RECENT SECOND CIRCUIT OPINIONS INDICATE THAT GOOGLE'S LIBRARY PROJECT IS NOT TRANSFORMATIVE

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I. INTRODUCTION

Two lawsuits alleging extensive copyright infringement by Google, Inc., are currently pending in the Southern District of New York.[1] The complaints, filed by members of the Association of American Publishers and the Author's Guild, claim that Google is illegally reproducing thousands of copyrighted books from the collections of large libraries in order to create a searchable online database.[2]

Google admits to digitizing copyrighted books, but asserts that its copying is lawful under copyright's fair use doctrine.[3] Google's fair use argument hinges, in large part, on whether its activities qualify as "transformative."[4]

Judge Pierre Leval first championed the term "transformative" as a fair use descriptor in the early nineties,[5] and

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1 *See* Complaint of Author's Guild, Author's Guild v. Google, Inc., No. 05 CV 8136 (S.D.N.Y. Sept. 20, 2005), *available at* http://fl1.findlaw.com/news.findlaw.com/hdocs/docs/google/aggoog92005cmp.pdf; Complaint of McGraw Hill Co., McGraw Hill Co. v. Google, Inc., No. 05 CV 8881 (S.D.N.Y. Oct. 19, 2005), *available at* http://www.publishers.org/press/pdf/40%20McGraw-Hill%20v.%20Google.pdf; *see also* Burt Helm, *Google's Escalating Book Battle*, BUS. WK., Oct. 20, 2005, *available at* http://www.businessweek.com/technology/content/oct2005/tc20051020_802225.htm.

2 *See* Complaint of Author's Guild, Author's Guild v. Google, Inc., No. 05 CV 8136 (S.D.N.Y. Sept. 20, 2005), *available at* http://fl1.findlaw.com/news.findlaw.com/hdocs/docs/google/aggoog92005cmp.pdf; Complaint of McGraw Hill Co., McGraw Hill Co. v. Google, Inc., No. 05 CV 8881 (S.D.N.Y. Oct. 19, 2005), *available at* http://www.publishers.org/press/pdf/40%20McGraw-Hill%20v.%20Google.pdf; *see also* Michael Liedtke, *Google Book-Scanning Efforts Spark Debate*, WASH. POST, Dec. 20, 2006, http://www.washingtonpost.com/wp-dyn/content/article/2006/12/20/AR2006122000213_pf.html (stating that Google claims to be scanning "more than 3,000 books per day").

3 *See* Donna Bogatin, *Google Safe Harbor Nice Way to Do Business?*, ZDNET, Oct. 27, 2006, http://blogs.zdnet.com/micro-markets/index.php?p=597 (quoting Google CEO Eric Schmidt as saying: "We believe that the library work we're doing . . . is absolutely permitted by fair use."); *see also* Posting of Susan Crawford to Susan Crawford Blog, http://scrawford.blogware.com/blog/_archives/2005/9/21/1248170.html (Sept. 21, 2005, 22:57 EST) ("Google says, in effect, 'yes, a copy is an infringement . . . [b]ut it's justified.'").

4 *See* Mary Sue Coleman, *Riches We Must Share*, WASH. POST, Oct. 22, 2005, at A21, *available at* http://www.washingtonpost.com/wp-dyn/content/article/2005/10/21/AR2005102101451.html ("We must not lose sight of the transformative nature of Google's plan or the public good that can come from it."); *see also* Emily Anne Proskine, *Google's Technicolor Dreamcoat: A Copyright Analysis of the Google Book Search Library Project*, 21 BERKELEY TECH. L.J. 213, 227 (2006) ("A court would likely find the Google Library Project to be transformative.").

5 *See* Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990); *see also* Am. Geophysical Union v. Texaco, Inc., 802 F. Supp. 1, 11-12 (S.D.N.Y. 1992), *aff'd*, 60 F.3d 913 (2d Cir. 1994). Prior to Judge Leval's introduction of the term "transformative," courts and commentators had used the word "productive" to describe similar uses of copyrighted material. *See, e.g.*, Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984); 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 (1982). The term "productive" originated in a book by Leon Seltzer. *See* LEON SELTZER, EXEMPTIONS AND FAIR USE IN COPYRIGHT 24 (1978) (stating that fair use "has always had to do with the use by a second author of a first author's work").

the Supreme Court adopted the term in *Campbell v. Acuff Rose Music, Inc.*[6] The *Campbell* Court held that transforming copyrighted material with new creative expression that contains commentary (i.e., the conveyance of a point of view or interpretation) is "at the heart" of fair use.[7] Although the Court made it clear that whether a use is transformative is not entirely dispositive of the fair use analysis,[8] post-*Campbell* courts have placed great weight on the inquiry.[9]

Despite the fact that Google's Library Project does not involve the creation of original expression that contains commentary, Google and its proponents argue that the Project is transformative,[10] relying primarily on a Ninth Circuit case, *Kelly v. Arriba Soft Corp.*[11] In *Kelly*, the Ninth Circuit held that an Internet search engine's reduced size reproductions of images available on websites were transformative because the search engine reproductions "served an entirely different function" than the original image.[12] Whereas the *Campbell* opinion recognized the value of new creative expression containing commentary that depends on previously created expression, the Ninth Circuit saw

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6 Campbell v. Acuff Rose Music, Inc., 510 U.S. 569 (1994); *see also* Pierre N. Leval, Campbell v. Acuff-Rose: *Justice Souter's Rescue of Fair Use*, 13 CARDOZO ARTS & ENT. L.J. 19 (1994); Pierre N. Leval, *Fair Use Rescued*, 44 U.C.L.A. L. REV. 1449 (1997).

7 *Campbell*, 510 U.S. at 579; *see also* Dianne Leenheer Zimmerman, *The More Things Change the Less They Seem "Transformed": Some Reflections on Fair Use*, 46 J. COPYRIGHT SOC'Y 251, 252 (1998) (stating that the Supreme Court "attributed great significance to whether or not a defendant borrowed to create a new work"). As this article discusses below, under *Campbell*, the commentary does not have to be aimed at the work copied for a defendant's work to qualify as transformative. *See infra* notes 71 and 159 and accompanying text.

8 *Campbell*, 510 U.S. at 579.

9 *See* Michael J. Madison, *Rewriting Fair Use and the Future of Copyright Reform*, 23 CARDOZO ARTS & ENT. L.J. 391, 399 (2005) (describing treatment of the term by courts); Matthew D. Bunker, *Eroding Fair Use: The "Transformative" Use Doctrine After* Campbell, 7 COMM. L. & POL'Y 1, 2 (2002) ("[F]air use analysis in lower courts has become increasingly monistic, often focusing to a great degree on whether the use in question was 'transformative.'"); Jeremy Kudon, *Form over Function: Expanding the Transformative Use Test for Fair Use*, 80 B.U. L. REV. 579 (2000) (discussing the relevance of transformative use in fair use cases).

10 Google's potential arguments have been described by Jonathan Band. *See The Google Print Library Project: A Copyright Analysis*, E-COMMERCE LAW & POLICY (2005); The Google Library Project: The Copyright Debate, Office for Information Technology Policy (Jan. 2006); *The Google Library Project: Both Sides of the Story*, PLAGIARY: CROSS-DISCIPLINARY STUDIES IN PLAGIARISM, FABRICATION AND FALSIFICATION 1(2) (2006); *Copyright Owners v. The Google Library Project*, 17 ENTM'T L. REV. 21 (2006). The articles can be found at Jonathan Band, PLLC, Technology Law and Policy, http://www.policybandwidth.com/publications.html (last visited Mar. 16, 2007).

In addition to arguing that the Project is transformative under *Kelly*, Google will likely also argue that the Project is lawful under a line of cases dealing with intermediate copying. *See, e.g.,* Sony Computer Entm't v. Connectix Corp., 203 F.3d 596 (9th Cir. 2000); Sega Enters. Ltd. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1992); Atari Games Corp. v. Nintendo of Am., 975 F.2d 832 (Fed. Cir. 1992).

11 Kelly v. Arriba Soft Corp., 336 F.3d 811 (9th Cir. 2003).

12 *Id.* at 818.

value in improving "access to information on the [I]nternet."[13]

Although the goals of improving the functionality of the Internet and increasing access to information are laudable,[14] the Ninth Circuit misapplied *Campbell*'s articulation of what qualifies as transformative by using the term to describe activity that did not involve the creation of new artistic expression containing commentary.[15] The Ninth Circuit misunderstood *Campbell* as holding that using copyrighted material for a purpose different from the purpose for which its author created the material, without creating new expression that contains commentary, is transformative.[16] Google's chances for success depend, to a large extent, on whether the Southern District of New York and the United States Court of Appeals for the Second Circuit adopt an expansive view of the Ninth Circuit's misapplication of the term, and apply it to Google's activities.[17] If the courts find Google's activities to be transformative, our copyright system may be fundamentally altered.[18]

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[13] *Id.* at 819. Recently, the Ninth Circuit reaffirmed the approach taken in the *Kelly* opinion. *See* Perfect 10, Inc. v. Amazon.com, Inc., No. 06-55405, 2007 U.S. App. LEXIS 11420, at *38 (9th Cir. May 16, 2007) (finding Google's creation of reduced size images to be "highly transformative").

[14] Scholars often argue that fair use should protect technological innovation. *See, e.g.*, Hannibal Travis, *Building Universal Digital Libraries: An Agenda for Copyright Reform*, 33 PEPP. L. REV. 761 (2006) (arguing that fair use should protect digital technologies that increase access to information); Kudon, *supra* note 9, at 579 (seeking to expand the application of the transformative label to "functional uses"); Douglas Lichtman & William Landes, *Indirect Liability for Copyright Infringement: An Economic Perspective*, 16 HARV. J.L. & TECH. 395, 401 (2003) ("Copyright law is important, but at some point copyright incentives must take a back seat to other societal interests including an interest in promoting the development of new technologies. . . ."). However, "[t]he best copyright laws have always protected the power of creators against the power of companies that build the machines that exploit the creators' works." Ralph Oman, *Working Together in a Digital World*, 84 DEN. U. L. REV. 7, 11 (2006).

[15] *See* Justin Hughes, *Market Regulation and Innovation: Size Matters (or Should) in Copyright Law*, 74 FORDHAM L. REV. 575, 619 n.254 (2006) (stating that the Supreme Court held that "it is the work, not the distribution mechanism, that needs to be transformative."); *see also* Paul Goldstein, *Copyright's Commons*, 29 COLUM. J.L. & ARTS 1, 6 (2005) (stating that courts have "stretched the notion of transformative use to the breaking point and beyond").

