

11-1197-CV

United States Court of Appeals
for the
Second Circuit

PATRICK CARIOU,

Plaintiff-Appellee,

– v. –

RICHARD PRINCE,

Defendant-Appellant,

GAGOSIAN GALLERY, INC., LAWRENCE GAGOSIAN,

Defendants-Appellants.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

**JOINT BRIEF AND SPECIAL APPENDIX FOR
DEFENDANTS-APPELLANTS**

HOLLIS ANNE GONERKA BART
CHAYA WEINBERG-BRODT
DARA G. HAMMERMAN
AZMINA N. JASANI
WITHERS BERGMAN LLP
Attorneys for Defendants-Appellants
Gagosian Gallery, Inc. and
Lawrence Gagosian
430 Park Avenue, 10th Floor
New York, New York 10022
(212) 848-9800

JONATHAN D. SCHILLER
GEORGE F. CARPINELLO
JOSHUA I. SCHILLER
BOIES, SCHILLER & FLEXNER LLP
Attorneys for Defendant-Appellant
Richard Prince
575 Lexington Avenue, 7th Floor
New York, New York 10022
(212) 446-2300

CORPORATE DISCLOSURE STATEMENT

Appellant Gagosian Gallery, Inc. has no parent corporation, and no publicly held corporation owns ten percent or more of its stock.

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INTRODUCTION

This appeal presents a case of the transformative use of existing “raw material” to create “new information, new aesthetics, new insights and understanding” that results in a series of works that do not “supersede” the object of the original work or usurp its market. *Blanch v. Koons*, 467 F.3d 244, 253 (2d Cir. 2006), quoting *Castle Rock Entm’t, Inc. v. Carol Publ’g Group, Inc.*, 150 F.3d 132, 142 (2d Cir. 1998) and *Campbell v. Acutt-Rose Music, Inc.*, 510 U.S. 569, 579 (1994). Encouraging the creation of such new works benefitting both the artist and the public is at the very core of the purpose of the Copyright Act. *Blanch*, 467 F.3d at 251-52.

In this case, well-known “appropriation artist” Richard Prince selected parts of photographs of Plaintiff Cariou’s classical portrait book of Rastafarians, transferred them to oversized canvases, collaged them with other photographs, many with strong erotic content, painted over and around them, and caricatured the faces and body parts of the subjects. In creating these collaged paintings, Prince transformed what Cariou considers to be “classical portraiture” into scenes of a post-apocalyptic world and that may be reasonably perceived by an observer as satirizing not only Cariou’s documentary subjects, but our own sex- and drug-crazed culture.

Prince follows in a long line of artists who have expressed themselves “by reference to the works of others.” *Blanch*, 467 F.3d at 250. These artists have developed a form of art that uses preexisting artifacts of contemporary society, including preexisting photographs, works of art, and ordinary objects of daily life, by placing them in new and different contexts. In referencing existing works or objects, these artists are doing what really many artists do – borrowing from the existing culture – but in a more overt way that challenges our very conception of art.

In *Blanch*, this Court emphasized that a critical dividing line between fair use and infringement is the transformative nature of the work, i.e., (1) does the work create “something new, with a different purpose and character”; and (2) does it “usurp[] the market of the original work.” *Blanch*, 467 F.3d at 253, 255-56, quoting *NXIVM Corp. v. Ross Inst.*, 364 F.3d 471, 481-82 (2d Cir. 2004).

Andy Warhol’s well-known pictures of Marilyn Monroe and Jackie Kennedy did not supplant the market for the original images from print and film from which they were taken, because they made a new statement—about our culture, the nature of the news media, and the tragic lives led by our most famous personalities. Whatever the appropriation artist’s “purpose” is – and many contemporary artists would disclaim any single purpose – the standard is whether the work actually fills a different market niche and can reasonably be perceived to

make an artistic statement distinct from the original work. Warhol's works, for example, did not affect the market for the original images and did not "supplant" or "supersede" them. *Campbell*, 510 U.S. at 579.

