UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

SUMMARY ORDER

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At a stated term of the United States Court of Appeals for the Second Circuit, held at the Thurgood Marshall United States Courthouse, 40 Foley Square, in the City of New York, on the 2nd day of April, two thousand twenty-one.

Present:

JOHN M. WALKER, JR.,
WILLIAM J. NARDINI,
Circuit Judges,
JOHN L. SINATRA, JR.[*]
District Judge.

LAWRENCE MARANO,

Plaintiff-Appellant,

v. 20-3104-cv

THE METROPOLITAN MUSEUM OF ART,

Defendant-Appellee.

For Plaintiff-Appellant: JAMES H. FREEMAN, Liebowitz Law Firm, PLLC, Valley Stream, NY.

For Defendant-Appellee: LINDA J. STEINMAN (Abigail B. Everdell, James E. Doherty, *on the brief*), Davis Wright Tremaine LLP, New York, NY.

[*] Judge John L. Sinatra, Jr., of the United States District Court for the Western District of New York, sitting by designation.

Appeal from a judgment of the United States District Court for the Southern District of New York (Valerie E. Caproni, *J.*).

UPON DUE CONSIDERATION, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the judgment of the district court is **AFFIRMED**.

Plaintiff-Appellant Lawrence Marano appeals from an order dismissing his complaint entered on July 13, 2020, and an order denying his motion for reconsideration entered on August 14, 2020, in the United States District Court for the Southern District of New York (Valerie E. Caproni, *J.*). In 2019, Marano brought a copyright action against the Metropolitan Museum of Art (the "Met"). Marano alleged that the Met infringed his copyright by featuring a 1982 photograph he took of Eddie Van Halen playing his "Frankenstein" guitar (the "Photo") in an exhibition of rock n' roll instruments on the Met's website. After briefing on the fair use exception of the Copyright Act, 17 U.S.C. § 107, the district court dismissed Marano's complaint for failure to state a claim, finding that Marano had "failed to show why the Met's use of [the Photo] is not protected by the fair use exception." *Marano v. Metro. Museum of Art*, 472 F. Supp. 3d 76, 80 (S.D.N.Y. 2020), *reconsideration denied,* No. 19-CV-8606, 2020 WL 4735117 (S.D.N.Y. Aug. 14, 2020). We assume the reader's familiarity with the record.

Marano challenges the district court's determination that the Met's display of the Photo in its exhibition constitutes fair use. For the reasons stated below, we affirm the judgment of the district court.

"Section 107 of the Copyright Act permits the unauthorized use or reproduction of copyrighted work if it is 'for purposes such as criticism, comment, news reporting, teaching . . . , scholarship, or research.'" *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 608 (2d Cir. 2006) (quoting 17 U.S.C. § 107). Courts properly consider four nonexclusive factors in "determining whether the use made of a work in any particular case is a fair use":

> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
> (2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
(4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107. These factors "must be viewed collectively, with their results 'weighed together, in light of the purposes of copyright,'" namely, "to promote progress in science and art." *TCA Television Corp. v. McCollum*, 839 F.3d 168, 178–79 (2d Cir. 2016) (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 (1994)).

"We review *de novo* a judgment of dismissal under Fed. R. Civ. P. 12(b)(6), accepting all factual allegations in the . . . complaint and its incorporated exhibits as true and drawing all reasonable inferences in [the plaintiff's] favor." *Id.* at 177. Fair use may be "so clearly established by a complaint as to support dismissal of a copyright infringement claim." *Id.* at 178.

Accepting all factual allegations in the complaint as true, we conclude that the Met's display of the Photo in its website exhibition constituted fair use. We begin with the first factor—often framed as whether the use is "transformative"—which constitutes the "heart of the fair use inquiry." *Blanch v. Koons*, 467 F.3d 244, 251 (2d Cir. 2006) (quoting *Davis v. The Gap, Inc.,* 246 F.3d 152, 174 (2d Cir. 2001)). The Met's exhibition transformed the Photo by foregrounding the instrument rather than the performer. Whereas Marano's stated purpose in creating the Photo was to show "what Van Halen looks like in performance," App'x at 29, the Met exhibition highlights the unique design of the Frankenstein guitar and its significance in the development of rock n' roll instruments. Further, the Photo appears alongside other photographs showing the physical composition of the guitar, which are collectively accompanied by text discussing the guitar's genesis, specifications, and impact on rock n' roll music, not Van Halen's biography or discography. This context "adds something new, with a further purpose or different character, altering the [Photo] with new expression, meaning, or message." *Campbell*, 510 U.S. at 579.

Marano contends that the Met's display of the Photo is not sufficiently transformative for fair use because the Met charges admission and provides entertainment. Yet the Met was founded "for the purpose of establishing and maintaining in [New York City] a Museum and library of art," and it remains a nonprofit that "collects, studies, conserves, and presents significant works of art." App'x 70. Although the Met charges a nominal fee to out-of-state visitors who visit the physical museum, the museum's website—the subject of Marano's copyright claim—is both free and publicly available, serving to "extend [the Met's] cultural and academic reach . . . by welcoming without charge millions of virtual visitors every year." App'x 44, 95. These purposes are not commercial; to the contrary, they align the Met's fair use of the Photo with "copyright's very purpose, '[t]o promote the Progress of Science and useful Arts.'" *Campbell*, 510 U.S. at 578 (quoting U.S. CONST. art. I, § 8, cl. 8).

This transformative use of the Photo is consistent with the remaining factors under Section 107 tipping in favor of fair use. While the Photo is a "creative work of art," that determination is of "limited usefulness" given that the Met is using the Photo "for a transformative purpose." *Bill Graham*, 448 F.3d at 612. Similarly, the Met's "copying the entirety of [the Photo] [was] . . . necessary to make a fair use of the image" as one of many "historical artifacts" in the exhibition. *Id.* at 613. Likewise, a "transformative market" does not qualify as a "traditional, reasonable, or likely to be developed market," *id.* at 614 (quoting *Am. Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 930 (2d Cir. 1994)), and therefore Marano cannot "prevent others from entering fair use markets merely 'by developing or licensing a market for . . . transformative uses of [his] own creative work,'" *id.* at 615 (quoting *Castle Rock Ent., Inc. v. Carol Pub. Grp., Inc.*, 150 F.3d 132, 146 n.11 (2d Cir. 1998)). There is no indication in the record that the Met's use of the Photo on a web page describing the Frankenstein guitar could, in any way, impair any other market for commercial use of the Photo, or diminish its value. On balance,

these factors indicate that the Met's display of the Photo qualifies for the fair use exception under Section 107.

Marano protests that this holding would extinguish copyright protections for photographers because museums displaying copyrighted photographs will always be able to assert a fair use defense by claiming a scholarly, transformative purpose behind the exhibition. But it has long been established that "the determination of fair use is an open-ended and context-sensitive inquiry." *Blanch*, 467 F.3d at 251. Here, the district court appropriately conducted a fair-use analysis that was "deeply case-specific," such that "[a] different use by a museum or art exhibition and combination of factors could have tipped the scales in the other direction." *Marano*, 2020 WL 4735117, at *1. Such individualized analysis is precisely what Section 107 requires, and we discern no error in the district court's conclusion that the fair use exception applies to the Met's display of the Photo.

* * *

We have considered Marano's remaining arguments and find them to be without merit. Accordingly, we **AFFIRM** the judgment of the district court.

FOR THE COURT:
Catherine O'Hagan Wolfe, Clerk

19-2420-cv
The Andy Warhol Foundation for The Visual Arts, Inc. v. Lynn Goldsmith, et al.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

August Term, 2020

Argued: September 15, 2020 Decided: March 26, 2021

Docket No. 19-2420-cv

THE ANDY WARHOL FOUNDATION FOR THE VISUAL ARTS, INC.,

Plaintiff-Counter-Defendant-Appellee,

— v. —

LYNN GOLDSMITH, LYNN GOLDSMITH, LTD.,

Defendants-Counter-Plaintiffs-Appellants.

B e f o r e:

JACOBS, LYNCH, and SULLIVAN, *Circuit Judges*.

Defendants-Appellants Lynn Goldsmith and Lynn Goldsmith, Ltd., appeal from a judgment of the United States District Court for Southern District of New York (Koeltl, *J.*) granting summary judgment to Plaintiff-Appellee The Andy Warhol Foundation for the Visual Arts, Inc. on its complaint for a declaratory

judgment of fair use and dismissing Defendants-Appellants' counterclaim for copyright infringement. We conclude that the district court erred in its assessment and application of the fair-use factors and that the works in question do not qualify as fair use as a matter of law. We likewise conclude that the Prince Series works are substantially similar to the Goldsmith Photograph as a matter of law. We therefore **REVERSE** the judgment of the district court and **REMAND** the case for further proceedings consistent with this opinion.

JUDGE SULLIVAN concurs in the Court's opinion, and files a concurring opinion in which JUDGE JACOBS joins.

JUDGE JACOBS concurs in the Court's opinion, and files a concurring opinion.

THOMAS G. HENTOFF (Lisa S. Blatt, Katherine Moran Meeks, *on the brief*), Williams & Connolly LLP, Washington, D.C., *for Defendants-Appellants.*

LUKE NIKAS (Maaren A. Shah, Kathryn Bonacorsi, *on the brief*), Quinn Emanuel Urquhart & Sullivan, LLP, New York, NY, *for Plaintiff-Appellee.*

Christopher T. Bavitz, Harvard Law School Cyberlaw Clinic, Cambridge, MA, *for Amici Curiae Law Professors.*

Jason Schultz, Christopher Morten, New York University Technology Law and Policy Clinic, New York, NY, *for Amici Curiae Latipa (née Michelle Dizon) and Viêt Lê.*

Ira J. Levy, Goodwin Procter LLP, New York, NY; Jaime A. Santos, Goodwin Procter LLP, Washington, D.C., *for Amicus Curiae The Robert Rauschenberg Foundation*.

Gregory J. Dubinsky, Evan H. Stein, Holwell Shuster & Goldberg LLP, New York, NY, *for Amicus Curiae Professor Terry S. Kogan.*

Thomas B. Maddrey, Maddrey PLLC, Dallas, TX; Russell J. Frackman, UCLA School of Law Copyright Amicus Brief Clinic, Los Angeles, CA, *for Amici Curiae The American Society of Media Photographers, Inc., National Press Photographers Association, Professional Photographers of America, Graphics Artist Guild, and North American Nature Photography Association.*

Benjamin S. Akley, Pryor Cashman LLP, New York, NY, *for Amicus Curiae Recording Industry Association of America.*

GERARD E. LYNCH, *Circuit Judge*:

This case concerns a series of silkscreen prints and pencil illustrations created by the visual artist Andy Warhol based on a 1981 photograph of the musical artist Prince that was taken by Defendant-Appellant Lynn Goldsmith in her studio, and in which she holds copyright. In 1984, Goldsmith's agency, Defendant-Appellant Lynn Goldsmith, Ltd. ("LGL"), then known as Lynn Goldsmith, Inc., licensed the photograph to Vanity Fair magazine for use as an artist reference. Unbeknownst to Goldsmith, that artist was Warhol. Also unbeknownst to Goldsmith (and remaining unknown to her until 2016), Warhol did not stop with the image that Vanity Fair had commissioned him to create, but created an additional fifteen works, which together became known as the Prince Series.

Goldsmith first became aware of the Prince Series after Prince's death in 2016. Soon thereafter, she notified Plaintiff-Appellee The Andy Warhol Foundation for the Visual Arts, Inc. ("AWF"), successor to Warhol's copyright in the Prince Series, of the perceived violation of her copyright in the photo. In 2017, AWF sued Goldsmith and LGL for a declaratory judgment that the Prince Series works were non-infringing or, in the alternative, that they made fair use of Goldsmith's photograph. Goldsmith and LGL countersued for infringement. The United States District Court for the Southern District of New York (John G. Koeltl, *J.*) granted summary judgment to AWF on its assertion of fair use and dismissed Goldsmith and LGL's counterclaim with prejudice.

Goldsmith and LGL contend that the district court erred in its assessment and application of the four fair-use factors. In particular, they argue that the district court's conclusion that the Prince Series works are transformative was grounded in a subjective evaluation of the underlying artistic message of the works rather than an objective assessment of their purpose and character. We agree. We further agree that the district court's error in analyzing the first factor was compounded in its analysis of the remaining three factors. We conclude upon our own assessment of the record that all four factors favor Goldsmith and

that the Prince Series works are not fair use as a matter of law. We further conclude that the Prince Series works are substantially similar to the Goldsmith Photograph as a matter of law.

BACKGROUND

The relevant facts, which we draw primarily from the parties' submissions below in support of their respective cross-motions for summary judgment, are undisputed.

Goldsmith is a professional photographer primarily focusing on celebrity photography, including portrait and concert photography of rock-and-roll musicians. Goldsmith has been active since the 1960s, and her work has been featured widely, including on over 100 record album covers. Goldsmith also founded LGL, the first photo agency focused on celebrity portraiture. LGL represents the work of over two hundred photographers worldwide, including Goldsmith herself.

Andy Warhol, né Andrew Warhola, was an artist recognized for his significant contributions to contemporary art in a variety of media. Warhol is particularly known for his silkscreen portraits of contemporary celebrities. Much of his work is broadly understood as "comment[ing] on consumer culture and

explor[ing] the relationship between celebrity culture and advertising." *Cariou v. Prince*, 714 F.3d 694, 706 (2d Cir. 2013). AWF is a New York not-for-profit corporation established in 1987 after Warhol's death. AWF holds title to and copyright in much of Warhol's work, which it licenses to generate revenue to further its mission of advancing the visual arts, "particularly work that is experimental, under-recognized, or challenging in nature." J. App'x at 305.

On December 3, 1981, while on assignment from Newsweek magazine, Goldsmith took a series of portrait photographs of (then) up-and-coming musician Prince Rogers Nelson (known through most of his career simply as "Prince") in her studio. Goldsmith testified that, prior to Prince's arrival at her studio, she arranged the lighting in a way to showcase his "chiseled bone structure." *Id.* at 706. Goldsmith also applied additional makeup to Prince, including eyeshadow and lip gloss, which she testified was intended both to build a rapport with Prince and to accentuate his sensuality. Goldsmith further testified that she was trying to capture Prince's "willing[ness] to bust through what must be [his] immense fears to make the work that [he] wanted to [make]." *Id.* at 1557. Goldsmith took black-and-white and color photographs using a

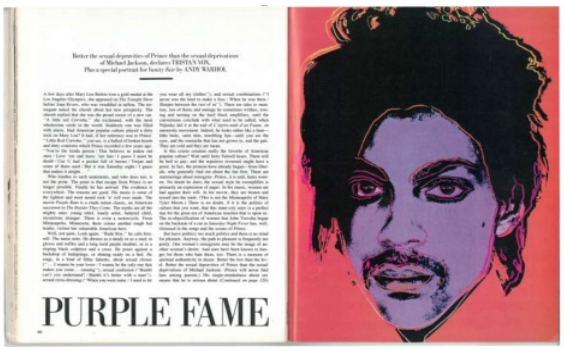
Nikon 35-mm camera and a mixture of 85- and 105-mm lenses, which she chose to best capture the shape of Prince's face.

Prince, who according to Goldsmith appeared nervous and uncomfortable, retired to the green room shortly after the session began and ultimately left without allowing Goldsmith to take any additional photographs. During the truncated session, Goldsmith took 23 photographs, 12 in black and white and 11 in color. Goldsmith retained copyright in each of the photographs that she took. Most relevant to this litigation is the following photograph, hereinafter referred to as the "Goldsmith Photograph":

In 1984, Goldsmith, through LGL, licensed the Goldsmith Photograph to Vanity Fair magazine for use as an artist reference. Esin Goknar, who was photo

editor at Vanity Fair in 1984, testified that the term "artist reference" meant that an artist "would create a work of art based on [the] image reference." *Id.* at 783. The license permitted Vanity Fair to publish an illustration based on the Goldsmith Photograph in its November 1984 issue, once as a full page and once as a quarter page. The license further required that the illustration be accompanied by an attribution to Goldsmith. Goldsmith was unaware of the license at the time and played no role in selecting the Goldsmith Photograph for submission to Vanity Fair.

Vanity Fair, in turn, commissioned Warhol to create an image of Prince for its November 1984 issue. Warhol's illustration, together with an attribution to Goldsmith, was published accompanying an article about Prince by Tristan Vox and appeared as follows:



In addition to the credit that ran alongside the image, a separate attribution to Goldsmith was included elsewhere in the issue, crediting her with the "source

photograph" for the Warhol illustration. Vanity Fair did not advise Goldsmith that Warhol was the artist for whom her work would serve as a reference, and she did not see the article when it was initially published.

Unbeknownst to Goldsmith and LGL, Warhol created 15 additional works based on the Goldsmith Photograph, known collectively, and together with the Vanity Fair image, as the "Prince Series."[1] The Prince Series comprises fourteen silkscreen prints (twelve on canvas, two on paper) and two pencil illustrations, and includes the following images:



[1] Though it acknowledged that the depiction of Prince in the Prince Series is similar to that in the Goldsmith Photograph, AWF did not concede below that the Goldsmith Photograph was the source image for the Prince Series, arguing instead that "somehow, Warhol created" it. Dist. Ct. Dkt. 55 at 18. In its brief before this Court, however, AWF describes the Goldsmith Photograph as the "source image" for the Prince Series. Appellee's Br. at 6-7.

Although the specific means that Warhol used to create the images is unknown (and, perhaps, at this point, unknowable), Neil Printz, the editor of the *Andy Warhol Catalogue Raisonné*, testified that it was Warhol's usual practice to reproduce a photograph as a high-contrast two-tone image on acetate that, after any alterations Warhol chose to make, would be used to create a silkscreen. For the canvas prints, Warhol's general practice was to paint the background and local colors prior to the silkscreen transfer of the image. Paper prints, meanwhile, were generally created entirely by the silkscreen process without any painted embellishments. Finally, Warhol's typical practice for pencil sketches was to project an image onto paper and create a contoured pencil drawing around the projected image.

At some point after Warhol's death, AWF acquired title to and copyright in the Prince Series. Between 1993 and 2004, AWF sold or otherwise transferred custody of 12 of the original Prince Series works to third parties, and, in 1998, transferred custody of the other four works to The Andy Warhol Museum. AWF retains copyright in the Prince Series images and, through The Artist Rights Society (a third-party organization that serves as AWF's agent), continues to license the images for editorial, commercial, and museum usage.

On April 22, 2016, the day after Prince died, Condé Nast, Vanity Fair's parent company, contacted AWF. Its initial intent in doing so was to determine whether AWF still had the 1984 image, which Condé Nast hoped to use in connection with a planned magazine commemorating Prince's life. After learning that AWF had additional images from the Prince Series, Condé Nast ultimately obtained a commercial license, to be exclusive for three months, for a different Prince Series image for the cover of the planned tribute magazine. Condé Nast published the tribute magazine in May 2016 with a Prince Series image on the cover. Goldsmith was not given any credit or attribution for the image, which was instead attributed solely to AWF.

It was at this point that Goldsmith first became aware of the Prince Series. In late July 2016, Goldsmith contacted AWF to advise it of the perceived infringement of her copyright. That November, Goldsmith registered the Goldsmith Photograph with the U.S. Copyright Office as an unpublished work. On April 7, 2017, AWF sued Goldsmith and LGL for a declaratory judgment of non-infringement or, in the alternative, fair use. Goldsmith countersued for copyright infringement under 17 U.S.C. §§ 106, 501.

On July 1, 2019, the district court granted summary judgment for AWF on its fair-use claim. *See Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 382 F. Supp. 3d 312, 316 (S.D.N.Y. 2019). Upon evaluating the four statutory fair-use factors set forth in 17 U.S.C. § 107, the court concluded that: (1) the Prince Series was "transformative" because, while the Goldsmith Photograph portrays Prince as "not a comfortable person" and a "vulnerable human being," the Prince Series portrays Prince as an "iconic, larger-than-life figure," *id.* at 326; (2) although the Goldsmith Photograph is both creative and unpublished, which would traditionally weigh in Goldsmith's favor, this was "of limited importance because the Prince Series works are transformative works," *id.* at 327; (3) in creating the Prince Series, Warhol "removed nearly all [of] the [Goldsmith] [P]hotograph's protectible elements," *id.* at 330; and (4) the Prince Series works "are not market substitutes that have harmed – or have the potential to harm – Goldsmith," *id.* at 331. This appeal followed.

DISCUSSION

I. Standard of Review

"We review a grant of summary judgment *de novo*," applying the standards set forth in Federal Rule of Civil Procedure 56(c). *Cariou*, 714 F.3d at 704. While fair use presents a mixed question of law and fact, it may be resolved on summary judgment where, as here, the material facts are not in dispute. *See, e.g.*, *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985).

II. Copyright, Derivative Works, and Fair Use

The Constitution empowers Congress to enact copyright laws "[t]o promote the Progress of Science and useful Arts." U.S. Const. art. I, § 8, cl. 8. Congress has exercised this delegated authority continuously since the earliest days of the nation, beginning with the Copyright Act of 1790 and, more recently, through the Copyright Act of 1976. Under the 1976 Act, copyright protection extends both to the original creative work itself and to derivative works, which it defines as, in relevant part, "a work based upon one or more preexisting works, such as a[n] . . . art reproduction, abridgement, condensation, or any other form in which a work may be recast, transformed, or adapted." 17 U.S.C. § 101.