[16] *See* Jane C. Ginsburg, *Copyright Use and Excuse on the Internet*, 24 COLUM.-VLA J.L. & ARTS 1, 17 (2000) ("There is nothing 'transformative' about taking an image, and reproducing it in full as is."); WILLIAM F. PATRY, PATRY ON COPYRIGHT § 10:21 (2007) ("Fair use exists to further new insights, not new, unauthorized repackaging of an old work.").

[17] Even if the Second Circuit does adopt *Kelly*'s interpretation of the term "transformative," the facts of *Kelly* may be distinguished from the facts at issue in the cases against Google. All of the thumbnail images at issue in *Kelly* were created by the defendant using noninfringing copies that were already online, whereas the books Google is digitizing were not online prior to Google's copying. *See* Paul Ganley, *Google Book Search: Fair Use, Fair Dealing and the Case for Intermediary Copying* 10 (Jan. 13, 2006), *available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=875384 ("In *Kelly* the defendant was merely indexing works already made available on the World Wide Web either by Mr. Kelly himself or with his permission.").

[18] *See* Siva Vaidhyanathan, *Copyright Jungle*, COLUM. JOURNALISM REV., Sept.-Oct. 2006, *available at* http://www.cjr.org/issues/2006/5/Vaidhyanathan.asp (calling the cases

Two recent fair use opinions in the Second Circuit will likely influence whether Google succeeds. In *Bill Graham Archives v. Dorling Kindersley Ltd.*,[19] the court cited *Kelly* while labeling as transformative a book chronicling the "cultural history of the Grateful Dead" that contained reduced size reproductions of concert promotion posters.[20] In *Blanch v. Koons*,[21] the court held a Jeff Koons painting that included part of a photograph by Andrea Blanch of a woman's feet wearing Gucci sandals to be transformative.[22]

This article analyzes the *Campbell*, *Kelly*, *Bill Graham Archives,* and *Blanch* opinions, and concludes that the recent Second Circuit opinions do not support Google's efforts to import an expansive version of the Ninth Circuit's misapplication of the term "transformative" into Second Circuit case law.[23]

Part II of this article briefly describes the Google Library Project. Part III examines the state of the fair use doctrine prior to *Campbell* and the Supreme Court's articulation of the transformative use standard. Part IV discusses the Ninth Circuit's misapplication of the term "transformative" in *Kelly*. Part V analyzes the Second Circuit opinions in *Bill Graham Archives* and *Blanch*, and contrasts *Kelly* with these Second Circuit cases. Finally,

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against Google an "existential showdown over the nature and future of copyright"). Nothing will limit Google's Project to literary works should it be deemed fair. Instead, Google will likely digitize entire collections of films, songs, and other copyright works based on the same fair use argument. *See* Kevin Kelly, *Scan This Book*, N.Y. TIMES MAG., May 14, 2006, *available at* http://www.nytimes.com/2006/05/14/magazine/14publishing.html?ex=1305259200&en=c07443d368771bb8&ei=5090 ("The universal library should include a copy of every painting, photograph, film and piece of music produced by all artists, present and past."); Tim Wu, *Leggo My Ego*, SLATE, Oct. 17, 2005, http://www.slate.com/id/2128094/#ContinueArticle.

This is not to say that copyright will come crashing down if Google wins. And, conversely, if Google loses it will not be the end of the Internet, despite some expressed concerns. *See* Rob Hof, *Lawsuit Against Google Print: The End of the Internet?*, BUS. WK. ONLINE, Oct. 21, 2005, http://www.businessweek.com/the_thread/techbeat/archives/2005/10/lawsuit_against.html ("Years from now, will we look back at this as the period when the Internet came apart at the seams?"). In fact, the cases against Google are in no way an attack on the Internet. Contrary to some of Google's proponents' contentions, what is good for the Internet and what is good for Google are not always synonymous.

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

20 *Id.* at 611.

21 Blanch v. Koons, 467 F.3d 244 (2d Cir. 2006).

22 *Id.* at 253.

23 There have been several Second Circuit opinions interpreting *Campbell*'s transformative standard. *See, e.g.*, NXIVM Corp. v. Ross Inst., 364 F.3d 471 (2d Cir. 2004); On Davis v. Gap, Inc., 246 F.3d 152 (2d Cir. 2001); Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc., 166 F.3d 65 (2d Cir. 1999); Liebovitz v. Paramount Pictures Corp., 137 F.3d 109, 114 (2d Cir. 1998); Infinity Broad. Corp. v. Kirkwood, 150 F.3d 104, 108 (2d. Cir. 1998); Castle Rock Entm't, Inc. v. Carol Publ'g Group, Inc., 150 F.3d 132 (2d Cir. 1998); Ringgold v. Black Entm't Television, Inc., 126 F.3d 70 (2d Cir. 1997); Am. Geophysical Union v. Texaco Inc., 60 F.3d 913 (2d Cir. 1994). These precedents will also impact the courts' analyses of Google's defense.

Part VI concludes that if Google's assertion of the fair use doctrine succeeds, it should not be because courts found Google's activities to be transformative.[24] Instead, courts should analyze each of the statutory fair use factors carefully to ensure that Google's activities are consistent with copyright's premise as well as its purpose.[25]

II. THE GOOGLE LIBRARY PROJECT

Google's stated corporate mission is "to organize the world's information and make it universally accessible and useful."[26] In furtherance of that goal, Google negotiated agreements with certain publishers, as part of a "Partner Program," allowing Google to digitize and make thousands of books available for search.[27] As part of this Program, Google has made it possible for users to enter a search term and receive in response bibliographic information about books containing that search term. By clicking on a link provided along with the information, users can see full pages on which the specified search term appears, as well as several pages surrounding the term (the exact number of pages that can be viewed depends on the agreement between Google and the relevant copyright owners), the cover page, and the table of contents. Google also lists other "key terms" included in the book, posts a description of the book usually taken from the book itself (e.g., the back cover),[28] and provides links to booksellers

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[24] Some scholars have criticized the transformative standard and suggested that it should be discarded or minimized. *See, e.g.*, Madison, *supra* note 9, at 400 (calling the transformative standard "just short of useless"); Rebecca Tushnet, *Copy This Essay: How Fair Use Doctrine Harms Free Speech and How Copying Serves It*, 114 YALE L.J. 535, 537 (2004) (arguing that the courts' "focus on transformation is critically incomplete, leaving unchallenged much of copyright's scope, despite the large number of nontransformative copying activities that are also instances of free speech"); Bunker, *supra* note 9, at 2-3 ("By focusing primarily on the quasi-moral issue as between the copyright owner and the user—did the putative fair user engage in sufficient effort in reworking the original material to be deemed worthy of a transformative use finding?—courts may tend to lose sight of the larger public interest at stake."). However, these scholars identify, in large part, failures in specific judicial applications of the transformative standard rather than problems inherent in the standard itself. The transformative standard can still provide a very helpful first factor compass.

[25] Throughout the article the phrase "copyright's premise" is used to refer to the Constitution's endorsement of the notion that providing authors with limited ownership of rights to use their creative expression in specific ways is the best manner in which to encourage such expression. The phrase "copyright's purpose" is used to refer to the objective underlying the Constitution's recognition of copyright's premise, which is to facilitate public learning. For a more thorough discussion of copyright's purpose, see Matt Williams, *Making Encouraged Expression Imperceptible, The Family Movie Act of 2005 Is Inconsistent with the Purpose of American Copyright*, 5 VA. SPORTS & ENTM'T L.J. 233 (2006).

[26] Google.com, Google Corporate Information, http://www.google.com/corporate/index.html (last visited Mar. 7, 2007).

[27] *See* Google.com, Google Book Search Help Center, http://books.google.com/support/partner/?hl=en_US (last visited Mar. 7, 2007) (describing the Partner Program); Band, *Copyright Owners v. The Google Library Project*, *supra* note 10, at 1.

[28] *See* Google.com, Where Do You Get the Information for the 'About this Book'

carrying the book. Google shares the advertising revenues generated from the Partner Program in some circumstances. All in all, the Partner Program is successful in that it presumably benefits Google as well as the relevant copyright owners and the public.

However, Google sought to move beyond the limitations that the Partner Program agreements impose, and reached additional agreements with large libraries.[29] Pursuant to these library agreements, Google digitizes portions of the libraries' collections, creates a searchable database, and provides the libraries with one digital copy of each book that Google scans.[30]

To the extent that Google copies public domain works from the library collections, the Library Project benefits everyone involved and the public in general by creating online access to copies of entire works no longer under copyright.[31] However, some of the libraries have allowed Google to digitize works that are still under copyright.[32] When Google's search programs detect the appearance of a user's search term in a copyrighted book scanned as part of the Library Project, Google still displays bibliographic information about the book, mixed in with bibliographic information from other Partner Program or public domain works, and it still runs advertisements beside the information.[33] However, in these instances, when a user clicks on the link to the book, only a few "snippets" of a few lines from the book containing the search term or surrounding the snippet containing the term appear on the screen, along with links to book sellers, a brief description of the book usually taken from the

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Page?, http://books.google.com/support/bin/answer.py?answer=53549&ctx=sibling (last visited Mar. 7, 2007).

29 The libraries include the university libraries of California, Harvard, Stanford, Oxford, Complutense Madrid, Virginia, Wisconsin-Madison, Princeton, Texas-Austin, and Michigan, as well as the New York Public Library, the Bavarian State Library, and the National Library of Catalonia. *See* Google.com, Library Partners, http://books.google.com/googlebooks/partners.html (last visited Apr. 4, 2007); *see also* John Markoff & Edward Wyatt, *Google Is Adding Major Libraries to Its Database*, N.Y. TIMES, Dec. 14, 2004, at A1.

30 *See* Band, *Copyright Owners v. The Google Library Project*, *supra* note 10, at 1 (describing the Library Program). For a discussion of the legal issues involved in Google's creation of copies for library collections, see Elisabeth Hanratty, *Google Library: Beyond Fair Use?*, 2005 DUKE L. & TECH. REV. 10 (2005).

31 *See* Ganley, *supra* note 17, at 3 (explaining that Google's Project "will save the libraries substantial copying costs as they attempt to integrate electronic access with their existing service offerings").

32 *See* Markoff & Wyatt, *supra* note 29 (explaining that Stanford University and the University of Michigan are allowing "nearly all" of their books to be scanned).

