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# Transformativeness and the Derivative Work Right

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## **Transformativeness and the Derivative Work Right**

R. Anthony Reese \*

### **INTRODUCTION**

In this Essay, I want to explore in more depth the precise nature of the relationship between a copyright owner's exclusive right to prepare derivative works based on her copyrighted work and the inquiry into transformativeness that informs the determination of whether an unconsented use of a copyrighted work is a fair use and therefore noninfringing. I hope that better understanding this relationship might help clarify the nature of the transformativeness inquiry in fair use analysis, as well as how that inquiry does or does not affect the derivative work right. I conduct this exploration by studying all of the relevant appellate court opinions to see whether courts treat the fair use and derivative work issues as related, and if so how. I conclude that appellate courts do not view fair use transformativeness as connected with any transformation involved in preparing a derivative work, and that in evaluating transformativeness the courts focus more on the purpose of a defendant's use than on any alteration the defendant has made to the content of the plaintiff's work.

### **I. THE POTENTIAL OVERLAP BETWEEN TRANSFORMATIVENESS AND THE DERIVATIVE WORK RIGHT**

#### **A. TRANSFORMATION IN FAIR USE AND THE DERIVATIVE WORK DEFINITION**

Copyright law grants copyright owners certain exclusive rights in their works, including the right to prepare "derivative works" based on their works. Those rights, however, are expressly limited by the fair use doctrine: any use of a work that qualifies as a fair use does not infringe on the work's copyright. Section 107 of the Copyright Act instructs courts that in determining whether a particular use is fair, they should consider four non-exclusive factors. In *Campbell v. Acuff-Rose Music, Inc.*, the Supreme Court, in analyzing the statute's first fair use factor ("the purpose and character of the use"), said that:

The central purpose of this investigation is to see, in Justice Story's words, whether

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\* Arnold, White & Durkee Centennial Professor, School of Law, The University of Texas at Austin; Visiting Professor, NYU School of Law, Spring 2008. Thanks to Christopher Leslie, Diane Zimmerman, and the symposium participants for helpful conversations and comments on this paper, and to Barton Beebe for sharing his data on circuit court fair use opinions.

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.”<sup>1</sup>

The “transformative” nature of the defendant’s use has thus become a major part of fair use analysis, given the Court’s view that transformative uses “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.”<sup>2</sup>

The rise of transformativeness as an explicit, and important, aspect of fair use analysis obviously has potential implications for the copyright owner’s exclusive right, granted in section 106(2) of the Copyright Act, to prepare derivative works based on her copyrighted work, since derivative works seem, by definition, to involve some transformation of the underlying work. The current statute defines a “derivative work” as “a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.”<sup>3</sup> The illustrative examples are for the most part works that involve some change in, or transformation of, the preexisting work (though the degree of change may vary among the listed categories of works, as well as among the actual works within any listed category). And the final residual clause of the definition emphasizes the connection between transformation and the creation of derivative works: “any *other* form in which a work may be recast, *transformed*, or adapted.”

Commentators have worried that the emphasis that *Campbell* placed on transformativeness in fair use analysis will affect the scope of the copyright owner’s derivative work right to control forms in which her work is transformed.<sup>4</sup> Since most derivative works within the scope of the copyright owner’s derivative work right generally involve transformation of the underlying work, if that act of transformation itself weighs in favor of fair use, then most derivative works will have a stronger case for fair use.<sup>5</sup> As a result, weighing transformation of a copyrighted work in favor of fair use could potentially mean that many ordinary derivative works, which would generally be within the copyright owner’s exclusive

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1. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994) (internal citations omitted).

2. *Id.* at 579 (internal citation omitted).

3. 17 U.S.C. § 101 (2000) (defining “derivative work”).

4. See, e.g., Ruth Okediji, *Givers, Takers, and Other Kinds of Users: A Fair Use Doctrine for Cyberspace*, 53 FLA. L. REV. 107, 126-27 (2001); Jeremy Kudon, *Form Over Function: Expanding the Transformative Use Test for Fair Use*, 80 B.U. L. REV. 579, 592-93 (2000); Jane C. Ginsburg, *Copyright and Intermediate Users’ Rights*, 23 COLUM.-VLA J.L. & ARTS 67, 69-71 (1999); Laura G. Lape, *Transforming Fair Use: The Productive Use Factor in Fair Use Doctrine*, 58 ALB. L. REV. 677, 720-21 (1995).

5. Consideration of whether it would be desirable for fair use to be more available in situations in which the defendant has prepared a derivative work is beyond the scope of this Essay.

right, will instead be judged as noninfringing fair uses.<sup>6</sup> As Professor Paul Goldstein's treatise notes, "On principle, the rule [weighing transformativeness in favor of fair use] threatens to undermine the balance that Congress struck in section 106(2)'s derivative rights provision to give copyright owners exclusive control over transformative works to the extent these works borrow copyrightable expression from the copyrighted work."<sup>7</sup>

At least one recent district court decision highlights the potential interaction between fair use transformativeness and the scope of the derivative work right and seems to bear out commentators' fears. *Clean Flicks v. Soderbergh* involved a claim of infringement by motion picture copyright owners against businesses that produced and rented DVD copies of popular movies that had been "altered by deleting 'sex, nudity, profanity and gory violence.'"<sup>8</sup> The court explained how the principal defendant produced its versions: "The editing techniques used include redaction of audio content, replacing the redaction with ambient noise, 'blending' of audio and visual content to provide transition of edited scenes, cropping, fogging or the use of a black bar to obscure visual content."<sup>9</sup>

The copyright owners' claims against the defendants included claims of unauthorized preparation of derivative works—"the edited versions of their films," while the defendants argued that they had not produced derivative works.<sup>10</sup> At the same time, the defendants asserted that their activities were fair use—and argued that the transformativeness of their use should weigh in favor of their fair use claim, while the plaintiffs argued that the defendants' edited versions were not transformative for purposes of the first fair use factor.<sup>11</sup>

The district court, facing what it saw as the litigants' "inconsistent positions," viewed the question of transformativeness as the same in the derivative work and fair use contexts. In analyzing the first fair use factor, the court concluded "[t]here is nothing transformative about the edited copies," because the defendants "add nothing new" to the movies and instead merely "delete scenes and dialogue."<sup>12</sup> The court then held that "*because* the infringing copies of these movies are not used in a transformative manner, they are not derivative works and do not violate § 106(2)."<sup>13</sup> Regardless of whether the court was correct that the defendant's use

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6. How much of a concern this should be depends in part on how much emphasis courts put on transformativeness in reaching the ultimate conclusion on fair use. For many ordinary derivative works (that is, works with no particular critical or commentary element in their transformation), courts might well find that the unauthorized production of such works has a sufficiently negative effect on the well-established markets for producing such derivative works (such as cover recordings of musical compositions, films based on novels, stage musicals based on films, etc.) that the overall weighing of the statutory factors results in denying the fair use claim, even if the defendant has made a highly transformative derivative work.

7. PAUL GOLDSTEIN, 2 GOLDSTEIN ON COPYRIGHT 12.49 (3d ed. 2005 & 2007 Supp.).

8. *Clean Flicks of Colorado, LLC v. Soderbergh*, 433 F. Supp. 2d 1236, 1238 (D. Colo. 2006).

9. *Id.*

10. *Id.* at 1240-41.

11. *Id.* at 1241.

12. *Id.* It is not clear that one cannot "add" some "new expression, meaning or message" within the *Campbell* Court's view of transformativeness by creative *deletion* of portions of a copyrighted work.

13. *Id.* at 1242 (emphasis added).

was not transformative for fair use analysis or that it did not constitute the preparation of a derivative work, its view that *because* a use is not transformative under the first fair use factor it *therefore* is not a use that produced a derivative work seems clearly incorrect.

A “sanitized” version of a film certainly might not be transformative for fair use purposes, or might be only very weakly so, because bleeping certain words in the film’s dialogue or using a black bar or blurring to obscure some nudity in certain frames might, in some cases, not really add any new purpose, character, expression, meaning or message to the film, or might only add the message (perhaps already obvious from the unaltered film) that the movie contains some content that some people find objectionable.<sup>14</sup> At the same time, it seems possible that the edited version, even if not transformative for fair use analysis, might well constitute a derivative work, particularly if the amount of alteration of objectionable dialogue, or of images of violence or nudity, is significant.<sup>15</sup> After all, the definition of derivative work specifically includes the categories of abridgement and condensation, demonstrating that removing portions of a work (possibly with the addition of only minimal material to tie the remaining portions together) can indeed be a sufficient recasting, transforming, or adapting to result in the creation of a derivative work.

The conclusion that, because the defendant’s editing of the plaintiff’s films was not transformative for fair use analysis, the edited versions were therefore not derivative works, thus seems to diminish the scope of the derivative work right. Presumably, under the *Clean Flicks* view, determining whether someone has prepared a derivative work might now involve not just deciding whether the work that she has prepared meets the statutory definition of a derivative work, but also deciding whether her use of the underlying work is “transformative” in the fair use sense. Under this view, someone who, for example, prepares a sanitized version of a public domain film would apparently not be entitled to a copyright in that new version, regardless of the originality of her contributions to it, because such a version does not constitute a derivative work, because it is not transformative as that term is used in fair use analysis. This seems contrary to the general view of what constitutes a derivative work.

#### B. CIRCUIT COURT TREATMENT OF TRANSFORMATIVENESS AND DERIVATIVE WORKS

In order to explore whether the *Clean Flicks* approach is aberrational or reflects a more generalized view, it is useful to survey the larger landscape of fair use

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14. In addition, as discussed in Part II *infra*, to the extent that the transformativeness of the defendant’s purpose is relevant, a court might well find that the sanitized versions did not have a transformative purpose but instead were designed to entertain the viewer (albeit without some potentially offensive content) in the same way as the original movie and by conveying essentially the same expression.

15. Cf. *Maljack Productions, Inc. v. UAV Corp.*, 964 F. Supp. 1416, 1426-28 (C.D.Cal 1997) (finding pan-and-scan version of film a copyrightable derivative work), *aff’d on other grounds sub nom. Batjac Productions, Inc. v. Goodtimes Home Video*, 160 F.3d 1223 (9th Cir. 1998).

decisions. This Essay reviews all of the published circuit court opinions applying the statutory fair use analysis between the Supreme Court's decision in *Campbell* and the end of 2007, and considers how those opinions dealt with the relationship between transformativeness in fair use analysis and the scope of the derivative work right. I identified 37 cases in this period, involving 41 published opinions, in which circuit courts reviewed substantive fair use claims and offered some discussion of the first statutory factor, or the derivative work right, or both.<sup>16</sup> This review indicates that, to date, at least appellate courts have not applied fair use transformativeness in ways that significantly implicate the scope of the copyright owner's derivative work right.