Similarly, here, no one interested in purchasing Cariou's book of photographs would view Prince's work as a substitute for Cariou's work. The works are completely different. Cariou's book of photographs sought to create a book of "extreme classical photography, of portraiture." In contrast, Prince illustrates in a post-apocalyptic world a fantastical account of survivors of a nuclear holocaust who create their own society where music is the surviving, if not redeeming, fact of life. Because it has no negative impact on Cariou's market, and may actually increase the value for Cariou's work by bringing attention to it, Prince's work does not in any way diminish Cariou's incentive to create his work. *Blanch*, 467 F.3d at 250. Prince's works are as different from Cariou's as Koons's was from Blanch's. Both Prince and Koons caricature that which Cariou and Blanch represent in a straightforward manner.

Selectively quoting from Prince's testimony--- and without holding any hearing or oral argument and deciding all factual inferences against Defendants--- the district court found that Prince's works did not constitute fair use. But the Court ignored testimony that explained exactly why Prince has always selected

photographs as artifacts of our society and placed them in a new and radically different context to give them new meaning.

This Court found Koons's work to be transformative because "his purposes in using Blanch's image are sharply different from Blanch's goals in creating it." The existence of these "sharply different objectives" "confirms the transformative nature of the use." *Id.* at 252. The same is true here. It is obvious from simply viewing the works that Prince's purpose was very different from Cariou's.

To be sure, an artist's statement of purpose, or refusal to state a purpose, can never be determinative. *Id.*, 407 F.3d at 255, n.5. In this case, there are objective facts that establish the acclaim Prince's works have received; the audience they attract – which is very different than Cariou's; the prices they command, which reflect the value that society has placed on these works; the fact that they are unique collaged paintings, not printed in editions of thousands like the source materials that they use; and the fact that these works are not designed to, and, in fact, do not, supersede the market of the underlying works they incorporate.

The district court applied the wrong legal standard when it held that Prince's work could not constitute fair use unless his work was a "comment" or "criticism" of Cariou's original work. That is not the law, and that fundamental error infected the district court's entire legal analysis. In any event, Prince's work clearly "comments," "criticizes" and "relates to the historical context" of Cariou's work.

(SPA-16.) Prince desecrates Cariou's reverential portraits by defacing them, cutting them up, and splicing them together with erotic nudes, electric guitars and other detritus of our tawdry pop culture. The noble Rastafarian who occupied a pure, natural world, removed from contemporary culture is now debased, plunged into the degraded and commercialized space of sex, drugs and popular music that American culture stereotypically associates with Rastafarians.

The district court also erred as a matter of law in holding that Defendants acted in bad faith because they did not seek permission to use Cariou's photographs. Even assuming that bad faith is a factor in the fair use analysis – which is dubious at best – both this Court and the Supreme Court have emphasized that the failure to seek permission is not evidence of bad faith and cannot be a factor for finding against fair use. *Blanch*, 467 F.3d at 255-56; *Campbell*, 510 U.S. at 585 n.18.

The district court also erred by refusing to analyze each work separately. The court, without accepting Prince's offer to view the collaged paintings, condemned the works wholesale as infringing, even though the court itself acknowledged that the pictures are very different, both in theme and the extent to which they incorporate Cariou's photographs.

Further, the district court's holding that the Gagosian Gallery and its owner are vicariously and contributorily liable is wrong as a matter of law; if allowed to

stand, it will deter galleries and museums from showing art if there is any possible argument that the art may violate the Copyright Act.

Finally, without any specific briefing, legal analysis or fact-finding, the district court ordered a permanent injunction and the rendering up of all of Prince's *Canal Zone* works for destruction at Cariou's option. In doing so, the district court clearly ignored this Court's similar directive to the same court in *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010) to analyze the factors required by the Supreme Court in *eBay, Inc. v. Merc Exchange, LLC*, 547 U.S. 388 (2006) before issuing injunctive relief. That error alone requires reversal.

JURISDICTIONAL STATEMENT

As stated in its Decision on September 14, 2011, this Court has jurisdiction under 28 U.S.C. § 1292(a)(1). The district court had subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a). Defendants timely filed a joint notice of appeal on March 25, 2011.

ISSUES PRESENTED FOR REVIEW

1. Whether the district court erred when it held that Prince's work was not transformative.

2. Whether the district court erred as matter of law in finding that defendants acted in bad faith because they did not ask for permission or seek a license to use Cariou's photographs.

3. Whether the district court erred in its fair use analysis when it failed to evaluate Prince's thirty unique works separately on a work-by-work basis, instead considering their "overall" transformative value.