33 *See* Allan R. Adler, The Google Library Project 9 (Sept. 2006), *available at* http://www.publishers.org/copyright/ARA_paper.doc ("Google reportedly has taken the position that it won't offer advertising alongside search results . . . , [but] Google currently displays "sponsored links" whenever users run search queries, regardless of whether they retrieve works for which no permissions have been granted.").

book itself, "key terms," and a title page or other page from the book containing copyright information. Google does not display entire pages of text from copyrighted books that are not part of the Partner Program.

When publishers and authors objected to Google's practice with respect to copyrighted works, Google instituted a policy that allows publishers and authors to "opt out" of the Project.[34] In other words, Google offered to not reproduce books that copyright owners ask Google not to reproduce if the copyright owners register with Google and comply with the opt-out procedures. Copyright owners responded that the law requires Google to request permission to copy, rather than forcing the owners to ask Google not to copy.[35] Moreover, the copyright owners maintain that the law requires Google to ask for permission, not as an arbitrary rule, but in order to ensure that the public benefits achieved by a properly functioning copyright system are not eroded by the unauthorized exploitation of the fruits of that system.[36]

Google maintains that seeking permission from every copyright owner is too burdensome and would prevent the Project from going forward.[37] It suggests that copyright law must keep up with the fast-paced potential of the Internet.[38] Google further argues that authors and publishers will benefit from the existence of Google's Library.[39] Refusing to turn back, Google rests the future of its Project on the back of the fair use doctrine.[40] The

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[34] Google.com, The Library Project Exclusion Registration, https://books.google.com/partner/exclusion-signup (last visited Mar. 8, 2007).

[35] Press Release, Ass'n of Am. Publishers, Google Library Project Raises Serious Questions for Publishers and Authors (Aug. 12, 2005), http://www.publishers.org/press/releases.cfm?PressReleaseArticleID=274 (quoting Association of American Publishers President and CEO, Patricia S. Schroeder, as saying: "Google's procedure shifts the responsibility for preventing infringement to the copyright owner rather than the user, turning every principle of copyright law on its ear.").

[36] "Google's insatiable desire to grow should not come at the expense of the publishers, who are entitled to insist that Google obtain permission to stock its virtual library. The copyright law and the public interest require nothing more—and nothing less." Adler, *supra* note 33, at 22.

[37] *See id.* (describing Google's arguments, and countering that the opt-out process would cost publishers significant resources, especially if persons other than Google implemented similar policies).

[38] *See* Katie Hafner, *We're Google. So Sue Us.*, N.Y. TIMES, Oct. 23, 2006, at C1 (quoting Professor Jonathan Zittrain as saying that Google is "really trying to preserve a culture that says 'Just do it, and consult with lawyers as you go so you don't do anything flagrantly ill-advised'"); *see also* Proskine, *supra* note 4, at 213 ("Lagging behind innovations in technology, the coat of copyright law is getting a little too tight. Thus, law must advance to keep pace with the times.").

[39] *See* Posting of David Drummond to Official Google Blog, http://googleblog.blogspot.com/2005/10/why-we-believe-in-google-print.html (Oct. 19, 2005, 20:54 EST) (stating that users of Google's database of library books will "come away with a list of relevant books to buy").

[40] *See* Vaidhyanathan, *supra* note 18 ("Google is exploiting the instability of the

contours of this doctrine were last pronounced by the Supreme Court in *Campbell v. Acuff Rose Music, Inc.*, as discussed below.

III. THE MEANING OF "TRANSFORMATIVE" IN *CAMPBELL V. ACUFF ROSE MUSIC, INC.*

Campbell was the third Supreme Court opinion interpreting copyright's fair use doctrine in a nine-year period. Many believed that the two preceding opinions, *Harper & Row Publishers, Inc. v. Nation Enterprises*[41] and *Sony Corp. of America v. Universal City Studios, Inc.*,[42] provided satisfactory results on the facts, but missed the mark when it came to articulating the applicability of fair use, by proffering what became bright-line rules that skewed fair use analyses.[43] In *Campbell*, the Court stressed the flexibility of fair use rather than creating rigid rules.[44] The Court explained that transformative works that contain previously existing copyrighted material but provide the public with new commentary are "at the heart" of this flexible doctrine's "guarantee of breathing space within the confines of copyright."[45] The Court did not suggest that whether a use is transformative is dispositive of fair use analyses; rather, it indicated that when a work is highly transformative, other factors favoring the copyright owner are less likely to render the use unfair.[46]

A. *The Build Up to* Campbell v. Acuff Rose Music, Inc.

Prior to the Copyright Act of 1976, fair use was a common law doctrine.[47] However, in 1976, Congress recognized the fair use defense in section 107 of Title 17:

> Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism,

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copyright system in a digital age.").

41 Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539 (1985).

42 Sony Corp. of Am. v. Universal City Studios, 464 U.S. 417 (1984).

43 *See, e.g.*, Leval, *Justice Souter's Rescue of Fair Use*, *supra* note 6, at 19 ("I believe the doctrine got lost as a result of overreaction to the Supreme Court's opinion in Sony in 1984."); William F. Patry & Shira Perlmutter, *Fair Use Misconstrued, Profits, Presumptions and Parody*, 11 CARDOZO ARTS & ENT. L.J. 667, 667-71 (1993) ("By misinterpreting the language of the statute and reading too much into dicta from the two major Supreme Court opinions on fair use, some courts have altered radically the traditional approach to the doctrine.").

44 Some subsequent courts have incorrectly viewed the transformative standard as a bright-line rule. *See infra* note 75 and accompanying text.

45 Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994).

46 *Id.*

47 Leval, *Fair Use Rescued*, *supra* note 6, at 1455 ("[T]he meaning of the term fair use was to be found not in the statute, but in a 270-year-old tradition of judge-made law and in judicial common sense.").

> comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—
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> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.[48]

Congress took the enumerated purposes in the preamble (criticism, comment, news reporting, teaching, scholarship, and research) and the four non-exhaustive factors from fair use case law,[49] and indicated that it did not intend to alter the fair use doctrine by explicitly incorporating it into the statute.[50]

However, the Supreme Court's first two interpretations of section 107, in *Sony Corp. of America v. Universal City Studios, Inc.* and *Harper & Row Publishers, Inc. v. Nation Enterprises,* were read by lower courts to create bright-line rules regarding unpublished material and commercial uses that were not part of the doctrine prior to 1976.[51] In the 1984 *Sony* decision, the Supreme Court held that some home taping of over the air broadcast television programming for later viewing (i.e., time-shifting) constituted fair use.[52] However, the Court also stated that "every commercial use of copyrighted material is presumptively unfair."[53] In the 1985 *Harper & Row* decision, the Supreme Court held that the publication by a news magazine of key portions of President Gerald Ford's autobiography prior to its publication was unfair.[54]

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48 17 U.S.C. § 107 (2006). As discussed below, Congress added a sentence to section 107 in 1992. *See infra* note 62 and accompanying text.

49 *See, e.g.*, Folsom v. Marsh, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841) (No. 4,901).

50 *See* H.R. REP. NO. 94-1476, at 66 (1976) ("Section 107 is intended to restate the present doctrine of fair use, not to change, narrow, or enlarge it in any way.").

51 *See, e.g.*, New Era Publ'ns Int'l v. Henry Holt & Co., 873 F.2d 576 (2d Cir. 1989) (applying *Harper & Row* to proscribe fair use of unpublished material); Acuff Rose Music, Inc. v. Campbell, 972 F.2d 1429 (6th Cir. 1992) (applying *Sony* to proscribe commercial fair uses), *rev'd and remanded*, 510 U.S. 569 (1994). Whether these rules were in fact part of the doctrine prior to the 1976 Act has been the subject of debate. *See, e.g., Fair Use of Unpublished Works: Joint Hearing on S. 2370 & H.R. 4263*, 101st Cong. 10-12 (1990) (statement of William F. Patry).

52 Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 443-55 (1984).

53 *Id.* at 451.

54 Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539 (1985). The biography was titled *A Time to Heal.* GERALD R. FORD, A TIME TO HEAL: THE AUTOBIOGRAPHY OF GERALD R. FORD (1979).

The Court stated that "the scope of fair use is narrower with respect to unpublished works."[55] The Court did not explicitly create bright-line rules,[56] but the statements became such in practice.[57] Many found this trend troubling, and some set out to alter it.

In 1990, Judge Pierre Leval published *Toward a Fair Use Standard* in the *Harvard Law Review*.[58] In his article, Judge Leval attempted to articulate a fair use standard beyond bright-line rules that asked whether asserted fair uses furthered copyright's purpose without undermining its premise. He maintained that courts traditionally viewed uses that transformed copyrighted works by adding "new information, new aesthetics, new insights and understandings" as more likely to be outside the scope of a copyright owner's control.[59]

The article was well received and effective. The following year, Judge Constance Baker Motley introduced the term "transformative" for the first time in a fair use opinion in *Basic Books, Inc. v. Kinko's Graphics Corp.*[60] A year later, in 1992, Judge Leval used the term in his *American Geophysical Union v. Texaco Inc.* decision.[61] That same year, Congress amended section 107 to prevent courts from applying a *per se* rule against making fair use of unpublished copyrighted material, in part due to Judge Leval's advocacy.[62]

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55 *Harper & Row*, 471 U.S. at 564.

56 *See Sony*, 464 U.S. at 450 (noting that Congress "eschewed a rigid, bright-line approach to fair use"); *Harper & Row*, 471 U.S. at 561 (explaining that Congress resisted attempts to declare certain types of uses presumptively unfair).

57 Leval, *Fair Use Rescued*, *supra* note 6, at 1450.

58 Leval, *supra* note 5, at 1111. At the time, Judge Leval was a judge in the Southern District of New York. Judge Leval currently serves on the Court of Appeals for the Second Circuit.

Although Judge Leval's article was arguably the most influential, other scholars also published thoughtful and important articles on fair use during the period between *Harper & Row* and *Campbell*. *See, e.g.*, Patry & Perlmutter, *supra* note 43; Roger L. Zissu, *U.S. Fair Use in 1990: Where Are We?*, 312 PLI/Pat. 409 (1991); Lloyd Weinreb, *Fair's Fair: A Comment on the Fair Use Doctrine*, 103 HARV. L. REV. 1137, 1138 (1990); James Oakes, *Copyrights and Copyremedies: Unfair Use and Injunctions*, 18 HOFSTRA L. REV. 983 (1990); Jon Newman, *Not the End of History*, 37 J. COPYRIGHT SOC'Y 12, 15 (1990); William W. Fisher III, *Reconstructing the Fair Use Doctrine*, 101 HARV. L. REV. 1661 (1988); Floyd Abrams, *First Amendment and Copyright: The Seventeenth Annual Donald C. Brace Memorial Lecture*, 35 J. COPYRIGHT SOC'Y 1 (1987).