The doctrine of fair use has developed along with the law of copyright. "[A]s Justice Story explained, 'in truth, in literature, in science and in art, there are, and can be, few, if any, things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow, and use much which was well known and used before.'" *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994), quoting *Emerson v. Davies*, 8 F. Cas. 615, 619 (No. 4,436) (C.C.D. Mass. 1845) (alterations adopted). The fair use doctrine seeks to strike a balance between an artist's intellectual property rights to the fruits of her own creative labor, including the right to license and develop (or refrain from licensing or developing) derivative works based on that fruit, and "the ability of [other] authors, artists, and the rest of us to express them- or ourselves by reference to the works of others." *Blanch v. Koons*, 467 F.3d 244, 250 (2d Cir. 2006).

Though it developed as a creature of common law, the fair-use defense was formally codified with the passage of the 1976 Act. The statute provides a non-exclusive list of four factors that courts are to consider when evaluating whether the use of a copyrighted work is "fair." These factors are:

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

17 U.S.C. § 107.

As the Supreme Court has held, fair use presents a holistic context-sensitive inquiry "not to be simplified with bright-line rules[.] . . . All [four statutory factors] are to be explored, and the results weighed together, in light of the purposes of copyright." *Campbell*, 510 U.S. at 577-78; *see also, e.g.*, *Cariou*, 714 F.3d at 705 ("[T]he fair use determination is an open-ended and context-sensitive inquiry."). We consider each factor in turn.

A. The Purpose and Character of The Use

This factor requires courts to consider the extent to which the secondary work is "transformative," as well as whether it is commercial. We address these considerations separately below.

1. Transformative Works and Derivative Works

Following the Supreme Court's decision in *Campbell*, our assessment of this first factor has focused chiefly on the degree to which the use is "transformative," *i.e.*, "whether the new work merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message." 510 U.S. at 579 (internal quotations marks and citations omitted) (alterations adopted). We evaluate whether a work is transformative by examining how it may "reasonably be perceived." *Cariou*, 714 F.3d at 707, quoting *Campbell*, 510 U.S. at 582; *see also, e.g.*, *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 113-15 (2d Cir. 1998). Paradigmatic examples of transformative uses are those Congress itself enumerated in the preamble to § 107: "criticism, comment, news reporting, teaching . . . , scholarship, or research." And, as the Supreme Court recognized in *Campbell*, parody, which "needs to mimic an original to make its point," 510 U.S. at 580-81, is routinely held transformative. *See, e.g.*, *Brownmark Films, LLC v. Comedy Partners*, 682 F.3d 687, 693 (7th Cir. 2012). These examples are easily understood: the book review excerpting a passage of a novel in order to comment upon it serves a manifestly different purpose from the novel itself. *See Authors*

Guild v. Google, Inc., 804 F.3d 202, 215-16 (2d Cir. 2015) ("[C]opying from an original for the purpose of criticism or commentary on the original . . . tends most clearly to satisfy *Campbell's* notion of the 'transformative' purpose involved in the analysis of Factor One.").

Although the most straightforward cases of fair use thus involve a secondary work that comments on the original in some fashion, in *Cariou v. Prince*, we rejected the proposition that a secondary work *must* comment on the original in order to qualify as fair use. *See* 714 F.3d at 706. In that case, we considered works of appropriation artist Richard Prince that incorporated, among other materials, various black-and-white photographs of Rastafarians taken by Patrick Cariou. *See id.* at 699. After concluding that the district court had imposed a requirement unsupported by the Copyright Act, we conducted our own examination of Prince's works and concluded that twenty-five of the thirty at issue were transformative of Cariou's photographs as a matter of law. *See id.* at 706. In reaching this conclusion, we observed that Prince had incorporated Cariou's "serene and deliberately composed portraits and landscape photographs" into his own "crude and jarring works . . . [that] incorporate[d] color, feature[d] distorted human and other forms and settings, and measure[d]

between ten and nearly a hundred times the size of the photographs." *Id.* Thus, we concluded that these works "used [Cariou's photographs] as raw material, transformed in the creation of new information, new aesthetics, new insights and understanding," and were transformative within the meaning of this first factor. *Id.*, quoting *Castle Rock Ent. v. Carol Publ'g Grp.*, 150 F.2d 132, 142 (2d Cir. 1998).

In adjudging the Prince Series transformative, the district court relied chiefly on our decision in *Cariou*, which we have previously described as the "high-water mark of our court's recognition of transformative works." *TCA Television Corp. v. McCollum*, 839 F.3d 168, 181 (2d Cir. 2016). And, as we have previously observed, that decision has not been immune from criticism. *See id.* (collecting critical authorities). While we remain bound by *Cariou*, and have no occasion or desire to question its correctness on its own facts, our review of the decision below persuades us that some clarification is in order.

As discussed *supra*, both this Court and the Supreme Court have emphasized that fair use is a context-sensitive inquiry that does not lend itself to simple bright-line rules. *E.g.*, *Campbell*, 510 U.S. at 577-78; *Cariou*, 714 F.3d at 705. Notwithstanding, the district court appears to have read *Cariou* as having announced such a rule, to wit, that any secondary work is *necessarily*

transformative as a matter of law "[i]f looking at the works side-by-side, the secondary work has a different character, a new expression, and employs new aesthetics with [distinct] creative and communicative results." *Warhol*, 382 F. Supp. 3d at 325-26 (internal quotation marks omitted) (alterations adopted). Although a literal construction of certain passages of *Cariou* may support that proposition, such a reading stretches the decision too far.

Of course, the alteration of an original work "with 'new expression, meaning, or message,'" *Cariou*, 714 F.3d at 706, quoting *Campbell*, 510 U.S. at 579, whether by the use of "new aesthetics," *id.*, quoting *Blanch*, 467 F.3d at 253, by placing the work "in a different context," *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1165 (9th Cir. 2007), or by any other means is the *sine qua non* of transformativeness. It does not follow, however, that any secondary work that adds a new aesthetic or new expression to its source material is necessarily transformative.

Consider the five works at issue in *Cariou* that we did *not* conclude were transformative as a matter of law. Though varying in degree both amongst themselves and as compared to the works that we did adjudge transformative, each undoubtedly imbued Cariou's work with a "new aesthetic" as that phrase

might be colloquially understood. Prince's *Canal Zone (2007)* is a collage of thirty-six of Cariou's photographs, most of which Prince altered by, for example, painting over the faces and bodies of Cariou's subjects, in some instances altering them significantly. *See Cariou*, 714 F.3d at 711. In *Graduation*, Prince added blue "lozenges" over the eyes and mouth of Cariou's subject and pasted an image of hands playing a blue guitar over his hands. *Id.* Both of these works certainly imbued the originals from which they derive with a "new aesthetic;" notwithstanding, we could not "confidently . . . make a determination about their transformative nature as a matter of law." *Id.*

Moreover, as we have repeatedly observed, there exists an entire class of secondary works that add "new expression, meaning, or message" to their source material but are nonetheless specifically *excluded* from the scope of fair use: derivative works. As one of our sister circuits has observed, an overly liberal standard of transformativeness, such as that embraced by the district court in this case, risks crowding out statutory protections for derivative works. *See Kienitz v. Sconnie Nation LLC*, 766 F.3d 756, 758 (7th Cir. 2014) ("To say that a new use transforms the work is precisely to say that it is derivative and thus, one might suppose, protected under [17 U.S.C.] § 106(2).").

We addressed derivative works in *Cariou*, characterizing them as secondary works that merely present "the same material but in a new form" without "add[ing] something new." 714 F.3d at 708 (citation omitted); *see also Google*, 804 F.3d at 215-16 ("[D]erivative works generally involve transformations in the nature of *changes of form*.") (emphasis in original). While that description may be a useful shorthand, it is likewise susceptible to misapplication if interpreted too broadly. Indeed, many derivative works "add something new" to their source material.

Consider, for example, a film adaptation of a novel. Such adaptations frequently add quite a bit to their source material: characters are combined, eliminated, or created out of thin air; plot elements are simplified or eliminated; new scenes are added; the moral or political implications of the original work may be eliminated or even reversed, or plot and character elements altered to create such implications where the original text eschewed such matters. And all of these editorial modifications are filtered through the creative contributions of the screenwriter, director, cast, camera crew, set designers, cinematographers, editors, sound engineers, and myriad other individuals integral to the creation of a film. It is for this reason that we have recognized that "[w]hen a novel is

converted to a film . . . [t]he invention of the original author combines with the cinematographic interpretive skills of the filmmaker to produce something that neither could have produced independently." *Google*, 804 F.3d at 216 n.18. Despite the extent to which the resulting movie may transform the aesthetic and message of the underlying literary work, film adaptations are identified as a paradigmatic example of derivative works. *See, e.g.*, *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 95 (2d Cir. 2014) ("Paradigmatic examples of derivative works include . . . the adaptation of a novel into a movie or a play.").

In evaluating the extent to which a work is transformative or derivative (or neither), we typically consider the *purpose* of the primary and secondary works. In *Bill Graham Archives v. Dorling Kindersley Ltd.*, for example, we held that the reproduction in a book about the Grateful Dead of images of posters originally created to advertise Grateful Dead concerts was transformative because that use was "plainly different from the original purpose for which they were created." 448 F.3d 605, 609-10 (2d Cir. 2006). Likewise, in *HathiTrust* we held that the defendants' creation of a searchable "digital corpus" comprising scanned copies of tens of millions of books that enabled researchers, scholars, and others to pinpoint the exact page of any book in the catalogue on which the searched term

was used was a "quintessentially transformative use." 755 F.3d at 97. In *Google*, we reached the same conclusion when faced with a larger digital corpus complete with tools that enabled researchers to track how a specific word or phrase has been used throughout the development of the English language, despite the fact that, unlike the database in *Hathitrust*, Google's database also permitted the searcher to view a "snippet" from the original text showing the context in which the word or phrase had appeared. 804 F.3d at 216-17.

But purpose is perhaps a less useful metric where, as here, our task is to assess the transformative nature of works of visual art that, at least at a high level of generality, share the same overarching purpose (*i.e.*, to serve as works of visual art). While this is not the first time we have had to conduct this inquiry, our cases on such works are considerably fewer in number, and a brief review of them yields conflicting guidance. In *Blanch v. Koons*, for example, we adjudged transformative a Jeff Koons painting that incorporated a copyrighted photograph drawn from a fashion magazine where Koons had testified that he intended to "us[e] Blanch's image as fodder for his commentary on the social and aesthetic consequences of mass media." 467 F.3d at 253. Some time earlier, however, in *Rogers v. Koons*, we denied Koons's fair-use defense as applied to a three-

dimensional sculpture recreating a photograph, notwithstanding his claim that he intended his sculpture to serve as a commentary on modern society. 960 F.2d 301, 309-11 (2d Cir. 1992).[2] And, in *Cariou*, we held twenty-five of Richard Prince's works transformative as a matter of law even though Prince had testified that he "was not 'trying to create anything with a new meaning or a new message.'" 714 F.3d at 707.

Matters become simpler, however, when we compare the works at issue in each case against their respective source materials. The sculpture at issue in *Rogers* was a three-dimensional colorized version of the photograph on which it was based. *See* 960 F.2d at 305. In *Blanch*, however, Koons used Blanch's photograph, depicting a woman's legs in high-heeled shoes, as part of a larger work in which he set it alongside several other similar photographs with "changes of its colors, the background against which it is portrayed, the medium, the size of the objects pictured, [and] the objects' details." 467 F.3d at 253. In so doing, Koons used Blanch's photograph "as raw material for an entirely different

[2] We note that *Rogers* predates the Supreme Court's formal adoption of the "transformative use" test and thus does not phrase its inquiry in precisely the same manner as the cases that have followed. However, it remains a precedential decision of this Court, and we believe it particularly relevant in this case.

type of art . . . that comment[ed] on existing images by juxtaposing them against others." *Id.* at 262 (Katzmann, J., concurring). And in *Cariou*, the copyrighted works found to have been fairly used were, in most cases, juxtaposed with other photographs and "obscured and altered to the point that Cariou's original [was] barely recognizable." 714 F.3d at 710. The works that were found potentially infringing in *Cariou*, however, were ones in which the original was altered in ways that did not incorporate other images and that superimposed other elements that did not obscure the original image and in which the original image remained, as in the Koons sculpture at issue in *Rogers*, a major if not dominant component of the impression created by the allegedly infringing work. *See id.* at 710-11.

A common thread running through these cases is that, where a secondary work does not obviously comment on or relate back to the original or use the original for a purpose other than that for which it was created, the bare assertion of a "higher or different artistic use," *Rogers*, 960 F.2d at 310, is insufficient to render a work transformative. Rather, the secondary work itself must reasonably be perceived as embodying an entirely distinct artistic purpose, one that conveys a "new meaning or message" entirely separate from its source material. While we

cannot, nor do we attempt to, catalog all of the ways in which an artist may achieve that end, we note that the works that have done so thus far have themselves been distinct works of art that draw from numerous sources, rather than works that simply alter or recast a single work with a new aesthetic.

Which brings us back to the Prince Series. The district court held that the Prince Series works are transformative because they "can reasonably be perceived to have transformed Prince from a vulnerable, uncomfortable person to an iconic, larger-than-life figure." *Warhol*, 382 F. Supp. 3d at 326. That was error.

Though it may well have been Goldsmith's subjective intent to portray Prince as a "vulnerable human being" and Warhol's to strip Prince of that humanity and instead display him as a popular icon, whether a work is transformative cannot turn merely on the stated or perceived intent of the artist or the meaning or impression that a critic – or for that matter, a judge – draws from the work. Were it otherwise, the law may well "recogniz[e] any alteration as transformative." 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.05(B)(6); *see also Google*, 804 F.3d at 216 n.18 ("[T]he word 'transformative,' if interpreted too broadly, can also seem to authorize copying that should fall

within the scope of an author's derivative rights."). Rather, as we have discussed, the court must examine how the works may reasonably be perceived.

In conducting this inquiry, however, the district judge should not assume the role of art critic and seek to ascertain the intent behind or meaning of the works at issue. That is so both because judges are typically unsuited to make aesthetic judgments and because such perceptions are inherently subjective.[3] As Goldsmith argues, her own stated intent notwithstanding, "an audience viewing the [Goldsmith] [P]hotograph today, across the vista of the singer's long career, might well see him in a different light than Goldsmith saw him that day in 1981." Appellants' Br. at 40. We agree; it is easy to imagine that a whole generation of Prince's fans might have trouble seeing the Goldsmith Photograph as depicting anything other than the iconic songwriter and performer whose musical works they enjoy and admire.

Instead, the judge must examine whether the secondary work's use of its source material is in service of a "fundamentally different and new" artistic

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[3] As the Supreme Court observed over a century ago, "[i]t would be a dangerous undertaking for persons trained only in the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits." *Bleistein v. Donaldson Lithographing Co.,* 188 U.S. 239, 251 (1903).

purpose and character, such that the secondary work stands apart from the "raw material" used to create it. Although we do not hold that the primary work must be "barely recognizable" within the secondary work, as was the case with the works held transformative in *Cariou*, the secondary work's transformative purpose and character must, at a bare minimum, comprise something more than the imposition of another artist's style on the primary work such that the secondary work remains both recognizably deriving from, and retaining the essential elements of, its source material.

With this clarification, viewing the works side-by-side, we conclude that the Prince Series is not "transformative" within the meaning of the first factor. That is not to deny that the Warhol works display the distinct aesthetic sensibility that many would immediately associate with Warhol's signature style – the elements of which are absent from the Goldsmith photo. But the same can be said, for example, of the Ken Russell film, from a screenplay by Larry Kramer, derived from D.H. Lawrence's novel, *Women in Love*: the film is as recognizable a "Ken Russell" as the Prince Series are recognizably "Warhols." But the film, for all the ways in which it transforms (that is, in the ordinary meaning of the word,

which indeed is used in the very definition of derivative works, *see* 17 U.S.C. § 101) its source material, is also plainly an adaptation of the Lawrence novel.

As in the case of such paradigmatically derivative works, there can be no meaningful dispute that the overarching purpose and function of the two works at issue here is identical, not merely in the broad sense that they are created as works of visual art, but also in the narrow but essential sense that they are portraits of the same person.[4] *See Gaylord v. United States*, 595 F.3d 1364, 1372-73 (Fed. Cir. 2010) (photograph of Korean War Memorial used on stamp not transformative despite "different expressive character" brought about by subdued lighting and snow since sculpture and stamp shared purpose of "honor[ing] veterans of the Korean War"). Although this observation does not *per se* preclude a conclusion that the Prince Series makes fair use of the Goldsmith Photograph, the district court's conclusion rests significantly on the

[4] As much as art critics might distinguish Warhol's aesthetic intentions from those of portrait photographers, Warhol's celebrity prints are invariably identifiable likenesses of their subjects. The district court's description of the Prince Series works as transformative because they "can reasonably be perceived to have transformed Prince from a vulnerable, uncomfortable person to an iconic, larger-than-life figure," 382 F. Supp. 3d at 326, rests implicitly on the Warhol depiction being perceived as a recognizable depiction of Prince.

transformative character of Warhol's work. But the Prince Series works can't bear that weight.

Warhol created the series chiefly by removing certain elements from the Goldsmith Photograph, such as depth and contrast, and embellishing the flattened images with "loud, unnatural colors." *Warhol*, 382 F. Supp. 3d at 326. Nonetheless, although we do not conclude that the Prince Series works are necessarily *derivative* works as a matter of law, they are much closer to presenting the same work in a different form, that form being a high-contrast screenprint, than they are to being works that make a transformative use of the original. Crucially, the Prince Series retains the essential elements of the Goldsmith Photograph without significantly adding to or altering those elements.

Indeed, the differences between the Goldsmith Photograph and the Prince Series here are in many respects less substantial than those made to the five works that we could not find transformative as a matter of law in *Cariou*. Unlike the Prince Series, those works unmistakably deviated from Cariou's original portraiture in a manner that suggested an entirely distinct artistic end; rather than recasting those photographs in a new medium, Richard Prince added material that pulled them in new directions. *See, e.g.*, *Cariou*, 714 F.3d at 711

("Where [Cariou's] photograph presents someone comfortably at home in nature, [Prince's] *Graduation* combines divergent elements to present a sense of discomfort."). Nevertheless, we could not confidently determine whether those modest alterations "amount[ed] to a substantial transformation of the original work[s] of art such that the new work[s] were transformative," and remanded the case to the district court to make that determination in the first instance. *Id.*

In contrast, the Prince Series retains the essential elements of its source material, and Warhol's modifications serve chiefly to magnify some elements of that material and minimize others. While the cumulative effect of those alterations may change the Goldsmith Photograph in ways that give a different impression of its subject, the Goldsmith Photograph remains the recognizable foundation upon which the Prince Series is built.

Finally, we feel compelled to clarify that it is entirely irrelevant to this analysis that "each Prince Series work is immediately recognizable as a 'Warhol.'" *Warhol*, 382 F. Supp. 3d at 326. Entertaining that logic would inevitably create a celebrity-plagiarist privilege; the more established the artist and the more distinct that artist's style, the greater leeway that artist would have to pilfer the creative labors of others. But the law draws no such distinctions;

whether the Prince Series images exhibit the style and characteristics typical of Warhol's work (which they do) does not bear on whether they qualify as fair use under the Copyright Act. As Goldsmith notes, the fact that Martin Scorsese's recent film *The Irishman* is recognizably "a Scorsese" "do[es] not absolve [him] of the obligation to license the original book" on which it is based. Appellants' Br. at 37.

In reaching this conclusion, we do not mean to discount the artistic value of the Prince Series itself. As used in copyright law, the words "transformative" and "derivative" are legal terms of art that do not express the simple ideas that they carry in ordinary usage. We do not disagree with AWF's contention that the cumulative effect of Warhol's changes to the Goldsmith Photograph is to produce a number of striking and memorable images. And our conclusion that those images are closer to what the law deems "derivative" than "transformative" does not imply that the Prince Series (or Warhol's art more broadly) is "derivative," in the pejorative artistic sense, of Goldsmith's work or of anyone else's. As Goldsmith succinctly puts it, "[t]here is little doubt . . . that the Prince Series reflects Andy Warhol's talent, creativity, and distinctive aesthetic." Appellants' Br. at 36. But the task before us is not to assess the artistic worth of the Prince

Series nor its place within Warhol's oeuvre; that is the domain of art historians, critics, collectors, and the museum-going public. Rather, the question we must answer is simply whether the law permits Warhol to claim it as his own, and AWF to exploit it, without Goldsmith's permission. And, at least as far as this aspect of the first factor is concerned, we conclude that the answer to that question is "no."