4. Whether the district court erred in finding the Gagosian Defendants liable for contributory or vicarious infringement.

5. Whether the district court erred in granting a permanent injunction and allowing destruction of each of Prince's original works without addressing the eBay factors.

STATEMENT OF THE CASE

Cariou filed this copyright infringement action on December 30, 2008. (A-1034-1048.) Defendants filed their answers on March 3, 2009, asserting, *inter alia*, the defense of fair use under 17 U.S.C. § 107. (A-32–A-40; A-41–A-52.) On February 5, 2010, one of the defendants, Rizzoli International Publications, Inc., was voluntarily dismissed as a defendant and is no longer a party to this case. (A-549–A-550.) On May 14, 2010, the remaining parties cross-moved for partial summary judgment on the issue of liability. (A-64–A-65; A-438–A-439.) On March 18, 2011, the district court granted Cariou's motion on the issue of

copyright infringement, dismissed Cariou’s conspiracy claim, denied Defendants’ motion on the fair use defense, and issued a permanent injunction. (SPA-1–SPA-38.) This appeal followed, and the district court adjourned the trial on damages *sine die* pending the outcome of this appeal. (SPA-41.) On September 14, 2011, this Court denied Cariou’s motion to dismiss the appeal as moot.

STATEMENT OF FACTS

I. Background on Appropriation Art

Richard Prince is a visual artist. He practices a well-recognized, post-modern art form called appropriation art, which involves incorporating “a real object or even an existing work of art” into a new work of art. (A-446.) Examples include Andy Warhol’s *Gold Marilyn Monroe*, which is an iconic photograph of Marilyn Monroe silkscreened onto a gold background, Robert Rauschenberg’s *Retroactive I*, which is a popular photograph of John F. Kennedy silkscreened next to an image of a parachuting astronaut, and Pablo Picasso’s *Bottle of Vieux Marc, Glass, Guitar and Newspaper* (1913), which is a collage of newspaper clippings and other images. Below are images of each work:



Andy Warhol *Gold Marilyn Monroe* (1962)



Robert Rauschenberg *Retroactive I* (1964)



Pablo Picasso *Bottle of Vieux Marc, Glass, Guitar and Newspaper* 1913

Examples of contemporary critically recognized artists who use appropriation in their work include Sherrie Levine, Richard Pettibone, John Baldessari, James Welling, Barbara Kruger, Elaine Sturtevant, Gavin Turk and Jeff Koons.

In the words of one artist, the purpose of appropriation art is “to create a new situation, and therefore a new meaning or set of meanings, for a familiar image.”

(A-446.) Art historians explain that appropriation art is important because it “questions the nature or definition of art itself” by raising “questions of originality, authenticity, and authorship.” (A-446.)

Prince follows and has come to exemplify this tradition. For example, Prince’s first appropriations comprised a quartet of advertising images from the *New York Times Magazine* displaying elaborately decorated living rooms. The pictures, created by a furniture manufacturer, conveyed a decadent, bourgeois lifestyle illustrative of the modern urban appetite for material luxuries. Lisa Phillips, director of the New Museum, describes Prince’s early work stating, “By bringing the image into an art context, its social codes and peculiar unreality-what Richard Prince refers to as a ‘social science fiction’-also become apparent....Though at first it seemed that his minimal intervention involved no thought or effort, the images were actually carefully chosen for form and content, and their transformation was significant.” Lisa Phillips, *The American Century: Art and Culture 1950–2000* 286 (1999).

Below are two images of Prince's early works both from 1977:



Richard Prince *Untitled (living rooms)* (1977)



Richard Prince *Untitled (four single men...)* (1977)