59 Leval, *supra* note 5, at 1111. Other scholars have maintained that the historical progression of the fair use doctrine was not focused on whether uses were transformative. *See, e.g.*, Laura G. Lape, *Transforming Fair Use: The Productive Use Factor in Fair Use Doctrine*, 58 ALB. L. REV. 677 (1995).

60 Basic Books, Inc. v. Kinko's Graphics Corp., 758 F. Supp. 1522 (S.D.N.Y. 1991) (holding photocopying non-transformative).

61 Am. Geophysical Union v. Texaco Inc., 802 F. Supp. 1, 11-12 (S.D.N.Y. 1992) (holding photocopying non-transformative), *aff'd*, 60 F.3d 913 (2d Cir. 1994).

62 *See* Fair Use and Unpublished Works, Pub. L. No. 102-492, 106 Stat. 3145 (1992) (codified at 17 U.S.C. § 107 (2006)) (adding to section 107: "The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon

All of these developments set the stage for the Supreme Court to clarify fair use's flexibility by adopting the transformative standard in *Campbell*.

B. *The Supreme Court Articulates the Transformative Standard*

Campbell involved the use of music and lyrics from Roy Orbison's rock classic *Pretty Woman* in a parody of the song by the Florida based rap group 2 Live Crew.[63] The Sixth Circuit Court of Appeals ruled against 2 Live Crew, largely because of the *Sony* opinion's presumption against fair use for commercial actors.[64] However, the Supreme Court reversed and remanded the case, making it clear that "the commercial or nonprofit educational purpose of a work is only one element of the first factor enquiry into its purpose and character."[65]

Moreover, the Court held that

> The central purpose of this investigation [under the first factor] is to see . . . whether the new work merely "supersede[s] 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." Although such transformative use is not absolutely necessary for a finding of fair use, the goal of copyright . . . is generally furthered by the creation of transformative works. Such works lie at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright, and the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.[66]

The Court focused on the creation of new works that transform existing works and thereby further copyright's goal, and on the heart of the fair use doctrine as a creator of artistic "breathing space" in which authors may create "new expression, meaning, or

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consideration of all the above factors."); *see also Fair Use and Unpublished Works: Joint Hearing on S. 2370 & H.R. 4263*, 101st Cong. 101-02 (1990) (statement of Judge Leval in support of an amendment). Scholars have questioned whether the amendment achieved the goal of overcoming the bright-line rule. *See, e.g.*, Kate O'Neil, *Against Dicta: A Legal Method for Rescuing Fair Use from the Right of First Publication*, 89 CAL. L. REV. 369 (2001).

63 2 Live Crew was well known at the time for being prosecuted and censored in Florida for their lyrics. *See* John Pareles, *Critic's Notebook: Parody, Not Smut, Has Rappers in Court*, N.Y. TIMES, Nov. 13, 1993, at A1 ("[W]hen it comes to raising constitutional issues, Luther Campbell's group approaches genius.").

64 *See* Acuff-Rose Music, Inc. v. Campbell, 972 F.2d 1429 (6th Cir. 1992) (stating that the court "start[ed] from the position that the use is unfair" due to its commercial nature), *rev'd*, 510 U.S. 569 (1994).

65 Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 584 (1994).

66 *Id.* at 579 (internal citations omitted).

message."[67] However, the Court was careful not to create a new maxim requiring every fair use to be transformative, and it indicated that other factors weigh more or less heavily against a finding of fair use depending on how transformative the use is.

While discussing the status of parodies within this framework, the Court shed more light on its approach to transformation. The Court stated that "the 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."[68] However, the Court cautioned, if "the commentary has no critical bearing on the substance of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness diminishes accordingly (if it does not vanish), and other factors . . . loom larger."[69]

Thus, a parody is likely fair where it "needs to mimic an original to make its point." However, where such a need does not exist, and an author uses another author's expression to criticize a general societal ailment (e.g., a satire) by grabbing the audience's attention with the pre-existing work, less justification exists, and other factors may prove the transformative use unfair.[70] This is not to say that parodies are always fair, or that satires are not, but only

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[67] Judge Leval's writings on transformative uses could arguably be interpreted to allow for the application of the term to uses other than creating new expression containing commentary. For example, in *Texaco*, Judge Leval stated the following:

> In some circumstances, photocopying for the purpose of transferring text onto material of different character or shape could be a convincing transformation. Thus if the original were copied onto plastic paper so that it could be used in a wet environment, onto metal so that it would resist extreme heat, onto durable archival paper to prevent deterioration, or onto microfilm to conserve space, this might be a persuasive transformative use.

Am. Geophysical Union v. Texaco, Inc., 802 F. Supp. 1, 14 (S.D.N.Y. 1992), *aff'd*, 60 F.3d 913 (2d Cir. 1994). However, Judge Leval's writings overall indicate that he did not intend for the transformative label to be applied to uses that do not involve the creation of new expression containing commentary. *See id.* at 11-12 ("[W]hat was meant [by transformative] was that the copying should produce something new and different from the original, and not that a superseding copy would qualify, so long as it was made in pursuit of a beneficial cause."); *see also* 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.05[A][1][b] (2006) (discussing Judge Leval's views).

No matter what conclusion one reaches regarding Judge Leval's writings, the *Campbell* opinion used the term to describe the creation of transformative works, rather than uses, and did not indicate that any uses that do not involve the creation of new works containing commentary could qualify as transformative. *See* Zimmerman, *supra* note 7, at 255-57 (explaining that the *Campbell* opinion focused on the creation of new works rather than generally productive uses).

[68] *Campbell*, 510 U.S. at 580.

[69] *Id.*

[70] *Id.* In a concurring opinion in *Campbell*, Justice Kennedy took the position that satires could not be fair uses. *See id.* at 597 (Kennedy, J. concurring) ("This prerequisite confines fair use protection to works whose very subject is the original composition and so necessitates some borrowing from it.").

that the two types of transformative uses are of differing weights.[71]

The Supreme Court also made clear that the transformative nature of a work impacts all four statutory factors. Under the second factor, the Court found Orbison's *Pretty Woman* to be close to the core of copyright protection, but stated that "[t]his fact, however, is not much help in this case, or ever likely to help much in separating the fair use sheep from the infringing goat in a parody case, since parodies almost inevitably copy publicly known, expressive works."[72] Under the third factor, the Court found that parodies require the most recognizable portions of the works they imitate, and thus the 2 Live Crew song "took no more than necessary."[73] Finally, under the fourth factor, the Court cited Judge Leval's *Toward a Fair Use Standard*, for the notion that transformative works are unlikely to have negative impacts on the potential market value of a work.[74]

Thus, under *Campbell*, labeling a use transformative greatly impacts the overall fair use analysis. While a use need not be transformative to be fair, labeling a use transformative often results in a finding of fair use because the transformative label is a pair of rose colored glasses through which the other factors are seen.[75] This is why it is important for courts to preserve the

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71 The distinction between the two types of uses has generated much discussion in the courts. *See, e.g.,* Sun Trust Bank v. Houghton Mifflin Co., 268 F.3d 1257, 1269 (11th Cir. 2001) ("A work's transformative value is of special import in the realm of parody, since a parody's aim is, by nature, to transform an earlier work."); Liebovitz v. Paramount Pictures Corp., 137 F.3d 109, 114 (2d Cir. 1998) (holding that a movie poster was "plainly" transformative, but asking whether it also commented on the original work); Dr. Seuss Enters. v. Penguin Books USA, Inc., 109 F.3d 1394, 1401 (9th Cir. 1997) (finding that "no effort to create a transformative work with new expression, meaning, or message" existed where a defendant wrote a book about the O. J. Simpson murder trial using Dr. Seuss like rhymes); Mattel Inc. v. Walking Mountain Prods., 353 F.3d 792, 801-02 (9th Cir. 2003) ("The issue of whether a work is a parody is a question of law, not a matter of public majority opinion."); *see also* Bruce P. Keller & Rebecca Tushnet, *Even More Parodic than the Real Thing: Parody Lawsuits Revisited*, 94 TRADEMARK REP. 979, 979 (2004) ("Several courts have since explicitly relied on the distinction between [parodies and satires] to impose liability on the latter, even though the actual language of the [*Campbell*] Court's opinion counsels a more sensitive approach.").

Scholars have also reasoned that parodies are more likely fair uses because copyright owners are motivated to suppress them. *See, e.g.,* Judge Richard Posner, *When Is Parody Fair Use?*, 21 J. LEGAL STUD. 67, 73 (1992) ("There is an obstruction when the parodied work is a target of the parodist's criticism, for it may be in the private interest of the copyright owner, but not in the social interest, to suppress criticism of the work.") (emphasis omitted).

72 *Campbell*, 510 U.S. at 586. For an interesting take on the goat v. sheep metaphor, see posting of William Patry to the Patry Copyright Blog http://williampatry.blogspot.com/2006/02/separating-sheep-from-goats.html (Feb. 23, 2006, 19:23 EST), (discussing the religious origins of the distinction).

73 *Campbell*, 510 U.S. at 586-88.

74 *Id.* at 591.

75 *See* Leval, *supra* note 5, at 1113 ("[A] favorable appraisal of the constructive purpose of the overall work could conceal unjustified takings of protected expression."); *see also* Matthew Staples, *Annual Review of Law and Technology*, Kelly v. Arriba Soft Corp., 18 BERKELEY TECH. L.J. 69, 83 (2003) ("*Kelly* indicates that so long as a use is transformative

meaning of the transformative label as it was articulated by the Supreme Court. Otherwise, uses that might not qualify as fair given a thorough examination of the four factors will be declared to be fair by courts, which will undermine copyright's premise, and ultimately harm the public.[76]

Unfortunately, the appetite of the lower courts for bright-line rules survived *Campbell*'s attempt to remove such constructs from the fair use doctrine. After *Campbell*, some courts have treated the transformative use standard as a new bright-line rule.[77] These courts transformed the term "transformative" into a synonym for fair, and labeled non-transformative uses that they thought to be fair transformative in order to justify their holdings.[78] This distortion of the term is visible in *Kelly v. Arriba Soft Corp.*

IV. FROM CREATING ARTISTIC BREATHING SPACE TO JUSTIFYING COPYING WITH NO ARTISTIC PURPOSE: THE TERM "TRANSFORMATIVE" IN *KELLY V. ARRIBA SOFT CORP.*

In *Kelly*, the Ninth Circuit considered whether reproducing and displaying small versions of photographs via an Internet search engine was a fair use.[79] The court concluded that such copying was transformative because the "thumbnail" copies of the

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the other factors will be ignored.").