### 1. Express Discussion of the Fair Use-Derivative Work Relationship

Only one appellate decision since *Campbell* has expressly addressed the relationship between derivative works as works that have "transformed" the expression in an underlying work and the "transformativeness" relevant to fair use analysis.<sup>17</sup> In *Castle Rock Entertainment v. Carol Publishing Group*, the defendants had produced *The Seinfeld Aptitude Test*, a book of 643 trivia questions testing the reader's knowledge of the characters and events in the plaintiff's popular television sitcom.<sup>18</sup> An extended trivia test based upon a television show would seem to constitute a derivative work based on the show, and in concluding that the trivia questions infringed the show's copyright, the court implied, fairly strongly, that Carol Publishing had violated the plaintiff's section 106(2) right.<sup>19</sup> In reviewing the defendants' fair use claim, the court's discussion of transformativeness focused almost entirely on its view that the defendants had not used the plaintiff's work for a transformative *purpose* (such as criticism, commentary, parody, scholarship, teaching, or research), but had instead used it merely for the same entertainment purpose for which the original TV episodes were intended.<sup>20</sup> The court concluded that the defendants' book had "transformed *Seinfeld*'s expression into trivia quiz book form with little, if any, transformative

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16. I began with the list of circuit court cases after *Campbell* and through 2005 that Barton Beebe identified in his excellent recent empirical survey as making substantial use of the Section 107 factors. See Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978-2005*, 156 U. PENN. L. REV. 549, 623 (2008). I then used Westlaw to update that list, using the same methodology described by Beebe, through to the end of 2007. I eliminated any opinions that did not analyze a substantive fair use claim, as well as any published opinions that were superseded by later published opinions in the same case. I also eliminated one opinion that discussed the first factor, but only considered the commercial nature of the work, and left the question of transformativeness unaddressed.

17. One other opinion considered the relationship between derivative works and fair use more generally. See *Ty, Inc. v. Publ'ns Int'l Ltd.*, 292 F.3d 512 (7th Cir. 2002), discussed *infra* text accompanying notes 39-44.

18. *Castle Rock Ent'mt, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132 (2d Cir. 1998).

19. *Id.* at 139 (finding support in *Horgan v. Macmillan, Inc.*, 789 F.2d 157 (2d Cir. 1986), a case involving derivative work claims); *id.* at 140 (noting that "total concept and feel" test for infringement is unhelpful, and that "many 'derivative' works of different genres, in which copyright owners have exclusive rights, see 17 U.S.C. § 106, may have a different total concept and feel from the original work").

20. *Id.* at 142-43.

purpose” and weighed this factor against a finding of fair use.<sup>21</sup>

The court articulated a number of at least minimally creative expressive elements that the defendants had contributed to their trivia quiz book, reinforcing the view that that the defendants may have produced a derivative work.<sup>22</sup> But the court also immediately sought to clear up “a potential source of confusion in our copyright jurisprudence over the use of the term ‘transformative,’” arising from the fact that the definition of “derivative work” encompassed works that “transformed” some underlying work.<sup>23</sup> “Although derivative works that are subject to the author’s copyright transform an original work into a new mode of presentation, such works—unlike works of fair use—take expression for purposes that are not ‘transformative.’”<sup>24</sup> The court thus appeared to expressly reject a view that any transformation involved in the preparation of a derivative work would necessarily count toward making that preparation a “transformative” use for purposes of fair use analysis. The court clearly viewed fair-use transformativeness as distinct from the transformation that produces a derivative work, and saw the former as focused on the *purpose* of the use.

## 2. Defendants’ Uses that Involve a Derivative Work

### a. Expressly Acknowledged Preparation of a Derivative Work

At least five cases are notable for the *lack* of any discussion of the relationship between what constitutes a derivative work and what constitutes transformativeness for fair use, despite the fact that the courts in those cases expressly found that a defendant had prepared (or could be found to have prepared) a derivative work based on the plaintiff’s copyrighted work. In each case, the court apparently did not view the transformation wrought by the defendant in creating the derivative work as even relevant to the analysis of whether the defendant’s use was transformative for purposes of the first fair use factor, and certainly did not view the preparation of the derivative work as itself constituting transformativeness that weighed in favor of fair use.

In *Dr. Seuss Enterprises, L.P. v. Penguin Books*, the defendants, in a book called *The Cat NOT in the Hat*, told the story of the O.J. Simpson murder trial in the style of the Dr. Seuss children’s classic *The Cat in the Hat*.<sup>25</sup> Seuss claimed that the defendants had infringed his derivative work right, and the work certainly seems to be a classic example of a derivative work.<sup>26</sup> The defendants took the main

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21. *Id.* at 143.

22. The court recognized that creative expression was required to turn a “fact” depicted in the TV show into question-and-answer form, to create incorrect multiple-choice answers, and to arrange the questions into increasing levels of difficulty. *Id.* The court might also have pointed to the selection involved in deciding which of the many occurrences in the 84 episodes from which the book drew should be the basis for the questions.

23. *Id.*

24. *Id.*

25. *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394 (9th Cir. 1997).

26. *Id.* at 1397.

character from the copyrighted work and placed that character in a new setting in order to tell a new story in a similar visual and literary style. The defendants' book was clearly based upon the Seuss work, and appears to have recast, transformed, and adapted expression from it. The Ninth Circuit upheld the district court's decision that the plaintiff was likely to prevail on its *prima facie* infringement claim. As to the issue of whether the use was transformative for fair use analysis, the Ninth Circuit posed the question by reference to *Campbell's* discussion of that factor but limited its analysis entirely to whether the work was a parody of the Seuss work or was instead a satire. Deciding that the defendants aimed any commentary and criticism in their work not at Dr. Seuss or his works, and that therefore the defendants had produced a satire and not a parody, the court concluded that there was "no effort to create a transformative work with 'new expression, meaning, or message.'"<sup>27</sup> In the Ninth Circuit's view, the defendant apparently had produced a derivative work, but whatever transformation of content the defendant had engaged in was apparently not at all relevant to whether the defendant's use was "transformative" for purposes of the fair use analysis. As a result, the court found that the first factor weighed against the fair use claim. The defendant had clearly altered the content of the original work and offered a different message, but the court concluded that these changes were not "transformative" because they did not produce a parody.

In *Micro Star v. FormGen Inc.*, the Ninth Circuit concluded that the counterclaim plaintiff, the owner of the copyright in the videogame Duke Nukem

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27. *Id.* at 1401. That conclusion seems to be far more nonsensical than the average Dr. Seuss work, given that the court had just spent a page explaining how the defendants "broadly mimic Dr. Seuss' characteristic style" in order to "retell the Simpson tale" rather than "the substance and content of *The Cat in the Hat*." *Id.* Whatever the relative impact that parodic and satiric purpose have on fair use, *The Cat NOT in the Hat* surely, in comparison to the Dr. Seuss original, "adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message," *Campbell*, 510 U.S. at 579, and is therefore transformative to some degree under any fair reading of the *Campbell* Court's meaning of that term. Presumably then, this was in reality a case where the defendant had prepared a derivative work and had used it for a transformative purpose, so that the court should have found transformativeness. Perhaps the transformativeness of the satire would have weighed less heavily in favor of fair use than if the work had been a parody, and the ultimate conclusion based on all the factors might still have been that the use was unfair, but the court's transformativeness analysis seems to be a substantial misreading of *Campbell*. The decision simply gives transformativeness too crabbed a reading.

I think that Diane Zimmerman's explanation for this case (and others like it) makes sense. See Diane Leenheer Zimmerman, *The More Things Change, The Less They Seem "Transformed": Some Reflections on Fair Use*, 46 J. COPYRIGHT SOC'Y U.S.A. 251 (1998). She argued in 1998 that judges at the time felt obliged to analyze a work's transformativeness, and that a finding that a use was transformative was difficult, in the wake of *Campbell*, to reconcile with an ultimate finding that the use was not fair, so courts "engaged in so much twisting and turning to avoid the seemingly obvious conclusion that, whatever else might have been troubling in the defendants' cases, the uses in question were at least 'transformative' [and] clearly did provide the public with a new or substantially reworked product." *Id.* at 259-60. See also Matthew D. Bunker, *Eroding Fair Use: The "Transformative" Use Doctrine After Campbell*, 7 COMM. L. & POL'Y 1, 15 (2002) ("Because post-*Campbell* courts sometimes seem to assume that a finding of transformativeness is the golden ring that leads to success on a fair use claim, these courts often go to great lengths to deny the at least arguable transformativeness of works before them.").

3D, was likely to prevail on the merits of its claim that defendant Micro Star's distribution of additional levels for use with the videogame infringed on FormGen's exclusive right to prepare derivative works based on its game.<sup>28</sup> The court ruled that the additional game levels told stories that were sequels to the story FormGen told in the basic game, and that this infringed the derivative work right.<sup>29</sup> In reviewing Micro Star's fair use claim, however, the court discussed transformativeness only in a single footnote, in which it concluded, with no further analysis, that the additional game levels "can hardly be described as transformative; anything but."<sup>30</sup> Although the court had engaged in extensive discussion of whether the works distributed by Micro Star constituted unauthorized derivative works, in discussing the transformativeness of Micro Star's use, it never even adverted to the transformation of the underlying work involved in preparing the derivatives.

In *Greenberg v. National Geographic Soc'y*, the defendants used one plaintiff's copyrighted photograph of a diver, which had previously appeared on the cover of defendant's *National Geographic* magazine, in a computer animation that appeared on a CD-ROM collection, *The Complete National Geographic*.<sup>31</sup> The animation was a 25-second sequence in which 10 magazine covers appeared, one at a time, and then morphed into the next cover in the sequence.<sup>32</sup> The court ruled that the animated sequence constituted a derivative work based on the plaintiff's copyrighted photograph.<sup>33</sup> In the very next paragraph, the court considered the defendant's fair use claim:

The use of the diver photograph far transcended a mere reprinting or borrowing of the work. As explained above, it became an integral part of a larger, new collective work. The use to which the diver photograph was put was clearly a transformative use. The [animated s]equence reflects the transformation of the photograph as it is faded into and out of the preceding and following photographs (after having turned the horizontal diver onto a vertical axis). The [s]equence also integrates the visual presentation with an audio presentation consisting of copyrightable music. The resultant moving and morphing visual creation transcends a use that is fair within the context of § 107.<sup>34</sup>

The court's discussion gives no indication that the fact that the defendant had prepared a derivative work meant that the issue of transformativeness in factor one should weigh in favor of fair use. While the court recounted alterations the defendant had made, it did not view those alterations as having produced "transformativeness" that would favor a finding that the defendant's derivative work was a fair use. In fact, the court seems to have concluded, to the contrary, that the transformation made by the defendant went beyond the level of

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28. *Micro Star v. FormGen Inc.*, 154 F.3d 1107 (9th Cir. 1998).