In another early series, Prince re-photographed and collaged images of male and female models, one example is shown above. Like his living rooms, these works revealed truths about the way products were sold employing visual codes that appeal to cultural stereotypes, desires, prejudices and fears. This “embrace and critique of mass culture . . . is at the core of Prince’s art.” (A-454.) Nancy Spector, Deputy Director and Chief Curator of the Guggenheim Museum, describes Prince’s work as “a cultural provocation, an invitation to think anew of an already accepted reality.” Nancy Spector, *Richard Prince 22* (2007). She views Prince’s art as challenging the viewer to discover new meaning in existing images stating, “The goal was to determine whether the very mechanisms of representation. . . could be critiqued, dismantled, or transformed.” *Id.* at 24. Prince’s rephotographed iconic images of the Marlboro man taken from cigarette advertisements may be his most well-recognized early work of appropriation. (A-1655–A-1658.) An art historian explains that Prince’s rephotographed images “remained unchanged, and yet they appear transformed by their new context” because the nature of Prince’s art involves using “an existing narrative” as “the source for an entirely new performance.” (A-454.) The art historian explains that Prince “eschews any overt moral commentary” in *Cowboys*, yet nonetheless “the irony of pressing an ideal of rugged health into the service of selling addiction is ever present.” (A-454.) Thus, “[w]hat would fail to elicit a second glance in the

pages of a magazine is revealed to be a highly orchestrated fiction.” (A-454.) Other art critics and commentators recognize Prince’s art contains distinct social commentary and criticism. (A-507–A-513.) Brian Appel, an art critic, writes that in *Cowboys* Prince “is really commenting on the machinery of America, the Madison Avenue advertising myth-making machinery that we export around the world.” (A-508.)

While these early works of rephotography contained very minimal physical transformation, Prince’s progression as an artist and specifically as a painter has increased during the ensuing years with sequential series such as the *Nurses* (2002-2004), the *Check Paintings* (2004-2005), and the *De Kooning Paintings* (2006-07). In each subsequent body of work, Prince physically altered his appropriated images in a more expressive, gestural style using bright colors, skeins of dripping paint, and bold brush strokes.

Below are three works from Prince’s *De Kooning* series indicative of the painterly style of Prince’s recent work:



Untitled (de Kooning) (2008)



Untitled (de Kooning) (2008)



Untitled (de Kooning) (2007)

Prince's *de Kooning* series is both homage and desecration, appropriating elements from de Kooning's famous 1950s *Women* series with figures from erotic magazines. The *Canal Zone* works followed Prince's *de Kooning* series, and in the same way that Prince satirizes de Kooning's abstract female subjects by changing their context and even their bodily parts Prince re-worked and transformed the images he appropriated from many sources including Cariou's book.

II. The *Yes Rasta* Photography Book

Cariou is a French photographer and portraitist. In the 1990s, Cariou travelled to Jamaica and photographed Rastafarians in their natural tropical surroundings. PowerHouse Books, Inc. ("PowerHouse") published these photographs in 2000 in a book entitled *Yes Rasta*. (A-231.) At his deposition, Cariou testified that *Yes Rasta* is a book of "extreme classical photography, of portraiture" and that he did not "want that book to look pop culture at all." (A-1550 at 187:8-15.) *Yes Rasta* is copyrighted and registered as a compilation. (A-227.)

PowerHouse has sold 5,791 copies of *Yes Rasta* (A-551 at ¶ 2), and Cariou has earned \$8,087.75 in royalties from the sales. (A-552 at ¶ 6.) The book is currently out-of-print (A-552 at ¶ 8), and additional copies are available only through direct sale from PowerHouse. (A-552 at ¶ 9.) Cariou is the sole copyright owner of the images in *Yes Rasta* (A-227), and PowerHouse is not authorized to sell or license the individual images. (A-568; A-1526 at 89:15-18; *see also* A-

1880.) The book originally retailed for \$50 and many copies were sold at a discounted price or “below cost.” Some time after this litigation was commenced, PowerHouse raised the list price of the book from \$60 to \$100. (A-552 at ¶ 5.)

Cariou has not made any attempt to sell, license, or market individual prints from *Yes Rasta*. (A-566; A-1523 at 79:18-80:10.) The only way for a member of the public to contact him about a sale or license is via an email address on his website, which Cariou testified he does not “even maintain.” (A-596; 1563 at 238:23-239:13.) In the eleven years since *Yes Rasta*’s publication in 2000, Cariou has sold just four prints from *Yes Rasta* in individual private sales. Cariou decided to sell these prints only to friends and only upon their direct solicitation. (A-1525 at 88:11-89:18; *see also* A-575; A-1534 at 123:24-124:3.) Cariou’s criteria for whether to sell a print are whether he “like[s] [a buyer] enough to sell him a print” (A-1526 at 89:2-8) and whether he is in a “good mood.” (A-576; A-1535 at 125:23-126:4.) When asked whether he has any reason for these criteria, Cariou testified simply, “No.” (A-568; A-1526 at 89:19-20.) Cariou has not evinced any interest or intent to sell or license prints for other artists to criticize or comment on. He testified that he “wasn’t feeling ready to put – to make [*Yes Rasta*] prints available up until recently.” (A-96; A-1527 at 94:9-18.)