76 Former Register of Copyrights, Barbara Ringer, remarked:

> [T]he revolution in communications has brought with it a serious challenge to the author's copyright. This challenge comes not only from the ever-growing commercial interests who wish to use the author's works for private gain. An equally serious attack has come from people with a sincere interest in the public welfare who fully recognize . . . "that the real heart of civilization . . . owes its existence to the author"; ironically, in seeking to make the author's works widely available by freeing them from copyright restrictions, they fail to realize that they are whittling away the very thing that nurtures authorship in the first place. An accommodation among conflicting demands must be worked out, true enough, but not by denying the fundamental constitutional directive: to encourage cultural progress by securing the author's exclusive rights to him for a limited time.

Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 481 (1984) (Blackmun, J. dissenting) (quoting H. COMM. ON THE JUDICIARY, 89TH CONG., SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW: 1965 REVISION BILL xiv-xv (Comm. Print 1965)); *see also* Leval, *supra* note 5, at 1136 ("[S]timulation of creative thought and authorship for the benefit of society depends assuredly on the protection of the author's monopoly.").

77 *See* Tushnet, *supra* note 24, at 556 ("[C]ourts apparently believe that a finding of transformation is necessary for fair use, and they therefore strain to find transformation where they conclude that a defendant ought to prevail."); Michael J. Madison, *A Pattern Oriented Approach to Fair Use*, 45 WM. & MARY L. REV. 1525, 1670 (2004) ("[T]he transformative use standard has become all things to all people"); Bunker, *supra* note 9, at 24 ("[S]ome courts appear to use the presence or absence of transformative use as a proxy for the fair use determination itself.").

78 *See* Bunker, *supra* note 9, at 24 (stating that courts "sometimes appear to manipulate that determination based on the desired result"). Some courts inaccurately declare uses non-transformative when they do not believe them to be fair. *See, e.g.*, Dr. Seuss Enters. v. Penguin Books USA, Inc., 109 F.3d 1394 (9th Cir. 1997).

79 Kelly v. Arriba Soft Corp., 336 F.3d 811 (9th Cir. 2003).

photographs the search engine produced and displayed did not "supersede the object" of the original photos in that they "served an entirely different function."[80] In reaching this conclusion, the court reasoned that photographs "are artistic works intended to inform and to engage the viewer in an aesthetic experience," whereas the use of photos as search engine thumbnails "is unrelated to any aesthetic purpose."[81] In addition, the court found the search engine's use to be transformative because it improved "access to information on the [I]nternet."[82]

This application of the term transformative is inconsistent with the Supreme Court's use of the term in *Campbell*.[83] As discussed above, the Supreme Court's articulation of the term referred to "the creation of transformative works."[84] It held that such works do not supersede the objects of original works because they add "new expression, meaning or message."[85] Merely repackaging a small copy of a work in a webpage designed for functionality rather than exegesis does not fit within the Supreme Court's description of transformative works as the end result of the artistic "breathing space" that fair use provides because it does not provide new commentary that increases public understanding.[86]

This is not to say that the outcome of *Kelly* is necessarily incorrect under *Campbell*.[87] As previously discussed, the Supreme Court stated that "transformative use is not absolutely necessary

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80 *Id.* at 818.

81 *Id.*

82 *Id.* at 819. The Ninth Circuit recently went so far as to say that the creation of thumbnail images by a search engine "may be more transformative than a parody because a search engine provides an entirely new use for the original work, while a parody typically has the same entertainment purpose as the original work." Perfect 10, Inc. v. Amazon.com, Inc., No. 06-55405, 2007 U.S. App. LEXIS 11420, at *38 (9th Cir. May 16, 2007). This statement highlights the Ninth Circuit's misunderstanding of the transformative standard.

83 *See* Ginsburg, *supra* note 16, at 15 (stating that the *Kelly* holding "distorts the judge-made doctrine of 'transformative use'").

84 Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994).

85 *Id.*

86 *Id.* The *Kelly* court compared *Arriba's* use of the images to the use of photographs in *Nunez v. Caribbean International News Corp.*, 235 F.3d 18 (1st Cir. 2000). However, that case involved the reproduction of photographs in a newspaper, and the court there specifically stated that the defendants "reprinted the pictures not just to entice the buying public, but to place its news articles in context." *Id.* at 22. Reproducing photographs alongside articles that comment on the events in the pictures transforms the photographs "into news," and thus qualifies as a transformative use under *Campbell*. *Id.* at 23. *Campbell* does not require the defendant's work to modify the underlying work *per se*. *See* PATRY, *supra* note 16, § 10:21 (explaining that the transformative standard does not require "actually alter[ing] the original"). Instead, *Campbell* requires that the underlying work be used in the creation of new expression containing commentary. Such uses are distinct from the uses at issue in *Kelly*, which did not involve the creation of new commentary.

87 *See* Ginsburg, *supra* note 16, at 17 ("For all the shortcomings of the court's analysis, the result might have been justified on more conventional fair use terms.").

for a finding of fair use."[88] Other types of uses, such as using thumbnails to increase access to copyrighted material online via a search engine, may promote copyright's purpose. However, under the *Campbell* holding, courts should carefully scrutinize such uses under the other three fair use factors to determine whether they undermine copyright's premise by depriving authors of some incentive to create.

The *Kelly* court spent little time in its opinion analyzing the other three factors after finding the use of the photographs to be transformative. The court reasoned that published works are less vigorously protected by copyright, that it is essential to the type of use at issue to copy the entirety of the photographs, and that the market for the photographs actually benefits because the search engine leads consumers to the photographer's webpage.[89] The Ninth Circuit viewed all four factors through transformative rose colored glasses. It is for this reason that properly applying the transformative label is essential.

V. THE SECOND CIRCUIT IS UNLIKELY TO APPLY *KELLY*'S MISAPPLICATION OF THE TRANSFORMATIVE LABEL TO GOOGLE'S LIBRARY PROJECT

As discussed above, the applications of the transformative standard in *Campbell* and *Kelly* differ significantly. Two recent Second Circuit opinions, *Bill Graham Archives v. Dorling Kindersley Ltd.*[90] and *Blanch v. Koons*,[91] shed light on what qualifies as transformative in the Second Circuit, while holding two diverse uses to be transformative. *Bill Graham Archives* even cited *Kelly* in the process.[92] However, both *Bill Graham Archives* and *Blanch* involved unauthorized uses of copyrighted material to create new authorship containing commentary, and both opinions indicate that uses that do not involve the creation of new expression containing commentary are not transformative. Thus, the two opinions should not help Google to convince Second Circuit courts to adopt *Kelly*'s expansive view of what qualifies as transformative.

A. Bill Graham Archives v. Dorling Kindersley Ltd.

"Bill Graham was 'a singular force in the music business . . . a larger than life figure,' described as the 'midwife to the

88 *Campbell*, 510 U.S. at 579.
89 Kelly v. Arriba Soft Corp., 336 F.3d 811, 820-22 (9th Cir. 2003).
90 Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 608 (2d Cir. 2006).
91 Blanch v. Koons, 467 F.3d 244 (2d Cir. 2006).
92 *Bill Graham Archives*, 448 F.3d at 611.

psychedelic San Francisco scene, nurturing such ground breaking outfits as . . . the Grateful Dead."[93] Bill Graham Archives (BGA) owns the copyrights to years worth of promotional Grateful Dead concert posters.[94] Dorling Kindersley Publishing (DK) included reduced size reproductions of seven such posters and a concert ticket image in a book titled *Grateful Dead: The Illustrated Trip*, which DK published with the support of Grateful Dead Productions.[95] The "480 page coffee table book tells the story of the Grateful Dead along a timeline running continuously through the book, chronologically combining over 2000 images representing dates in the Grateful Dead's history with explanatory text."[96]

Prior to publishing the book, DK contacted BGA regarding the use of the images in the publication. Ultimately, the parties did not reach an agreement regarding the terms of a license, but nevertheless, DK went forward with publication of the book, including the images.[97] BGA filed suit against DK in the Southern District of New York alleging copyright infringement. DK asserted a fair use defense and sought summary judgment.

Judge George B. Daniels granted DK's motion. Before analyzing whether *Illustrated Trip* was transformative, Judge Daniels held that, "[t]here is a strong presumption in the Second Circuit that [the first fair use] factor favors the defendant if the allegedly infringing work fits within the Section 107 preamble uses: criticism, comment, or research."[98] Because the book was a biographical work, this presumption favored fair use.

However, Judge Daniels did not stop with this presumption. He continued his analysis of the first factor, stating that "the more important question under the first factor, and in fair use analysis generally, is whether the allegedly infringing work . . . is 'transformative.'"[99] He then held that

> Defendant's use is not decorative and does not simply replicate each piece in its original form. The Grateful Dead posters are used, in conjunction with other pieces of visual art and photographs in a creative layout. This use is sufficiently transformative, and different from the original purpose to

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93 Brief for Dorling Kindersley Ltd. at 4, *Bill Graham Archives*, 448 F.3d at 605 (No. 05-2514) (quoting ROBERT HUNTER, STEPHEN PETERS & DENNIS MCNALLY, GRATEFUL DEAD: THE ILLUSTRATED TRIP 37 (2003)).

94 *Id.*

95 Bill Graham Archives v. Dorling Kindersley Ltd., 386 F. Supp. 2d 324, 326 (S.D.N.Y. 2005), *aff'd*, 448 F.3d 605 (2d Cir. 2006).

96 *Bill Graham Archives*, 448 F.3d at 607.

97 *Bill Graham Archives*, 386 F. Supp. 2d at 326.

98 *Id.* at 328.

99 *Id.* at 328-29.

