

<sup>185</sup> Netanel, *supra* note 66, at 37.

<sup>186</sup> Lunney, *supra* note 181, at 650.

<sup>187</sup> *Id.*

adaptations and translations of existing works, a freedom they held until the late nineteenth century.

#### IV. TOWARD A TRANSFORMATION DOCTRINE

What, then, is transformation? Is it compatible with the derivative right? While the concept of transformative use is as elusive as that of fair use, courts have drawn lines. There are essentially two contexts for transformative use decisions: technical, and artistic. In cases ranging from the VCR to the DVR, courts have defined the parameters of technical fair use, generally elevating the rights of consumers to access new technologies and information over the concerns of the content companies fighting the adoption of those technologies.

In this section, I focus on the alternative line of cases that deals with transformation in an artistic context. Additionally, I examine the 1991 Supreme Court copyright decision *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*,<sup>188</sup> in an effort to extract principles that might be applied to the concept of transformation. Together, this body of case law may point the way toward the parameters of defensible transformative uses. Next, I explore the tangle of remedies found both in copyright jurisprudence and commentary in order to propose a workable scheme of equitable remedies in the transformation context. And lastly, I attempt to justify this approach within the larger framework of the First Amendment considerations that should underlie copyright infringement decisions where arguable transformative uses are in play.

##### A. Defining Transformation

The first step in carving out a transformation doctrine is defining transformation itself. A distillation of the case law provides a surprisingly workable definition of a transformative fair use. Such uses tend to fall into two categories: those that critique the original on which they are based, and those that take the underlying work in a new direction.

The first use is fairly simple to spot. Its context has long included commentary, but beginning with *Campbell*, parody and, arguably, satire may also justify this kind of transformative use, whose aim may be “to comment upon or criticize a prior work by appropriating elements of the original in creating a new artistic . . . work.”<sup>189</sup>

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<sup>188</sup> 499 U.S. 340 (1991).

<sup>189</sup> *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1268-69 (11th Cir. 2001).

The second transformative use can be more perplexing to evaluate, as evidenced by the courts in *Rogers* and *Salinger*. Essentially it takes an original creation, and “adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.”<sup>190</sup> This kind of transformation results in “a work that has a new and different character”<sup>191</sup> from the original upon which it is based. If it “adds value to the original . . . [through] the creation of new information, new aesthetics, new insights and understandings,”<sup>192</sup> if a secondary author has “sharply different objectives” for which she uses the copyrighted work “as ‘raw material,’ in the furtherance of distinct creative or communicative objectives,” that use is transformative,<sup>193</sup> and therefore is the kind of expression that is meant to be protected by fair use.

These cases might be distilled into two relatively simple factors. Transformation uses a copyrighted work as raw material either 1) to comment upon or criticize the prior work, or 2) in the furtherance of distinct creative or communicative objectives.

The cases are also relatively clear about what *isn't* transformation. In these situations, it is typically the derivative right that is implicated, and such cases should be resolved in favor of the copyright holder. A pair of New York cases, in which the publication of spin-off books based on successful books and films was enjoined,<sup>194</sup> show that a secondary work cannot merely reproduce the essence of the original, in a different format, without adding anything of substance to it. This reading is also compatible with *Campbell*, where the secondary, rap version of *Pretty Woman* added a derisive tone and grittier lyrics to the original. And it even comports with *Rogers v. Koons*: Although the *Rogers* court emphasized that the copied work must be, at least in part, an object of the parody, another problem for the secondary work was that it merely reproduced the original, exactly, in a different medium.<sup>195</sup>

Viewed in this light, *Salinger* poses perhaps the most difficult case of artistic transformation in fair use case law to date. Each of the questions involved in the transformation inquiry depends, to a great extent, on a literary analysis of *60 Years Later*. Must its aim be “to

<sup>190</sup> *Campbell v. Acuff Rose Music, Inc.*, 510 U.S. 569, 1171 (1994).

<sup>191</sup> *Gaylord v. United States*, 85 Fed. Cl. 59, 69. (2008), *aff'd in part and rev'd in part*, 595 F.3d 1364 (Fed. Cir. 2010).

<sup>192</sup> Leval, *supra* note 3, at 1111.

<sup>193</sup> *Blanch v. Koons*, 467 F.3d 244, 252-53 (2d Cir. 2006).

<sup>194</sup> *Castle Rock Entm't v. Carol Publ'g Group*, 150 F.3d 132 (2d Cir. 1998) (involving suit over a trivia book based on *Seinfeld*); *Warner Bros. Entm't v. RDR Books*, 575 F. Supp. 2d 513 (S.D.N.Y. 2008) (involving an encyclopedia based on the *Harry Potter* books).