On or about August 28, 2008, Christiane Celle, a gallery owner, contacted Cariou by e-mail about the prospect of selling prints from a book by Cariou called

Surfer at an exhibition at her gallery in New York. (A-1591–A-1593 at 53:18-61:21; *see also* A-398–A-399.) Celle and Cariou thereafter met and discussed exhibiting prints from both *Surfer* and *Yes Rasta* in Celle’s gallery, but they never picked a date for a show, never picked which photographs to exhibit, never sent out invitations, never ordered any advertisements, (A-217; A-726; A-1600 at 90:11-91:21), and never memorialized any agreement in writing. (A-1528 at 97:2-4.) In November or December of 2008, Celle learned of Prince’s *Canal Zone* exhibition at Gagosian Gallery when Celle’s husband heard through a friend that Cariou’s photographs were “in the show with Richard Prince.” (A-219; A-1606 at 113:14-114:10.) After hearing this, Celle called Cariou and left him a message asking him to call her back immediately. (A-720; A-1593 at 63:14-22.) When Cariou failed to respond, Celle concluded that Cariou “was doing something with Richard Prince” (A-216; A-725; A-1599 at 88:15-18) and “didn’t want to tell the French girl I’m not doing it with you.” (A-217; A-726; A-1600 at 89:3-8.) Celle then reached an agreement with another photographer. (A-220; A-1608 at 123:13-124:4.) Celle never went to Gagosian Gallery to view the *Canal Zone* exhibition for herself. (A-219; A-1606 at 113:12-13.)

The next communication between Cariou and Celle did not occur until January 29, 2009, when Cariou sent Celle an email informing her of his lawsuit against Prince. (A-213–A-214; A-720–A-721; A-1593–A-1594 at 64:25-65:6.) The

same day, Celle responded to Cariou and “suggest[ed] to him that he should really do a show and, you know, show the world who is he because these people are copying his work,” and that “he should be the one showing his work.” (A-724; A-1598 at 82:5-8.) In contradictory deposition testimony, however, Celle stated that she called Cariou shortly after writing this e-mail and told him she would not exhibit prints from *Yes Rasta* because she did not want it to look like she was trying to capitalize on “the Richard Prince notoriety” or the “success or bad press” created by Cariou’s lawsuit. (A-218; A-728; A-1604 at 105:2-106:9.) Celle remained interested in exhibiting prints from *Surfer*, but Cariou never pursued the opportunity. (A-732; A-1615 at 150:13-151:14.)

Cariou testified that he learned of Prince’s *Canal Zone* exhibition from a friend in December 2008. (A-570; A-1528 at 98:25-99:13.) Cariou has made no further attempt to sell or license any individual prints since 2008, (A-566; A-1523 at 79:18-80:10), despite testifying that he was ready to do so. (A-96; A-569; A-1527 at 94:9-18.) Cariou brought this lawsuit on December 30, 2008.

III. The *Canal Zone* Collaged Paintings

The development of the *Canal Zone* series began in 2005, when Prince visited Panama. Prince was born in a part of Panama in 1949 that at the time was an unorganized U.S. territory known as the Panama Canal Zone. (A-361–A-362; A-1731–A-1732; A-1733–A-1734; A-2238–A-2240; A-2242–A-2243.) Prince

chose the title *Canal Zone* for his series because he “very much liked the idea that the name of the place [where he] was born had disappeared.” (A-118; A-462; A-1176 at 9:15-17.)