29. *Id.* at 1112.

30. *Id.* at 1113 n.6.

31. *Greenberg v. Nat'l Geographic Soc'y*, 244 F.3d 1267 (11th Cir. 2001).

32. *Id.* at 1269.

33. *Id.* at 1274.

34. *Id.* at 1274-75.

transformativeness allowed under fair use, and seems to have weighed the defendants' transformation against, rather than in favor of, fair use.

Finally, in *Mulcahy v. Cheetah Learning LLC*, the court considered fair use in the context of the *plaintiff's* work.<sup>35</sup> The plaintiff had created a test preparation manual that incorporated material from a handbook published by the organization that administered the test in question. When the plaintiff sued a competitor for allegedly copying portions of the plaintiff's manual in producing the competitor's own test preparation course materials, the court considered whether the plaintiff's manual was itself an unauthorized derivative work based on the testing organization's handbook, such that the copyright in the plaintiff's manual would be invalid.<sup>36</sup> In a two-page discussion of the question, the court concluded that genuine issues of fact existed, precluding a determination as a matter of law that the plaintiff had not infringed on the testing organization's derivative work right.<sup>37</sup> The court then turned to the plaintiff's claim that even if her manual was an unauthorized derivative work based on the testing organization's handbook, it did not use any copyrighted material unlawfully (and thus the copyright in the manual was not invalid) because any copying from the handbook was fair use. Despite the fact that the court had to evaluate the fair use claim only because of the possibility that the plaintiff had created an otherwise infringing derivative work, the court never mentioned the issue of whether, and to what extent, the plaintiff's use was transformative, let alone consider whether any transformation by the plaintiff in producing her derivative work was relevant (and if so, how) to the evaluation of transformativeness.<sup>38</sup> This hardly suggests a view in which any preparation of a derivative work automatically counts as transformative under factor one, and weighs in favor of fair use.

In one additional case involving a defendant who claimed fair use in the production of a derivative work, the court considered the fair use claim without any discussion of the first statutory factor or the transformativeness of the use. In *Ty, Inc. v. Publications International Ltd.*, the court reviewed whether the copyright owner of Beanie Babies stuffed animals (copyrightable as sculptural works) was entitled to summary judgment on its infringement claim against a defendant publisher that had produced a series of books that included photographs of the copyrighted toys.<sup>39</sup> The defendant "concede[d] that photographs of Beanie Babies are derivative works" within the scope of Ty's section 106(2) right, but asserted

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35. *Mulcahy v. Cheetah Learning LLC*, 386 F.3d 849 (8th Cir. 2004).

36. *See* 17 U.S.C. § 103(a) (2000) ("[P]rotection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully."). Although the court discusses the issue in terms of whether the plaintiff's "copyright" would be invalid, in fact, protection would still extend to all parts of the work that were original to plaintiff and that did not unlawfully use the underlying copyrighted material.

37. *Mulcahy*, 386 F.3d at 852-54.

38. *See id.* at 854-55. The court's discussion centered entirely on the fourth factor, which it described as "undoubtedly the single most important element" (quoting *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985)), and concluded that genuine factual issues precluded a decision as a matter of law that *Mulcahy's* use was fair.

39. 292 F.3d 512 (7th Cir. 2002).

that its use of the photos qualified as fair use.<sup>40</sup>

In analyzing the fair use claim, the court did not take into account any transformation involved in producing the derivative photographs. This is perhaps not surprising, since the court expressly chose not to analyze the fair use claim by discussion of the statutory factors. Indeed, the opinion characterized the first factor as “empty” (except for a preference for noncommercial educational use) and made no reference to the *Campbell* Court’s emphasis on transformativeness. The court did, at one point, glancingly characterize “transformative” use as discussed in *Campbell* as equivalent to complementary, as opposed to substitutional, copying.<sup>41</sup> In the court’s view, “copying that is complementary to the copyrighted work (in the sense that nails are complements of hammers) is fair use, but copying that is a substitute for the copyrighted work (in the sense that nails are substitutes for pegs or screws), or for derivative works from the copyrighted work, is not fair use.”<sup>42</sup> In conceptualizing “transformative” copying as “complementary” copying, then, the court took into account the fact that the copyright owner has the exclusive right to prepare derivative works based on the copyrighted work, and extended the concept of “substitutional” copying to derivatives as well as to originals. Thus, while the court stated that photographs of Beanie Babies were not substitutes for the toys, they are derivative works “for which there may be a separate demand” that the copyright owner can exploit.<sup>43</sup> Thus, the court did not seem to treat the mere fact that the defendant had to some degree transformed the copyrighted works (at least by taking two-dimensional photos of three-dimensional objects) as at all relevant to determining whether the photos were fair use.<sup>44</sup>

In sum, in cases in which the court found that an alleged infringer had violated—or could be found to have violated—the derivative work right, courts showed no inclination to treat the transformation involved in the preparation of the derivative work as “transformativeness” in analyzing the first fair use factor.<sup>45</sup> This suggests that, at least to date, circuit courts have not used *Campbell*’s view that transformative uses are more entitled to fair use to contract the scope of the copyright owner’s derivative work right by viewing derivative works as necessarily, or even generally, transformative uses.

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40. *Id.* at 515.

41. *See id.* at 518.

42. *Id.* at 517 (emphasis added) (citation omitted).

43. *Id.* at 519.

44. Instead of focusing on the transformation of *content* by the defendant in producing the photos, the court focused on how the defendant *used* the resulting photos. In essence, the court suggested that what the defendant did with the photographs would determine whether fair use would excuse what it viewed as the otherwise infringing preparation of the derivative works. If one of the defendant’s books was merely “a collection of photographs of Beanie Babies,” the court suggested, that book would not qualify as fair use. *Id.* at 519. On the other hand, if a book were a collectors’ guide to Beanie Babies—which the court viewed as not coming within the copyright owner’s exclusive section 106(2) right—then the use of the derivative photos might be fair, if it is necessary to produce a marketable collectors’ guide. *See id.* at 520-21.

45. Indeed, the courts that articulated a conclusion as to the weight of the first factor in these cases found that it weighed against, rather than for, fair use.

*b. Apparent Preparation of a Derivative Work*

In two cases, defendants used copyrighted works in producing new works of a type expressly listed in the statute as derivative works, although the courts never expressly identified the defendants' uses as violations of Section 106(2). In *Nihon Keizai Shimbun, Inc. v. Comline Business Data*, the defendant produced English-language "abstracts" of the plaintiff's Japanese-language news stories.<sup>46</sup> The court characterized most of the abstracts as "direct, if not word-for-word, translations of the Nikkei articles, edited only for clarity."<sup>47</sup> The statutory list of examples of derivative works begins with "translation," so the defendant's abstracts would certainly seem to qualify as derivative works. Similarly, in *Zomba Enterprises, Inc. v. Panorama Records, Inc.*, the defendant produced its own recordings of musicians performing the plaintiff's copyrighted musical works (to which recordings the defendant also added the text of the plaintiff's lyrics, in order to make the recordings usable for karaoke), and "sound recording" is one of the categories listed in the statutory definition of derivative works.<sup>48</sup>

In each of these cases, however, even though the defendant's use fell squarely within a derivative work category, the court did not find that the transformation involved in preparing the derivative work constituted transformativeness for fair use analysis. In *Nihon*, the court said that the abstracts "are 'not in the least 'transformative'''" and that the "direct translations . . . added almost nothing new."<sup>49</sup> And in *Zomba*, the court noted that the defendant's musicians "did not change the words or music" and that "a facsimile recording of a copyrighted composition adds nothing new to the original and accordingly has virtually no transformative value."<sup>50</sup> Once again then, these cases indicate that courts do not interpret "transformativeness" in the fair use analysis as encompassing any and all transformation involved in the preparation of a derivative work. One can produce a translation or a sound recording—paradigmatic examples of derivative works—and still be found not to have made any "transformative" use that would weigh in favor of fair use.

Two other cases involve defendants who fairly clearly created derivative works, although the courts never expressly acknowledged that fact and their uses did not fall into one of the categories named in the definition of derivative works. In

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46. 166 F.3d 65 (2d Cir. 1999).

47. *Id.* at 71.

48. 491 F.3d 574 (6th Cir. 2007).

49. 166 F.3d at 72 (quoting the district court opinion). The court concluded that the first factor weighed "strongly" against fair use.

50. 491 F.3d at 582 (internal quotations omitted). The court found that the first factor weighed against finding fair use. To the extent that the court's view is premised on no change in words or music, its conclusion that a sound recording adds nothing new to the underlying musical work seems to undervalue the contributions of the recording's musicians and vocalists, as anyone who has ever listened to two different but faithful interpretations of the same musical work by different recording artists can attest. To the extent that the court meant "a facsimile recording" to indicate that the defendant's recorded version of the plaintiff's musical work was intended to sound, and succeeded in sounding, just like someone else's prior recorded version of that work, the court's view that the recording added nothing new seems somewhat more defensible.

*Suntrust Bank v. Houghton Mifflin Co.*, the defendant's work was Alice Randall's *The Wind Done Gone (TWDG)*.<sup>51</sup> Her novel was "a critique of [*Gone With The Wind*'s] depiction of slavery and the Civil-War era American South" that borrowed characters, scenes, dialog, and other elements from Margaret Mitchell's novel in order to, in part, retell the story from a critical vantage point.<sup>52</sup> Although the court, in determining that the plaintiffs were likely to succeed in establishing a *prima facie* infringement of the copyright in *Gone With The Wind (GWTW)*, never stated whether the defendant violated the derivative work right (as opposed to only the reproduction right), Randall's novel seems highly likely to qualify as a derivative work, just as other sequels to existing novels constitute derivative works, given that she used Mitchell's characters and settings to tell a "new story."<sup>53</sup> In considering the defendant's fair use claim, the court never expressly discussed *The Wind Done Gone*'s status as a derivative work, but it offered the following evaluation of transformativeness:

The issue of transformation is a double-edged sword in this case. On the one hand, the story of [*TWDG*'s main character] Cynara and her perception of the events in *TWDG* certainly adds new "expression, meaning, [and] message" to *GWTW*. From another perspective, however, *TWDG*'s success as a pure work of fiction depends heavily on copyrighted elements appropriated from *GWTW* to carry its own plot forward.<sup>54</sup>

The court's language suggests that it did not necessarily view the mere transformation of expression from the copyrighted work as qualifying the defendant's use as transformative. Indeed, while the court did find that the transformativeness of Randall's work weighed in favor of finding her use fair, that conclusion rested almost entirely on *TWDG*'s critical, parodic attack on the viewpoints expressed in Mitchell's novel, and on the fact that Randall "fully employed those conscripted elements from *GWTW* to make war against it."<sup>55</sup> Transformativeness, in the court's view, rested not in the *fact* that Randall had transformed the underlying work (and likely produced a derivative work), but in *how* she transformed the original and what kind of derivative (a parodic critique) she produced.