2. Commercial Use

The statutory language of the first factor also specifically directs courts to consider "whether [the] use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1). Although finding that a secondary use is commercial "tends to weigh against" finding that it is fair, we apply the test with caution since "nearly all of the illustrative uses listed in the preamble paragraph of § 107 . . . are generally conducted for profit in this country." *Campbell*, 510 U.S. at 584-85 (citation and internal quotation marks omitted).[5]

[5] To recognize this is not to read the commercial/non-profit factor out of the statute. There are other situations in which the absence or presence of a commercial motive may be highly significant. Producing a small number of copies of a short story to be distributed for free to a high school English class may be quite different from producing a similar number of copies for a lavishly bound and illustrated "limited edition" of the work to be sold in the marketplace at a high price.

And, since "[t]he crux of the profit/nonprofit distinction is . . . whether the user stands to profit from exploitation of the copyrighted material without paying the customary price," *Harper & Row*, 471 U.S. at 562, the commercial nature of a secondary use is of decreased importance when the use is sufficiently transformative such that the primary author should not reasonably expect to be compensated. *See, e.g.*, *Blanch*, 467 F.3d at 254.

We agree with the district court that the Prince Series works are commercial in nature, but that they produce an artistic value that serves the greater public interest. *See Warhol*, 382 F. Supp. 3d at 325. We also agree that, although more relevant to the character of the *user* than of the *use*, the fact that AWF's mission is to advance the visual arts, a mission that is doubtless in the public interest, may militate against the simplistic assertion that AWF's sale and licensing of the Prince Series works necessarily derogates from a finding of fair use. Nevertheless, just as we cannot hold that the Prince Series is transformative as a matter of law, neither can we conclude that Warhol and AWF are entitled to monetize it without paying Goldsmith the "customary price" for the rights to her work, even if that monetization is used for the benefit of the public.

Of course, even where the secondary use is not transformative, the extent to which it serves the public interest, either in and of itself or by generating funds that enable the secondary user to further a public-facing mission, may be highly relevant when assessing equitable remedies, including whether to enjoin the distribution or order the destruction of infringing works.[6] But just as the commercial nature of a transformative secondary use does not itself preclude a finding that the use is fair, the fact that a commercial non-transformative work may also serve the public interest or that the profits from its commercial use are turned to the promotion of non-commercial ends does not factor significantly in favor of finding fair use under the circumstances present here.

B. The Nature of the Copyrighted Work

The second factor directs courts to consider the nature of the copyrighted work, including (1) whether it is "expressive or creative . . . or more factual, with a greater leeway being allowed to a claim of fair use where the work is factual or informational, and (2) whether the work is published or unpublished, with the

[6] Goldsmith does not seek such remedies, and it is highly unlikely that any court would deem them appropriate in this case. *See Campbell*, 510 U.S. at 578 n.10 ("[T]he goals of the copyright law . . . are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use.").

scope of fair use involving unpublished works being considerably narrower." *Blanch*, 467 F.3d at 256 (citation omitted). Although courts are required to consider and weigh this factor, it "has rarely played a significant role in the determination of a fair use dispute." *Google*, 804 F.3d at 220.

The district court correctly held that the Goldsmith Photograph is both unpublished and creative but nonetheless concluded that the second factor should favor neither party because LGL had licensed the Goldsmith Photograph to Vanity Fair and because the Prince Series was highly transformative. *See Warhol*, 382 F. Supp. 3d at 327. That was error. That Goldsmith, through LGL, made the Goldsmith Photograph available for a single use on limited terms does not change its status as an unpublished work nor diminish the law's protection of her choice of "when to make a work public and whether to withhold a work to shore up demand." *Id.*, citing 4 *Nimmer on Copyright* § 13.05(A)(2)(b). Further, though we have previously held that this factor "may be of limited usefulness where the creative work is being used for a transformative purpose," *Bill Graham Archives*, 448 F.3d at 612, this relates only to the weight assigned to it, not whom it favors. *See also Blanch*, 467 F.3d at 257 ("[T]he second fair-use factor has limited

weight in our analysis because Koons used Blanch's work in a transformative manner.").

Having recognized the Goldsmith Photograph as both creative and unpublished, the district court should have found this factor to favor Goldsmith irrespective of whether it adjudged the Prince Series works transformative within the meaning of the first factor. And, because we disagree that the Prince Series works are transformative, we would accord this factor correspondingly greater weight.

C. The Amount and Substantiality of the Use

The third factor considers "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C. § 107(3). "In assessing this factor, we consider not only 'the quantity of the materials used' but also 'their quality and importance'" in relation to the original work. *TCA Television*, 839 F.3d at 185, quoting *Campbell*, 510 U.S. at 587. The ultimate question under this factor is whether "the quantity and value of the materials used are reasonable in relation to the purpose of the copying." *Campbell*, 510 U.S. at 586 (citation and internal quotation marks omitted). To that end, there is no bright line separating a permissible amount of borrowing from an impermissible

one; indeed, we have rejected the proposition that this factor necessarily favors the copyright holder even where the secondary user has copied the primary work *in toto* in service of a legitimate secondary purpose. *See Swatch Grp. Mgmt. Servs. Ltd. v. Bloomberg L.P.*, 756 F.3d 73, 89-90 (2d Cir. 2014); *see also Rogers*, 960 F.2d at 310-11 ("Sometimes wholesale copying may be permitted, while in other cases taking even a small percentage of the original work has been held unfair use.").

In this case, AWF argues, and the district court concluded, that this factor weighs in its favor because, by cropping and flattening the Goldsmith Photograph, thereby removing or minimizing its use of light, contrast, shading, and other expressive qualities, Warhol removed nearly all of its copyrightable elements. We do not agree.

We begin with the uncontroversial proposition that copyright does not protect ideas, but only "the original or unique way that an author expresses those ideas, concepts, principles, or processes." *Rogers*, 960 F.2d at 308. As applied to photographs, this protection encompasses the photographer's "posing the subjects, lighting, angle, selection of film and camera, evoking the desired expression, and almost any other variant involved." *Id.* at 307. The cumulative manifestation of these artistic choices – and what the law ultimately protects – is

the image produced in the interval between the shutter opening and closing, *i.e.*, the photograph itself. This is, as we have previously observed, the photographer's "particular expression" of the idea underlying her photograph. *Leibovitz*, 137 F.3d at 115-16.

It is thus easy to understand why AWF's contention misses the mark. The premise of its argument is that Goldsmith cannot copyright Prince's face. True enough. Were it otherwise, nobody else could have taken the man's picture without either seeking Goldsmith's permission or risking a suit for infringement. But while Goldsmith has no monopoly on Prince's face, the law grants her a broad monopoly on its image as it appears in her photographs of him, including the Goldsmith Photograph.[7] *Cf. Mattel, Inc. v. Goldberger Doll Mfg. Co.*, 365 F.3d 133, 136-37 (2d Cir. 2004) (vacating summary judgment where district court had

[7] It is for this reason that the cases that AWF cites in support of its position (and on which the district court relied) are not particularly instructive; each involves a claim in which a second, distinct work was alleged to infringe the protected expression of the original work, and each such claim was rejected on the basis that the second work copied only the unprotected idea of the original. *See, e.g.*, *Bill Diodato Photography, LLC v. Kate Spade, LLC*, 388 F. Supp. 2d 382, 393 (S.D.N.Y. 2005) (involving separate photographs of women in bathroom stalls with jauntily placed handbags); *see also infra* Section III. Had Warhol used a different photograph that Goldsmith alleged was similar enough to her own to render the Prince Series an infringement of her work, these cases might be more instructive. But he did not, so they are not.

concluded that "defendant could freely copy the central facial features of the Barbie dolls" and holding that Mattel could not monopolize the idea of a doll with "upturned nose, bow lips, and wide eyes," but the law protected its specific rendition thereof). And where, as here, the secondary user has used the photograph itself, rather than, for example, a similar photograph, the photograph's specific depiction of its subject cannot be neatly reduced to discrete qualities such as contrast, shading, and depth of field that can be stripped away, taking the image's entitlement to copyright protection along with it.

With that in mind, we readily conclude that the Prince Series borrows significantly from the Goldsmith Photograph, both quantitatively and qualitatively. While Warhol did indeed crop and flatten the Goldsmith Photograph, the end product is not merely a screenprint identifiably based on a photograph of Prince. Rather it is a screenprint readily identifiable as deriving from a *specific* photograph of Prince, the Goldsmith Photograph. A comparison of the images in the Prince Series makes plain that Warhol did not use the Goldsmith Photograph simply as a reference or *aide-mémoire* in order to accurately document the physical features of its subject. Instead, the Warhol

images are instantly recognizable as depictions or images of the Goldsmith Photograph itself.

To confirm this, one need look no further than the other photographs of Prince that AWF submitted in support of its motion below to evidence its contention that Prince's pose was not unique to the Goldsmith Photograph. **[JA 1707-09]** Though any of them may have been suitable as a base photograph for Warhol's process, we have little doubt that the Prince Series would be quite different had Warhol used one of them instead of the Goldsmith Photograph to create it. But the resemblance between the Prince Series works and the Goldsmith Photograph goes even further; for example, many of the aspects of Prince's appearance in the Prince Series works, such as the way in which his hair appears shorter on the left side of his face, are present in the Goldsmith Photograph yet absent even from some other photographs that Goldsmith took of Prince during the same photo session. In other words, whatever the effect of Warhol's alterations, the "essence of [Goldsmith's] photograph was copied" and persists in the Prince Series. *Rogers*, 960 F.2d at 311. Indeed, Warhol's process had the effect

of *amplifying*, rather than minimizing, certain aspects of the Goldsmith Photograph.[8]

Nor can Warhol's appropriation of the Goldsmith Photograph be deemed reasonable in relation to his purpose. While Warhol presumably required a photograph of Prince to create the Prince Series, AWF proffers no reason why he required *Goldsmith*'s photograph. *See TCA Television*, 839 F.3d at 181-82, 185 (wholesale borrowing of copyrighted comedy routine not reasonable where "defendants offer[ed] no persuasive justification" for its use). To the contrary, the evidence in the record suggests that Warhol had no particular interest in the Goldsmith Photograph or Goldsmith herself; Vanity Fair licensed *a* photograph of Prince, and there is no evidence that Warhol (or, for that matter, Vanity Fair) was involved in identifying or selecting the particular photograph that LGL provided.

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[8] For example, the fact that Prince's mustache appears to be lighter on the right side of his face than the left is barely noticeable in the grayscale Goldsmith Photograph but is quite pronounced in the black-and-white Prince Series screenprints. Moreover, this feature of the Goldsmith Photograph is, again, not common to all other photographs of Prince even from that brief session. The similarity is not simply an artefact of what Prince's facial hair was like on that date, but of the particular effects of light and angle at which Goldsmith captured that aspect of his appearance.

To be clear, we do not hold that this factor will always favor the copyright holder where the work at issue is a photograph and the photograph remains identifiable in the secondary work. But this case is not *Kienitz v. Sconnie Nation LLC*, in which a panel of the Seventh Circuit held that a t-shirt design that incorporated a photograph in a manner that stripped away nearly every expressive element such that, "as with the Cheshire Cat, only the [subject's] smile remain[ed]" was fair use. 766 F.3d at 759. As discussed, Warhol's rendition of the Goldsmith Photograph leaves quite a bit more detail, down to the glint in Prince's eyes where the umbrellas in Goldsmith's studio reflected off his pupils. Thus, though AWF urges this court to follow the Seventh Circuit's lead, its decision in *Kienitz* would not compel a different result here, even if it were binding on us – which, of course, it is not.

The district court, reasoning that Warhol had taken only the unprotected elements of the Goldsmith Photograph in service of a transformative purpose, held that this factor strongly favored AWF. Because we disagree on both counts, we conclude that this factor strongly favors Goldsmith.

D. The Effect of the Use on the Market for the Original

The fourth factor asks "whether, if the challenged use becomes widespread, it will adversely affect the potential market for the copyrighted work." *Bill Graham Archives*, 448 F.3d at 613. "Analysis of this factor requires us to balance the benefit the public will derive if the use is permitted and the personal gain the copyright owner will receive if the use is denied." *Wright v. Warner Books, Inc.*, 953 F.2d 731, 739 (2d Cir. 1991) (internal quotation marks omitted). In assessing market harm, we ask not whether the second work would *damage* the market for the first (by, for example, devaluing it through parody or criticism), but whether it *usurps* the market for the first by offering a competing substitute. *See, e.g.*, *Bill Graham Archives*, 448 F.3d at 614. This analysis embraces both the primary market for the work and any derivative markets that exist or that its author might reasonably license others to develop, regardless of whether the particular author claiming infringement has elected to develop such markets. *See Salinger v. Colting*, 607 F.3d 68, 74, 83 (2d Cir. 2010) (affirming that fourth factor favored J.D. Salinger in suit over unauthorized sequel to *Catcher in the Rye* despite the fact that Salinger had publicly disclaimed any intent to author or authorize a sequel, but vacating preliminary injunction on other grounds). As we have

previously observed, the first and fourth factors are closely linked, as "the more the copying is done to achieve a purpose that differs from the purpose of the original, the less likely it is that the copy will serve as a satisfactory substitute for the original." *Google*, 804 F.3d at 223, citing *Campbell*, 510 U.S. at 591.

We agree with the district court that the primary market for the Warhol Prince Series (that is, the market for the original works) and the Goldsmith Photograph do not meaningfully overlap, and Goldsmith does not seriously challenge that determination on appeal. We cannot, however, endorse the district court's implicit rationale that the market for Warhol's works is the market for "Warhols," as doing so would permit this aspect of the fourth factor always to weigh in favor of the alleged infringer so long as he is sufficiently successful to have generated an active market for his own work. Notwithstanding, we see no reason to disturb the district court's overall conclusion that the two works occupy distinct markets, at least as far as direct sales are concerned.

We are unpersuaded, however, by the district court's conclusion that the Prince Series poses no threat to Goldsmith's licensing markets. While Goldsmith does not contend that she has sought to license the Goldsmith Photograph itself, the question under this factor is not solely whether the secondary work harms an

existing market for the specific work alleged to have been infringed. *Cf. Castle Rock*, 150 F.3d at 145-46 ("Although Castle Rock has evidenced little if any interest in exploiting this market for derivative works . . . the copyright law must respect that creative and economic choice."). Rather, we must also consider whether "unrestricted and widespread conduct of the sort engaged in by [AWF] would result in a substantially adverse impact on the potential market" for the Goldsmith Photograph. *Campbell*, 510 U.S. at 590 (internal quotation marks omitted) (alterations adopted)); *see also Fox News Network, LLC v. TVEyes, Inc.*, 883 F.3d 169, 179 (2d Cir. 2018).

As an initial matter, we note that the district court erred in apparently placing the burden of proof as to this factor on Goldsmith. *See, e.g.*, *Warhol*, 382 F. Supp. 3d at 330. While our prior cases have suggested that the rightsholder bears some initial burden of identifying relevant markets,[9] we have never held that the rightsholder bears the burden of showing actual market harm. Nor would we so

[9] *See HathiTrust*, 755 F.3d at 96 ("To defeat a claim of fair use, the copyright holder must point to the market harm that results because the secondary use serves as a substitute for the original work."); *Leibovitz*, 137 F.3d at 116 n.6 ("Leibovitz has not identified any market for a derivative work that might be harmed by the Paramount ad. In these circumstances, the defendant had no obligation to present evidence showing lack of harm in a market for derivative works.").

hold. Fair use is an affirmative defense; as such, the ultimate burden of proving that the secondary use does not compete in the relevant market is appropriately borne by the party asserting the defense: the secondary user. *See Campbell*, 510 U.S. at 590 ("Since fair use is an affirmative defense, its proponent would have difficulty carrying the burden of demonstrating fair use without favorable evidence about relevant markets."); *Infinity Broadcast Corp. v. Kirkwood*, 150 F.3d 104, 110 (2d Cir. 1998) ("As always, [the secondary user] bears the burden of showing that his use does not" usurp the market for the primary work); *Dr. Seuss Enters., L.P. v. ComicMix LLC*, 983 F.3d 443, 459 (9th Cir. 2020) ("Not much about the fair use doctrine lends itself to absolute statements, but the Supreme Court and our circuit have unequivocally placed the burden of proof on the proponent of the affirmative defense of fair use.").

In any case, whatever the scope of Goldsmith's initial burden, she satisfied it here. Setting aside AWF's licensing of Prince Series works for use in museum exhibits and publications about Warhol, which is not particularly relevant for the reasons set out in our discussion of the primary market for the works, there is no material dispute that both Goldsmith and AWF have sought to license (and

indeed have successfully licensed) their respective depictions of Prince[10] to popular print magazines to accompany articles about him. As Goldsmith succinctly states: "both [works] are illustrations of the same famous musician with the same overlapping customer base." Appellants' Br. at 50. Contrary to AWF's assertions, that is more than enough. See *Cariou*, 714 F.3d at 709 ("[A]n accused infringer has usurped the market for copyrighted works . . . where the infringer's target audience and the nature of the infringing content is the same as the original."). And, since Goldsmith has identified a relevant market, AWF's failure to put forth any evidence that the availability of the Prince Series works poses no threat to Goldsmith's actual or potential revenue in that market tilts the scales toward Goldsmith.

Finally, the district court entirely overlooked the potential harm to Goldsmith's derivative market, which is likewise substantial. Most directly, AWF's licensing of the Prince Series works to Condé Nast without crediting or paying Goldsmith deprived her of royalty payments to which she would have otherwise been entitled. Although we do not always consider lost royalties from

[10] In Goldsmith's case, photographs other than the Goldsmith Photograph, which she has withheld from the market.

the challenged use itself under the fourth factor (as any fair use necessarily involves the secondary user using the primary work without paying for the right to do so), we do consider them where the secondary use occurs within a traditional or reasonable market for the primary work. *See Fox News*, 883 F.3d at 180; *On Davis v. Gap, Inc.*, 246 F.3d 152, 176 (2d Cir. 2001). And here, that market is established both by Goldsmith's uncontroverted expert testimony that photographers generally license others to create stylized derivatives of their work in the vein of the Prince Series, *see* J. App'x 584-99, and by the genesis of the Prince Series: a licensing agreement between LGL and Vanity Fair to use the Goldsmith Photograph as an artist reference.[11]

Further, we also must consider the impact on this market if the sort of copying in which Warhol engaged were to become a widespread practice. That harm is also self-evident. There currently exists a market to license photographs of musicians, such as the Goldsmith Photograph, to serve as the basis of a stylized derivative image; permitting this use would effectively destroy that broader market, as, if artists "could use such images for free, there would be little

[11] Of course, if a secondary work is sufficiently transformative, the fact that its "raw material" was acquired by means of a limited license will not necessarily defeat a defense of fair use. As discussed *supra*, however, that is not the case here.

or no reason to pay for [them]." *Barcroft Media, Ltd. v. Coed Media Grp., LLC*, 297 F. Supp. 3d 339, 355 (S.D.N.Y. 2017); *see also Seuss*, 983 F.3d at 461 ("[T]he unrestricted and widespread conduct of the sort ComicMix is engaged in could result in anyone being able to produce" their own similar derivative works based on *Oh, the Places You'll Go!*). This, in turn, risks disincentivizing artists from producing new work by decreasing its value – the precise evil against which copyright law is designed to guard.

Thus, although the primary market for the Goldsmith Photograph and the Prince Series may differ, the Prince Series works pose cognizable harm to Goldsmith's market to license the Goldsmith Photograph to publications for editorial purposes and to other artists to create derivative works based on the Goldsmith Photograph and similar works. Accordingly, the fourth factor favors Goldsmith.

E. Weighing the Factors

"[T]his court has on numerous occasions resolved fair use determinations at the summary judgment stage where there are no genuine issues of material fact." *Cariou*, 714 F.3d at 704 (internal quotation marks omitted) (alteration

adopted) (collecting cases). As no party contends that there exist any issues of material fact in this case, we believe it appropriate to exercise that discretion here.

Having considered each of the four factors, we find that each favors Goldsmith. Further, although the factors are not exclusive, AWF has not identified any additional relevant considerations unique to this case that we should take into account. Accordingly, we hold that AWF's defense of fair use fails as a matter of law.

III. Substantial Similarity

AWF asks this Court to affirm the district court's decision on the alternate grounds that the Prince Series works are not substantially similar to the Goldsmith Photograph. We decline that invitation, because we conclude that the works are substantially similar as a matter of law.

The district court did not analyze the issue of substantial similarity because, in its view, "it [was] plain that the Prince Series works are protected by fair use." *Warhol*, 382 F. Supp. 3d at 324. While "it is our distinctly preferred practice to remand such issues for consideration by the district court in the first instance," *Schonfeld v. Hilliard*, 218 F.3d 164, 184 (2d Cir. 2000), we are not required to do so. In this case, because the question of substantial similarity is

logically antecedent to that of fair use – since there would be no need to invoke the fair use defense in the absence of actionable infringement – and because the factors we have already discussed with respect to fair use go a considerable way toward resolving the substantial similarity issue, we do not believe a remand to address that issue is necessary in this case.[12]

In general, and as applicable here, two works are substantially similar when "an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work." *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 996, 1003 (2d Cir. 1995), quoting *Malden Mills, Inc. v. Regency Mills, Inc.*, 626 F.2d 1112, 1113 (2d Cir. 1980). "On occasion, . . . we have noted that when faced with works that have both protectable and unprotectable elements, our analysis must be more discerning and that we instead must attempt to extract the unprotectable elements from our consideration and ask whether the protectable elements, standing alone, are substantially similar." *Peter F. Gaito Architecture, LLC v. Simone Dev. Corp.*, 602 F.3d 57, 66 (2d Cir. 2010) (internal citations and quotation marks omitted). AWF and its *amici* contend that this "more discerning

[12] We express no view on the viability of AWF's remaining defenses, which are appropriately considered by the district court in the first instance.

observer" test should apply here because photographs contain both protectable and unprotectable elements. *See* Appellee's Br. at 65; Law Professors' Br. at 8. The same could be said, however, of any copyrighted work: even the most quintessentially "expressive" works, such as books or paintings, contain non-copyrightable ideas or concepts. *See* 4 *Nimmer on Copyright* § 13.03(B)(2).