> advertise, draw attention to and solicit listeners to an event, such that the market is not one expected to be reserved to the copyright holder. Nor is it reproduced for purely aesthetic value. In addition, the significant reduction to thumbnail size of the images indicates an entirely different use of the image.[100]

Judge Daniels did not cite *Kelly* to support the holding of the transformative nature of *Illustrated Trip*,[101] although he did stress that the images were used by DK in a manner "different from the original purpose," and that the images were not reproduced "for purely aesthetic value." Judge Daniels further highlighted that the reproductions were part of a "creative layout." After finding DK's use to be transformative, Judge Daniels proceeded to find DK's use of the images fair.[102]

BGA appealed the ruling to the Second Circuit. Fair use scholar William Patry, then of Thelen Reid & Priest LLP, and now the Senior Copyright Counsel to Google, filed BGA's appellate brief. The brief argued that

> DK appears to believe that if it self-describes its picture book as a biographical commentary, the fairy dust of fair use will rain down a protective coat, exonerating everything between the covers . . . however . . . one has to actually make a comment on a particular work to be considered a commentary on that work.[103]

In other words, "one can not transform something one doesn't adapt or comment on."[104] In support of this position, the brief discussed "the last 15 years" of Second Circuit fair use precedent, concluding that "this Circuit has taken a very dim view of those who assert a transformative use but don't actually engage in one."[105] The brief also objected to Judge Daniels' reliance on a "presumption" that uses which fit within section 107's preamble are fair.[106]

DK's brief countered that Judge Daniels' presumption was not the key to DK's success below, and that

> It is not the law that transformative use requires—and is restricted to—reproducing a work adjacent to descriptive commentary that is narrowly directed at the work itself. *Trip*'s narrative comments creatively and comprehensively on its own

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100 *Id.* at 329.

101 Judge Daniels did cite *Kelly* during his analysis of the fourth factor, however. *Id.* at 333.

102 *Id.*

103 Brief for Bill Graham Archives at 5-6, Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605 (2d Cir. 2006) (No. 05-2514).

104 *Id.* at 12.

105 *Id.* at 21.

106 *Id.* at 4.

> subject, the Grateful Dead and their times, in which the posters have an unquestioned role, and "comments" in diverse ways on the poster images themselves, individually and collectively. *Trip*'s use is transformative under the law.[107]

In other words, DK argued that transformative commentary on a reproduction need not be side-by-side with the reproduction and that commentary can be on a more general theme of which the reproduction is indicative. Moreover, the brief also cited *Kelly* for the notion that reduced sized thumbnail reproductions that increase access to information are transformative.[108] However, DK did not argue that merely creating thumbnail reproductions is transformative. Instead, after citing to *Kelly*, the brief stressed that DK's thumbnails were used "as components of a comprehensive history of the Grateful Dead and their times."[109]

The Second Circuit opinion sided with DK and affirmed Judge Daniels' fair use holding.[110] Although proponents of the Google Library Project and the *Kelly* court's view of the transformative label have heralded the opinion as an embrace of *Kelly*'s application of the *Campbell* holding,[111] a close read of the opinion reveals that the Second Circuit focused on the ways that DK transformed the purpose and character of BGA's work in a new work of authorship, thereby providing the public with new biographic commentary.

The court described two ways that DK's use of BGA images complemented this commentary.[112] It distinguished instances where "it is readily apparent that DK's image display enhances the reader's understanding of the biographical text" from instances where "the link between image and text is less obvious; nevertheless, the images still serve as historical artifacts graphically representing the fact of significant Grateful Dead concert events selected by the *Illustrated Trip*'s author for inclusion in the book's timeline."[113] However, the court held both uses to be

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107 Brief for Dorling Kindersley Ltd., *supra* note 93, at 21-22.

108 *Id.* at 25.

109 *Id.* at 26.

110 Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 609 (2d Cir. 2006). The opinion was authored by Jane A. Restani, Chief Judge of the United States Court of International Trade, sitting by designation. The court did caution that "there are no categories of presumptively fair use," but agreed with the district court that "courts have frequently afforded fair use protection to the use of copyrighted material in biographies, recognizing such works as forms of historic scholarship, criticism, and comment that require incorporation of original source material for optimum treatment of their subjects." *Id.*

111 *See, e.g.*, Posting of Lawrence Lessig to Lessig Blog, http://www.lessig.org/blog/archives/003405.shtml (May 18, 2006, 08:15 EST) (calling the decision "fantastic").

112 *Bill Graham Archives*, 448 F.3d at 609-10.

113 *Id.* at 610. The emphasis on selection here is interesting given the Supreme Court's

transformative because they serve the "transformative purpose of enhancing the biographical information in *Illustrated Trip*, a purpose separate and distinct from the original artistic and promotional purpose for which the images were created."[114]

Following this discussion, the court listed ways that DK's uses minimized the expressive value of the images in order to show that DK transformed the purpose of the images. The court reasoned that one way DK did so was by reducing the size of the images, which showed that DK used the images to supplement its biographic discussion and not to exploit their expressive nature.[115] It is here that the court cited *Kelly* for the principle that where a defendant reproduces the "minimal image size necessary to accomplish its transformative purpose," it weighs in favor of the defendant.[116]

Thus, the *Bill Graham Archives* opinion does not cite *Kelly* for a broad principle that will likely benefit Google's Library Project. It does, like *Kelly*, highlight the importance of using copyrighted material for a new purpose to provide the public with information. However, whereas the *Kelly* court found Arriba Soft's uses transformative for altering the function of the photographs at issue to increase access to information,[117] the Second Circuit opinion found DK's use transformative because it provided its reader with information that increased the value and effectiveness of the commentary in its own new work of authorship. This

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opinion in *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991), and the definition of "compilation" in 17 U.S.C. § 101 (2006).

114 *Bill Graham Archives*, 448 F.3d at 610. The court's focus on whether DK used the images for their artistic or expressive value is unnecessary under *Campbell*. The *Campbell* opinion did not discourage parodists from using music for its expressive purpose, so long as they only use what is necessary to add something new to that expression in a manner that does not supersede the objects of the original. In the words of Judge Leval, a use must create "new aesthetics," but it may nevertheless use a copyrighted work for its aesthetic value.

Opinions such as *Kelly* that celebrate uses that do not involve the artistic or aesthetic value of works fail to recognize that underlying *Campbell*'s reasoning is the idea that new speech that comments on or through existing expression is valuable. Hopefully, the Second Circuit's discussion in *Bill Graham Archives* will not lead to a backlash against any use of copyrighted material for its expressive qualities.

As the discussion below of *Blanch* indicates, it appears that such a backlash is unlikely. The use at issue in *Bill Graham Archives*, biographic authorship, seems to be what led to the court's focus on whether DK used the images to sell a picture-book rather than to compliment its own authorship. *Cf.* Elvis Preley Enters. v. Passport Video, 357 F.3d 896, (9th Cir. 2003) (discussing the use of video footage in a biographical work). In addition, *Campbell* held that the more essential a use is to a transformative work, the more likely the use is fair. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994). Such an inquiry is appropriate, but there is nothing inherently transformative about using copyrighted material for a non-expressive purpose without creating new authorship.

115 The court also discussed the use of the images on the same page as text to create a "collage" like effect and noted that the images were an "inconsequential portion of *Illustrated Trip*." *Bill Graham Archives*, 448 F.3d at 611.

116 *Id.*

117 Kelly v. Arriba Soft Corp., 336 F.3d 811, 819 (9th Cir. 2003).

approach is consistent with *Campbell's* articulation of the transformative standard, which the *Bill Graham Archives* opinion quoted: "The question is 'whether the new work merely supersede[s] 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.'"[118]

DK's transformative work is not analogous to Google's Library Project. Indeed, Google does not create new authorship containing commentary. Although some Google proponents have argued that Google does create new works such as webpages, databases, and its search engine programs,[119] Google's works do not directly provide the public with any new commentary, and the webpages, databases, and search programs associated with the Library Project specifically fail to comment on the books themselves or society at large.[120] The copying involved is thus not transformative.

Moreover, Google's claims that its activities will help others create new authorship and commentary via access to information[121] do not make the activities transformative by association.[122] While courts may determine that Google's activities are fair, they should not find them transformative either under *Bill Graham Archives*, or *Blanch* as discussed below.[123]

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118 *Bill Graham Archives*, 448 F.3d at 608 (quoting *Campbell*, 510 U.S. at 579). Some have argued that the use of the images in Bill Graham Archives did not increase the effectiveness of the commentary. *See, e.g.*, PATRY, *supra* note 16, § 10.21 (2007) ("This use was in no way transformative: the reproductions added nothing and explained nothing.").

119 *See, e.g.*, Brief of Electronic Frontier Foundation as Amicus Curie at 2, Perfect 10, Inc. v. Google, Inc., 416 F. Supp. 2d 828 (C.D. Cal. 2006) (No. 04-9484) (stating that copying of online images "allows Google to create and make available to the public Google's own innovative copyrighted search programs that advance the progress of science, a key purpose of the Copyright Act"); Rebecca Tushnet, *My Library: Copyright and the Role of Institutions in a Peer-to-Peer World*, 53 UCLA L. REV. 977, 1119-20 (2006) ("Google's wholesale copying is only intermediate and . . . the result is a database with social value separate from, and possibly greater than, the value of the individual components.").

120 *See* Adler, *supra* note 33, at 6 ("For purposes of a fair use analysis, Google no more transforms the works it copies onto its servers than a short story is transformed when included in an anthology, or a periodical is when included on a spool of microfilm with other periodicals.").

121 *See* Posting of Adam Mathes to Official Google Blog, http://googleblog.blogspot.com/2005/10/point-of-google-print.html (Oct. 19, 2005, 14:04 EST) ("Indeed, some of Google Print's primary beneficiaries will be publishers and authors themselves.").

122 *See* Am. Geophysical Union v. Texaco, Inc., 802 F. Supp. 1, 11-12 (S.D.N.Y. 1992) ("[W]hat was meant [by transformative] was that the copying should produce something new and different from the original, and not that a superseding copy would qualify, so long as it was made in pursuit of a beneficial cause."), *aff'd*, 60 F.3d 913 (2d Cir. 1994).

123 Although *Bill Graham Archives* should not provide support for Google's argument that its copying is transformative, the opinion's discussion of the other statutory factors may help Google. For example, the court's analysis of the third factor, the amount and substantiality of the portion used, included the following:

> Neither our court nor any of our sister circuits has ever ruled that the copying of

B. Blanch v. Koons

Jeff Koons is a widely recognized and exhibited visual artist. *ArtNews* has declared him one of the ten most expensive artists alive.[124] Koons' work often incorporates images, objects, or characters from popular culture, and turns them into "fine art."[125] As one *New York Times* review said of Koons: "Mr. Koons' work can be read, as Pop Art often is, as a satiric commentary on capitalism, the commodification of art and life, and the erosion of the real by the artificial. But the beauty of his best work is in its surplus of meaning and feeling."[126]

Despite, or maybe to an extent *because of* Koons' success, the creators of the images, objects, and characters that Koons incorporates into his work, are often not as appreciative of his artistic message as the collectors and reviewers of his work.[127] Thus, Koons has been sued repeatedly for copyright infringement.[128] Koons has always argued that his incorporation of preexisting copyrighted material is fair use, and courts have always disagreed. That is, until now.