*Leibovitz v. Paramount Pictures Corp.* offers a very similar example. The defendant, as part of a movie ad campaign, had meticulously recreated the plaintiff's photograph of a nude, pregnant Demi Moore, but had substituted the

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51. 268 F.3d 1257 (11th Cir. 2001).

52. *Id.* at 1259. The appeals court agreed with the district court's characterization that "particularly in its first half, *TWDG* is largely 'an encapsulation of [*GWTW*] [that] exploit[s] its copyrighted characters, story lines, and settings as the palette for the new story.'" *Id.* at 1267 (quoting the district court opinion).

53. *Id.* at 1267. *See also id.* at 1270 ("Approximately the last half of *TWDG* tells a completely new story that, although involving characters based on *GWTW* characters, features plot elements found nowhere within the covers of *GWTW*.").

54. *Id.* at 1269 (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)).

55. *Id.* at 1270-71. Judge Marcus's concurrence would have weighed the transformativeness of the defendant's work more decisively in favor of fair use, again based largely on the critical nature of the work. *See id.* at 1280.

mischievously smirking face of actor Leslie Nielsen.<sup>56</sup> Again, the defendant's photograph seems likely to qualify as a derivative work, although the court never discussed which right the new photo violated. And again, in evaluating transformativeness under the first fair use factor, the court's discussion focused entirely on the critical and parodic nature of the ad, without any reference to the defendant's alterations of the original content except to the extent that those alterations supported the view of the ad as a parodic comment.<sup>57</sup> The court concluded that the ad's transformativeness caused the first factor to weigh "significantly" toward fair use, and the court's ultimate conclusion was that the use was fair.

In sum, in the nine instances in which appellate courts considered a defendant's use that expressly or fairly clearly involved the preparation of a derivative work based on the copyright owner's original, no opinion suggested that the fact that the defendant's work was a derivative made the defendant's use transformative for fair use analysis. Indeed, in five of the nine cases, the courts found that the use was not fair or that the defendant was not likely to prevail on the merits of its fair use claim (and in the three of these five cases in which the court expressed a conclusion as to the first fair-use factor, the court in all three cases found that the factor weighed against fair use).<sup>58</sup> In two cases, the court found a genuine issue of fact as to whether the use was fair (expressing no view as to the first factor), and remanded the case for further consideration, without suggesting that the defendant's preparation of a derivative work was relevant to the transformativeness analysis.<sup>59</sup> Only in *Suntrust* and *Leibovitz* did the court find that the defendant's derivative work was a fair use and that the use was transformative, but that conclusion was based in both cases principally on the critical, parodic nature of the use, and not merely on the defendant's act of transforming content from the underlying original.

### 3. Likely or Possible Preparation of Derivative Work

In twelve more cases, the defendant arguably had engaged in some transformation of the content of the plaintiff's work that might constitute the preparation of a derivative work, though it is difficult to know for sure given the uncertain scope and boundaries of the derivative work right. But in each case the court never indicated whether it viewed the defendant as having prepared a derivative work or instead having violated some other exclusive right. In none of these cases did the court suggest in its fair use discussion that the defendant had created a derivative work and that such creation was relevant to the question of whether the defendant's use was transformative.

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56. 137 F.3d 109, 111-12 (2d Cir. 1998).

57. *See id.* at 114-15.

58. The court found the use not to be fair in *Dr. Seuss, Micro Star, Nihon, Greenberg*, and *Zomba*, and expressly found that the first factor weighed against a finding of fair use in the first three.

59. *Ty* reversed the district court's summary judgment that the use of the Beanie Babies photos was not fair, and *Mulcahy* reversed the district court's summary judgment that the plaintiff's use of a third-party's work in producing the copyrighted work that she alleged the defendant had infringed was a fair use.

In nine of these cases, the defendant had taken only excerpts from the plaintiff's work and had incorporated those excerpts in the defendant's own, larger work.<sup>60</sup> In five of these cases, the court found that the defendant's use was, or was likely to be fair. The uses included quotations from an unpublished novel included in an unpublished scholarly article about the novel that was presented at an academic conference, quotations from a group's confidential training manual used to support the analysis in a report arguing that the group used mind control techniques, incorporation of a portion of a photographic fashion magazine ad in a collage painting commenting on "the social and aesthetic consequences of mass media," the use of screen shots of scenes from the plaintiff's videogame in the defendant's comparative advertisements for its emulator software, and the inclusion of "a couple of seconds" from plaintiff's copyrighted film of a news event in a montage used as the introduction for a television news program.<sup>61</sup> In discussing fair use transformativeness, none of the cases mentioned whether the defendant had produced a derivative work, and half of them gave no discussion of whether the defendant had, in the court's view, altered the content of the plaintiff's work in any way that could be considered transformative.<sup>62</sup>

In five of these "incorporated excerpt" cases, the court found that the defendant's use was not, or was not likely to be fair. These uses included incorporating film, still photos, and music into a 16-hour video biography of Elvis Presley; broadcasting 30 seconds of a 280-second film of a breaking news event as part of a local newscast with voice-over commentary; making and showing a TV sitcom episode with plaintiff's copyrighted poster as set decoration in the background, at least partly visible in at least nine shots for a total of only 27 seconds; reproducing substantial excerpts from scholarly works in compilations of excerpts as student readers for use in university courses; and using a few seconds of

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60. Although there are only nine of these cases, there are five findings of fair use and five findings of no fair use, because one case considers two different uses by the defendant and determines that one is fair and one is not. See *L.A. News Serv. v. CBS Broad., Inc.*, 305 F.3d 924 (9th Cir. 2002), amended and superseded on other grounds by *L.A. News Serv. v. CBS Broad., Inc.*, 313 F.3d 1093 (9th Cir. 2002).

61. *Sundeman v. Seajay Soc'y, Inc.*, 142 F.3d 194 (4th Cir. 1998); *NXIVM Corp. v. Ross Inst.*, 364 F.3d 471 (2d Cir. 2004); *Blanch v. Koons*, 467 F.3d 244, 248, 253 (2d Cir. 2006) (defendant Koons "included in the painting only the legs and feet from the photograph, discarding the background of the airplane cabin and the man's lap on which the legs rest. Koons inverted the orientation of the legs so that they dangle vertically downward above the other elements of [his painting] rather than slant upward at a 45-degree angle as they appear in the photograph. He added a heel to one of the feet and modified the photograph's coloring."); *Sony Computer Entm't Am. v. Bleem*, 214 F.3d 1022 (9th Cir. 2000); *CBS Broad.*, 305 F.3d at 929 (CourtTV "incorporated the brick-throwing footage into the introductory montage for its show 'Prime Time Justice,' which used a stylized orange clock design superimposed over a grainy, tinted, monochromatic video background. The background changed as the 'hands' of the clock revolved; LANS's copyrighted video was in the background for a couple of seconds, one 360° sweep of the clock.');

62. Only *CBS Broadcasting* and *Blanch* discuss how the defendants altered the content of the plaintiff's work, and the latter case, as discussed *infra* text accompanying notes 93-96, seems to mention the changes in content primarily to support the court's conclusion that the defendant's *purpose* was transformative. All the cases, however, discuss whether the *purpose* of the defendant's use was transformative, an issue considered *infra* Part II.

plaintiff's copyrighted film of an important news event as part of television ads promoting the defendant TV network's coverage of the trial of two people involved in that event.<sup>63</sup> Again, in discussing fair use transformativeness, none of the cases mentioned whether the defendant had produced a derivative work. Three of the cases indicate that the defendant made some alteration to the content of the plaintiff's work but that the alterations were merely "mechanical" or added nothing new, and therefore were not transformative.<sup>64</sup> The same is true of one additional case in which the defendant made one or two excerpts (totaling two minutes) from the plaintiff's full-length feature films but did not incorporate those excerpts in a larger work, and instead simply used the excerpts as a preview for the film; the court stated that the defendant's previews did not "add significantly to [the plaintiff's] original expression."<sup>65</sup>

Two other cases involved uses, other than "incorporated excerpts," that might qualify as derivative works, though the courts never addressed that question expressly in their opinions. The first case is *On Davis v. The Gap, Inc.*, involving the plaintiff's copyrighted "nonfunctional jewelry worn over the eyes in the manner of eyeglasses."<sup>66</sup> The defendant clothing store company produced an advertising photograph of seven young people "standing in a loose V formation staring at the camera with a sultry, pouty, provocative look," with the central figure wearing the plaintiff's eyewear.<sup>67</sup> Incorporating a three-dimensional sculptural work in an artistic two-dimensional photograph may constitute a derivative work based on the sculptural work, although the court never stated whether The Gap infringed the plaintiff's section 106(2) right. In denying The Gap's fair use claim, the court also did not mention the possibility that the use was in a derivative work, and found "nothing transformative" about The Gap's photograph because it showed the plaintiff's eyewear "being worn as eye jewelry in the manner it was made to be worn."<sup>68</sup> The court made no mention of the new content of the photograph in which the eyewear appeared.

In the final case, *Mattel Inc. v. Walking Mountain Productions*, the defendant

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63. *Elvis Presley Enters., Inc. v. Passport Video*, 349 F.3d 622 (9th Cir. 2003); *L.A. News Serv. v. KCAL-TV Channel 9*, 108 F.3d 1119, 1120, 1122 (9th Cir. 1997); *Ringgold v. Black Entm't Television, Inc.*, 126 F.3d 70, 73 (2d Cir. 1997); *Princeton Univ. Press v. Michigan Document Servs., Inc.*, 99 F.3d 1381 (6th Cir. 1996); *L.A. News Serv. v. CBS Broad., Inc.*, 305 F.3d 924 (9th Cir. 2002), *amended and superseded on other grounds by L.A. News Serv. v. CBS Broad., Inc.*, 313 F.3d 1093 (9th Cir. 2002).