<sup>195</sup> *Rogers v. Koons*, 960 F.2d 301, 303 (2d Cir. 1992).

comment upon or criticize”<sup>196</sup> *Catcher in the Rye*, or must it merely result in someone’s idea of commentary or criticism? The Court of Appeals for the Second Circuit seemed to suggest that the question – whether there must be an *intent* element in the Transformation Test – remains an open one. Another question remains, because of the perplexing thematic character (whether intended or merely discernable) of the would-be sequel: To what extent must that result have “a new and different character”<sup>197</sup> than Salinger’s novel if the point of that commentary is to explore stasis? The district court found that Colting’s sequel “contains no reasonably discernable rejoinder or specific criticism of any character or theme of *Catcher*,” but this may be understandable if one considers that the theme hasn’t changed: its context has. The district court still has a chance, on remand, to decide such questions.

Where there is a transformative use that creates something fresh out of the old parts of the original (rather than commenting on that original), courts should consider turning to the broad precepts of *Feist*<sup>198</sup> for guidance on distinguishing a transformative use from a merely derivative one. In *Feist*, a telephone utility sued a publisher that used the utility’s listings in its own version of a telephone directory. The Court denied relief, finding that the names, addresses, and phone numbers were uncopyrightable facts that the utility had not selected or arranged in a sufficiently original manner to be eligible for a copyright. While the Court based its decision not on fair use, but rather on the idea/expression dichotomy – a doctrine that says ideas are not copyrightable, only their individualized expressions are – its emphasis on, and definition of, originality is instructive. The reason facts are not copyrightable, the Court explained, is that “the *sine qua non* of copyright is originality. . . . Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity.”<sup>199</sup>

In a sense, the creator of a transformative work is, *ipso facto*, vying not merely to distinguish her work from a derivative one, but to establish her own work as copyrightable. A judicial determination is required, in such a contest, in order to first distinguish the new work from the prior work. *Feist*’s “modicum of originality” is therefore an appropriate benchmark in the context of adjudging a transformative

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<sup>196</sup> Suntrust Bank v. Houghton Mifflin Co, 268 F.3d 1257, 1268-69 (11th Cir. 2001).

<sup>197</sup> Gaylord v. United States, 85 Fed. Cl. 59, 69. (2008), *aff’d in part and rev’d in part*, 595 F.3d 1364 (Fed. Cir. 2010).

<sup>198</sup> *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340 (1991).

<sup>199</sup> *Id.* at 345.

use; just as originality is the *sine qua non* of copyright protection, so too should it be the basis of transformative uses.

Within the framework of *Feist*, then, the derivative right still serves to protect original works, but the scope of that protection narrows to what is essentially a corollary to the reproduction right. A secondary work that merely reproduces the original in a new format (such as a film based on a book) is derivative and no more; certainly, a change of format is not a transformative act. Similarly, under the transformation/derivative analysis, the original author's essential creations – characters, situations, and, importantly, themes (i.e., the building blocks of art) – are analogous to the “facts” of *Feist*. They are not independently copyrightable by the subsequent author because, absent “new information, new aesthetics, new insights and understandings,”<sup>200</sup> they are in no way original.

#### B. Making Transformation Work

Once courts are equipped to systematically recognize transformative uses, the question becomes not whether they are to be allowed, but how?

Both Tehranian's intermediate liability proposal and Leval's action for profit allocation point to the same conclusion: that a legitimately transformative use has undeniably benefited from the existence of an original, copyrighted work, and that some form of restitution should be made. But profit allocation and intermediate liability may be difficult remedies to implement – the former because it can be so difficult to separate the profits resulting from the secondary creator's efforts (as opposed to those that stem from the merits of the original), and the latter because it requires a similar determination, in addition to adding to the process the bureaucratic step of preemptive registration of transformative uses.

If we consider a transformative use to be akin to a cover version of a recorded song, however, an alternative solution might be the implementation of a compulsory statutory license fee of the kind already employed for music recordings.<sup>201</sup> As that copyright provision states, “the privilege of making a [use] of the work . . . shall not be subject to protection as a derivative work under this title.”<sup>202</sup> And as with music, the Copyright Royalty Judges, whose mission includes “maximiz[ing] the availability of creative works to the public,”<sup>203</sup> could set the appro-

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<sup>200</sup> See Leval, *supra* note 3, at 1111.

<sup>201</sup> 17 U.S.C. § 115 (2006).

<sup>202</sup> *Id.*

<sup>203</sup> *Id.* § 801(b)(1)(A).

prate rate. By subjecting transformative uses to a compulsory license – or, in the event it is not paid, a judicial damage award – secondary authors would be freed to transform prior works without owner authorization, yet they would pay a nominal sum for the privilege. Owners would be compensated both through their own efforts and those of the compulsory license.