Niagra, the Koons painting at issue in *Blanch v. Koons*, was part of a Koons series entitled "Easyfun-Ethereal." The Guggenheim Foundation and Deutsche Bank commissioned the series, which was originally exhibited in the Deutsche Guggenheim Berlin for

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> an entire work *favors* fair use. At the same time, however, courts have concluded that such copying does not necessarily weigh against fair use because copying the entirety of a work is sometimes necessary to make a fair use of the image. *See Kelly,* 336 F.3d at 821 (concluding that images used for a search engine database are necessarily copied in their entirety for the purpose of recognition); Nunez v. Caribbean Int'l News Corp., 235 F.3d 18, 24 (1st Cir. 2000) (concluding that to copy any less than the entire image would have made the picture useless to the story). Adopting this reasoning, we conclude that the third-factor inquiry must take into account that "the extent of permissible copying varies with the purpose and character of the use." *Campbell,* 510 U.S. at 586-87.

Bill Graham Archives, 448 F.3d at 613. It is unclear whether the court would apply similar reasoning to a non-transformative use, such as Google's.

124 Kelly Devine Thomas, *Tracking the Highest Prices Paid for Contemporary Artworks*, ARTNEWS, May 2004, *available at* http://artnews.com/issues/article.asp?art_id=1520.

125 Ken Johnson, *The Meaning, Beauty and Humor of Ordinary Things*, N.Y. TIMES, Apr. 23, 2004, at B29 ("Those who think of Mr. Koons as Andy Warhol's evil son are not going to change their minds. In his lavishly produced transformations of kitsch into fine art, they will still see just another higher-end order of kitsch.").

126 *Id.*

127 Koons' style of art is often referred to as "appropriation art." Blanch v. Koons, 467 F.3d 244, 246 (2d Cir. 2006).

128 *See, e.g.*, Rogers v. Koons, 960 F.2d 301 (2d Cir. 1992) (involving a Koons sculpture based on an Art Rogers photograph of a couple with their puppies); Campbell v. Koons, No. 91 Civ. 6055, 1993 U.S. Dist. LEXIS 3957 (S.D.N.Y. Apr. 1, 1993) (involving a photograph entitled "Boys with Pig"); United Feature Syndicate v. Koons, 817 F. Supp. 370 (S.D.N.Y. 1993) (involving the *Garfield* comic strip character "Odie"). For an interesting discussion of these cases, see Christine Haight Farley, *Judging Art*, 79 TUL. L. REV. 805 (2005). *See also* Kenly Ames, *Beyond* Rogers v. Koons*: A Fair Use Standard for Appropriation*, 93 COLUM. L. REV. 1473 (1993).

two million dollars.[129]

> [Niagra] consist[s] of fragmentary images collaged against the backdrop of a landscape. The painting depicts four pairs of women's feet and lower legs dangling prominently over images of confections—a large chocolate fudge brownie topped with ice cream, a tray of donuts, and a tray of apple danish pastries—with a grassy field and Niagra Falls in the background.[130]

Koons took one of the pairs of feet and lower legs from a photograph entitled "Silk Sandals by Gucci," which photographer Andrea Blanch published in *Allure* magazine.[131] Koons removed the image from a copy of *Allure*, digitized it, and superimposed part of it, along with the other images of legs and feet, onto an image of a landscape.[132] Koons then "printed color images of the resulting collage[] for his assistants to use as templates for applying paint to billboard sized, 10 x 14 canvasses."[133]

Koons explained in an affidavit that he intended the painting to "comment on the ways in which some of our most basic appetites—for food, play, and sex—are mediated by popular images."[134] In addition, he hoped that "[b]y recontextualizing these fragments . . . [he could] compel the viewer to break out of the conventional way of experiencing a particular appetite as mediated by mass media."[135] Moreover, Koons explained that he chose Blanch's photograph in particular because he found it "typical" of the type of images of women's legs "in our consumer culture."[136]

Blanch sued Koons, Deutsche Bank, and The Guggenheim Foundation for copyright infringement in the Southern District of New York. In a brief opinion, Judge Louis L. Stanton interpreted Koons' explanation of his use of the image to demonstrate that Koons selected "the legs in the photograph (rather than simply painting a model's legs himself) because of their ironic representation as presented to the public in ubiquitous media."[137] Based on this interpretation, as well as his finding that "no original

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129 *Blanch*, 467 F.3d at 247-48.

130 *Id.* at 247.

131 *Id.* at 248.

132 The original photograph "shows the lower part of a woman's bare legs (below the knee) crossed at the ankles, resting on the knee of a man apparently seated in an airplane cabin. She is wearing Gucci sandals with an ornately jeweled strap. One of the sandals dangles saucily from her toes." Blanch v. Koons, 396 F. Supp. 2d 476, 478 (S.D.N.Y. 2005), *aff'd*, 467 F.3d 244 (2d Cir. 2006).

133 *Blanch*, 467 F.3d at 247. Koons does not personally sculpt or paint his works for the most part. *See Rogers*, 960 F.2d at 305 (describing Koons' artistic process).

134 *Blanch*, 467 F.3d at 247.

135 *Id.*

136 *Id.* at 248.

137 *Blanch*, 396 F. Supp. 2d at 481.

creative or imaginative aspect of Blanch's photograph was included in Koons' painting," Judge Stanton held that Koons' painting was transformative.[138] Following this holding, Judge Stanton briefly analyzed the other statutory factors before declaring Koons' use fair.

On appeal, the Second Circuit confirmed Judge Stanton's holding. However, the appellate opinion dealt more extensively with the parameters of the transformative label and fair use than did the district court opinion. The court stressed that creators of transformative works use preexisting works as "raw material," while creating new expression containing illuminating commentary.[139] In other words, the process of creating a transformative work involves more than repackaging or altering the format or medium of a preexisting work.[140] The transformative work must use the preexisting work for a different purpose from its creator.[141] And, this different purpose must be "in the furtherance of distinct creative or communicative objectives."[142]

> The test for whether "Niagara's" use of "Silk Sandals" is "transformative," then, is whether it "merely supersedes 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."[143]

The court found that this "test almost perfectly describes Koons's adaptation of 'Silk Sandals,'" because Koons used the photograph for an "entirely different purpose and meaning" than the one for which it was originally created.[144] Whereas Blanch

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138 Interestingly, Judge Stanton mainly relied on quotes from Judge Leval's article, *Toward a Fair Use Standard*, and the Second Circuit opinion in *American Geophysical Union v. Texaco, Inc.*, rather than *Campbell* to define the transformative standard. *Id.* at 480.

139 If the secondary use adds value to the original—if [copyrightable expression in the original work] is used as raw material, transformed in the creation of new information, new aesthetics, new insights, and understandings—this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society.

Blanch, 467 F.3d at 251-52 (citing Castle Rock Entm't, Inc. v. Carol Publ'g Group, 150 F.3d 132, 142 (2d Cir. 1998)).

140 "Koons does not argue that his use was transformative solely because Blanch's work is a photograph and his a painting, or because Blanch's photograph is in a fashion magazine and his painting is displayed in museums. He would have been ill advised to do otherwise." *Id.* at 252.

141 The court cited the *Bill Graham Archives* opinion on this point. It did not cite *Kelly*.

142 *Blanch*, 467 F.3d at 253.

> Koons is, by his own undisputed description, using Blanch's image as fodder for his commentary on the social and aesthetic consequences of mass media. His stated objective is thus not to repackage Blanch's 'Silk Sandals,' but to employ it "in the creation of new information, new aesthetics, new insights and understandings."

Id. (quoting Castle Rock Entm't, Inc. v. Carol Publ'g Group, 150 F.3d 132, 142 (2d Cir. 1998)).

143 *Id.* (quoting Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994)).

144 *Id.*

"'wanted to show some sort of erotic sense'" in her photo, Koons wanted "'the viewer to think about his/her personal experience with these objects, products, and images and at the same time gain new insight into how these affect our lives.'"[145] By using "a fashion photograph created for publication in a glossy American 'lifestyles' magazine . . . as part of a massive painting commissioned for exhibition in a German art-gallery space," Koons communicated something to his audience about the photograph, lifestyle magazines, and modern life that Blanch's original photograph did not.[146]

Although the court found that Koons' painting "may be better characterized . . . as satire [than a parody because] its message appears to target the genre of which 'Silk Sandals' is typical, rather than the individual photograph itself," it applied *Campbell* properly by holding that such a satire is still transformative and may still be fair.[147] Rather than treating the parody/satire distinction as dispositive, the court stated that "[t]he question is whether Koons had a genuine creative rationale for borrowing Blanch's image, rather than using it 'merely to get attention or avoid the drudgery in working up something fresh.'"[148] The court saw such a rationale in that "Koons' use of a slick fashion photograph enables him to satirize life as it appears when seen through the prism of slick fashion photography."[149] Because Koons' use of Blanch's photograph "advanced his artistic purpose," the Second Circuit found it to be justified under the first factor.[150]

The Second Circuit also dedicated more discussion than the district court did to the other three factors. However, as in *Campbell*, the fact that the court held Koons' work to be

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145 *Id.* at 252 (quoting Blanch Deposition and Koons Affirmation).

146 *Id.* at 253.

147 *Id.* This is a very important holding on this point. Prior holdings had rigidly dismissed the value of satires. *See* Alex Kozinski & Christopher Newman, *What's So Fair About Fair Use?*, 46 J. COPYRIGHT SOC'Y 513 (1999); Tyler T. Ochoa. *Dr. Seuss, The Juice and Fair Use: How the Grinch Silenced a Parody*, 45 J. COPYRIGHT SOC'Y 546 (1998); *see also* Carey Lening, *Ninth Circuit Judge Would 'Dump' Fair Use, Injunctive Relief for Derivative Works*, 72 BNA PAT. TRADEMARK & COPYRIGHT J. 643 (2006).

148 *Blanch*, 467 F. 3d at 255 (quoting *Campbell*, 510 U.S. at 582).