Moreover, the cases in which we have applied the "more discerning observer" test involved types of works with much "thinner" copyright protection – *i.e.*, works that are more likely to contain a larger share of non-copyrightable elements. *See, e.g.*, *Zalewski v. Cicero Builder Dev., Inc.*, 754 F.3d 95, 102 (2d Cir. 2014) (architectural designs); *Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d 127, 136 n.13 (2d Cir. 2003) (Tibetan-style carpets); *Boisson v. Banian, Ltd.*, 273 F.3d 262, 272 (2d Cir. 2001) (quilts). By contrast, "photographs are 'generally viewed as creative aesthetic expressions of a scene or image' and have long received thick copyright protection[,] . . . even though photographs capture images of reality." *Brammer v. Violent Hues Prods., LLC*, 922 F.3d 255, 267 (4th Cir. 2019), quoting *Monge v. Maya Magazines, Inc.*, 688 F.3d 1164, 1177 (9th Cir. 2012). We therefore reject AWF's contention that we should be "more discerning" in considering whether the Prince Series is substantially similar to

the Goldsmith Photograph and apply the standard "ordinary observer" test. *See Knitwaves*, 71 F.3d at 1002-03.

Though substantial similarity often presents a jury question, it may be resolved as a matter of law where "access to the copyrighted work is conceded, and the accused work is so substantially similar to the copyrighted work that reasonable jurors could not differ on this issue." *Rogers*, 960 F.2d at 307 (citation omitted)*; see also Gaito*, 602 F.3d at 63 ("The question of substantial similarity is by no means exclusively reserved for resolution by a jury.").

Here, AWF has conceded that the Goldsmith Photograph served as the "raw material" for the Prince Series works. *See* Appellee's Br. at 6-7. AWF nevertheless attempts to compare this case to several decisions from our sister circuits concluding that the secondary works in question were not substantially similar to the original photographs on which they were based. *See, e.g.*, *Rentmeester v. Nike, Inc.*, 883 F.3d 1111, 1121-23 (9th Cir. 2018) (Nike's iconic "Jumpman" logo and the photograph used to create it were not substantially similar to a photograph of Michael Jordan dunking a basketball); *Harney v. Sony Pictures Television, Inc.*, 704 F.3d 173, 188 (1st Cir. 2013) (recreated image in made-for-TV movie was not substantially similar to the photograph that inspired it).

But the secondary users in those cases did not merely copy the original photographs at issue; they instead replicated those photographs using their own subjects in similar poses. By contrast, Warhol did not create the Prince Series by taking his own photograph of Prince in a similar pose as in the Goldsmith Photograph. Nor did he attempt to copy merely the "idea" conveyed in the Goldsmith Photograph. Rather, he produced the Prince Series works by copying the Goldsmith Photograph itself – *i.e.*, Goldsmith's particular expression of that idea. This case therefore stands in sharp contrast to the situation presented by *Rentmeester*, for example, in which the court explained that "[w]hat [the original] photo and the [allegedly infringing] photo share are similarities in general ideas or concepts: Michael Jordan attempting to dunk in a pose inspired by ballet's *grand jeté*; an outdoor setting stripped of most of the traditional trappings of basketball; a camera angle that captures the subject silhouetted against the sky." 883 F.3d at 1122-23.

This is not to say that every use of an exact reproduction constitutes a work that is substantially similar to the original. But here, given the degree to which Goldsmith's work remains recognizable within Warhol's, there can be no reasonable debate that the works are substantially similar. *See Rogers*, 960 F.3d

307-08. As we have noted above, Prince, like other celebrity performing and creative artists, was much photographed. But any reasonable viewer with access to a range of such photographs including the Goldsmith Photograph would have no difficulty identifying the latter as the source material for Warhol's Prince Series.

CONCLUSION

For the foregoing reasons, we REVERSE the grant of AWF's motion for summary judgment, VACATE the judgment entered below dismissing Lynn Goldsmith and LGL's amended counterclaim, and REMAND this case for further proceedings consistent with this opinion.

Richard J. Sullivan, *Circuit Judge*, joined by Dennis Jacobs, *Circuit Judge*, concurring:

I fully join the majority's thoughtful opinion and its conclusion that the Prince Series works are substantially similar to the Goldsmith Photograph and are not protected by fair use. I write separately only to highlight what I see as an overreliance on "transformative use" in our fair use jurisprudence, generally, and to suggest that a renewed focus on the fourth fair use factor, "the effect of the use upon the potential market for or value of the copyrighted work," 17 U.S.C. § 107(4), would bring greater coherence and predictability to this area of the law.

In the wake of the Supreme Court's decision in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), the "transformative" nature of a secondary work has become the dominant focus in determining whether that work is protected by fair use. Courts and commentators have recognized this trend and have observed that it threatens to collapse the four statutory fair use factors into a single, dispositive factor. *See, e.g.*, *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756, 758 (7th Cir. 2014) ("[A]sking exclusively whether something is 'transformative' not only replaces the list in § 107 but also could override 17 U.S.C. § 106(2), which protects derivative works."); 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.05[A][1][b] (noting that many courts' applications of the transformative use

test "are conclusory – they appear to label a use 'not transformative' as a shorthand for 'not fair,' and correlatively 'transformative' for 'fair'"). Indeed, one recent empirical study found that, among a sample of 238 district and circuit court decisions, whether a secondary work was transformative correlated with the ultimate fair use outcome 94% of the time. *See* Jiarui Liu, *An Empirical Study of Transformative Use in Copyright Law*, 22 Stan. Tech. L. Rev. 163, 180 (2019).

This pattern is perhaps best illustrated in the district court's opinion below. Having concluded that the Prince Series works were transformative, the district court found that the second fair use factor was neutral (despite noting that the Goldsmith Photograph was creative and unpublished, which "would ordinarily weigh in Goldsmith's favor") and found that the third factor weighed heavily in AWF's favor because "Warhol transformed Goldsmith's work into something new and different." *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 382 F. Supp. 3d 312, 327, 330 (S.D.N.Y. 2019) (internal quotation marks omitted). But perhaps most notably, as the majority's opinion recognizes, the district court completely dismissed evidence of harm to Goldsmith's potential licensing and derivative markets after concluding that the Prince Series was transformative. *See* Majority Op. at 45–50.

Placing dispositive weight on transformative use while reducing evidence of market harm to an afterthought is difficult to square with the Supreme Court's guidance that the fourth factor "is undoubtedly the single most important element of fair use." *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985). Indeed, we have previously explained that focusing on the importance of the fourth factor "is consistent with the fact that the copyright is a commercial right, intended to protect the ability of authors to profit from the exclusive right to merchandise their own work." *Authors Guild v. Google, Inc.*, 804 F.3d 202, 214 (2d Cir. 2015) ("*Google Books*").

To be sure, some of this Court's earlier decisions suggest that the Supreme Court "retreated" from its emphasis on the fourth factor when it explained in *Campbell* that "[a]ll [four fair use factors] are to be explored, and the results weighed together, in light of the purposes of copyright," 510 U.S. at 578. *See, e.g.*, *Blanch v. Koons*, 467 F.3d 244, 258 n.8 (2d Cir. 2006); *Castle Rock Ent., Inc. v. Carol Publ'g Grp., Inc.*, 150 F.3d 132, 145 (2d Cir. 1998). But the statements in *Campbell* and *Harper & Row* are not necessarily at odds with one another: courts can consider all four factors while still recognizing that evidence of harm to the

potential market for the original work (or derivative works based on the original, *see Campbell*, 510 U.S. at 593) should be given substantial weight.

The Supreme Court's decision in *Campbell* does not suggest otherwise. To the contrary, even though *Campbell* is recognized for crystallizing the concept of transformative use, the opinion "characterizes the first factor inquiry as subservient to the fourth." Pierre N. Leval, Campbell *as Fair Use Blueprint?*, 90 Wash. L. Rev. 597, 605 (2015). *Campbell* explained that transformative works are more likely to be fair uses *because* they are less likely to "act[] as a substitute" for or "'supersede[] the objects'" of the original work, and are therefore less likely to "affect the market for the original in a way cognizable under [the fourth] factor." 510 U.S. at 591 (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 348 (No. 4,901) (C.C.D. Mass. 1841)); *see also* Leval, *supra* at 605 n.38. Moreover, *Campbell* explicitly acknowledged that the defendants in that case "left themselves at . . . a disadvantage when they failed to address the effect [of their work] on the market for rap derivatives" and remanded for further fact-finding on the fourth factor despite concluding that the defendants' secondary work was transformative. 510 U.S. at 590, 594. *Campbell* therefore does not stand for the proposition that transformative use should be the dispositive factor in the fair use inquiry; rather,

evidence of harm to the potential market for the original work (and its derivatives) is still integral to the analysis.

By returning focus to the fourth fair use factor and being particularly attentive to "whether unrestricted and widespread conduct of the sort engaged in" by an alleged infringer would adversely affect the potential market for the original work, *id.* at 590 (internal quotation marks omitted), courts can escape the post-*Campbell* overreliance on transformative use. Fortunately, several of our more recent fair use decisions have placed greater emphasis on the fourth factor. *See, e.g.*, *Capitol Records, LLC v. ReDigi Inc.*, 910 F.3d 649, 662 (2d Cir. 2018) (describing the fourth factor as "undoubtedly the single most important element of fair use" (quoting *Harper & Row*, 471 U.S. at 566)); *Fox News Network, LLC v. TVEyes, Inc.*, 883 F.3d 169, 174, 180 (2d Cir. 2018) (finding no fair use despite concluding that the defendants' technology "serve[d] a transformative purpose," in part because the technology "usurped a function for which [the plaintiff was] entitled to demand compensation under a licensing agreement"); *TCA Television Corp. v. McCollum*, 839 F.3d 168, 186 (2d Cir. 2016) (recognizing that the district court improperly "disregarded the possibility of defendants' use adversely affecting the licensing market for the [original work]"). And our sister circuits

have followed suit. *See, e.g.*, *Dr. Seuss Enters., L.P. v. ComicMix LLC*, 983 F.3d 443, 459–61 (9th Cir. 2020) (emphasizing that the defendant did not "address a crucial right for a copyright holder – the derivative works market"); *Kienitz*, 766 F.3d at 758 ("We think it best to stick with the statutory list, of which the most important usually is the fourth (market effect).").

This is not to suggest that the majority's opinion runs counter to this trend. To the contrary, it properly recognizes the harm to the potential licensing markets for the Goldsmith Photograph and its derivatives, and reaffirms that the burden of proving a lack of market harm rests with the alleged infringer. *See* Majority Op. at 45–50. I write simply to stress that this renewed attention to the fourth fair use factor will ultimately better serve the purposes of copyright, which remains at its core "a commercial doctrine whose objective is to stimulate creativity among potential authors by enabling them to earn money from their creations." *Google Books*, 804 F.3d at 223.

DENNIS JACOBS, Circuit Judge, concurring:

I concur in the opinion of the Court as well as Judge Sullivan's concurrence. I write briefly to make a single point: the holding does not consider, let alone decide, whether the infringement encumbers the original Prince Series works that are in the hands of collectors or museums.

It is very easy for opinions in this area (however expertly crafted) to have undirected ramifications. A sound holding may suggest an unsound result in related contexts.

The sixteen original works have been acquired by various galleries, art dealers, and the Andy Warhol Museum. This case does not decide their rights to use and dispose of those works because Goldsmith does not seek relief as to them. She seeks only damages and royalties for licensed reproductions of the Prince Series.

Although the Andy Warhol Foundation initiated this suit with a request for broader declaratory relief that would cover the original works, Goldsmith did not expressly join issue. The Declaratory Judgment Act is reserved for disputes that are percolating over parties' rights and obligations while harm threatens to accrue. See United States v. Doherty, 786 F.2d 491, 498–99 (2d Cir. 1986)

(Friendly, J.); see also Broadview Chem. Corp. v. Loctite Corp., 417 F.2d 998, 1001 (2d Cir. 1969) (articulating the criteria for deciding whether to entertain a declaratory judgment action). But Goldsmith does not claim that the original works infringe and expresses no intention to encumber them; the opinion of the Court does not necessarily decide that issue.

The issue, however, still looms, and our holding may alarm or alert possessors of other artistic works. Warhol's works are among many pieces that incorporate, appropriate, or borrow from protected material. Risk of a copyright suit or uncertainty about an artwork's status can inhibit the creativity that is a goal of copyright.

A key consideration in this case is the effect of the Prince Series on the market for Goldsmith's photograph. Our decision depends heavily on the commercial competition between the photograph and the reproduced versions of the Prince Series.

As the opinion observes, the market for the photograph and the market for the original Prince Series works are distinct. See Majority Op. at 45. An original work of art is marked by the hand or signature of the artist, which is a preponderating factor in its value. When the work is reproduced, it loses that

mystique, as anyone who has browsed a gift shop can appreciate. In a word, the original works and Goldsmith's photograph are not "substitutes." Castle Rock Ent., Inc. v. Carol Publ'g Grp., 150 F.3d 132, 145 (2d Cir. 1998).

But when represented on a magazine cover, the Prince Series functions as a portrait of the musician Prince--as does Goldsmith's photograph. The Prince Series retains the photograph's expressive capacity for Prince portraiture and is sought for that purpose. It may well compete for magazine covers, posters, coffee mugs, and other media featuring the late musician. If the Foundation had refuted the evidence of such market displacement, the weight of the analytical considerations would have changed.

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.,* 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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GOOGLE LLC *v.* ORACLE AMERICA, INC.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

No. 18–956. Argued October 7, 2020—Decided April 5, 2021

Oracle America, Inc., owns a copyright in Java SE, a computer platform that uses the popular Java computer programming language. In 2005, Google acquired Android and sought to build a new software platform for mobile devices. To allow the millions of programmers familiar with the Java programming language to work with its new Android platform, Google copied roughly 11,500 lines of code from the Java SE program. The copied lines are part of a tool called an Application Programming Interface (API). An API allows programmers to call upon prewritten computing tasks for use in their own programs. Over the course of protracted litigation, the lower courts have considered (1) whether Java SE's owner could copyright the copied lines from the API, and (2) if so, whether Google's copying constituted a permissible "fair use" of that material freeing Google from copyright liability. In the proceedings below, the Federal Circuit held that the copied lines are copyrightable. After a jury then found for Google on fair use, the Federal Circuit reversed, concluding that Google's copying was not a fair use as a matter of law. Prior to remand for a trial on damages, the Court agreed to review the Federal Circuit's determinations as to both copyrightability and fair use.

Held: Google's copying of the Java SE API, which included only those lines of code that were needed to allow programmers to put their accrued talents to work in a new and transformative program, was a fair use of that material as a matter of law. Pp. 11–36.

(a) Copyright and patents, the Constitution says, serve to "promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." Art. I, §8, cl. 8. Copyright encourages the production of works that others might cheaply reproduce by granting the

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author an exclusive right to produce the work for a period of time. Because such exclusivity may trigger negative consequences, Congress and the courts have limited the scope of copyright protection to ensure that a copyright holder's monopoly does not harm the public interest.

This case implicates two of the limits in the current Copyright Act. First, the Act provides that copyright protection cannot extend to "any idea, procedure, process, system, method of operation, concept, principle, or discovery . . . ." 17 U. S. C. §102(b). Second, the Act provides that a copyright holder may not prevent another person from making a "fair use" of a copyrighted work. §107. Google's petition asks the Court to apply both provisions to the copying at issue here. To decide no more than is necessary to resolve this case, the Court assumes for argument's sake that the copied lines can be copyrighted, and focuses on whether Google's use of those lines was a "fair use." Pp. 11–15.

(b) The doctrine of "fair use" is flexible and takes account of changes in technology. Computer programs differ to some extent from many other copyrightable works because computer programs always serve a functional purpose. Because of these differences, fair use has an important role to play for computer programs by providing a context-based check that keeps the copyright monopoly afforded to computer programs within its lawful bounds. Pp. 15–18.

(c) The fair use question is a mixed question of fact and law. Reviewing courts should appropriately defer to the jury's findings of underlying facts, but the ultimate question whether those facts amount to a fair use is a legal question for judges to decide *de novo*. This approach does not violate the Seventh Amendment's prohibition on courts reexamining facts tried by a jury, because the ultimate question here is one of law, not fact. The "right of trial by jury" does not include the right to have a jury resolve a fair use defense. Pp. 18–21.

(d) To determine whether Google's limited copying of the API here constitutes fair use, the Court examines the four guiding factors set forth in the Copyright Act's fair use provision: the purpose and character of the use; the nature of the copyrighted work; the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and the effect of the use upon the potential market for or value of the copyrighted work. §107. The Court has recognized that some factors may prove more important in some contexts than in others. *Campbell* v. *Acuff-Rose Music, Inc.*, 510 U. S. 569, 577. Pp. 21–35.

(1) The nature of the work at issue favors fair use. The copied lines of code are part of a "user interface" that provides a way for programmers to access prewritten computer code through the use of simple commands. As a result, this code is different from many other types of code, such as the code that actually instructs the computer to

execute a task. As part of an interface, the copied lines are inherently bound together with uncopyrightable ideas (the overall organization of the API) and the creation of new creative expression (the code independently written by Google). Unlike many other computer programs, the value of the copied lines is in significant part derived from the investment of users (here computer programmers) who have learned the API's system. Given these differences, application of fair use here is unlikely to undermine the general copyright protection that Congress provided for computer programs. Pp. 21–24.

(2) The inquiry into the "the purpose and character" of the use turns in large measure on whether the copying at issue was "transformative," *i.e.*, whether it "adds something new, with a further purpose or different character." *Campbell*, 510 U. S., at 579. Google's limited copying of the API is a transformative use. Google copied only what was needed to allow programmers to work in a different computing environment without discarding a portion of a familiar programming language. Google's purpose was to create a different task-related system for a different computing environment (smartphones) and to create a platform—the Android platform—that would help achieve and popularize that objective. The record demonstrates numerous ways in which reimplementing an interface can further the development of computer programs. Google's purpose was therefore consistent with that creative progress that is the basic constitutional objective of copyright itself. Pp. 24–28.

(3) Google copied approximately 11,500 lines of declaring code from the API, which amounts to virtually all the declaring code needed to call up hundreds of different tasks. Those 11,500 lines, however, are only 0.4 percent of the entire API at issue, which consists of 2.86 million total lines. In considering "the amount and substantiality of the portion used" in this case, the 11,500 lines of code should be viewed as one small part of the considerably greater whole. As part of an interface, the copied lines of code are inextricably bound to other lines of code that are accessed by programmers. Google copied these lines not because of their creativity or beauty but because they would allow programmers to bring their skills to a new smartphone computing environment. The "substantiality" factor will generally weigh in favor of fair use where, as here, the amount of copying was tethered to a valid, and transformative, purpose. Pp. 28–30.

(4) The fourth statutory factor focuses upon the "effect" of the copying in the "market for or value of the copyrighted work." §107(4). Here the record showed that Google's new smartphone platform is not a market substitute for Java SE. The record also showed that Java SE's copyright holder would benefit from the reimplementation of its interface into a different market. Finally, enforcing the copyright on

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these facts risks causing creativity-related harms to the public. When taken together, these considerations demonstrate that the fourth factor—market effects—also weighs in favor of fair use. Pp. 30–35.

(e) The fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world. Applying the principles of the Court's precedents and Congress' codification of the fair use doctrine to the distinct copyrighted work here, the Court concludes that Google's copying of the API to reimplement a user interface, taking only what was needed to allow users to put their accrued talents to work in a new and transformative program, constituted a fair use of that material as a matter of law. In reaching this result, the Court does not overturn or modify its earlier cases involving fair use. Pp. 35–36.

886 F. 3d 1179, reversed and remanded.

BREYER, J., delivered the opinion of the Court, in which ROBERTS, C. J., and SOTOMAYOR, KAGAN, GORSUCH, and KAVANAUGH, JJ., joined. THOMAS, J., filed a dissenting opinion, in which ALITO, J., joined. BARRETT, J., took no part in the consideration or decision of the case.

SUPREME COURT OF THE UNITED STATES

No. 18–956

GOOGLE LLC, PETITIONER *v.*
ORACLE AMERICA, INC.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

[April 5, 2021]

JUSTICE BREYER delivered the opinion of the Court.