### C. A Transformation Doctrine Can Restore Balance to the Copyright-First Amendment Tension

Twenty-five years ago the Supreme Court cautioned, “[I]t should not be forgotten that the Framers intended copyright itself to be the engine of free expression.”<sup>204</sup> Many commentators believe that rather than serve to propel free expression, modern copyright law has done more to apply the brakes.<sup>205</sup> Fair use and idea/expression dichotomy are no match, they say, for large content companies armed with derivative rights; those ameliorating doctrines, once held up to forestall First Amendment inquiries into copyright’s potential to chill speech, are no longer robust enough to serve as the bulwark of free expression.

In the end, whether a transformative use is silenced by copyright owners directly or through the high barriers and legal uncertainties erected by the copyright statutes, the resulting harm to the culture is the same: “transformative expression has been muted.”<sup>206</sup> Because of this, judges should balance a legitimate governmental interest – the interest represented by the Constitutional creation of intellectual property rights – against the impact of that regulatory regime on the speech interests also protected by the Constitution.<sup>207</sup>

An even more fundamental reason that courts should look liberally at transformative uses of copyrighted content is what Jed Rubenfeld calls “the freedom of imagination.”<sup>208</sup> The First Amendment exists not merely to protect speech and art that we deem valuable, he says. It exists to protect all citizens’ rights to exercise the freedoms of imagination and expression, as long as the exercise of those freedoms does not conflict with the rights – property rights or otherwise – of other citizens. Foreclosing this “freedom of imagination” is unconstitutional, Rubenfeld argues, and therefore the justifications for doing so should satisfy strict judicial scrutiny.

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<sup>204</sup> Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 558. (1985).

<sup>205</sup> See generally LESSIG, *supra* note 10; Rubenfeld, *supra* note 159.

<sup>206</sup> Netanel, *supra* note 4, at 296.

<sup>207</sup> Alan E. Garfield, *The Case for First Amendment Limits on Copyright Law*, 35 HOFSTRA L. REV. 1169, 1188 (2007).

<sup>208</sup> Rubenfeld, *supra* note 159, at 4.

In the case of outright piracy, where a secondary purveyor seeks merely to free-ride on the copyrighted work of another, infringement actions and preliminary injunctions are appropriate. Acts of transformation, however, bring something new and original to the table; they may not be subjectively or even objectively “good,” but just as the Constitution protects foolish or offensive speech, so too must it protect futile or unsophisticated art. “The key to a constitutional copyright law lies in reclaiming and narrowing the core concept of reproduction [and] revitalizing the distinction between derivative works and reproduction.”<sup>209</sup>

*The Wind Done Gone*, however, may have marked a turning point. For the first time, an appellate court explicitly used the First Amendment to limit the enforcement of an author’s copyright.<sup>210</sup> And in *Golan v. Gonzales*,<sup>211</sup> the Court of Appeals for the Tenth Circuit held that § 514 of the copyright statutes, enacted to grant protection to certain works that had already been in the public domain in order to bring the United States into compliance with the Berne Convention, must be subjected to First Amendment scrutiny.<sup>212</sup> Where *Salinger* fits on this continuum may yet be seen. The decision has the potential to be an important one in the evolution of a transformation doctrine.

## V. CONCLUSION

The rights conferred by copyright have continually expanded, from the duration of the monopoly to the degree of its protections. Even 170 years ago, in the British Parliament, copyright was seen as a necessary evil, and term extensions were regarded with suspicion: “For the sake of the good we must submit to the evil; but the evil ought not to last a day longer than is necessary for the purpose of securing the good.”<sup>213</sup> As copyright’s dominion has expanded, it has increasingly come into conflict with the Constitution’s overarching philosophy about its role in cultivating scientific and artistic development. Copyright should promote artistic and scientific progress,<sup>214</sup> and not, as Justice Stevens reminded, serve as an exclusive club for the benefit of rights holders.<sup>215</sup> Today the derivative and reproduction

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<sup>209</sup> *Id.* at 53.

<sup>210</sup> Netanel, *supra* note 66, at 2.

<sup>211</sup> 501 F.3d 1179 (10th Cir. 2007).

<sup>212</sup> *Id.* at 1182.

<sup>213</sup> WILLIAM PATRY, MORAL PANICS AND THE COPYRIGHT WARS 125 (2009) (quoting Lord Thomas Macaulay in the 1841 British House of Commons debates on term extension).

<sup>214</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>215</sup> *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).

rights represent a dramatic enlargement of copyright protection beyond its modest beginnings.<sup>216</sup>

Fair use requires judges to line-draw between true creative labor and mere coattail-riding. And as difficult as it may be for judges to apply the doctrine, writers and artists who seek to rely on fair use have the most to lose. Copyright law too often fails to distinguish between a pirating use and a productive one: The first is outright theft, the second, progress.