64. *Princeton Univ. Press*, 99 F.3d at 1389; *CBS Broad.*, 305 F.3d at 939; *KCAL-TV Channel 9*, 108 F.3d at 1122.

65. *Video Pipeline, Inc. v. Buena Vista Home Entm't, Inc.*, 342 F.3d 191 (3d Cir. 2003). *See also id.* at 199 n.5 ("[I]t is not clear to us that the use of a copy—not accompanied by any creative expression on the part of the copier—as an advertisement for the original would qualify as a type of use intended to be recognized by the fair use doctrine.")

Although the district court in the case had concluded that the defendant's previews violated the copyright owner's derivative work right, the court did not reach the question of whether that conclusion was correct, as other, uncontested violations of the copyright were sufficient to sustain the judgment. *Id.* at 197.

66. 246 F.3d 152, 156 (2d Cir. 2001).

67. *Id.* at 157.

68. *Id.* at 174.

produced 78 photos of Barbie dolls “in various absurd and often sexualized positions.”<sup>69</sup> Many of the photos altered the content of the copyrighted Barbie doll, as they involved only parts of the doll (such as the “heads in a fondue pot” in “Fondue a la Barbie”) or “obscured or omitted [parts of the doll] depending on the angle at which the photos were taken and whether other objects obstructed a view” of the doll.<sup>70</sup> The opinion, however, never addressed the question of whether the photos constituted derivative works of Mattel’s doll. The court though, did conclude that the defendant’s use was transformative and that this transformativeness weighed heavily in favor of fair use, and ultimately found that the defendant’s use was fair.

The cases in which the defendant transformed the content of the plaintiff’s work to some degree, and may have prepared a derivative work, thus present a mixed picture as to transformativeness: in about half the opinions, the use was found transformative, and in the other half it was not. The courts’ discussions of the transformativeness factor in all of these cases, though, make clear that the courts did not consider whether the defendant had prepared a derivative work as important to evaluating the transformativeness of the defendant’s use in conducting the fair use analysis.

#### 4. Unlikely Preparation of Derivative Work

Finally, in thirteen cases, the defendant’s use of the plaintiff’s work fairly clearly did not involve the preparation of any derivative work. Indeed, these cases involved little to no alteration of the content of the plaintiff’s work, but instead involved basically verbatim copying, usually of the entire work. The uses included photocopying of scientific journal articles, loading computer software into random-access memory in order to engage in computer service, making videocassette copies of news broadcasts for distribution to news service subscribers, transmitting live radio broadcasts over telephone lines, reprinting a religious tract in its entirety for a breakaway sect’s use, reprinting a public figure’s modeling photos in conjunction with a newspaper article on the controversy over the nudity in the photos, exchanging digital files of recorded music over a peer-to-peer network, posting online a municipality’s building code (which was identical to a privately authored model code), photocopying an unpublished autobiographical manuscript for submission as evidence in a child-custody dispute, producing smaller-scale and reduced-resolution “thumbnail” versions of images appearing on Web sites for use in operating an image search engine, and loading computer software on many more computer hard drives than permitted under the terms of the software license.<sup>71</sup>

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69. *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).

70. *Id.* at 796, 804.

71. *Am. Geophysical Union v. Texaco, Inc.*, 60 F.3d 913 (2d Cir. 1994); *Triad Sys. Corp. v. Se. Express Co.*, 64 F.3d 1330 (9th Cir. 1995); *L.A. News Serv. v. Reuters Television Int’l, Ltd.*, 149 F.3d 987 (9th Cir. 1998); *Infinity Broad. Corp. v. Kirkwood*, 150 F.3d 104 (2d Cir. 1998); *Worldwide Church of God v. Phila. Church of God, Inc.*, 227 F.3d 1110 (9th Cir. 2000); *Núñez v. Caribbean Int’l News Corp.*, 235 F.3d 18 (1st Cir. 2000); *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004 (9th Cir. 2001); *BMG Music v. Gonzalez*, 430 F.3d 888 (7th Cir. 2005); *Veeck v. S. Bldg. Code Cong. Int’l*, 293 F.3d

Not surprisingly, none of the opinions in these cases discusses the derivative work right or any transformation by the defendant of the content of the plaintiff's work, and in nine of the cases, the defendant's use was ruled not to be (or not likely to be) fair.<sup>72</sup> Perhaps more surprisingly, though, in four cases courts found a defendant's use transformative even though the defendant had clearly not created a derivative work, and had not significantly changed, transformed or altered the content of the plaintiff's work in any way.

In *Núñez v. Caribbean International News Corp.*, Núñez, a photographer, took photos of Joyce Giraud, Miss Puerto Rico Universe 1997, for her modeling portfolio.<sup>73</sup> "Giraud was naked or nearly naked in at least one of the photos," which generated a good deal of controversy over whether that was appropriate.<sup>74</sup> Defendant's newspaper *El Vocero* published three of the photos to accompany stories about the controversy, and Núñez sued for copyright infringement. The newspaper printed the photos in their entirety, and although the court termed the newspaper's version "a relatively poor reproduction," it seems clear that the paper's reproduction of the photos did not constitute a derivative work of Núñez's copyrighted photos.<sup>75</sup> Nonetheless, in affirming a finding of fair use, the First Circuit viewed *El Vocero's* use as transformative.

In *Bill Graham Archives v. Dorling Kindersley Ltd.*, the plaintiff sued the defendant over the reproduction of seven concert posters among the over 2000 images included in a 480-page biography of the musical group the Grateful Dead, which consisted of a chronological timeline tracing the history of the group.<sup>76</sup> The posters were reproduced in their entirety, and although they were reproduced at a significantly reduced size ("less than 1/20 the size of the original") and as part of book pages that contained other images and text, this change in size and addition of accompanying material would not generally be viewed as creating a derivative work.<sup>77</sup> The Second Circuit nonetheless affirmed the district court's conclusion that the defendant's use was transformative.

Perhaps most famously in recent years, in *Kelly v. Arriba Soft Corp.* and *Perfect 10, Inc. v. Amazon.com*, the Ninth Circuit held that producing thumbnail versions of copyrighted images that appear on Web sites for the purpose of operating an image search engine is transformative for fair use analysis. Producing a smaller-sized, reduced-resolution version of a copyrighted image by using an automated

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791 (5th Cir. 2002) (en banc) (not reaching the fair use issue); *id.* at 823-25 (Wiener, J., dissenting, addressing fair use); *Bond v. Blum*, 317 F.3d 385 (4th Cir. 2003); *Kelly v. Arriba Soft Corp.*, 336 F.3d 811 (9th Cir. 2003); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007); *Wall Data Inc. v. L.A. County Sheriff's Dept.*, 447 F.3d 769 (9th Cir. 2006).

72. In *Veeck*, the majority found that the defendant had not infringed and so did not reach the fair use claim; the dissenting opinion considered and rejected the fair use claim and would have found liability for infringement. In *Worldwide Church of God* and in *Texaco*, a dissenting opinion in each case would have found fair use.

73. 235 F.3d 18 (1st Cir. 2000).

74. *Id.* at 21.

75. *Id.* at 24-25.

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

77. *See, e.g., Ty, Inc. v. Publ'ns Int'l Ltd.*, 292 F.3d 512 (7th Cir. 2002).

process is unlikely to constitute the preparation of a derivative work based upon the image (as opposed to the reproduction of the image)—and it certainly would not to the extent that some minimal creativity must be involved in the alterations made to an underlying work in order to produce a derivative work.<sup>78</sup> The Ninth Circuit appears to have treated the search engine thumbnails as “making an exact copy” of the copyrighted work, rather than as producing a derivative.<sup>79</sup> Nonetheless, the court viewed the creation of thumbnail versions as transformative.

In all four of these cases, the court concluded that the defendant’s use was transformative (and, indeed, in each case the court ultimately concluded that the defendant’s use was fair), and seemed entirely unconcerned that the defendant’s use in each case did not transform the *content* of the plaintiff’s work sufficiently to create a derivative work (if it transformed the content at all).<sup>80</sup> As with the cases discussed above in which the court found that the obvious derivative works created by the defendant were nonetheless not transformative for fair use analysis, these decisions strongly suggest that the circuit courts treat the question of transformativeness for fair use as separate and distinct from the question of transformation in the preparation of derivative works. The concern expressed by commentators that considering transformativeness in fair use might affect the scope of the derivative work right appears so far not to have materialized.

## II. TRANSFORMATIVENESS: PURPOSE AND CONTENT

### A. TWO TYPES OF TRANSFORMATIVENESS: TRANSFORMING A WORK’S CONTENT AND USING A WORK FOR A TRANSFORMATIVE PURPOSE

The review of circuit court cases in Part I shows that courts do not weigh the defendant’s preparation of a derivative work as necessarily constituting transformativeness in the fair use analysis. Indeed, the cases generally do not seem to consider the defendant’s transformation of the underlying work’s content at all in the transformativeness inquiry. This should be reassuring to those who worry that the *Campbell* Court’s emphasis on transformativeness might lead courts to find fair use too quickly in instances of ordinary derivative works. (It may be less comforting to those who might have looked to *Campbell*’s approach to rein in to some degree what many view as an overly broad derivative works right.) But it also seems a bit puzzling, since a defendant’s use that creates a derivative work does generally involve some transformation of the underlying work’s content, which would seem to be at least relevant to an evaluation of the degree to which the defendant’s use is transformative.

A close reading of the appellate court fair use opinions that expressly address transformativeness suggests why those courts, in evaluating fair use, generally

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78. *Kelly v. Arriba Soft Corp.*, 336 F.3d 811 (9th Cir. 2003); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007).

79. *Perfect 10*, 508 F.3d at 1165 (citing *Kelly*, 336 F.3d at 818-19).