Oracle America, Inc., is the current owner of a copyright in Java SE, a computer program that uses the popular Java computer programming language. Google, without permission, has copied a portion of that program, a portion that enables a programmer to call up prewritten software that, together with the computer's hardware, will carry out a large number of specific tasks. The lower courts have considered (1) whether Java SE's owner could copyright the portion that Google copied, and (2) if so, whether Google's copying nonetheless constituted a "fair use" of that material, thereby freeing Google from copyright liability. The Federal Circuit held in Oracle's favor (*i.e.*, that the portion is copyrightable and Google's copying did not constitute a "fair use"). In reviewing that decision, we assume, for argument's sake, that the material was copyrightable. But we hold that the copying here at issue nonetheless constituted a fair use. Hence, Google's copying did not violate the copyright law.

I

In 2005, Google acquired Android, Inc., a startup firm

that hoped to become involved in smartphone software. Google sought, through Android, to develop a software platform for mobile devices like smartphones. 886 F. 3d 1179, 1187 (CA Fed. 2018); App. 137–138, 242–243. A platform provides the necessary infrastructure for computer programmers to develop new programs and applications. One might think of a software platform as a kind of factory floor where computer programmers (analogous to autoworkers, designers, or manufacturers) might come, use sets of tools found there, and create new applications for use in, say, smartphones. (For visual explanations of "platforms" and other somewhat specialized computer-related terms, you might want to look at the material in Appendix A, *infra*.)

Google envisioned an Android platform that was free and open, such that software developers could use the tools found there free of charge. Its idea was that more and more developers using its Android platform would develop ever more Android-based applications, all of which would make Google's Android-based smartphones more attractive to ultimate consumers. Consumers would then buy and use ever more of those phones. *Oracle America, Inc.* v. *Google Inc.*, 872 F. Supp. 2d 974, 978 (ND Cal. 2012); App. 111, 464. That vision required attracting a sizeable number of skilled programmers.

At that time, many software developers understood and wrote programs using the Java programming language, a language invented by Sun Microsystems (Oracle's predecessor). 872 F. Supp. 2d, at 975, 977. About six million programmers had spent considerable time learning, and then using, the Java language. App. 228. Many of those programmers used Sun's own popular Java SE platform to develop new programs primarily for use in desktop and laptop computers. *Id.*, at 151–152, 200. That platform allowed developers using the Java language to write programs that were able to run on any desktop or laptop computer, regardless of the underlying hardware (*i.e.*, the programs were in

large part "interoperable"). 872 F. Supp. 2d, at 977. Indeed, one of Sun's slogans was "'write once, run anywhere.'" 886 F. 3d, at 1186.

Shortly after acquiring the Android firm, Google began talks with Sun about the possibility of licensing the entire Java platform for its new smartphone technology. *Oracle*, 872 F. Supp. 2d, at 978. But Google did not want to insist that all programs written on the Android platform be interoperable. 886 F. 3d, at 1187. As Android's founder explained, "[t]he whole idea about [an] open source [platform] is to have very, very few restrictions on what people can do with it," App. 659, and Sun's interoperability policy would have undermined that free and open business model. Apparently, for reasons related to this disagreement, Google's negotiations with Sun broke down. Google then built its own platform.

The record indicates that roughly 100 Google engineers worked for more than three years to create Google's Android platform software. *Id.*, at 45, 117, 212. In doing so, Google tailored the Android platform to smartphone technology, which differs from desktop and laptop computers in important ways. A smartphone, for instance, may run on a more limited battery or take advantage of GPS technology. *Id.,* at 197–198. The Android platform offered programmers the ability to program for that environment. To build the platform, Google wrote millions of lines of new code. Because Google wanted millions of programmers, familiar with Java, to be able easily to work with its new Android platform, it also copied roughly 11,500 lines of code from the Java SE program. 886 F. 3d, at 1187. The copied lines of code are part of a tool called an Application Programming Interface, or API.

What is an API? The Federal Circuit described an API as a tool that "allow[s] programmers to use . . . prewritten code to build certain functions into their own programs, rather than write their own code to perform those functions

from scratch." *Oracle America, Inc.* v. *Google, Inc.*, 750 F. 3d 1339, 1349 (2014). Through an API, a programmer can draw upon a vast library of prewritten code to carry out complex tasks. For lay persons, including judges, juries, and many others, some elaboration of this description may prove useful.

Consider in more detail just what an API does. A computer can perform thousands, perhaps millions, of different tasks that a programmer may wish to use. These tasks range from the most basic to the enormously complex. Ask the computer, for example, to tell you which of two numbers is the higher number or to sort one thousand numbers in ascending order, and it will instantly give you the right answer. An API divides and organizes the world of computing tasks in a particular way. Programmers can then use the API to select the particular task that they need for their programs. In Sun's API (which we refer to as the Sun Java API), each individual task is known as a "method." The API groups somewhat similar methods into larger "classes," and groups somewhat similar classes into larger "packages." This method-class-package organizational structure is referred to as the Sun Java API's "structure, sequence, and organization," or SSO.

For each task, there is computer code, known as "implementing code," that in effect tells the computer how to execute the particular task you have asked it to perform (such as telling you, of two numbers, which is the higher). See *Oracle*, 872 F. Supp. 2d, at 979–980. The implementing code (which Google independently wrote) is not at issue here. For a single task, the implementing code may be hundreds of lines long. It would be difficult, perhaps impossible, for a programmer to create complex software programs without drawing on prewritten task-implementing programs to execute discrete tasks.

But how do you as the programmer tell the computer which of the implementing code programs it should choose,

i.e., which task it should carry out? You do so by entering into your own program a command that corresponds to the specific task and calls it up. Those commands, known as "method calls," help you carry out the task by choosing those programs written in implementing code that will do the trick, *i.e.*, that will instruct the computer so that your program will find the higher of two numbers. If a particular computer might perform, say, a million different tasks, different method calls will tell the computer which of those tasks to choose. Those familiar with the Java language already know countless method calls that allow them to invoke countless tasks.

And how does the method call (which a programmer types) actually locate and invoke the particular implementing code that it needs to instruct the computer how to carry out a particular task? It does so through another type of code, which the parties have labeled "declaring code." Declaring code is part of the API. For each task, the specific command entered by the programmer matches up with specific declaring code inside the API. That declaring code provides both the name for each task and the location of each task within the API's overall organizational system (*i.e.,* the placement of a method within a particular class and the placement of a class within a particular package). In this sense, the declaring code and the method call form a link, allowing the programmer to draw upon the thousands of prewritten tasks, written in implementing code. See *id.,* at 979–980. Without that declaring code, the method calls entered by the programmer would not call up the implementing code.

The declaring code therefore performs at least two important functions in the Sun Java API. The first, more obvious, function is that the declaring code enables a set of shortcuts for programmers. By connecting complex implementing code with method calls, it allows a programmer to

pick out from the API's task library a particular task without having to learn anything more than a simple command. For example, a programmer building a new application for personal banking may wish to use various tasks to, say, calculate a user's balance or authenticate a password. To do so, she need only learn the method calls associated with those tasks. In this way, the declaring code's shortcut function is similar to a gas pedal in a car that tells the car to move faster or the QWERTY keyboard on a typewriter that calls up a certain letter when you press a particular key. As those analogies demonstrate, one can think of the declaring code as part of an *interface* between human beings and a machine.

The second, less obvious, function is to reflect the way in which Java's creators have divided the potential world of different tasks into an actual world, *i.e.*, precisely which set of potentially millions of different tasks we want to have our Java-based computer systems perform and how we want those tasks arranged and grouped. In this sense, the declaring code performs an organizational function. It determines the structure of the task library that Java's creators have decided to build. To understand this organizational system, think of the Dewey Decimal System that categorizes books into an accessible system or a travel guide that arranges a city's attractions into different categories. Language itself provides a rough analogy to the declaring code's organizational feature, for language itself divides into sets of concepts a world that in certain respects other languages might have divided differently. The developers of Java, for example, decided to place a method called "draw image" inside of a class called "graphics."

Consider a comprehensive, albeit farfetched, analogy that illustrates how the API is actually used by a programmer. Imagine that you can, via certain keystrokes, instruct a robot to move to a particular file cabinet, to open a certain drawer, and to pick out a specific recipe. With the proper

recipe in hand, the robot then moves to your kitchen and gives it to a cook to prepare the dish. This example mirrors the API's task-related organizational system. Through your simple command, the robot locates the right recipe and hands it off to the cook. In the same way, typing in a method call prompts the API to locate the correct implementing code and hand it off to your computer. And importantly, to select the dish that you want for your meal, you do not need to know the recipe's contents, just as a programmer using an API does not need to learn the implementing code. In both situations, learning the simple command is enough.

Now let us consider the example that the District Court used to explain the precise technology here. *Id.,* at 980–981. A programmer wishes, as part of her program, to determine which of two integers is the larger. To do so in the Java language, she will first write **java.lang**. Those words (which we have put in bold type) refer to the "package" (or by analogy to the file cabinet). She will then write **Math**. That word refers to the "class" (or by analogy to the drawer). She will then write **max**. That word refers to the "method" (or by analogy to the recipe). She will then make two parentheses ( ). And, in between the parentheses she will put two integers, say 4 and 6, that she wishes to compare. The whole expression—the method call—will look like this: "**java.lang.Math.max(4, 6)**." The use of this expression will, by means of the API, call up a task-implementing program that will determine the higher number.

In writing this program, the programmer will use the very symbols we have placed in bold in the precise order we have placed them. But the symbols by themselves do nothing. She must also use software that connects the symbols to the equivalent of file cabinets, drawers, and files. The API is that software. It includes both the declaring code that links each part of the method call to the particular task-implementing program, and the implementing code

that actually carries it out. (For an illustration of this technology, see Appendix B, *infra*.)

Now we can return to the copying at issue in this case. Google did not copy the task-implementing programs, or implementing code, from the Sun Java API. It wrote its own task-implementing programs, such as those that would determine which of two integers is the greater or carry out any other desired (normally far more complex) task. This implementing code constitutes the vast majority of both the Sun Java API and the API that Google created for Android. App. 212. For most of the packages in its new API, Google also wrote its own declaring code. For 37 packages, however, Google copied the declaring code from the Sun Java API. *Id.*, at 106–107. As just explained, that means that, for those 37 packages, Google necessarily copied both the names given to particular tasks and the grouping of those tasks into classes and packages.

In doing so, Google copied that portion of the Sun Java API that allowed programmers expert in the Java programming language to use the "task calling" system that they had already learned. As Google saw it, the 37 packages at issue included those tasks that were likely to prove most useful to programmers working on applications for mobile devices. In fact, "three of these packages were . . . fundamental to being able to use the Java language at all." *Oracle*, 872 F. Supp. 2d, at 982. By using the same declaring code for those packages, programmers using the Android platform can rely on the method calls that they are already familiar with to call up particular tasks (*e.g.*, determining which of two integers is the greater); but Google's own implementing programs carry out those tasks. Without that copying, programmers would need to learn an entirely new system to call up the same tasks.

We add that the Android platform has been successful. Within five years of its release in 2007, Android-based devices claimed a large share of the United States market.

Id., at 978. As of 2015, Android sales produced more than $42 billion in revenue. 886 F. 3d, at 1187.

In 2010 Oracle Corporation bought Sun. Soon thereafter Oracle brought this lawsuit in the United States District Court for the Northern District of California.

II

The case has a complex and lengthy history. At the outset Oracle complained that Google's use of the Sun Java API violated both copyright and patent laws. For its copyright claim, Oracle alleged that Google infringed its copyright by copying, for 37 packages, both the literal declaring code and the nonliteral organizational structure (or SSO) of the API, *i.e.,* the grouping of certain methods into classes and certain classes into packages. For trial purposes the District Court organized three proceedings. The first would cover the copyright issues, the second would cover the patent issues, and the third would, if necessary, calculate damages. *Oracle*, 872 F. Supp. 2d, at 975. The court also determined that a judge should decide whether copyright law could protect an API and that the jury should decide whether Google's use of Oracle's API infringed its copyright and, if so, whether a fair use defense nonetheless applied. *Ibid.*

After six weeks of hearing evidence, the jury rejected Oracle's patent claims (which have since dropped out of the case). It also found a limited copyright infringement. It deadlocked as to whether Google could successfully assert a fair use defense. *Id.,* at 976. The judge then decided that, regardless, the API's declaring code was not the kind of creation to which copyright law extended its protection. The court noted that Google had written its own implementing code, which constituted the vast majority of its API. It wrote that "anyone is free under the Copyright Act to write his or her own code to carry out exactly the same" tasks that the Sun Java API picks out or specifies. *Ibid.* Google copied

only the declaring code and organizational structure that was necessary for Java-trained programmers to activate familiar tasks (while, as we said, writing its own implementing code). Hence the copied material, in the judge's view, was a "system or method of operation," which copyright law specifically states cannot be copyrighted. *Id.,* at 977 (citing 17 U. S. C. §102(b)).

On appeal, the Federal Circuit reversed. That court held that both the API's declaring code and its organizational structure could be copyrighted. *Oracle*, 750 F. 3d, at 1354. It pointed out that Google could have written its own declaring code just as it wrote its own implementing code. And because in principle Google might have created a whole new system of dividing and labeling tasks that could be called up by programmers, the declaring code (and the system) that made up the Sun Java API was copyrightable. *Id.,* at 1361.

The Federal Circuit also rejected Oracle's plea that it decide whether Google had the right to use the Sun Java API because doing so was a "fair use," immune from copyright liability. The Circuit wrote that fair use "both permits and requires 'courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster.'" *Id.,* at 1372–1373. But, it added, this "is not a case in which the record contains sufficient factual findings upon which we could base a de novo assessment of Google's affirmative defense of fair use." *Id.,* at 1377. And it remanded the case for another trial on that question. Google petitioned this Court for a writ of certiorari, seeking review of the Federal Circuit's copyrightability determination. We denied the petition. *Google, Inc.* v. *Oracle America, Inc.*, 576 U. S. 1071 (2015).

On remand the District Court, sitting with a jury, heard evidence for a week. The court instructed the jury to answer one question: Has Google "shown by a preponderance of the evidence that its use in Android" of the declaring code

and organizational structure contained in the 37 Sun Java API packages that it copied "constitutes a 'fair use' under the Copyright Act?" App. 294. After three days of deliberation the jury answered the question in the affirmative. *Id.*, at 295. Google had shown fair use.

Oracle again appealed to the Federal Circuit. And the Circuit again reversed the District Court. The Federal Circuit assumed all factual questions in Google's favor. But, it said, the question whether those facts constitute a "fair use" is a question of law. 886 F. 3d, at 1193. Deciding that question of law, the court held that Google's use of the Sun Java API was not a fair use. It wrote that "[t]here is nothing fair about taking a copyrighted work verbatim and using it for the same purpose and function as the original in a competing platform." *Id.,* at 1210. It remanded the case again, this time for a trial on damages.

Google then filed a petition for certiorari in this Court. It asked us to review the Federal Circuit's determinations as to both copyrightability and fair use. We granted its petition.

III

A

Copyright and patents, the Constitution says, are to "promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." Art. I, §8, cl. 8. Copyright statutes and case law have made clear that copyright has practical objectives. It grants an author an exclusive right to produce his work (sometimes for a hundred years or more), not as a special reward, but in order to encourage the production of works that others might reproduce more cheaply. At the same time, copyright has negative features. Protection can raise prices to consumers. It can impose special costs, such as the cost of contacting owners to obtain reproduction permission. And the

exclusive rights it awards can sometimes stand in the way of others exercising their own creative powers. See generally *Twentieth Century Music Corp.* v. *Aiken*, 422 U. S. 151, 156 (1975); *Mazer* v. *Stein*, 347 U. S. 201, 219 (1954).

Macaulay once said that the principle of copyright is a "tax on readers for the purpose of giving a bounty to writers." T. Macaulay, Speeches on Copyright 25 (E. Miller ed. 1913). Congress, weighing advantages and disadvantages, will determine the more specific nature of the tax, its boundaries and conditions, the existence of exceptions and exemptions, all by exercising its own constitutional power to write a copyright statute.

Four provisions of the current Copyright Act are of particular relevance in this case. First, a definitional provision sets forth three basic conditions for obtaining a copyright. There must be a "wor[k] of authorship," that work must be "original," and the work must be "fixed in any tangible medium of expression." 17 U. S. C. §102(a); see also *Feist Publications, Inc.* v. *Rural Telephone Service Co.*, 499 U. S. 340, 345 (1991) (explaining that copyright requires some original "creative spark" and therefore does not reach the facts that a particular expression describes).

Second, the statute lists certain kinds of works that copyright can protect. They include "literary," "musical," "dramatic," "motion pictur[e]," "architectural," and certain other works. §102(a). In 1980, Congress expanded the reach of the Copyright Act to include computer programs. And it defined "computer program" as "'a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result.'" §10, 94 Stat. 3028 (codified at 17 U. S. C. §101).

Third, the statute sets forth limitations on the works that can be copyrighted, including works that the definitional provisions might otherwise include. It says, for example, that copyright protection cannot be extended to "any idea, procedure, process, system, method of operation, concept,

principle, or discovery . . . ." §102(b). These limitations, along with the need to "fix" a work in a "tangible medium of expression," have often led courts to say, in shorthand form, that, unlike patents, which protect novel and useful ideas, copyrights protect "expression" but not the "ideas" that lie behind it. See *Sheldon* v. *Metro-Goldwyn Pictures Corp.*, 81 F. 2d 49, 54 (CA2 1936) (Hand, J.); B. Kaplan, An Unhurried View of Copyright 46–52 (1967).

Fourth, Congress, together with the courts, has imposed limitations upon the scope of copyright protection even in respect to works that are entitled to a copyright. For example, the Copyright Act limits an author's exclusive rights in performances and displays, §110, or to performances of sound recordings, §114. And directly relevant here, a copyright holder cannot prevent another person from making a "fair use" of copyrighted material. §107.

We have described the "fair use" doctrine, originating in the courts, as an "equitable rule of reason" that "permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster." *Stewart* v. *Abend*, 495 U. S. 207, 236 (1990) (internal quotation marks omitted). The statutory provision that embodies the doctrine indicates, rather than dictates, how courts should apply it. The provision says:

> "[T]he fair use of a copyrighted work, . . . for purposes such as criticism, comment, news reporting, teaching . . . scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—
>
> "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> "(2) the nature of the copyrighted work;

> "(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> "(4) the effect of the use upon the potential market for or value of the copyrighted work." §107.

In applying this provision, we, like other courts, have understood that the provision's list of factors is not exhaustive (note the words "include" and "including"), that the examples it sets forth do not exclude other examples (note the words "such as"), and that some factors may prove more important in some contexts than in others. See *Campbell* v. *Acuff-Rose Music, Inc.*, 510 U. S. 569, 577 (1994); *Harper & Row, Publishers, Inc.* v. *Nation Enterprises*, 471 U. S. 539, 560 (1985); see also Leval, Toward a Fair Use Standard, 103 Harv. L. Rev 1105, 1110 (1990) (Leval) ("The factors do not represent a score card that promises victory to the winner of the majority"). In a word, we have understood the provision to set forth general principles, the application of which requires judicial balancing, depending upon relevant circumstances, including "significant changes in technology." *Sony Corp. of America* v. *Universal City Studios, Inc.*, 464 U. S. 417, 430 (1984); see also *Aiken*, 422 U. S., at 156 ("When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of its basic purpose").

B

Google's petition for certiorari poses two questions. The first asks whether Java's API is copyrightable. It asks us to examine two of the statutory provisions just mentioned, one that permits copyrighting computer programs and the other that forbids copyrighting, *e.g.*, "process[es]," "system[s]," and "method[s] of operation." Pet. for Cert. 12. Google believes that the API's declaring code and organization fall into these latter categories and are expressly excluded from copyright protection. The second question asks us to determine whether Google's use of the API was a "fair

use." Google believes that it was.

A holding for Google on either question presented would dispense with Oracle's copyright claims. Given the rapidly changing technological, economic, and business-related circumstances, we believe we should not answer more than is necessary to resolve the parties' dispute. We shall assume, but purely for argument's sake, that the entire Sun Java API falls within the definition of that which can be copyrighted. We shall ask instead whether Google's use of part of that API was a "fair use." Unlike the Federal Circuit, we conclude that it was.

IV

The language of §107, the "fair use" provision, reflects its judge-made origins. It is similar to that used by Justice Story in *Folsom* v. *Marsh*, 9 F. Cas. 342, 348 (No. 4,901) (CC Mass. 1841). See *Campbell*, 510 U. S., at 576 (noting how "Justice Story's summary [of fair use considerations] is discernable" in §107). That background, as well as modern courts' use of the doctrine, makes clear that the concept is flexible, that courts must apply it in light of the sometimes conflicting aims of copyright law, and that its application may well vary depending upon context. Thus, copyright's protection may be stronger where the copyrighted material is fiction, not fact, where it consists of a motion picture rather than a news broadcast, or where it serves an artistic rather than a utilitarian function. See, *e.g.*, *Stewart*, 495 U. S., at 237–238; *Harper & Row*, 471 U. S., at 563; see also 4 M. Nimmer & D. Nimmer, Copyright §13.05[A][2][a] (2019) (hereinafter Nimmer on Copyright) ("[C]opyright protection is narrower, and the corresponding application of the fair use defense greater, in the case of factual works than in the case of works of fiction or fantasy"). Similarly, courts have held that in some circumstances, say, where copyrightable material is bound up with uncopyrightable material, copyright protection is "thin." See *Feist*,

499 U. S., at 349 (noting that "the copyright in a factual compilation is thin"); see also *Experian Information Solutions, Inc.* v. *Nationwide Marketing Servs. Inc.*, 893 F. 3d 1176, 1186 (CA9 2018) ("In the context of factual compilations, . . . there can be no infringement unless the works are virtually identical" (internal quotation marks omitted)).