149 *Id.*

150 *Id.* The court also discussed the commercial nature of Koons' work and whether Koons' failure to seek permission from Blanch to use her work constituted bad faith that weighed in favor of Blanch under the first factor. The court concluded that where a new work is "substantially transformative," its commercial nature is "discounted." *Id.* at 254 (citing NXIVM Corp. v. Ross Inst., 364 F.3d 471, 478 (2d Cir. 2004)). In addition, the court stated that it was "aware of no controlling authority to the effect that the failure to seek permission for copying, in itself, constitutes bad faith." *Id.* at 256. In a concurring opinion, Judge Katzmann took issue with both of these points, and suggested that the majority opinion "sweeps more broadly in several places than necessary to decide this simple case." *Id.* at 262 (Katzmann, J., concurring)

transformative impacted the analysis of all three factors. On the second factor, the court quoted *Bill Graham Archives*: "As we recently explained, although 'the creative nature of artistic images typically weighs in favor of the copyright holder,' 'the second factor may be of limited usefulness where the creative work of art is being used for a transformative purpose.'"[151] On the third factor, the court held that Koons' copying was reasonable in relation to the purpose of the copying in that Koons did not reproduce the most creative elements of Blanch's work.[152] On the fourth factor, the court held that it favored Koons because Blanch "has never licensed any of her photographs for use in works of graphic or other visual art" and "Koons' use of [Blanch's] photograph did not cause any harm to her career or upset any plans she had for 'Silk Sandals' or any other photograph."[153] Thus, the Second Circuit held that all four factors favored Koons' fair use.

The decision is an important one for the future of art and entertainment due to its discussion of parody and satire and its emphasis on artistic freedom to use copyrighted works as "raw material" for new works that convey to the public points of view or interpretations that expand public awareness.[154] However, *Blanch*'s discussion of the transformative standard should not aid Google in its quest to have its Library Project labeled transformative.

Blanch did not stretch the meaning of the term transformative in a manner analogous to *Kelly*. Instead, the *Blanch* opinion represents a recognition of "'the true purpose of copyright, to benefit the public by getting new work.'"[155] The Second Circuit did not hold Koons' work to be transformative solely because it found a new purpose or function for Blanch's photograph. Rather, the court was careful to explain that Koons' new purpose for Blanch's work involved the creation of new expression containing commentary.

Google's Library Project, on the other hand, does not find a new creative purpose that provides the public with new commentary on the books themselves or on society at large. Instead, Google copies books to facilitate information gathering. As discussed above in relation to the *Bill Graham Archives* opinion,

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151 *Id.* at 257 (majority opinion) (quoting Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 612 (2d Cir. 2006)).

152 *Id.* at 258.

153 *Id.*

154 *Id.* at 262 (Katzmann, J., concurring).

155 Mark Hamblett, *Artist Koons' 'Transformative' Use of Photo Affirmed by 2nd Circuit*, N.Y.L.J., Oct. 31, 2006, *available at* http://www.law.com/jsp/article.jsp?id=1162215323449 (quoting Koons' lawyer, John B. Koegel).

Google's creation of webpages, databases, and search programs in connection with the Library Project does not provide the public with new expressive commentary. Under *Campbell*, *Bill Graham Archives*, and *Blanch*, Google's copying is not transformative.

This is not to say that *Blanch* forecloses Google's fair use defense any more than *Bill Graham Archives* does. In fact, a footnote in the *Blanch* opinion reiterated that "a finding of transformativeness 'is not absolutely necessary for a finding of fair use.'"[156] It also included a citation to an article by Rebecca Tushnet for the notion "that historically some forms of 'pure copying' were 'at the core of fair use.'"[157] This may mean that at least some of the judges of the Second Circuit are willing to entertain the possibility that copying such as Google's is fair.[158]

Nevertheless, *Blanch* did not deal with copying that was remotely analogous to Google's, and the opinion did not make overly broad statements regarding the meaning of the transformative label that are likely to aid Google. *Blanch* is similar to *Bill Graham Archives* in that regard. Both cases are significant in that they signal recognition by the Second Circuit that a work may be transformative without commenting directly and exclusively on the work that it incorporates. This recognition is consistent with *Campbell*, and should come as a welcome indication that artists, entertainers, and distributors of copyrighted material need not overly self-censor their creative products.[159] But this recognition, again, is not an adoption of *Kelly*'s interpretation of the transformative label, and should not increase Google's chances of success in the Second Circuit.

VI. CONCLUSION

The Supreme Court held in *Campbell* that transformative works incorporate copyrighted material to enhance commentary that increases public understanding. The recent Second Circuit opinions in *Bill Graham Archives* and *Blanch* followed the Supreme Court's lead rather than adopting the Ninth Circuit's

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156 *Blanch*, 467 F.3d at 252 n.3 (quoting Campbell v. Acuff Rose Music, Inc., 510 U.S. 569, 579 (1994)).

157 *Id.* at 252 (quoting Rebecca Tushnet, *Copy This Essay: How Fair Use Doctrine Harms Free Speech and Copying Serves It,* 114 YALE L.J. 535 (2004)).

158 Rebecca Tushnet has stated that she "believe[s] that Google Library's fair use case is tolerably strong." Tushnet, *supra* note 119, at 1019.

159 Cary Sherman, the President of the Recording Industry Association of America, has recently written about the importance of the fair use doctrine to entertainment companies. *See* Cary Sherman, *The Farce Behind 'Digital Freedom'*, CNET NEWS.COM, Nov. 13, 2006, http://news.com.com/2010-1025_3-6134620.html ("A healthy and robust fair use doctrine is critical to us, since so much of what we create is built on the art that came before.").

misapplication of the transformative label from *Kelly*. Thus, there is no indication that, based on these cases, Google's Library Project will be deemed transformative in the Second Circuit.

However, the fact that Google's activities are not transformative does not dispose of Google's fair use defense. It just means that courts are unlikely to look at the statutory fair use factors through rose colored glasses. Google and its proponents may still convince judges in the Second Circuit that the fair use doctrine should protect its Library Project as an innovative technological use of copyrighted material that will increase public access to information and creative expression.

This article has not attempted to analyze or refute such an argument due to the inherently fact based determinations that a proper fair use analysis requires. However, the argument should give courts pause. Any claim that a possessor and purveyor of technological power should be privileged to copy all of the world's copyrighted expression without permission in order to facilitate global access to that expression challenges the core of copyright's premise.[160] If judges hold Google's Library Project to be fair, it should be because they carefully determine that the fair use analysis suggests that Google's activities will further copyright's purpose without undermining its premise. Courts should not allow the fair use doctrine to become a catch-all defense for those

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160 As Justice Blackmun stated in his dissent in *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 480-81 (1984):

> It may be tempting . . . to stretch the doctrine of fair use so as to permit unfettered use of this new technology in order to increase access to [copyrighted material]. But such an extension risks eroding the very basis of copyright law by depriving authors of control over their works and consequently of their incentive to create.

Although the *Sony* majority reached a satisfactory outcome, the dissent's assessment of the risk involved in the majority's reasoning was not misplaced. Much has been made of the movie industry's inability to see the potential gold mine that home video represented. In fact, copyright's critics often refer to Jack Valenti's famous Boston Strangler quote ("I say to you that the VCR is to the American film producer and the American public as the Boston strangler is to the woman home alone."), to justify all sorts of unauthorized uses of copyrighted material. *See, e.g.*, Fred Von Lohmann, Betamax *Was a Stepping Stone*, SAN JOSE MERCURY NEWS, Jan. 25, 2004, *available at* http://www.eff.org/IP/P2P/MGM_v_Grokster/betamax_20th.php (arguing that "without exception," new technologies "make copyrights more valuable because they unleash new markets and business models"); John Perry Barlow, *Intellectual Property in the Information Age*, *in* COPY FIGHTS: THE FUTURE OF INTELLECTUAL PROPERTY IN THE INFORMATION AGE 39 (Adam Thierer & Clyde Wayne Crews, Jr., eds. 2002) (comparing the Betamax to Napster).

While this rhetorical tactic has some merit, it has grown tired and is not particularly applicable to many of today's questions, such as the legitimacy of the Google Library Project. Nevertheless, Google has referenced Valenti's quote to defend the Library Project. *See* Posting of David Drummond to Official Google Blog, http://googleblog.blogspot.com/2005/10/why-we-believe-in-google-print.html (Oct. 19, 2007, 20:54 EST) ("The history of technology is replete with advances that first met wide opposition, later found wide acceptance, and finally were widely regarded as having been inevitable all along.").

who object to copyright's foundation.[161] While technological innovation is an extremely important facet of our copyright system,[162] we should not celebrate innovative distribution mechanisms when they injure our "engine of free expression."[163]

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161 The legitimacy of copyright's premise is often questioned and/or rejected. *See, e.g.*, Stephen Breyer, *The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies and Computer Programs*, 84 HARV. L. REV. 281 (1970) (analyzing copyright's premise); Lloyd Weinreb, *The 1998 Donald C. Brace Memorial Lecture on Fair Use,* 67 FORDHAM L. REV. 1291 1292 (1999) ("[F]air use expresses lingering doubt and uncertainty about the wisdom of granting a copyright in the first place."); John Perry Barlow, *The Next Economy of Ideas: Will Copyright Survive the Napster Bomb? Nope, but Creativity Will*, WIRED, Oct. 2000, (favoring "relationship, convenience, interactivity, service, and ethics" to copyright based incentives), *available at* http://www.wired.com/wired/archive/8.10/download.html; Lawrence Lessig, *Re-crafting a Public Domain*, 18 YALE J.L. & HUMAN. 56, 69 (2006) (calling copyrights an "insanely inefficient property system").

This article is not intended to be a thorough defense of copyright's premise. That, regrettably, is for another day and a wiser author. However, for a good start toward that defense, see Goldstein, *supra* note 15, at 1 ("[C]ontemporary copyright law in the United States and around the world has created a broad, deep and many-layered commons—a wealth of content free for the taking—that is far more than merely sufficient to sustain a rich and varied culture in all its aspects.").

162 *See* Richard Florida, *America's Looming Creativity Crisis*, HARV. BUS. REV., Oct. 2004 ("America's growth miracle turns on one key factor: its openness to new ideas, which has allowed it to mobilize and harness the creative energies of its people.").

163 Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 589 (1985)*; see also* Nick Taylor, . . . *But Not at a Writer's Expense*, WASH. POST, Oct. 21, 2005, at A21 ("I have invested a small fortune in books chronicling the period and copies of old newspapers, spent countless hours on Internet searches, paid assistants to dig up obscure bits of information, and then sat at my keyboard trying to spin a mountain of facts into a compelling narrative. Money advanced by my publisher has made this possible."); Sumner M. Redstone, Chairman, Viacom Inc. and CBS Corp., Address at The Progress & Freedom Foundation's 2006 Aspen Summit: Copyright Is Even More Right in the Digital Age, *available at* http://www.pff.org/issues-pubs/pops/pop13.21_sumner_speech.pdf (Aug. 22, 2006) ("Distribution is important, but what we at Viacom saw was that all the platforms and devices and channels and technologies in the world would be worthless—in our view—without content: stories and songs, programs and games, films and files.").