80. *Bond v. Blum*, discussed *infra* note 101 and text accompanying note 104, fits this category as well, but that court never expressly discussed transformativeness in its opinion.

disregard whether the defendant has created a derivative work. In assessing transformativeness, the courts generally emphasize the transformativeness of the defendant's *purpose* in using the underlying work, rather than any transformation (or lack thereof) by the defendant of the *content* of the underlying work.<sup>81</sup>

Transformativeness obviously could involve the extent to which the content of the plaintiff's copyrighted work has been transformed or altered. *Campbell* itself involved a defendant's use that had altered the plaintiff's copyrighted original work by changing much of both the lyrics and the music of the song. But transformativeness, at least as considered by the courts, includes another aspect: the use of a work for a completely different purpose than the purpose for which the copyright owner produced or used the original work. As the Ninth Circuit has stated, "even making an exact copy of a work may be transformative so long as the copy serves a different function than the original work."<sup>82</sup> Again, the *Campbell* case also appears to have involved this kind of transformativeness, since the defendants there were borrowing from the underlying Orbison and Dees work for the transformative purpose of parodic criticism, and not merely for the entertainment purpose of the original.<sup>83</sup>

#### B. HOW COURTS EVALUATE THE TWO TYPES OF TRANSFORMATIVENESS

Though transformativeness for fair use analysis could involve both the purpose for which the defendant is using the copyrighted work and the alterations that the defendant has made to that work's content, the circuit court cases suggest that it is the former, rather than the latter, that really matters. Thirty four of the appellate opinions, in 31 cases, expressly addressed transformativeness as part of the first-factor analysis. In all of those opinions, when the court found that the defendant had a transformative purpose for her use, the court found that the transformativeness inquiry weighed in favor of fair use, regardless of whether the court viewed the defendant as having transformed the actual content of the plaintiff's work in any way. Indeed, in all of the cases where transformativeness was found based on the defendant's transformative purpose, the opinion's ultimate conclusion was that the use was, or was likely to be, fair.

By contrast, in all of the opinions in which the court determined that the defendant did not have a transformative purpose for her use (or in which the court's

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81. Judge Leval's article, on which *Campbell* drew in its discussion of transformativeness, implicitly recognized both types of transformativeness, noting that the use "must employ the quoted matter in a different manner or for a different purpose from the original." Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990).

82. *Perfect 10*, 508 F.3d at 1165. See, e.g., Matthew D. Bunker, *Transforming the News: Copyright and Fair Use in News-Related Contexts*, 52 J. COPYRIGHT SOC'Y U.S.A. 309, 325 (2005) (discussing "concept of 'transformative purpose,' which seems to consist of a different functional use of the original work than that intended by its creator, rather than some sort of reconfiguration of the work itself").

83. I do not mean to suggest that these two types of transformativeness are the only relevant possibilities for fair use analysis, but they do seem to capture most of the discussion in the caselaw so far.

determination about transformative purpose was uncertain), the court decided that transformativeness did not weigh in favor of fair use, regardless of whether the defendant did or did not alter the content of the plaintiff's work within its four corners. Again, in all of these cases, the opinion's ultimate conclusion was that the use was not, or was not likely to be, fair.

The following sections review these opinions in more detail, dividing them into four categories, based on the basic possibilities that arise in any particular case given the two different types of possible transformativeness:

1. The defendant has transformed the content of the plaintiff's copyrighted work and is using it for a transformative purpose.
2. The defendant has transformed the content of the plaintiff's copyrighted work but is not using it for a transformative purpose.
3. The defendant has not transformed the content of the plaintiff's copyrighted work but is using the copyrighted work for a transformative purpose.
4. The defendant has not transformed the content of the plaintiff's copyrighted work and is not using the copyrighted work for a transformative purpose.<sup>84</sup>

### C. "DOUBLE OR NOTHING" TRANSFORMATIVENESS

In the first category, since the defendant has engaged in both types of transformation, we would expect a court generally to find that the defendant's use is transformative and that the transformativeness factor weighs in favor of the defendant's fair use claim (though how strongly it does so may vary depending on *how* transformative the defendant's use is). *Blanch v. Koons* is an example of this situation. In that case, the defendant had in fact altered the copyrighted work by copying only a portion of it, altering that portion, and incorporating that altered portion into a larger work of the defendant's own. But the Second Circuit's discussion of the transformativeness of the defendant's use focused almost exclusively on the transformative *purpose* of the use—using a fashion advertising image “as fodder for ... commentary on the social and aesthetic consequences of mass media”—and only very secondarily on the actual transformation of the work itself, which involved “changes of its colors, the background against which it is portrayed, the medium, the size of the objects pictured, [and] the objects' details.”<sup>85</sup> As expected, the court found that the use was transformative and that this transformativeness weighed in favor of fair use. At least seven other opinions involved both types of transformation and led to the determination that the transformativeness of the use weighed in favor of fair use.<sup>86</sup>

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84. In this analysis, I am excluding cases in which it is unclear what the defendant had done with respect to the content or the purpose, or unclear how the court viewed what the defendant had done.

85. *Blanch v. Koons*, 467 F.3d 244, 252-53 (2d Cir. 2006).

86. In *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109 (2d Cir. 1998), the defendants

In the fourth situation, since the defendant has not engaged in either type of transformation, we would similarly expect a court generally to find that the defendant's use is not transformative and that the transformativeness factor, at the least, does not weigh in favor of the defendant's fair use claim.<sup>87</sup> *Infinity Broad. Corp. v. Kirkwood* is an example of this situation. The defendant there offered subscription access by telephone line to live radio broadcasts in remote markets, which it marketed for use by advertisers, talent scouts, and others in "auditioning on-air talent, verifying the broadcast of commercials, and listening to a station's programming format and feel."<sup>88</sup> The defendant made no alteration to the broadcasts themselves. And while the court acknowledged that the defendant's use of the broadcasts for "information" purposes was different from the copyright owner's use of them for "entertainment" purposes and that "the difference in purpose tends to support Kirkwood's fair use claim," the court nevertheless concluded that Kirkwood's *different* purpose was not a *transformative* one, because it involved "neither new expression, new meaning nor new message" and instead the defendant "merely repackages or republishes the original."<sup>89</sup> Thus, in the

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produced a copy, in "meticulous detail," of plaintiff's photograph of a pregnant Demi Moore but altered the photograph to feature Leslie Nielsen's face, clearly altering the content of the work. 137 F.3d at 111-12. The court also viewed the defendant's photo as having a transformative purpose of commenting through parodic ridicule on the original. The court concluded that the use was transformative, and that its transformativeness weighed in favor of fair use. *Id.* at 114-15. In *Mattel Inc. v. Walking Mountain Productions*, 353 F.3d 792, 796, 802-03 (9th Cir. 2003), involving 78 photos of Barbie dolls "in various absurd and often sexualized positions," the court found that the photographer had a transformative purpose of parodying and commenting on Barbie and the "associations of beauty, wealth, and glamour" that Mattel had cultivated for Barbie. The court found that transformativeness weighed heavily in favor of fair use. *See also* Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257 (11th Cir. 2001) (majority and concurring opinions).

One opinion involved multiple uses, and found transformativeness for those uses that involved both altered content and a transformative purpose. *L.A. News Serv. v. CBS Broad., Inc.*, 305 F.3d 924, 938-42 (9th Cir. 2002) (use of seconds of video news footage in introductory montage for TV show), *amended and superseded on other grounds by* *L.A. News Serv. v. CBS Broad., Inc.*, 313 F.3d 1093 (9th Cir. 2002).

In two cases, the extent of alteration of content by the defendant was less, generally involving excerpting portions of the work and including those portions as part of a larger new work that the defendant created. In those cases as well, if the court found the use was for a transformative purpose, it weighed the transformativeness factor in favor of fair use. In *NXIVM Corp. v. Ross Inst.*, 364 F.3d 471 (2d Cir. 2004), the defendants created and published two reports that "analyze[d] and critique[d]" the plaintiffs' 265-page executive training seminar manual. "The reports quote sections of the manual in support of their analyses and criticisms," 364 F.3d at 475, thus transforming the content of the copyrighted manual by selecting excerpts from it and embedding those excerpts into a critical analysis of the copyrighted work. The court found that the defendants' use of quotations "to support their critical analyses of the seminars is transformative," apparently because the defendants' use was for the purpose of criticism, comment, scholarship, or research, which was clearly a different purpose than that for which the plaintiffs were using the manual. *Id.* at 477. *See also* Sundeman v. Seajay Soc'y, Inc., 142 F.3d 194 (4th Cir. 1998) (quotations from an unpublished novel included in an unpublished scholarly article about the novel that was presented at an academic conference).

87. *See* GOLDSTEIN, *supra* note 7, at 12:48 (noting "rule that the 'ordinary' or 'nontransformative' nature of copies should not weigh *against* fair use") (emphasis added).

88. *Infinity Broad. Corp. v. Kirkwood*, 965 F. Supp. 553, 555 (S.D.N.Y. 1997).

89. *Infinity Broad. Corp. v. Kirkwood*, 150 F.3d 104, 108 (2d Cir. 1998) (quoting district court and Leval, *supra* note 81, at 1111).

court's view, Kirkwood had neither transformed the content of the works it used nor used them for a purpose that qualified as transformative. Not surprisingly, the court found that Kirkwood's use was not transformative and, in summing up the first fair use factor, found that it leaned against a finding of fair use. At least eight other opinions involved uses that the court viewed as involving neither alteration of the content of the plaintiff's work nor a transformative purpose. In all those opinions (except for one dissenting opinion), the court found that the transformativeness inquiry weighed against a finding of fair use and the court ultimately found that the use was not, or was not likely to be, fair.<sup>90</sup>

In cases in which the defendant has engaged in both types of transformation or in neither type, determining whether the defendant's use is transformative in evaluating the fair use claim seems likely to be relatively straightforward. After all, it will for the most part be hard to find a use transformative if it involves no transformation of either content or purpose, and hard to find a use not transformative if it involves transformation of both. Many questions may remain as to how strongly the transformativeness, or lack thereof, should weigh in favor or against fair use, and as to the interaction of the court's view of transformativeness with the other factors in reaching an ultimate conclusion as to fair use. But these types of cases will be the simplest in terms of determining whether the use is transformative.

#### D. "EITHER-OR" TRANSFORMATION

The more interesting question is how courts deal with categories 2 and 3, in which the defendant has made only one type of transformation.