Generically speaking, computer programs differ from books, films, and many other "literary works" in that such programs almost always serve functional purposes. These and other differences have led at least some judges to complain that "applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit." *Lotus Development Corp.* v. *Borland Int'l, Inc.*, 49 F. 3d 807, 820 (CA1 1995) (Boudin, J., concurring).

These differences also led Congress to think long and hard about whether to grant computer programs copyright protection. In 1974, Congress established a National Commission on New Technological Uses of Copyrighted Works (CONTU) to look into the matter. §§201–208, 88 Stat. 1873–1875. After several years of research, CONTU concluded that the "availability of copyright protection for computer programs is desirable." Final Report 11 (July 31, 1978). At the same time, it recognized that computer programs had unique features. Mindful of not "unduly burdening users of programs and the general public," it wrote that copyright "should not grant anyone more economic power than is necessary to achieve the incentive to create." *Id.,* at 12. And it believed that copyright's existing doctrines (*e.g.*, fair use), applied by courts on a case-by-case basis, could prevent holders from using copyright to stifle innovation. *Ibid.* ("Relatively few changes in the Copyright Act of 1976 are required to attain these objectives"). Congress then wrote computer program protection into the law. See §10, 94 Stat. 3028.

The upshot, in our view, is that fair use can play an important role in determining the lawful scope of a computer

program copyright, such as the copyright at issue here. It can help to distinguish among technologies. It can distinguish between expressive and functional features of computer code where those features are mixed. It can focus on the legitimate need to provide incentives to produce copyrighted material while examining the extent to which yet further protection creates unrelated or illegitimate harms in other markets or to the development of other products. In a word, it can carry out its basic purpose of providing a context-based check that can help to keep a copyright monopoly within its lawful bounds. See H. R. Rep. No. 94–1476, pp. 65–66 (1976) (explaining that courts are to "adapt the doctrine [of fair use] to particular situations on a case-by-case basis" and in light of "rapid technological change"); see, *e.g., Lexmark Int'l, Inc.* v. *Static Control Components, Inc.*, 387 F. 3d 522, 543–545 (CA6 2004) (discussing fair use in the context of copying to preserve compatibility); *Sony Computer Entertainment, Inc.* v. *Connectix Corp.*, 203 F. 3d 596, 603–608 (CA9 2000) (applying fair use to intermediate copying necessary to reverse engineer access to unprotected functional elements within a program); *Sega Enterprises Ltd.* v. *Accolade, Inc.*, 977 F. 2d 1510, 1521–1527 (CA9 1992) (holding that wholesale copying of copyrighted code as a preliminary step to develop a competing product was a fair use).

JUSTICE THOMAS' thoughtful dissent offers a very different view of how (and perhaps whether) fair use has any role to play for computer programs. We are told that no attempt to distinguish among computer code is tenable when considering "the nature of the work," see *post*, at 10, even though there are important distinctions in the ways that programs are used and designed, *post*, at 18 ("The declaring code is what attracted programmers"). We are told that no reuse of code in a new program will ever have a valid "purpose and character," *post*, at 16, even though the reasons for copying computer code may vary greatly and differ from

those applicable to other sorts of works, *ibid.* (accepting that copying as part of "reverse engineer[ing] a system to ensure compatibility" could be a valid purpose). And we are told that our fair use analysis must prioritize certain factors over others, *post*, at 9, n. 5, even though our case law instructs that fair use depends on the context, see *Campbell*, 510 U. S., at 577–578.

We do not understand Congress, however, to have shielded computer programs from the ordinary application of copyright's limiting doctrines in this way. By defining computer programs in §101, Congress chose to place this subject matter within the copyright regime. Like other protected works, that means that the owners of computer programs enjoy the exclusive rights set forth in the Act, including the right to "reproduce [a] copyrighted work" or to "prepare derivative works." 17 U. S. C. §106. But that also means that exclusive rights in computer programs are limited like any other works. Just as fair use distinguishes among books and films, which are indisputably subjects of copyright, so too must it draw lines among computer programs. And just as fair use takes account of the market in which scripts and paintings are bought and sold, so too must it consider the realities of how technological works are created and disseminated. We do not believe that an approach close to "all or nothing" would be faithful to the Copyright Act's overall design.

V

At the outset, Google argues that "fair use" is a question for a jury to decide; here the jury decided the question in Google's favor; and we should limit our review to determining whether "substantial evidence" justified the jury's decision. The Federal Circuit disagreed. It thought that the "fair use" question was a mixed question of fact and law; that reviewing courts should appropriately defer to the jury's findings of underlying facts; but that the ultimate

question whether those facts showed a "fair use" is a legal question for judges to decide *de novo*.

We agree with the Federal Circuit's answer to this question. We have said, "[f]air use is a mixed question of law and fact." *Harper & Row*, 471 U. S., at 560. We have explained that a reviewing court should try to break such a question into its separate factual and legal parts, reviewing each according to the appropriate legal standard. But when a question can be reduced no further, we have added that "the standard of review for a mixed question all depends—on whether answering it entails primarily legal or factual work." *U. S. Bank N. A.* v. *Village at Lakeridge, LLC*, 583 U. S. ___, ___(2018) (slip op., at 9).

In this case, the ultimate "fair use" question primarily involves legal work. "Fair use" was originally a concept fashioned by judges. *Folsom*, 9 F. Cas., at 348. Our cases still provide legal interpretations of the fair use provision. And those interpretations provide general guidance for future cases. See, *e.g.*, *Campbell*, 510 U. S., at 592–593 (describing kinds of market harms that are not the concern of copyright); *Harper & Row*, 471 U. S., at 564 ("scope of fair use is narrower with respect to unpublished works"); *Sony*, 464 U. S., at 451 (wholesale copying aimed at creating a market substitute is presumptively unfair). This type of work is legal work. *U. S. Bank*, 583 U. S., at ___ (slip op., at 8) ("When applying the law involves developing auxiliary legal principles for use in other cases[,] appellate courts should typically review a decision *de novo*").

Applying a legal "fair use" conclusion may, of course, involve determination of subsidiary factual questions, such as "whether there was harm to the actual or potential markets for the copyrighted work" or "how much of the copyrighted work was copied." 886 F. 3d, at 1196; see, *e.g., Peter F. Gaito Architecture, LLC* v. *Simone Development Corp.*, 602 F. 3d 57, 63 (CA2 2010) (noting that in an infringement suit "the question of substantial similarity typically presents an

extremely close question of fact"). In this case the Federal Circuit carefully applied the fact/law principles we set forth in *U. S. Bank*, leaving factual determinations to the jury and reviewing the ultimate question, a legal question, *de novo*.

Next, Google argues that the Federal Circuit's approach violates the Seventh Amendment. The Amendment both requires that "the right of trial by jury . . . be preserved" and forbids courts to "re-examin[e]" any "fact tried by a jury." U. S. Const., Amdt. 7; see also *Gasperini* v. *Center for Humanities, Inc.*, 518 U. S. 415, 432–433 (1996). The Reexamination Clause is no bar here, however, for, as we have said, the ultimate question here is one of law, not fact. It does not violate the Reexamination Clause for a court to determine the controlling law in resolving a challenge to a jury verdict, as happens any time a court resolves a motion for judgment as a matter of law. See, *e.g., Neely* v. *Martin K. Eby Constr. Co.*, 386 U. S. 317, 322 (1967).

Nor is Google correct that "the right of trial by jury" includes the right to have a jury resolve a fair use defense. That Clause is concerned with "the particular trial decision" at issue. *Markman* v. *Westview Instruments, Inc.*, 517 U. S. 370, 376 (1996). Even though it is possible to find pre-Revolutionary English cases in which a judge sent related questions like fair abridgment to a jury, those questions were significantly different from the "fair use" doctrine as courts apply it today. See, *e.g.*, *Gyles* v. *Wilcox*, 2 Atk. 141, 142–144, 26 Eng. Rep. 489, 490–491 (Ch. 1740) (asking the Court to resolve the narrow question whether a shortened work could be considered a new work); *Sayre* v. *Moore*, 1 East 361, n., 102 Eng. Rep. 138, 139, n. (K. B. 1785) (discussing the jury's role in resolving whether copying constituted infringement). As far as contemporary fair use is concerned, we have described the doctrine as an "equitable," not a "legal," doctrine. We have found no case suggesting that application of *U. S. Bank* here would fail "to preserve

the substance of the common-law [jury trial] right as it existed in 1791." *Markman*, 517 U. S., at 376.

VI

We turn now to the basic legal question before us: Was Google's copying of the Sun Java API, specifically its use of the declaring code and organizational structure for 37 packages of that API, a "fair use." In answering this question, we shall consider the four factors set forth in the fair use statute as we find them applicable to the kind of computer programs before us. We have reproduced those four statutory factors *supra*, at 13–14. For expository purposes, we begin with the second.

A. "The Nature of the Copyrighted Work"

The Sun Java API is a "user interface." It provides a way through which users (here the programmers) can "manipulate and control" task-performing computer programs "via a series of menu commands." *Lotus Development Corp.*, 49 F. 3d, at 809. The API reflects Sun's division of possible tasks that a computer might perform into a set of actual tasks that certain kinds of computers actually will perform. Sun decided, for example, that its API would call up a task that compares one integer with another to see which is the larger. Sun's API (to our knowledge) will not call up the task of determining which great Arabic scholar decided to use Arabic numerals (rather than Roman numerals) to perform that "larger integer" task. No one claims that the decisions about what counts as a task are themselves copyrightable—although one might argue about decisions as to how to label and organize such tasks (*e.g.*, the decision to name a certain task "max" or to place it in a class called "Math." Cf. *Baker* v. *Selden*, 101 U. S. 99 (1880)).

As discussed above, *supra,* at 3–5, and in Appendix B, *infra*, we can think of the technology as having three essential parts. First, the API includes "implementing code," which

actually instructs the computer on the steps to follow to carry out each task. Google wrote its own programs (implementing programs) that would perform each one of the tasks that its API calls up.

Second, the Sun Java API associates a particular command, called a "method call," with the calling up of each task. The symbols **java.lang.**, for example, are part of the command that will call up the program (whether written by Sun or, as here, by Google) that instructs the computer to carry out the "larger number" operation. Oracle does not here argue that the use of these commands by programmers itself violates its copyrights.

Third, the Sun Java API contains computer code that will associate the writing of a method call with particular "places" in the computer that contain the needed implementing code. This is the declaring code. The declaring code both labels the particular tasks in the API and organizes those tasks, or "methods," into "packages" and "classes." We have referred to this organization, by way of rough analogy, as file cabinets, drawers, and files. Oracle does claim that Google's use of the Sun Java API's declaring code violates its copyrights.

The declaring code at issue here resembles other copyrighted works in that it is part of a computer program. Congress has specified that computer programs are subjects of copyright. It differs, however, from many other kinds of copyrightable computer code. It is inextricably bound together with a general system, the division of computing tasks, that no one claims is a proper subject of copyright. It is inextricably bound up with the idea of organizing tasks into what we have called cabinets, drawers, and files, an idea that is also not copyrightable. It is inextricably bound up with the use of specific commands known to programmers, known here as method calls (such as **java.lang.Math.max**, etc.), that Oracle does not here contest. And it is inextricably bound up with implementing

code, which is copyrightable but was not copied.

Moreover, the copied declaring code and the uncopied implementing programs call for, and reflect, different kinds of capabilities. A single implementation may walk a computer through dozens of different steps. To write implementing programs, witnesses told the jury, requires balancing such considerations as how quickly a computer can execute a task or the likely size of the computer's memory. One witness described that creativity as "magic" practiced by an API developer when he or she worries "about things like power management" for devices that "run on a battery." App. 143; see also *id.*, at 147, 204. This is the very creativity that was needed to develop the Android software for use not in laptops or desktops but in the very different context of smartphones.

The declaring code (inseparable from the programmer's method calls) embodies a different kind of creativity. Sun Java's creators, for example, tried to find declaring code names that would prove intuitively easy to remember. *Id.*, at 211. They wanted to attract programmers who would learn the system, help to develop it further, and prove reluctant to use another. See *post*, at 10 ("Declaring code . . . is user facing. It must be designed and organized in a way that is intuitive and understandable to developers so that they can invoke it"). Sun's business strategy originally emphasized the importance of using the API to attract programmers. It sought to make the API "open" and "then . . . compete on implementations." App. 124–125. The testimony at trial was replete with examples of witnesses drawing this critical line between the user-centered declaratory code and the innovative implementing code. *Id.*, at 126–127, 159–160, 163–164, 187, 190–191.

These features mean that, as part of a user interface, the declaring code differs to some degree from the mine run of computer programs. Like other computer programs, it is functional in nature. But unlike many other programs, its

use is inherently bound together with uncopyrightable ideas (general task division and organization) and new creative expression (Android's implementing code). Unlike many other programs, its value in significant part derives from the value that those who do not hold copyrights, namely, computer programmers, invest of their own time and effort to learn the API's system. And unlike many other programs, its value lies in its efforts to encourage programmers to learn and to use that system so that they will use (and continue to use) Sun-related implementing programs that Google did not copy.

Although copyrights protect many different kinds of writing, Leval 1116, we have emphasized the need to "recogni[ze] that some works are closer to the core of [copyright] than others," *Campbell*, 510 U. S., at 586. In our view, for the reasons just described, the declaring code is, if copyrightable at all, further than are most computer programs (such as the implementing code) from the core of copyright. That fact diminishes the fear, expressed by both the dissent and the Federal Circuit, that application of "fair use" here would seriously undermine the general copyright protection that Congress provided for computer programs. And it means that this factor, "the nature of the copyrighted work," points in the direction of fair use.

B. "The Purpose and Character of the Use"

In the context of fair use, we have considered whether the copier's use "adds something new, with a further purpose or different character, altering" the copyrighted work "with new expression, meaning or message." *Id.*, at 579. Commentators have put the matter more broadly, asking whether the copier's use "fulfill[s] the objective of copyright law to stimulate creativity for public illumination." Leval 1111. In answering this question, we have used the word "transformative" to describe a copying use that adds something new and important. *Campbell*, 510 U. S., at 579. An

"'artistic painting'" might, for example, fall within the scope of fair use even though it precisely replicates a copyrighted "'advertising logo to make a comment about consumerism.'" 4 Nimmer on Copyright §13.05[A][1][b] (quoting Netanel, Making Sense of Fair Use, 15 Lewis & Clark L. Rev. 715, 746 (2011)). Or, as we held in *Campbell*, a parody can be transformative because it comments on the original or criticizes it, for "[p]arody needs to mimic an original to make its point." 510 U. S., at 580–581.

Google copied portions of the Sun Java API precisely, and it did so in part for the same reason that Sun created those portions, namely, to enable programmers to call up implementing programs that would accomplish particular tasks. But since virtually any unauthorized use of a copyrighted computer program (say, for teaching or research) would do the same, to stop here would severely limit the scope of fair use in the functional context of computer programs. Rather, in determining whether a use is "transformative," we must go further and examine the copying's more specifically described "purpose[s]" and "character." 17 U. S. C. §107(1).

Here Google's use of the Sun Java API seeks to create new products. It seeks to expand the use and usefulness of Android-based smartphones. Its new product offers programmers a highly creative and innovative tool for a smartphone environment. To the extent that Google used parts of the Sun Java API to create a new platform that could be readily used by programmers, its use was consistent with that creative "progress" that is the basic constitutional objective of copyright itself. Cf. *Feist*, 499 U. S., at 349–350 ("The primary objective of copyright is not to reward the labor of authors, but '[t]o promote the Progress of Science and useful Arts'" (quoting U. S. Const., Art. I, §8, cl. 8)).

The jury heard that Google limited its use of the Sun Java API to tasks and specific programming demands related to

Android. It copied the API (which Sun created for use in desktop and laptop computers) only insofar as needed to include tasks that would be useful in smartphone programs. App. 169–170. And it did so only insofar as needed to allow programmers to call upon those tasks without discarding a portion of a familiar programming language and learning a new one. *Id.*, at 139–140. To repeat, Google, through Android, provided a new collection of tasks operating in a distinct and different computing environment. Those tasks were carried out through the use of new implementing code (that Google wrote) designed to operate within that new environment. Some of the *amici* refer to what Google did as "reimplementation," defined as the "building of a system . . . that repurposes the same words and syntaxes" of an existing system—in this case so that programmers who had learned an existing system could put their basic skills to use in a new one. Brief for R Street Institute et al. as *Amici Curiae* 2.

The record here demonstrates the numerous ways in which reimplementing an interface can further the development of computer programs. The jury heard that shared interfaces are necessary for different programs to speak to each other. App. 125 ("We have to agree on the APIs so that the application I write to show a movie runs on your device"). It heard that the reimplementation of interfaces is necessary if programmers are to be able to use their acquired skills. *Id.*, at 191 ("If the API labels change, then either the software wouldn't continue to work anymore or the developer . . . would have to learn a whole new language to be able to use these API labels"). It heard that the reuse of APIs is common in the industry. *Id.*, at 115, 155, 663. It heard that Sun itself had used pre-existing interfaces in creating Java. *Id.*, at 664. And it heard that Sun executives thought that widespread use of the Java programming language, including use on a smartphone platform, would benefit the company. *Id.*, at 130–133.

Amici supporting Google have summarized these same points—points that witnesses explained to the jury. See, *e.g.*, Brief for Copyright Scholars as *Amici Curiae* 25 ("[T]he portions of Java SE that Google reimplemented may have helped preserve consistency of use within the larger Java developer community"); Brief for Microsoft Corporation as *Amicus Curiae* 22 ("[A]llowing reasonable fair use of functional code enables innovation that creates new opportunities for the whole market to grow"); Brief for 83 Computer Scientists as *Amici Curiae* 20 ("Reimplementing interfaces fueled widespread adoption of popular programming languages" (emphasis deleted)); Brief for R Street Institute et al. as *Amici Curiae* 15–20 (describing Oracle's reimplementation of other APIs); see also Brief for American Antitrust Institute as *Amicus Curiae* 7 ("Copyright on largely functional elements of software that [have] become an industry standard gives a copyright holder anti-competitive power").

These and related facts convince us that the "purpose and character" of Google's copying was transformative—to the point where this factor too weighs in favor of fair use.

There are two other considerations that are often taken up under the first factor: commerciality and good faith. The text of §107 includes various noncommercial uses, such as teaching and scholarship, as paradigmatic examples of privileged copying. There is no doubt that a finding that copying was not commercial in nature tips the scales in favor of fair use. But the inverse is not necessarily true, as many common fair uses are indisputably commercial. For instance, the text of §107 includes examples like "news reporting," which is often done for commercial profit. So even though Google's use was a commercial endeavor—a fact no party disputed, see 886 F. 3d, at 1197—that is not dispositive of the first factor, particularly in light of the inherently transformative role that the reimplementation played in the new Android system.

As for bad faith, our decision in *Campbell* expressed some

skepticism about whether bad faith has any role in a fair use analysis. 510 U. S., at 585, n. 18. We find this skepticism justifiable, as "[c]opyright is not a privilege reserved for the well-behaved." Leval 1126. We have no occasion here to say whether good faith is as a general matter a helpful inquiry. We simply note that given the strength of the other factors pointing toward fair use and the jury finding in Google's favor on hotly contested evidence, that fact-bound consideration is not determinative in this context.

C. "The Amount and Substantiality of the Portion Used"

If one considers the declaring code in isolation, the quantitative amount of what Google copied was large. Google copied the declaring code for 37 packages of the Sun Java API, totaling approximately 11,500 lines of code. Those lines of code amount to virtually all the declaring code needed to call up hundreds of different tasks. On the other hand, if one considers the entire set of software material in the Sun Java API, the quantitative amount copied was small. The total set of Sun Java API computer code, including implementing code, amounted to 2.86 million lines, of which the copied 11,500 lines were only 0.4 percent. App. 212.

The question here is whether those 11,500 lines of code should be viewed in isolation or as one part of the considerably greater whole. We have said that even a small amount of copying may fall outside of the scope of fair use where the excerpt copied consists of the "'heart'" of the original work's creative expression. *Harper & Row*, 471 U. S., at 564–565. On the other hand, copying a larger amount of material can fall within the scope of fair use where the material copied captures little of the material's creative expression or is central to a copier's valid purpose. See, *e.g.*, *Campbell*, 510 U. S., at 588; *New Era Publications Int'l, ApS* v. *Carol Publishing Group*, 904 F. 2d 152, 158 (CA2 1990). If a defendant had copied one sentence in a novel, that copying may

well be insubstantial. But if that single sentence set forth one of the world's shortest short stories—"When he awoke, the dinosaur was still there."—the question looks much different, as the copied material constitutes a small part of the novel but the entire short story. See A. Monterroso, El Dinosaurio, in Complete Works & Other Stories 42 (E. Grossman transl. 1995). (In the original Spanish, the story reads: "Cuando despertó, el dinosaurio todavía estaba allí.")