As an engine of enlightened thought and expression, copyright law seems dangerously close to outgrowing its original purpose. Where a copyright no longer serves to spark the spread of knowledge and inspire the search for truth, but rather to protect moneyed interests, a fundamental right of expression is being denied, and the level of judicial scrutiny should rise accordingly. The First Amendment exists to protect all citizens' rights to exercise the freedom to imagine and create, and fair use remains the best vehicle for balancing incentives for authors against the expression of subsequent authors.

But it needs to be strengthened. This can be accomplished by resisting the reflex of injunctions in the cases where outright piracy is not implicated, and by allowing the First Amendment to play a part in infringement determinations. Courts should also tighten the grip on the derivative right, which should not be read to foreclose works that involve creative adaptation rather than literal copying. Most elusive, though perhaps most helpful, would be to cement the judicial understanding of the transformative use through its own separate, vigorous doctrine.

All great societies and cultures were built on those that came before: "The Romans copied the Greeks; Shakespeare copied the works of others with wild abandon and without attribution."<sup>217</sup> William Fisher made the same point more than twenty years ago, long before the ability to transform pre-existing artistic works had been spread to the masses thanks to the Internet and digital technologies:

Active interaction with one's cultural environment is good for the soul. A person living the good life would be a creator, not just a consumer, of works of the intellect. . . . [Walt] Whitman's contention that, to realize the promise of democracy, to create and sustain a society in which people flourish, we must cultivate a new kind of 'character' – one not only more 'attentive,' more capable of appreciating the texture of the surface of life, but also

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<sup>216</sup> See PATRY, *supra* note 213, at 114 ("Blackstone took a very liberal view toward the ability of others to appropriate from the author's work without permission or compensation.").

<sup>217</sup> See PATRY, *supra* note 213, at 72.

more energetic, more actively engaged in the production and transformation of ‘Culture’—is even more applicable to the United States of the 1980’s than it was to the United States of the 1860’s.<sup>218</sup>

“What does that have to do with the fair use doctrine?” Fisher asked. “It suggests that uses of copyrighted material that either constitute or facilitate creative engagement with intellectual products should be preferred to uses that neither constitute nor foster such engagement.”<sup>219</sup> Fisher argued that a society that wishes to nurture the self-expression and self-realization of its citizens requires:

a rich artistic tradition [and] the richer it is in the raw materials of representation, metaphor, and allusion – the more opportunities for creativity and subtlety in communication and thought it affords the members of the culture. The complexity and resonance of the culture’s language in large part depends . . . upon the quality of its “vocabulary of art.” . . . [Government’s job is to] protect the culture’s language as a whole and its artistic vocabulary in particular “from structural debasement or decay” – both by preserving and making accessible to the public “a rich stock of illustrative and comparative collections” of art and by fostering a tradition of artistic innovation.<sup>220</sup>

This is particularly true in an age in which pastiche, remix, and mash-up represent a new democratization of art – as well as its future.<sup>221</sup> While the origins of copyright law date to a time when modern notions of authorship were emerging and contributing to the idea of property rights in creative works, the postmodern sensibility has created a far different cultural landscape, one in which sampling, remix culture, and other forms of cultural pastiche are becoming the ascendant forms of expression, particularly among the young.<sup>222</sup> Appropriation art – works that take pre-existing culture as their basis – is devalued by copyright law’s presumption that it is derivative. Worse, this stance may become untenable as digital technologies make the assimilation and reproduction of art increasingly accessible. Put more

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<sup>218</sup> See Fisher, *supra* note 61, at 1768 (citing WALT WHITMAN, *Democratic Vistas*, in WALT WHITMAN: COMPLETE POETRY AND SELECTED PROSE 929-94 (Library of America ed. 1982) (1st ed. 1867-68)).

<sup>219</sup> *Id.*

<sup>220</sup> *Id.* at 1752-53 (quoting Ronald Dworkin, *Panel Discussion: Arts as a Public Good*, 9 COLUM. VLA-J.L. & ARTS 143, 154-55 (1985)).

<sup>221</sup> See generally LAWRENCE LESSIG, *REMIX: MAKING ART AND COMMERCE THRIVE IN THE HYBRID ECONOMY* (2008).

<sup>222</sup> Peter Jaszi, *Is there Such a Thing as Postmodern Copyright?*, 12 TUL. J. TECH. & INTELL. PROP. 105, 111-13 (2009).

simply, “imagination trumps ownership on the playground, and this freedom should continue even on digital playgrounds.”<sup>223</sup> This is where the artists of tomorrow are at play, and the playground is more boisterous than ever before.

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<sup>223</sup> See Tushnet, *supra* note 65, at 505.