##### 1. Transformative Purpose Without Transformed Content

At least four decided cases offer examples of the situation described in category 3, in which the defendant appears to have used a copyrighted work without any substantive alteration or transformation of its content, but in which the defendant's use was viewed by the court as being for a transformative purpose. These cases are the four identified in Part I, in which the defendants did not prepare a derivative work but the court nonetheless found that the use was transformative for fair use purposes. In each case, the court's conclusion as to transformativeness rested on its

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90. Judge Brunetti's dissent in *Worldwide Church of God v. Philadelphia Church of God* disagrees with the majority on the ultimate ruling as to fair use, but does not clearly dispute the characterization of the use as not transformative. He notes that a use "need not be transformative to qualify as fair use" and that any alteration of the content by the defendant "would defeat [the defendant's] religious purpose because it believes that [the plaintiff's work] is a divinely inspired text." 227 F.3d 1110, 1123 (9th Cir. 2000) (Brunetti, J., dissenting); see also *Am. Geophysical Union v. Texaco, Inc.*, 60 F.3d 913 (2d Cir. 1994); *Triad Sys. Corp. v. Se. Express Co.*, 64 F.3d 1330 (9th Cir. 1995); *L.A. News Service v. Reuters Television Int'l, Ltd.*, 149 F.3d 987 (9th Cir. 1998); *Worldwide Church of God*, 227 F.3d 1110 (9th Cir. 2000) (majority opinion); *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004; *Veck v. S. Bldg. Code Cong. Int'l*, 293 F.3d 791, 808 (5th Cir. 2002) (Wiener, J., dissenting); *Wall Data Inc. v. L.A. County Sheriff's Dept.*, 447 F.3d 769 (9th Cir. 2006).

view of the defendant's transformative purpose, even in the absence of any transformation of the content of the plaintiff's work.

In *Núñez*, the First Circuit viewed the newspaper *El Vocero*'s use of the modeling photos of Miss Puerto Rico Universe as transformative:

[P]laintiff's photographs were originally intended to appear in modeling portfolios, not in the newspaper; the former use, not the latter, motivated the creation of the work. Thus, by using the photographs in conjunction with editorial commentary, *El Vocero* did not merely "supersede[] the objects of the original creation[s]," but instead used the works for "a further purpose," giving them a new "meaning, or message." *Campbell*, 510 U.S. at 579, 114 S.Ct. 1164. It is this transformation of the works into news—and not the mere newsworthiness of the works themselves—that weighs in favor of fair use under the first factor of § 107.<sup>91</sup>

The court's transformativeness analysis focused on the defendant's transformative *purpose*. While the photos were taken and distributed as "a publicity attempt to highlight Giraud's abilities as a potential model," the newspaper used them for a different purpose—informing its readers about the controversy over whether Miss Puerto Rico Universe had engaged in conduct unbecoming her position.<sup>92</sup> The court also discussed the fact that the newspaper used the photos in conjunction with news articles about the controversy over the photos themselves, in order to report and explain the news story, indicating that reproducing an entire copyrighted work unchanged, in order to engage in commentary, criticism, or news reporting about the copyrighted work, can be transformative for fair use purposes, even though such use does not "transform" the copyrighted work's content.

In *Bill Graham Archives*, which involved the reproduction of seven concert posters among the over 2000 images included in a 480-page biography of the musical group the Grateful Dead, the posters were reproduced in their entirety (although at significantly reduced size). The Second Circuit nonetheless concluded that the use was transformative, explaining that

DK's purpose in using the copyrighted images at issue in its biography of the Grateful Dead is plainly different from the original purpose for which they were created. Originally, each of BGA's images fulfilled the dual purposes of artistic expression and promotion [of live concerts] . . . In contrast, DK used each of BGA's images as historical artifacts to document and represent the actual occurrence of Grateful Dead concert events featured on *Illustrated Trip*'s timeline.<sup>93</sup>

The court observed that in some cases, DK's reproduction of a poster was accompanied by commentary specifically relating to the poster's image (just as the reproduction in *Núñez* accompanied editorial commentary on the controversy over the photos).<sup>94</sup> But the court rejected a view that specific commentary or criticism was necessary in order to render the use transformative. It concluded that even

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91. *Núñez v. Caribbean Int'l News Corp.*, 235 F.3d 18, 23 (1st Cir. 2000).

92. *Id.*

93. *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 609 (2d Cir. 2006).

94. *Id.* at 609-610 & n.3.

where “the link between image and text is less obvious . . . the images still serve as historical artifacts graphically representing the fact of significant Grateful Dead concert events” and that “both types of uses fulfill DK’s 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.”<sup>95</sup> The court concluded that the defendant’s use was transformative even when the copied images were “standing alone” and unaccompanied by commentary, and that “DK was not required to discuss the artistic merits of the images” in order for its use to be deemed transformative.<sup>96</sup> Thus, the court accepted that a defendant’s use can be transformative for fair use analysis even when it involves no alteration within the work’s four corners and is not accompanied by direct commentary on or criticism of the work, if the defendant’s use is for a sufficiently different purpose than the plaintiff’s original use for the work.

In *Kelly v. Arriba Soft Corp.* and *Perfect 10 v. Amazon.com*, the Ninth Circuit viewed the creation of thumbnail versions for use in image search engines as transformative because the defendant’s purpose in creating and displaying the thumbnails was entirely “unrelated to any aesthetic purpose” for which the author had created and used the image.<sup>97</sup> The search engine’s use in each case “serves a different function than [the copyright owner’s] use—improving access to information on the internet versus artistic expression.”<sup>98</sup> The search engine companies “transform[ed] the image into a pointer directing a user to a source of information,” which “provides an entirely new use for the original work.”<sup>99</sup> The court distinguished earlier cases finding that exact reproductions had not been transformative because “the resulting use of the copyrighted work in those cases was the same as the original use,” highlighting the very different purpose of the defendant’s use in the search engine cases.<sup>100</sup>

In all of these cases, the defendant essentially used the plaintiff’s work without substantive alteration within the four corners of the work itself, but because the court viewed the use as for a transformative purpose, the court weighed the transformativeness factor in favor of fair use (and ultimately concluded that the use was indeed fair).<sup>101</sup> Thus, a defendant’s use for a sufficiently transformative

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95. *Id.* at 610.

96. *Id.* at 611.

97. *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 818 (9th Cir. 2003); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007).

98. *Kelly*, 336 F.3d at 818-19; *see also Perfect 10*, 508 F.3d at 1165.

99. *Perfect 10*, 508 F.3d at 1165.

100. *Kelly*, 336 F.3d at 819.

101. Two other opinions follow this pattern. One is a dissent. *Am. Geophysical Union v. Texaco, Inc.*, 60 F.3d 913, 935 (2d Cir. 1994) (Jacobs, J., dissenting) (concluding that use of verbatim photocopies of articles in scientific journals for research purposes is transformative).

The other opinion, *Bond v. Blum*, 317 F.3d 385 (4th Cir. 2003), involves the use of a verbatim copy for a different purpose, but the court never discussed transformativeness in its fair use analysis. The defendants introduced into evidence in a state child-custody case the plaintiff’s unpublished manuscript *Self-Portrait of a Patricide: How I Got Away with Murder*, in order to demonstrate that the plaintiff’s home was not suitable for children. The manuscript purported to be a true story, told in “horrific detail,”

purpose can support a determination of transformativeness, even when the defendant has not altered any of the work's content.

It may seem surprising that courts sometimes find transformative purpose, and therefore transformativeness that favors fair use, even when the defendant has made no transformation of the content of the plaintiff's work. The appellate cases presenting this scenario, though, have so far all involved the defendant's use of copyrighted still images—the modeling portfolio photos in *Núñez*, the concert posters in *Bill Graham Archives*, and the various photos located on the Web in *Kelly* and *Perfect 10*. Still images seem like perhaps the hardest type of copyrighted work to use for many transformative purposes without using the entire image unaltered and unexcerpted. It is difficult in many instances to use only part of an image—to make an abridgement or excerpt of it—and still convey the message or meaning of the image in order to criticize it, comment on it, place it in historical context, or index it for ease of location. At the least, it is often more difficult than for other kinds of copyrighted works. For example, in *Núñez*, where the newspaper printed three of the controversial photographs of Miss Puerto Rico Universe in their entirety, the court noted that the newspaper “admittedly copied the entire picture; however, to copy any less than that would have made the picture useless to the story.”<sup>102</sup> Because the controversy revolved around whether the pictures were inappropriate for the subject's position, it seems unlikely that the reporting of views on that appropriateness could have been adequately illustrated by using only cropped portions of the photos.<sup>103</sup> On the other hand, if Miss Puerto Rico Universe had appeared nude in a video, it would likely have been easy to report on the controversy, and the claims about the video, by excerpting from it only a single still frame, or perhaps a short clip. Similarly, in the case of search engines, it is easy to convey to the searcher something about each ordinary search result by quoting just a few relevant words of text from the Web page for each result included on a search results page (as many search engines do). It is much harder to show a similarly small portion of an image as part of the results for an image search and convey any similarly meaningful information about the image to

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of how the plaintiff had, when he was 17, murdered his father and “fooled” the authorities in order to “get away scot-free” and collect money from his father's estate. The defendants appear to have made and introduced into evidence in the custody dispute an entire, unaltered copy of the manuscript, and the plaintiff sued for copyright infringement. The court concluded that the defendants' use was fair. While it did not discuss the question of transformativeness, the court stressed that the defendants were using the copyrighted manuscript for an entirely different purpose than the plaintiff's purpose in writing (and seeking to publish) the manuscript—“for the evidentiary value of its content insofar as it contains admissions that Bond may have made against his interest when he bragged about his conduct in murdering his father, in taking advantage of the juvenile justice system, and in benefiting from his father's estate.” 317 F.3d at 395. The use of the manuscript in the context of the custody dispute is surely a use of an entirely different “purpose and character” and arguably one that alters the meaning or the message of the work by placing it in a different context—one involving the light that the work's content sheds on the author's fitness as a stepfather.

102. *Núñez v. Caribbean Int'l News Corp.*, 235 F.3d 18, 24 (1st Cir. 2000).

103. The photos apparently would have generally been unavailable elsewhere to the public (unlike a published book or movie), so that a reader could not have gone out and bought her own copy in order to evaluate the criticisms and defenses.

which the result refers. And certainly a short quotation or brief excerpt from a magazine review of a Grateful Dead concert can convey some sense of the entire review more easily than a reproduction of only a part of a concert poster could convey a sense of the entire poster. In short, a single picture may be worth 1,000 words, but reproducing just one-tenth of a single picture typically conveys far less of the original than does quoting 100 words of a 1,000-word composition.