Several features of Google's copying suggest that the better way to look at the numbers is to take into account the several million lines that Google did not copy. For one thing, the Sun Java API is inseparably bound to those task-implementing lines. Its purpose is to call them up. For another, Google copied those lines not because of their creativity, their beauty, or even (in a sense) because of their purpose. It copied them because programmers had already learned to work with the Sun Java API's system, and it would have been difficult, perhaps prohibitively so, to attract programmers to build its Android smartphone system without them. Further, Google's basic purpose was to create a different task-related system for a different computing environment (smartphones) and to create a platform—the Android platform—that would help achieve and popularize that objective. The "substantiality" factor will generally weigh in favor of fair use where, as here, the amount of copying was tethered to a valid, and transformative, purpose. *Supra*, at 25–26; see *Campbell*, 510 U. S., at 586–587 (explaining that the factor three "enquiry will harken back to the first of the statutory factors, for . . . the extent of permissible copying varies with the purpose and character of the use").

We do not agree with the Federal Circuit's conclusion that Google could have achieved its Java-compatibility objective by copying only the 170 lines of code that are "necessary to write in the Java language." 886 F. 3d, at 1206. In

our view, that conclusion views Google's legitimate objectives too narrowly. Google's basic objective was not simply to make the Java programming language usable on its Android systems. It was to permit programmers to make use of their knowledge and experience using the Sun Java API when they wrote new programs for smartphones with the Android platform. In principle, Google might have created its own, different system of declaring code. But the jury could have found that its doing so would not have achieved that basic objective. In a sense, the declaring code was the key that it needed to unlock the programmers' creative energies. And it needed those energies to create and to improve its own innovative Android systems.

We consequently believe that this "substantiality" factor weighs in favor of fair use.

D. Market Effects

The fourth statutory factor focuses upon the "effect" of the copying in the "market for or value of the copyrighted work." 17 U. S. C. §107(4). Consideration of this factor, at least where computer programs are at issue, can prove more complex than at first it may seem. It can require a court to consider the amount of money that the copyright owner might lose. As we pointed out in *Campbell*, "verbatim copying of the original in its entirety for commercial purposes" may well produce a market substitute for an author's work. 510 U. S., at 591. Making a film of an author's book may similarly mean potential or presumed losses to the copyright owner. Those losses normally conflict with copyright's basic objective: providing authors with exclusive rights that will spur creative expression.

But a potential loss of revenue is not the whole story. We here must consider not just the amount but also the source of the loss. As we pointed out in *Campbell*, a "lethal parody, like a scathing theatre review," may "kil[l] demand for the original." *Id.*, at 591–592. Yet this kind of harm, even if

directly translated into foregone dollars, is not "cognizable under the Copyright Act." *Id.,* at 592.

Further, we must take into account the public benefits the copying will likely produce. Are those benefits, for example, related to copyright's concern for the creative production of new expression? Are they comparatively important, or unimportant, when compared with dollar amounts likely lost (taking into account as well the nature of the source of the loss)? Cf. *MCA, INC.* v. *Wilson*, 677 F. 2d 180, 183 (CA2 1981) (calling for a balancing of public benefits and losses to copyright owner under this factor).

We do not say that these questions are always relevant to the application of fair use, not even in the world of computer programs. Nor do we say that these questions are the only questions a court might ask. But we do find them relevant here in helping to determine the likely market effects of Google's reimplementation.

As to the likely amount of loss, the jury could have found that Android did not harm the actual or potential markets for Java SE. And it could have found that Sun itself (now Oracle) would not have been able to enter those markets successfully whether Google did, or did not, copy a part of its API. First, evidence at trial demonstrated that, regardless of Android's smartphone technology, Sun was poorly positioned to succeed in the mobile phone market. The jury heard ample evidence that Java SE's primary market was laptops and desktops. App. 99, 200. It also heard that Sun's many efforts to move into the mobile phone market had proved unsuccessful. *Id.,* at 135, 235, 671. As far back as 2006, prior to Android's release, Sun's executives projected declining revenue for mobile phones because of emerging smartphone technology. *Id.,* at 240. When Sun's former CEO was asked directly whether Sun's failure to build a smartphone was attributable to Google's development of Android, he answered that it was not. *Id.,* at 650. Given

the evidence showing that Sun was beset by business challenges in developing a mobile phone product, the jury was entitled to agree with that assessment.

Second, the jury was repeatedly told that devices using Google's Android platform were different in kind from those that licensed Sun's technology. For instance, witnesses explained that the broader industry distinguished between smartphones and simpler "feature phones." *Id.,* at 237. As to the specific devices that used Sun-created software, the jury heard that one of these phones lacked a touchscreen, *id.*, at 359–360, while another did not have a QWERTY keyboard, *id.*, at 672. For other mobile devices, the evidence showed that simpler products, like the Kindle, used Java software, *id.*, at 396, while more advanced technology, like the Kindle Fire, were built on the Android operating system, *id.*, at 206. This record evidence demonstrates that, rather than just "repurposing [Sun's] code from larger computers to smaller computers," *post*, at 16, Google's Android platform was part of a distinct (and more advanced) market than Java software.

Looking to these important differences, Google's economic expert told the jury that Android was not a market substitute for Java's software. As he explained, "the two products are on very different devices," and the Android platform, which offers "an entire mobile operating stack," is a "very different typ[e] of produc[t]" than Java SE, which is "just an applications programming framework." App. 256; see also *id.*, at 172–174. Taken together, the evidence showed that Sun's mobile phone business was declining, while the market increasingly demanded a new form of smartphone technology that Sun was never able to offer.

Finally, the jury also heard evidence that Sun foresaw a benefit from the broader use of the Java programming language in a new platform like Android, as it would further expand the network of Java-trained programmers. *Id.*, at 131–133; see also *id.*, at 153 ("Once an API starts getting

reimplemented, you know it has succeeded"). In other words, the jury could have understood Android and Java SE as operating in two distinct markets. And because there are two markets at issue, programmers learning the Java language to work in one market (smartphones) are then able to bring those talents to the other market (laptops). See 4 Nimmer on Copyright §13.05[A][4] (explaining that factor four asks what the impact of "widespread conduct of the sort engaged in by the defendant" would be on the market for the present work).

Sun presented evidence to the contrary. Indeed, the Federal Circuit held that the "market effects" factor militated against fair use in part because Sun had tried to enter the Android market. 886 F. 3d, at 1209 (Sun sought licensing agreement with Google). But those licensing negotiations concerned much more than 37 packages of declaring code, covering topics like "the implementation of [Java's] code" and "branding and cooperation" between the firms. App. 245; see also 4 Nimmer on Copyright §13.05[A][4] (cautioning against the "danger of circularity posed" by considering unrealized licensing opportunities because "it is a given in every fair use case that plaintiff suffers a loss of a *potential* market if that potential is defined as the theoretical market for licensing the very use at bar"). In any event, the jury's fair use determination means that neither Sun's effort to obtain a license nor Oracle's conflicting evidence can overcome evidence indicating that, at a minimum, it would have been difficult for Sun to enter the smartphone market, even had Google not used portions of the Sun Java API.

On the other hand, Google's copying helped Google make a vast amount of money from its Android platform. And enforcement of the Sun Java API copyright might give Oracle a significant share of these funds. It is important, however, to consider why and how Oracle might have become entitled to this money. When a new interface, like an API or a spreadsheet program, first comes on the market, it may

attract new users because of its expressive qualities, such as a better visual screen or because of its superior functionality. As time passes, however, it may be valuable for a different reason, namely, because users, including programmers, are just used to it. They have already learned how to work with it. See *Lotus Development Corp.*, 49 F. 3d, at 821 (Boudin, J., concurring).

The record here is filled with evidence that this factor accounts for Google's desire to use the Sun Java API. See, *e.g.,* App. 169–170, 213–214. This source of Android's profitability has much to do with third parties' (say, programmers') investment in Sun Java programs. It has correspondingly less to do with Sun's investment in creating the Sun Java API. We have no reason to believe that the Copyright Act seeks to protect third parties' investment in learning how to operate a created work. Cf. *Campbell*, 510 U. S., at 591–592 (discussing the need to identify those harms that are "cognizable under the Copyright Act").

Finally, given programmers' investment in learning the Sun Java API, to allow enforcement of Oracle's copyright here would risk harm to the public. Given the costs and difficulties of producing alternative APIs with similar appeal to programmers, allowing enforcement here would make of the Sun Java API's declaring code a lock limiting the future creativity of new programs. Oracle alone would hold the key. The result could well prove highly profitable to Oracle (or other firms holding a copyright in computer interfaces). But those profits could well flow from creative improvements, new applications, and new uses developed by users who have learned to work with that interface. To that extent, the lock would interfere with, not further, copyright's basic creativity objectives. See *Connectix Corp.*, 203 F. 3d, at 607; see also *Sega Enterprises*, 977 F. 2d, at 1523–1524 ("An attempt to monopolize the market by making it impossible for others to compete runs counter to the statutory purpose of promoting creative expression");

Lexmark Int'l, 387 F. 3d, at 544 (noting that where a subsequent user copied a computer program to foster functionality, it was not exploiting the programs "commercial value *as a copyrighted work*" (emphasis in original)). After all, "copyright supplies the economic incentive to [both] create and disseminate ideas," *Harper & Row*, 471 U. S., at 558, and the reimplementation of a user interface allows creative new computer code to more easily enter the market.

The uncertain nature of Sun's ability to compete in Android's market place, the sources of its lost revenue, and the risk of creativity-related harms to the public, when taken together, convince that this fourth factor—market effects—also weighs in favor of fair use.

* * *

The fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world. See *Lotus Development Corp.*, 49 F. 3d, at 820 (Boudin, J., concurring). In doing so here, we have not changed the nature of those concepts. We do not overturn or modify our earlier cases involving fair use—cases, for example, that involve "knockoff" products, journalistic writings, and parodies. Rather, we here recognize that application of a copyright doctrine such as fair use has long proved a cooperative effort of Legislatures and courts, and that Congress, in our view, intended that it so continue. As such, we have looked to the principles set forth in the fair use statute, §107, and set forth in our earlier cases, and applied them to this different kind of copyrighted work.

We reach the conclusion that in this case, where Google reimplemented a user interface, taking only what was needed to allow users to put their accrued talents to work in a new and transformative program, Google's copying of the Sun Java API was a fair use of that material as a matter of law. The Federal Circuit's contrary judgment is reversed,

and the case is remanded for further proceedings in conformity with this opinion.

It is so ordered.

JUSTICE BARRETT took no part in the consideration or decision of this case.

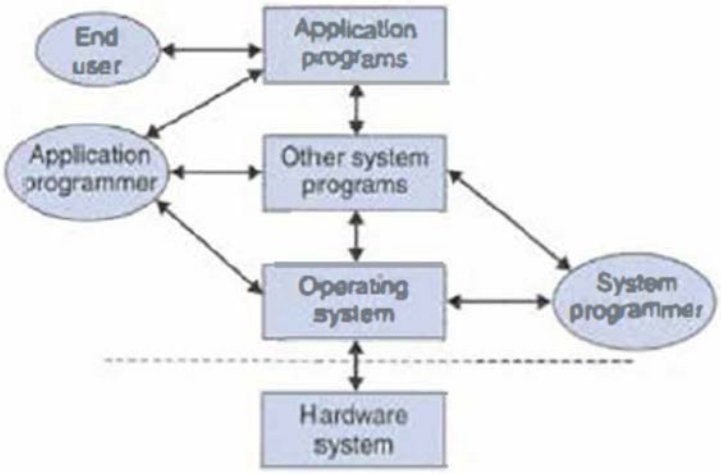
APPENDIXES

A

Computer System Diagram

Some readers might find it helpful to start with an explanation of what a "software platform" is. Put simply, a software platform collects all of the software tools that a programmer may need to build computer programs. The Android platform, for instance, includes an "operating system," "core libraries," and a "virtual machine," among other tools. App. 197–198.

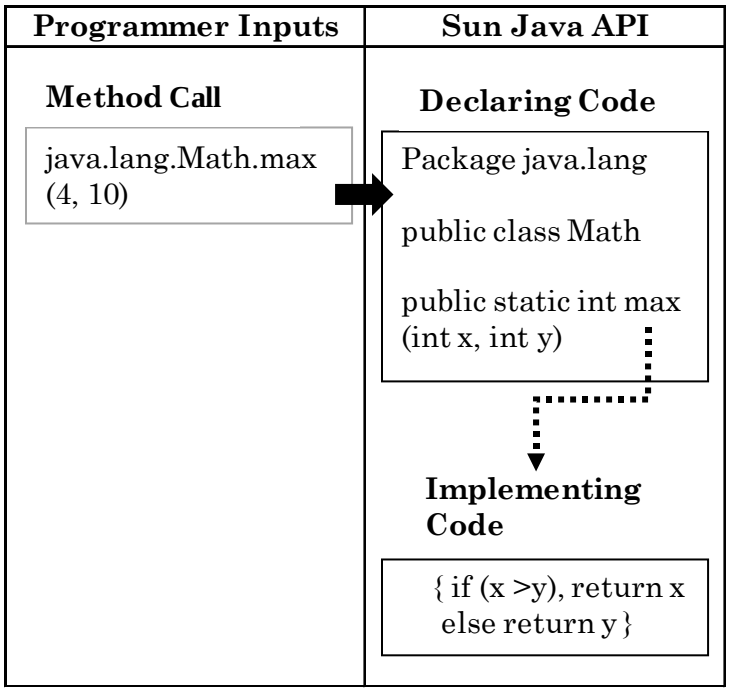
The diagram below illustrates the general features of a standard computer system, with the dotted line reflecting the division between a computer's hardware and its software. (It is not intended to reflect any specific technology at issue in this case.)



J. Garrido & R. Schlesinger, Principles of Modern Operating Systems 8 (2008) ("Figure 1.4. An External View of a Computer System").

B

Sun Java API Diagram



This image depicts the connection between the three parts of the Sun Java API technology at issue, using the District Court's example. *Oracle*, 872 F. Supp. 2d, at 980–981. The programmer enters a method call to invoke a task from within the API (the solid arrow). The precise symbols in the method call correspond to a single task, which is located within a particular class. That class is located within a particular package. All of the lines of code that provide that organization and name the methods, classes, and packages are "declaring code." For each method, the declaring code is associated with particular lines of implementing code (the dotted arrow). It is that implementing code

(which Google wrote for its Android API) that actually instructs the computer in the programmer's application.

SUPREME COURT OF THE UNITED STATES

No. 18–956

GOOGLE LLC, PETITIONER *v.*
ORACLE AMERICA, INC.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

[April 5, 2021]

JUSTICE THOMAS, with whom JUSTICE ALITO joins, dissenting.

Oracle spent years developing a programming library that successfully attracted software developers, thus enhancing the value of Oracle's products.[1] Google sought a license to use the library in Android, the operating system it was developing for mobile phones. But when the companies could not agree on terms, Google simply copied verbatim 11,500 lines of code from the library. As a result, it erased 97.5% of the value of Oracle's partnership with Amazon, made tens of billions of dollars, and established its position as the owner of the largest mobile operating system in the world. Despite this, the majority holds that this copying was fair use.

The Court reaches this unlikely result in large part because it bypasses the antecedent question clearly before us: Is the software code at issue here protected by the Copyright Act? The majority purports to assume, without deciding, that the code is protected. But its fair-use analysis is wholly inconsistent with the substantial protection Congress gave to computer code. By skipping over the copy-

[1] A different company, Sun, created the library. But because Oracle later purchased Sun, for simplicity I refer to both companies as Oracle.

rightability question, the majority disregards half the relevant statutory text and distorts its fair-use analysis. Properly considering that statutory text, Oracle's code at issue here is copyrightable, and Google's use of that copyrighted code was anything but fair.

I

In the 1990s, Oracle created a programming language called Java. Like many programming languages, Java allows developers to prewrite small subprograms called "methods." Methods form the building blocks of more complex programs. This process is not unlike what legislatures do with statutes. To save space and time, legislatures define terms and then use those definitions as a shorthand. For example, the legal definition for "refugee" is more than 300 words long. 8 U. S. C. §1101(42). Rather than repeat all those words every time they are relevant, the U. S. Code encapsulates them all with a single term that it then inserts into each relevant section. Java methods work similarly. Once a method has been defined, a developer need only type a few characters (the method name and relevant inputs) to invoke everything contained in the subprogram. A programmer familiar with prewritten methods can string many of them together to quickly develop complicated programs without having to write from scratch all the basic subprograms.

To create Java methods, developers use two kinds of code. The first, "declaring code," names the method, defines what information it can process, and defines what kind of data it can output. It is like the defined term in a statute. The second, "implementing code," includes the step-by-step instructions that make those methods run.[2] It is like the detailed definition in a statute.

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[2] Consider what the relevant text of a simple method—designed to return the largest of three integers—might look like:

Oracle's declaring code was central to its business model. Oracle profited financially by encouraging developers to create programs written in Java and then charging manufacturers a fee to embed in their devices the Java software platform needed to run those programs. To this end, Oracle created a work called Java 2 Platform, Standard Edition, which included a highly organized library containing about 30,000 methods. Oracle gave developers free access to these methods to encourage them to write programs for the Java platform. In return, developers were required to make their programs compatible with the Java platform on any device. Developers were encouraged to make improvements to the platform, but they were required to release beneficial modifications to the public. If a company wanted to customize the platform and keep those customizations secret for business purposes, it had to pay for a separate license.

By 2005, many companies were racing to develop operating systems for what would become modern smartphones. Oracle's strategy had successfully encouraged millions of programmers to learn Java. As a result, Java software platforms were in the vast majority of mobile phones. Google wanted to attract those programmers to Android by including in Android the declaring code with which they were now familiar. But the founder of Android, Andrew Rubin, understood that the declaring code was copyrighted, so Google sought a custom license from Oracle. At least four times between 2005 and 2006, the two companies attempted to