Prince created the *Canal Zone* series from 2007 through 2008. The creative process was complex. Prince began by making preliminary notations and sketches. (A-748 at ¶18.) He selected hundreds of images drawn from such diverse sources as German nudist books, classic erotic magazines, music magazines, anatomy books, and Cariou’s *Yes Rasta* among others. (A-750 at ¶24 and 25.) He digitally scanned and reprinted each of the images he used in different ways, including the images torn from *Yes Rasta*, dramatically altering their size, color, and print medium. (A-750–A-751 at ¶26.) He then collaged and stretched these images onto large canvasses and painted over portions of them with acrylic paint, oil stick, and graphite. (A-751 at ¶27.) He employed various artistic techniques, such as painting his signature lozenges over the eyes, noses, and mouths of the faces, rendering the exaggerated hands and feet from his previous *de Kooning* series, and adding gestural painterly layers of pigment to segments of the canvases. (A-749 at ¶21.)

The final collaged paintings are each unique, depicting various groups of people, some of them nude, mounted and painted onto oversized canvases together with images of electric guitars, marijuana, and tropical landscapes drawn from different sources materials. (A-744–A-811; *see also* A-933 – A-936.) The works

are visually jarring: Cariou's dignified Rastafarians, now transformed by dabs of paint into sinister avatars of rock music and drugs, rub shoulders with lustful erotic models in an alien landscape.

Below are three *Canal Zone* works reflecting these transformations:



Richard Prince *Cheese and Crackers* (2008)



Richard Prince *Back To The Garden* (2008)



Richard Prince *Especially Round Midnight* (2008)

In his deposition, Prince was reluctant to articulate a specific artistic intent. His reluctance to impute a definitive artistic meaning is consonant with the core post-modern belief that an artist's intent is irrelevant because an artwork's meaning is manifold, malleable, and does not have one single meaning in the eye of the viewer. Prince was also asked if he intended to "comment" on Cariou's photographs and he said "no." (A-152–A-153; A-1244 at 281:20-282:1; *see also* A-164; A-1056; A-1262 at 354:11-18.) But Prince has stated that what he meant by that comment was that he does not consider himself as a "political commentator." (A-163; 1258 at 339:10-16.) Doug Eklund, photography curator at the Metropolitan, describes Prince as being intentionally inarticulate about his work. Eklund wrote in 2008, "In the mid-1980s, Prince sought to distinguish his own view of what he did from that of the critics who, he thought, put his work all too neatly into the 'death of the artist' theory, which holds that authorship in the realm of the arts is a mythological construction (the great author as the bearer of singular, original text) designed to embed all kinds of ideological imperatives in texts and images that are meant to seem natural but are just tissues of quotations that bolster rhetorical goals." Douglas Eklund, *The Pictures Generation, 1974-1984* 166 (2009).

Prince described his purpose for the *Canal Zone* series as creating a fantastical, post-apocalyptic world, paying homage to master artists, and celebrating the redemptive value of music. (A-750 at ¶22; A-751 at ¶27.) He consistently emphasized that, in his mind, his works conveyed or conjured up very different messages than the original Cariou photographs.

Specifically, the works evolved in part from a creative screenplay that Prince began writing in 2007 entitled *Eden Rock*, which is a fantastical account of survivors of a nuclear holocaust who create their own post-apocalyptic society in the Caribbean. (A-747 at ¶16.) Prince stated in an interview, “The rastas and the lesbians started starring in these pictures and were kind of like bands—there are, like, five people to a picture, and every picture has a title to it. It sort of becomes an allegory.” (A-295, A-1719.) By adding guitars depicting the Rastafarian’s as reggae musicians, Prince wanted to convey music as “the surviving, if not redeeming, fact of life in the post-apocalyptic world.” (A-750 at ¶22.) In several works, he also painted enlarged hands and feet on the figures as a reference to de Kooning’s hybrid creatures and Paul Cézanne’s abstracted bathers. (A-749 at ¶21.) He also painted lozenges over the eyes, nose, and mouth of several figures, as a reference to his own previous “*Hippy Drawings*”, (A-745 at ¶8), and painted masks on others as a reference to Pablo Picasso’s features inspired by African masks. (A-749 at ¶21.) He also employed the effect of seriality as a reference to