Scenarios in which the use of entire textual works without alteration seems likely to be transformative have arisen, though none has yet led to an appellate court determination of transformativeness. *Bond v. Blum* involved copying an entire unpublished autobiographical “true crime” memoir to introduce it into evidence in a custody hearing on the fitness of the author’s household for the children involved.<sup>104</sup> The court found fair use but never discussed transformativeness. And the recent district court opinion concerning the plagiarism-detection service Turnitin found that storing copies of entire student papers in a database for comparison to other student-submitted work in order to identify plagiarism was a transformative use because of the transformative purpose for which the defendant used the entire student work.<sup>105</sup> But for the most part, the cases finding transformative purpose even in the absence of any transformation of the content of the copyrighted work, may largely be limited to still images.<sup>106</sup>

## 2. Transforming Content Without Transformative Purpose

Finally, in at least 12 cases, a defendant altered the content of the copyrighted work (or at least arguably had done so), but the defendant, at least in the court’s view, was not (or arguably was not) using the content for any transformative purpose.<sup>107</sup>

Perhaps the most striking example is the *Dr. Seuss Enterprises, L.P. v. Penguin Books* case, in which the defendants created *The Cat NOT in the Hat* about the O.J. Simpson murder trial, using characters and elements from the famous children’s book.<sup>108</sup> The defendants had clearly altered Dr. Seuss’s original content quite substantially. But because the Ninth Circuit concluded that the purpose of their use was to produce a satire rather than a parody (and also concluded that only the latter, not the former, constituted a transformative purpose), the transformativeness inquiry weighed against fair use.

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104. 317 F.3d 385 (4th Cir. 2003). See *supra* note 101.

105. *A.V. v. iParadigms, LLC*, \_\_ F. Supp. 2d \_\_, 2008 WL 728389 (E.D. Va. Mar. 11, 2008).

106. This would not be entirely unusual in copyright law. Much of the jurisprudence concerning the standard of originality required in order for a derivative work to qualify for copyright protection has emerged in cases involving derivative works of visual art (etchings, paintings, sculptural reproductions, etc.), and it is possible to see the heightened standard of originality that seems to emerge from those cases not as a general standard for all derivative works (such as translations, motion picture versions, sound recordings, etc.), but as a standard that primarily governs derivative works of visual art. See GOLDSTEIN, *supra* note 7, at 2:220 to 2:222.

107. This section includes cases in which the court concluded that there was no transformative purpose, even if that conclusion seems clearly incorrect on the facts as presented by the court.

108. 109 F.3d 1394 (9th Cir. 1997). See *supra* note 27.

Another example is *Castle Rock Entertainment v. Carol Publishing Group*, in which the defendant produced *The Seinfeld Aptitude Test* trivia quiz book, which required extracting information about characters and events from the television show to use in creating trivia questions.<sup>109</sup> In evaluating transformativeness, the court concluded not only that “a secondary work need not necessarily transform the original work’s expression to have a transformative purpose”—that is, that the defendant need not alter the plaintiff’s content in order for the defendant’s use to be transformative—but also that such transformation of a work’s expression was not what mattered for fair use analysis. Instead, what the court was looking for in evaluating transformativeness was whether the defendant used the work—apparently in either altered or unaltered form—for a different purpose:

Any transformative purpose possessed by *The SAT* is slight to non-existent. We reject the argument that *The SAT* was created to educate *Seinfeld* viewers or to criticize, “expose,” or otherwise comment upon *Seinfeld*. *The SAT*’s purpose . . . is to repackage *Seinfeld* to entertain *Seinfeld* viewers. . . . [W]e find scant reason to conclude that this trivia quiz book seeks to educate, criticize, parody, comment, report upon, or research *Seinfeld*, or otherwise serve a transformative purpose.<sup>110</sup>

The court concluded that the defendant’s book “has transformed *Seinfeld*’s expression into trivia quiz book form with little, if any, transformative purpose.”<sup>111</sup> The court appears to have concluded that for fair use analysis, a defendant’s work will be “transformative” *only* if the defendant’s *purpose* is a transformative one, regardless of whether the defendant has in fact transformed any of the expression in the copyrighted work.

In these and the other ten cases where the court found no transformative purpose even though the defendant had altered the content of the plaintiff’s work, the court determined that the use was not transformative for fair use purposes, and, indeed, in each case the court determined that the use was not, or was not likely to be, fair.<sup>112</sup>

The analysis and outcomes in the cases involving only one type of transformation (either of content or purpose) suggests that in the fair use analysis, the far more important type is transformation of the purpose for which the work is used, rather than transformation of the work’s content. If the defendant has a

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109. 150 F.3d 132 (2d Cir. 1998).

110. *Id.* at 142-43.

111. *Id.* at 143.

112. See *Princeton Univ. Press v. Michigan Document Servs., Inc.*, 99 F.3d 1381 (6th Cir. 1996); *Ringgold v. Black Entm’t Television, Inc.*, 126 F.3d 70, 73 (2d Cir. 1997); *Micro Star v. FormGen, Inc.*, 154 F.3d 1107 (9th Cir. 1998); *L.A. News Serv. v. KCAL-TV Channel 9*, 108 F.3d 1119, 1120, 1122 (9th Cir. 1997); *On Davis v. The Gap, Inc.*, 246 F.3d 152 (2d Cir. 2001); *L.A. News Serv. v. CBS Broad., Inc.*, 305 F.3d 924 (9th Cir. 2002) (use of film footage in ads for reporting on trial), *amended and superseded on other grounds by L.A. News Serv. v. CBS Broad., Inc.*, 313 F.3d 1093 (9th Cir. 2002); *Video Pipeline, Inc. v. Buena Vista Home Entm’t*, 342 F.3d 191 (3d Cir. 2003); *Zomba Enters., Inc. v. Panorama Records, Inc.*, 491 F.3d 574 (6th Cir. 2007). In at least two cases, the court’s discussion of the first factor leaves it unclear whether the court views the defendant’s purpose as transformative, and in those cases the court similarly found that the transformativeness inquiry weighed against fair use. *Greenberg v. Nat’l Geographic Soc’y*, 244 F.3d 1267 (11th Cir. 2001); *Nihon Keizai Shimbun, Inc. v. Comline Business Data*, 166 F.3d 65 (2d Cir. 1999).

transformative purpose, the court has generally found transformativeness, even if she has not altered the work's content in any way, while if the defendant has no transformative purpose, the court has generally found no transformativeness, even if she has transformed the content of the work sufficiently to create a derivative work.

### III. CONCLUSION

This review of the appellate cases decided since *Campbell* should provide a better understanding of how appellate courts approach the question of transformativeness in fair use. First, those courts clearly do not view the preparation of a derivative work as necessarily transformative, such that the preparation of a derivative work is necessarily more likely (given the favored status of transformative uses) to constitute fair use. This should comfort those who have worried that *Campbell's* emphasis on transformativeness would inappropriately interfere with copyright owners' right to control ordinary derivative works. Second, appellate courts also clearly do not view the preparation of a derivative work—or any transformation or alteration of a work's content—as necessary to a finding that a defendant's use is transformative. Instead, courts focus on whether the purpose of the defendant's use is transformative. This may offer some reassurance to those who have worried that *Campbell's* emphasis on transformativeness would inappropriately limit fair uses only to those that involved derivative uses, excluding those that involved unaltered reproductions of a copyrighted work.<sup>113</sup>

This descriptive review leaves unanswered many normative questions about the nature and role of transformativeness in fair use analysis. Clarifying that the core of the transformativeness inquiry, at least as currently deployed by the appellate courts, concerns the purpose of the defendant's use may help to focus courts and commentators on more relevant normative questions. At the broadest level, the courts' practice raises the question of whether evaluating a defendant's purpose for transformativeness is the most appropriate approach to the "purpose and character" factor, or to implementing the *Campbell* Court's understanding of transformative uses.

Even accepting the focus on purpose leaves many more specific questions unanswered. For example, the transformativeness inquiry as framed here seems inescapably comparative: the court must have a sense of the plaintiff's purpose in order to determine whether the defendant is using the work for a transformative purpose. How should a court identify the purpose to which the defendant's use is to be compared? Is this the purpose that the author actually had in mind when creating the work, or is it the purpose that a reasonable author creating this type of work would have had in mind? (Courts have so far paid attention to such questions primarily in the related context of determining whether a defendant's use had a parodic purpose.)<sup>114</sup> How should courts deal with an author who has a multitude of

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113. See, e.g., Rebecca Tushnet, *Copy This Essay: How Fair Use Doctrine Harms Free Speech and How Copying Serves It*, 114 YALE L.J. 535 (2004); Lape, *supra* note 4, at 722.

114. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 582 (1994) (identifying question as

intended uses for her work? Furthermore, if an author, sometime after creating her work, decides to put it to a different purpose, how is that relevant to the question of transformativeness? What if she decides to put her work to that purpose only after the defendant has already done so? And if the author transfers copyright in the work to someone else, are the transferee's purposes, if different from the author's, relevant? Questions might also arise as to how to properly identify the defendant's purpose, particularly when that defendant might have multiple purposes, or where the use might satisfy multiple purposes, as the *Campbell* Court itself recognized in acknowledging that "a work may contain both parodic and nonparodic elements."<sup>115</sup>

In addition to thinking about how to identify the plaintiff's and defendant's purposes, more attention might also usefully be paid to the question of how to determine which of a defendant's purposes might be "transformative." The Second Circuit has said that a defendant's use may not be transformative even when the defendant uses the copyrighted work for a different purpose than that for which the plaintiff uses it.<sup>116</sup> That suggests that not all "different" purposes will be "transformative" ones, but courts have offered little express guidance on how to decide when a defendant's different purpose is transformative.

Finally, understanding the purpose-based focus of the transformativeness inquiry may also highlight questions about the interaction between that inquiry and the analysis, under the fourth fair use factor, of the effect of a defendant's use on the "potential market" for the copyrighted work.<sup>117</sup> If the defendant's use is for a transformative purpose, the use may reach a market that the copyright owner has not yet entered but that could be a relevant "potential market" under the fourth factor. And just as courts have recognized in the fourth factor that it would be circular to identify market harm merely from the fact that the particular defendant being sued did not pay the copyright owner for the particular use she made, courts may need to find ways to avoid a similar circularity in judging transformativeness. Courts should probably not conclude that a defendant's use is not transformative simply because the copyright owner herself might at some point use (or intend to use) the work for the same purpose, but should probably also not conclude that a defendant's use must be transformative if the copyright owner has not yet exploited her work for the same purpose.

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"whether a parodic character may reasonably be perceived"); *Mattel Inc. v. Walking Mountain Productions*, 353 F.3d 792, 801 (9th Cir. 2003) (rejecting survey evidence in determining whether work has parodic character).

115. *Campbell*, 510 U.S. at 581.

116. *Infinity Broad. Corp. v. Kirkwood*, 150 F.3d 104, 108 (2d Cir. 1998).

117. 17 U.S.C. § 107 (2000).