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```
public static int MaxNum (int x, int y, int z) {
  if (x >= y && x >= z) return x;
  else if (y >= x && y >= z) return y;
  else return z;
  }
```

The first line is declaring code that defines the method, including what inputs (integers x, y, and z) it can process and what it can output (an integer). The remainder is implementing code that checks which of the inputs is largest and returns the result. Once this code is written, a programmer could invoke it by typing, for example, "MaxNum (4, 12, 9)."

negotiate a license, but they were unsuccessful, in part because of "trust issues." App. 657.

When those negotiations broke down, Google simply decided to use Oracle's code anyway. Instead of creating its own declaring code—as Apple and Microsoft chose to do—Google copied verbatim 11,500 lines of Oracle's declaring code and arranged that code exactly as Oracle had done. It then advertised Android to device manufacturers as containing "Core Java Libraries." *Id.*, at 600. Oracle predictably responded by suing Google for copyright infringement. The Federal Circuit ruled that Oracle's declaring code is copyrightable and that Google's copying of it was not fair use.

II

The Court wrongly sidesteps the principal question that we were asked to answer: Is declaring code protected by copyright? I would hold that it is.

Computer code occupies a unique space in intellectual property. Copyright law generally protects works of authorship. Patent law generally protects inventions or discoveries. A library of code straddles these two categories. It is highly functional like an invention; yet as a writing, it is also a work of authorship. Faced with something that could fit in either space, Congress chose copyright, and it included declaring code in that protection.

The Copyright Act expressly protects computer code. It recognizes that a "computer program" is protected by copyright. See 17 U. S. C. §§109(b), 117, 506(a). And it defines "'computer program'" as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." §101. That definition clearly covers declaring code—sets of statements that indirectly perform computer functions by triggering prewritten implementing code.

Even without that express language, declaring code

would satisfy the general test for copyrightability. "Copyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression." §102(a). "Works of authorship include . . . literary works," which are "works . . . expressed in words, numbers, or other verbal or numerical symbols." §§101, 102(a). And a work is "original" if it is "independently created by the author" and "possesses at least some minimal degree of creativity." *Feist Publications, Inc.* v. *Rural Telephone Service Co.*, 499 U. S. 340, 345 (1991). The lines of declaring code in the Java platform readily satisfy this "extremely low" threshold. *Ibid.* First, they are expressed in "words, numbers, or other verbal or numerical symbols" and are thus works of authorship. §101. Second, as Google concedes, the lines of declaring code are original because Oracle could have created them any number of ways.

Google contends that declaring code is a "method of operation" and thus excluded from protection by §102(b). That subsection excludes from copyright protection "any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied." This provision codifies the "idea/expression dichotomy" that copyright protection covers only the "the author's expression" of an idea, not the idea itself. *Golan* v. *Holder*, 565 U. S. 302, 328 (2012). A property right in the idea itself "can only be secured, if it can be secured at all, by letters-patent." *Baker* v. *Selden*, 101 U. S. 99, 105 (1880). Thus, for example, a "method of book-keeping" is not protected by copyright, but the expression describing that accounting method is. *Id.*, at 101–102. So too, a person who writes a book inventing the idea of declaring code has a copyright protection in the expression in the book, but not in the idea of declaring code itself. Google acknowledges that implementing code is protected by the Copyright Act, but it contends that declaring

code is much more functional and thus is a "method of operation" outside the scope of protection.

That argument fails. As the majority correctly recognizes, declaring code and implementing code are "inextricably bound" together. *Ante*, at 22. Declaring code defines the scope of a set of implementing code and gives a programmer a way to use it by shortcut. Because declaring code incorporates implementing code, it has no function on its own. Implementing code is similar. Absent declaring code, developers would have to write every program from scratch, making complex programs prohibitively time consuming to create. The functionality of both declaring code and implementing code will thus typically rise and fall together.

Google's argument also cannot account for Congress' decision to define protected computer code as "a set of statements or instructions to be used *directly or indirectly* in a computer in order to bring about a certain result." §101 (emphasis added). Hence, Congress rejected any categorical distinction between declaring and implementing code. Implementing code orders a computer operation directly. Declaring code does so indirectly by incorporating implementing code. When faced with general language barring protection for "methods of operation" and specific language protecting declaring code, the "'specific governs the general.'" *RadLAX Gateway Hotel, LLC* v. *Amalgamated Bank*, 566 U. S. 639, 645 (2012).

This context makes clear that the phrase "method of operation" in §102(b) does not remove protection from declaring code simply because it is functional. That interpretation does not, however, render "method of operation" meaningless. It is "given more precise content by the neighboring words with which it is associated." *United States* v. *Williams*, 553 U. S. 285, 294 (2008). Other terms in the same subsection such as "idea," "principle," and "concept" suggest that "method of operation" covers the functions and

ideas implemented by computer code—such as math functions, accounting methods, or the idea of declaring code—not the specific expression Oracle created. Oracle cannot copyright the idea of using declaring code, but it can copyright the specific expression of that idea found in its library.

Google also contends that declaring code is not copyrightable because the "merger doctrine" bars copyright protection when there is only one way to express an idea. That argument fails for the same reasons Google's §102(b) argument fails. Even if the doctrine exists, Google admits that it is merely an application of §102(b). And, in any event, there may have been only one way for Google to copy the lines of declaring code, but there were innumerable ways for Oracle to write them. Certainly, Apple and Microsoft managed to create their own declaring code.

III

The Court inexplicably declines to address copyrightability. Its sole stated reason is that "technological, economic, and business-related circumstances" are "rapidly changing." *Ante*, at 15. That, of course, has been a constant where computers are concerned.

Rather than address this principal question, the Court simply assumes that declaring code is protected and then concludes that every fair-use factor favors Google. I agree with the majority that Congress did not "shiel[d] computer programs from the ordinary application" of fair use. *Ante,* at 18. But the majority's application of fair use is far from ordinary. By skipping copyrightability, the majority gets the methodology backward, causing the Court to sidestep a key conclusion that ineluctably affects the fair-use analysis: Congress rejected categorical distinctions between declaring and implementing code. But the majority creates just such a distinction. The result of this distorting analysis is an opinion that makes it difficult to imagine any circum-

stance in which declaring code will remain protected by copyright.

I agree with the majority that, under our precedent, fair use is a mixed question of fact and law and that questions of law predominate.[3] Because the jury issued a finding of fair use in favor of Google, we must construe all factual disputes and inferences in Google's favor and ask whether the evidence was sufficient as a matter of law to support the jury's verdict. See Fed. Rule Civ. Proc. 50(b). But whether a statutory fair-use factor favors one side or the other is a legal question reviewed *de novo*. Congress has established four statutory fair-use factors for courts to weigh.[4] Three decisively favor Oracle. And even assuming that the remaining factor favors Google, that factor, without more, cannot legally establish fair use in this context.

The majority holds otherwise—concluding that *every* factor favors Google—by relying, in large part, on a distinction it draws between declaring and implementing code, a distinction that the statute rejects. Tellingly, the majority

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[3] I would not, however, definitively resolve Google's argument that the Seventh Amendment commits the question of fair use to a jury. I tend to agree with the Court that fair use was not "itself necessarily a jury issue" when the Constitution was ratified. *Markman* v. *Westview Instruments*, *Inc.*, 517 U. S. 370, 376–377 (1996). Google cites cases about "fair abridgment," but Congress has since made clear that copyright holders have "exclusive rights" over any "abridgment." 17 U. S. C. §§101, 106. And in any event, judges often declined to refer these issues to juries. See, *e.g.*, *Gyles* v. *Wilcox*, 2 Atk. 141, 144, 26 Eng. Rep. 489, 490–491 (Ch. 1740); *Folsom* v. *Marsh*, 9 F. Cas. 342, 345–349 (No. 4,901) (CC Mass. 1841) (Story, J). Still, we should not so casually decide this question when the parties barely addressed it.

[4] The factors are: "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work." §§107(1)–(4).

evaluates the factors neither in sequential order nor in order of importance (at least two factors are more important under our precedent[5]). Instead, it starts with the second factor: the nature of the copyrighted work. It proceeds in this manner in order to create a distinction between declaring and implementing code that renders the former less worthy of protection than the latter. Because the majority's mistaken analysis rests so heavily on this factor, I begin with it as well.

A. The Nature of the Copyrighted Work

This factor requires courts to assess the level of creativity or functionality in the original work. It generally favors fair use when a copyrighted work is more "informational or functional" than "creative." 4 M. Nimmer & D. Nimmer, Copyright §13.05[A][2][a] (2019). Because code is predominantly functional, this factor will often favor copying when the original work is computer code. But because Congress determined that declaring and implementing code are copyrightable, this factor alone cannot support a finding of fair use.

The majority, however, uses this factor to create a distinction between declaring and implementing code that in effect removes copyright protection from declaring code. It concludes that, unlike implementing code, declaring code is far "from the core of copyright" because it becomes valuable only when third parties (computer programmers) value it and because it is "inherently bound together with uncopyrightable ideas." *Ante*, at 23–24.

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[5] The fourth factor—the effect of Google's copying on the potential market for Oracle's work—is "undoubtedly the single most important element of fair use." *Harper & Row, Publishers, Inc.* v. *Nation Enterprises*, 471 U. S. 539, 566 (1985). The first factor—the purpose and character of the use, including whether the use is commercial—is the second-most important because it can prove dispositive. See *id.*, at 550 ("[In general,] the fair use doctrine has always precluded a use that 'supersede[s] the use of the original'").

Congress, however, rejected this sort of categorical distinction that would make declaring code less worthy of protection. The Copyright Act protects code that operates "in a computer in order to bring about a certain result" both "directly" (implementing code) and "indirectly" (declaring code). §101. And if anything, declaring code is *closer* to the "core of copyright." *Ante*, at 24. Developers cannot even see implementing code. *Oracle Am., Inc.* v. *Google Inc.*, 2016 WL 3181206, *4 (ND Cal., June 8, 2016); see also *ante*, at 23 (declaring code is "user-centered"). Implementing code thus conveys *no* expression to developers. Declaring code, in contrast, is user facing. It must be designed and organized in a way that is intuitive and understandable to developers so that they can invoke it.

Even setting those concerns aside, the majority's distinction is untenable. True, declaring code is "inherently bound together with uncopyrightable ideas." *Ante,* at 23–24. Is anything not? Books are inherently bound with uncopyrightable ideas—the use of chapters, having a plot, or including dialogue or footnotes. This does not place books far "from the core of copyright." And implementing code, which the majority concedes is copyrightable, is inherently bound up with "the division of computing tasks" that cannot be copyrighted.[6] *Ante*, at 22. We have not discounted a work of authorship simply because it is associated with noncopyrightable ideas. While ideas cannot be copyrighted, expressions of those ideas can. *Golan*, 565 U. S., at 328.

Similarly, it makes no difference that the value of declaring code depends on how much time third parties invest in

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[6]The majority also belittles declaring code by suggesting it is simply a way to organize implementing code. *Ante*, at 22–23. Not so. Declaring code *defines* subprograms of implementing code, including by controlling what inputs they can process. Similarly, the majority is wrong to suggest that the purpose of declaring code is to connect pre-existing method calls to implementing code. *Ante,* at 5. Declaring code *creates* the method calls.

learning it. Many other copyrighted works depend on the same. A Broadway musical script needs actors and singers to invest time learning and rehearsing it. But a theater cannot copy a script—the rights to which are held by a smaller theater—simply because it wants to entice actors to switch theaters and because copying the script is more efficient than requiring the actors to learn a new one.

What the majority says is true of declaring code is no less true of implementing code. Declaring code is how programmers access prewritten implementing code. The value of that implementing code thus is directly proportional to how much programmers value the associated declaring code. The majority correctly recognizes that declaring code "is inextricably bound up with implementing code," *ante*, at 22–23, but it overlooks the implications of its own conclusion.

Only after wrongly concluding that the nature of declaring code makes that code generally unworthy of protection does the Court move on to consider the other factors. This opening mistake taints the Court's entire analysis.

B. Market Effects

"[U]ndoubtedly the single most important element of fair use" is the effect of Google's copying "'upon the potential market for or value of [Oracle's] copyrighted work.'" *Harper & Row*, *Publishers*, *Inc.* v. *Nation Enterprises*, 471 U. S. 539, 566 (1985). As the Federal Circuit correctly determined, "evidence of actual and potential harm stemming from Google's copying was 'overwhelming.'" 886 F. 3d 1179, 1209 (2018). By copying Oracle's code to develop and release Android, Google ruined Oracle's potential market in at least two ways.

First, Google eliminated the reason manufacturers were willing to pay to install the Java platform. Google's business model differed from Oracle's. While Oracle earned revenue by charging device manufacturers to install the Java platform, Google obtained revenue primarily through ad

sales. Its strategy was to release Android to device manufacturers for free and then use Android as a vehicle to collect data on consumers and deliver behavioral ads. With a free product available that included much of Oracle's code (and thus with similar programming potential), device manufacturers no longer saw much reason to pay to embed the Java platform.

For example, before Google released Android, Amazon paid for a license to embed the Java platform in Kindle devices. But after Google released Android, Amazon used the cost-free availability of Android to negotiate a 97.5% discount on its license fee with Oracle. Evidence at trial similarly showed that right after Google released Android, Samsung's contract with Oracle dropped from $40 million to about $1 million. Google contests none of this except to say that Amazon used a different Java platform, Java Micro Edition instead of Java Standard Edition. That difference is inconsequential because the former was simply a smaller subset of the latter. Google copied code found in both platforms. The majority does not dispute—or even mention—this enormous harm.

Second, Google interfered with opportunities for Oracle to license the Java platform to developers of smartphone operating systems. Before Google copied Oracle's code, nearly every mobile phone on the market contained the Java platform. Oracle's code was extraordinarily valuable to anybody who wanted to develop smartphones, which explains why Google tried no fewer than four times to license it. The majority's remark that Google also sought other licenses from Oracle, *ante*, at 33, does not change this central fact. Both parties agreed that Oracle could enter Google's current market by licensing its declaring code. But by copying the code and releasing Android, Google eliminated Oracle's opportunity to license its code for that use.

The majority writes off this harm by saying that the jury could have found that Oracle might not have been able to

enter the modern smartphone market successfully.[7] *Ante*, at 31–32. But whether Oracle could itself enter that market is only half the picture. We look at not only the potential market "that creators of original works would in general develop" but also those potential markets the copyright holder might "license others to develop." *Campbell* v. *Acuff-Rose Music, Inc.*, 510 U. S. 569, 592 (1994). A book author need not be able to personally convert a book into a film so long as he can license someone else to do so. That Oracle could have licensed its code for use in Android is undisputed.

Unable to seriously dispute that Google's actions had a disastrous effect on Oracle's potential market, the majority changes course and asserts that enforcing copyright protection could harm the public by giving Oracle the power to "limi[t] the future creativity" of programs on Android. *Ante*, at 34. But this case concerns only versions of Android released through November 2014. Order in No. 3:10–cv–3561 (ND Cal., Feb. 5, 2016), Doc. 1479, p. 2 (identifying versions through Android Lollipop 5.0). Google has released six major versions since then. Only about 7.7% of active Android devices still run the versions at issue.[8] The majority's concern about a lock-in effect might carry more weight if this suit concerned versions of Android widely in use or that will be widely in use. It makes little sense in a suit about versions that are close to obsolete.

The majority's concern about a lock-in effect also is speculation belied by history. First, Oracle never had lock-in

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[7] It also suggests that Oracle may have received some incidental benefit from Android. *Ante*, at 32–33. But even assuming that is true, it would go to the question of damages, not fair use. And there is no evidence that any benefit came even close to offsetting Oracle's enormous loss.

[8] Rahman, Android Version Distribution Statistics Will Now Only Be Available in Android Studio (Apr. 10, 2020), https://www.xda-developers.com/android-version-distribution-statistics-android-studio.

power. The majority (again) overlooks that Apple and Microsoft created mobile operating systems without using Oracle's declaring code. Second, Oracle always made its declaring code freely available to programmers. There is little reason to suspect Oracle might harm programmers by stopping now. And third, the majority simply assumes that the jury, in a future suit over current Android versions, would give Oracle control of Android instead of just awarding damages or perpetual royalties.

If the majority is going to speculate about what Oracle *might* do, it at least should consider what Google *has* done. The majority expresses concern that Oracle might abuse its copyright protection (on outdated Android versions) and "'attempt to monopolize the market.'" *Ante*, at 34–35. But it is Google that recently was fined a record $5 billion for abusing Android to violate antitrust laws. Case AT.40099, *Google Android*, July 18, 2018 (Eur. Comm'n-Competition); European Comm'n Press Release, Commission Fines Google €4.34 Billion for Illegal Practices Regarding Android Mobile Devices to Strengthen Dominance of Google's Search Engine, July 18, 2018. Google controls the most widely used mobile operating system in the world. And if companies may now freely copy libraries of declaring code whenever it is more convenient than writing their own, others will likely hesitate to spend the resources Oracle did to create intuitive, well-organized libraries that attract programmers and could compete with Android. If the majority is worried about monopolization, it ought to consider whether Google is the greater threat.

By copying Oracle's work, Google decimated Oracle's market and created a mobile operating system now in over 2.5 billion actively used devices, earning tens of billions of dollars every year. If these effects on Oracle's potential market *favor* Google, something is very wrong with our fair-use analysis.

C. The Purpose and Character of the Use

The second-most important factor—"the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes," §107(1)—requires us to consider whether use was "commercial" and whether it was "transformative." *Campbell*, 510 U. S., at 578–579. Both aspects heavily favor Oracle.

Begin with the overwhelming commercial nature of Google's copying. In 2015 alone, the year before the fair-use trial, Google earned $18 billion from Android. That number has no doubt dramatically increased as Android has grown to dominate the global market share.[9] On this scale, Google's use of Oracle's declaring code weighs heavily—if not decisively—against fair use.

The majority attempts to dismiss this overwhelming commercial use by noting that commercial use does "not necessarily" weigh against fair use. *Ante*, at 27. True enough. Commercial use sometimes can be overcome by use that is sufficiently "transformative." *Campbell*, 510 U. S., at 579. But "we cannot ignore [Google's] *intended purpose* of supplanting [Oracle's] commercially valuable" platform with its own. *Harper*, 471 U. S., at 562 (emphasis in original). Even if we could, we have never found fair use for copying that reaches into the tens of billions of dollars and wrecks

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[9] The real value also may be much higher because Android indirectly boosts other sources of revenue. For years Google has set its search engine as the default engine on Android. Google can use that engine to collect reams of data used to deliver behavioral advertisements to consumers on desktops. Using control over Android to choose a default search engine may seem trivial, but Google certainly does not think so. According to a Goldman Sachs analysis, Google paid Apple *$12 billion* to be the default search engine for Safari, Apple's web browser, for just one year. Leswing, Apple Makes Billions From Google's Dominance in Search—And It's a Bigger Business Than iCloud or Apple Music, Business Insider, Sept. 29, 2018. Google does not appear to have disputed this figure.

the copyright holder's market.

Regardless, Google fairs no better on transformative use. A court generally cannot find fair use unless the copier's use is transformative.[10] A work is "transformative" if it "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. This question is "guided by the examples [of fair use] given in the preamble to §107." *Id.*, at 578. Those examples include: "criticism, comment, news reporting, teaching . . . , scholarship, or research." §107. Although these examples are not exclusive, they are illustrative, and Google's repurposing of Java code from larger computers to smaller computers resembles none of them. Google did not use Oracle's code to teach or reverse engineer a system to ensure compatibility. Instead, to "avoid the drudgery in working up something fresh," *id.*, at 580, Google used the declaring code for the same exact purpose Oracle did. As the Federal Circuit correctly determined, "[t]here is nothing fair about taking a copyrighted work verbatim and using it for the same purpose and function as the original in a competing platform." 886 F. 3d, at 1210.

The majority acknowledges that Google used the copied declaring code "for the same reason" Oracle did. *Ante*, at 25. So, by turns, the majority transforms the definition of "transformative." Now, we are told, "transformative" simply means—at least for computer code—a use that will help others "create new products." *Ibid;* accord, *ante*, at 26 (Google's copying "can further the development of computer programs").

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[10] Although "transformative use is not *absolutely* necessary" every time, *Campbell* v. *Acuff-Rose Music*, *Inc.*, 510 U. S. 569, 579, and n. 11 (1994) (emphasis added), as a general matter "the fair use doctrine has always precluded a use that 'supersedes the use of the original,'" *Harper*, 471 U. S., at 550 (brackets omitted).

That new definition eviscerates copyright. A movie studio that converts a book into a film without permission not only creates a new product (the film) but enables others to "create products"—film reviews, merchandise, YouTube highlight reels, late night television interviews, and the like. Nearly every computer program, once copied, can be used to create new products. Surely the majority would not say that an author can pirate the next version of Microsoft Word simply because he can use it to create new manuscripts.[11]

Ultimately, the majority wrongly conflates transformative use with derivative use. To be transformative, a work must do something fundamentally different from the original. A work that simply serves the same purpose in a new context—which the majority concedes is true here—is derivative, not transformative. Congress made clear that Oracle holds "the exclusive rights . . . to prepare derivative works." §106(2). Rather than create a transformative product, Google "profit[ed] from exploitation of the copyrighted material without paying the customary price." *Harper*, 471 U. S., at 562.

D. The Amount and Substantiality of the Portion Used

The statutory fair-use factors also instruct us to consider "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." §107(3). In general, the greater the amount of use, the more likely the copying is unfair. *Ibid.* But even if the copier takes only a small amount, copying the "'heart'" or "focal points" of a work weighs against fair use, *Harper*, 471 U. S., at 565–566, unless "'no more was taken than necessary'" for the copier to achieve transformative use, *Campbell*, 510 U. S., at 589.

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[11] Because the majority's reasoning would undermine copyright protection for so many products long understood to be protected, I understand the majority's holding as a good-for-declaring-code-only precedent.

Google does not dispute the Federal Circuit's conclusion that it copied the heart or focal points of Oracle's work. 886 F. 3d, at 1207. The declaring code is what attracted programmers to the Java platform and why Google was so interested in that code. And Google copied that code "verbatim," which weighs against fair use. *Harper*, 471 U. S., at 565. The majority does not disagree. Instead, it concludes that Google took no more than necessary to create new products. That analysis fails because Google's use is not transformative. *Campbell*, 510 U. S., at 586 (recognizing that this fourth factor "will harken back to the [purpose-and-character] statutory facto[r]"). This factor thus weighs against Google.

Even if Google's use were transformative, the majority is wrong to conclude that Google copied only a small portion of the original work. The majority points out that the 11,500 lines of declaring code—enough to fill about 600 pages in an appendix, Tr. of Oral Arg. 57—were just a fraction of the code in the Java platform. But the proper denominator is *declaring code*, not all code. A copied work is quantitatively substantial if it could "serve as a market substitute for the original" work or "potentially licensed derivatives" of that work. *Campbell*, 510 U. S., at 587. The declaring code is what attracted programmers. And it is what made Android a "market substitute" for "potentially licensed derivatives" of Oracle's Java platform. Google's copying was both qualitatively and quantitatively substantial.

* * *

In sum, three of the four statutory fair-use factors weigh decidedly against Google. The nature of the copyrighted work—the sole factor possibly favoring Google—cannot by itself support a determination of fair use because holding

otherwise would improperly override Congress' determination that declaring code is copyrightable.[12]

IV

The majority purports to save for another day the question whether declaring code is copyrightable. The only apparent reason for doing so is because the majority cannot square its fundamentally flawed fair-use analysis with a finding that declaring code is copyrightable. The majority has used fair use to eviscerate Congress' considered policy judgment. I respectfully dissent.

[12] To be sure, these factors are not necessarily exclusive, but they are "especially relevant," *Harper*, 471 U. S., at 560; the majority identifies no other relevant factors; and I can think of none that could overcome the overwhelming weight of these key factors.