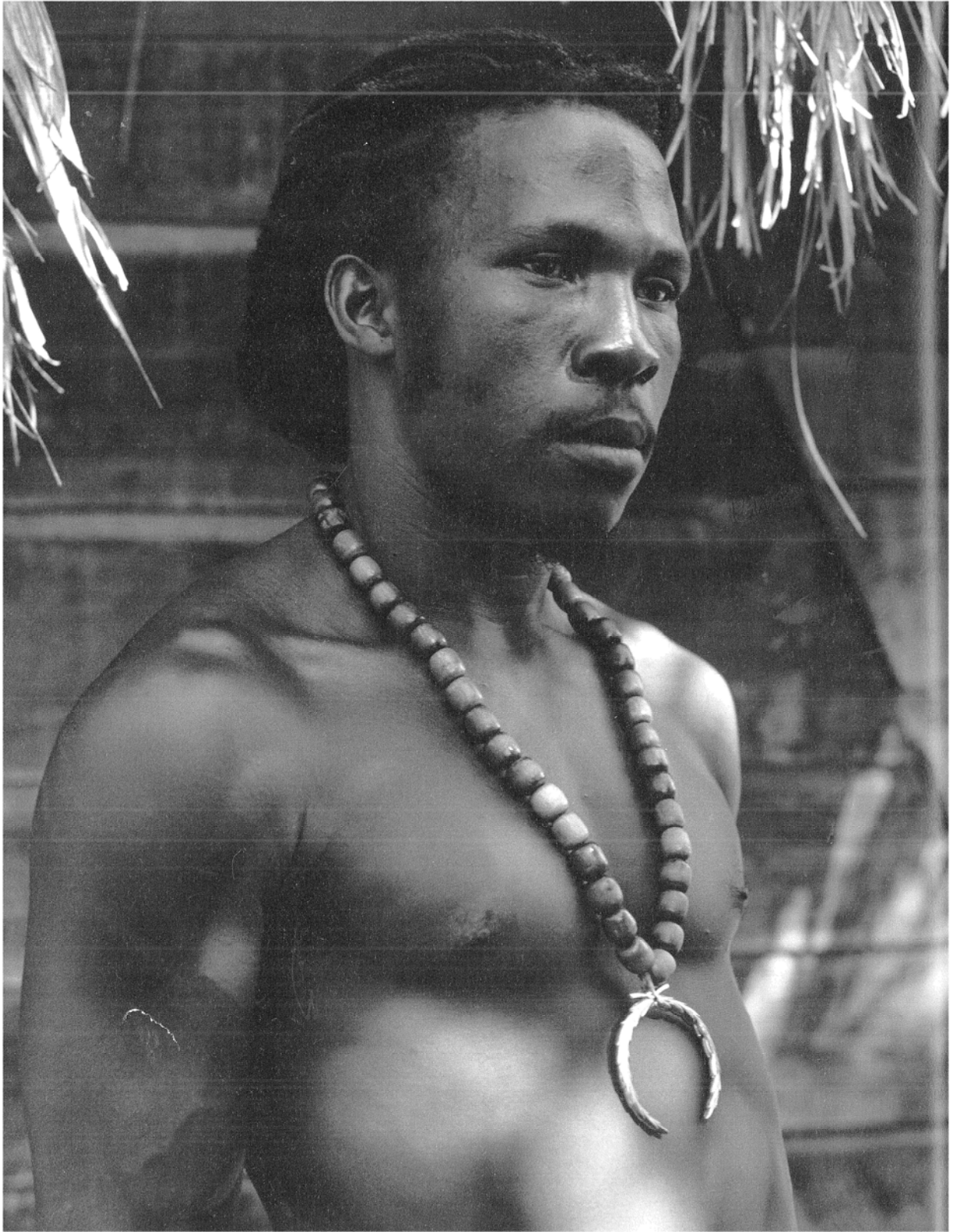
Warhol's iconic style. (A-749 at ¶21.) Each painting conveys a unique creative meaning even through its title, which Prince explained “set up a kind of another type of story [and] creates another type of subtext that you can read into the painting . . . It removes the image from its original intent totally [and] gives it another reading.” (A-145; A-489; A-1236 at 249:11-25.) Critic Brian Appel reviewed the *Canal Zone* exhibition stating:

Provocative too is the mixing of professional and non-professional models—the paid female porn models ‘performing’ for the camera—versus the Rastafarian male culled from an anthropological photo ‘study’ by French artist Patrick Cariou. The ‘untrained’ Rastafarian actor is supposedly able to imbue a still image with a rough edginess, an unmediated sincerity or authenticity, perhaps a greater sense of ‘the real’—issues that suggest a Richard Prince ‘directed’ scenario that serves an ideological purpose.

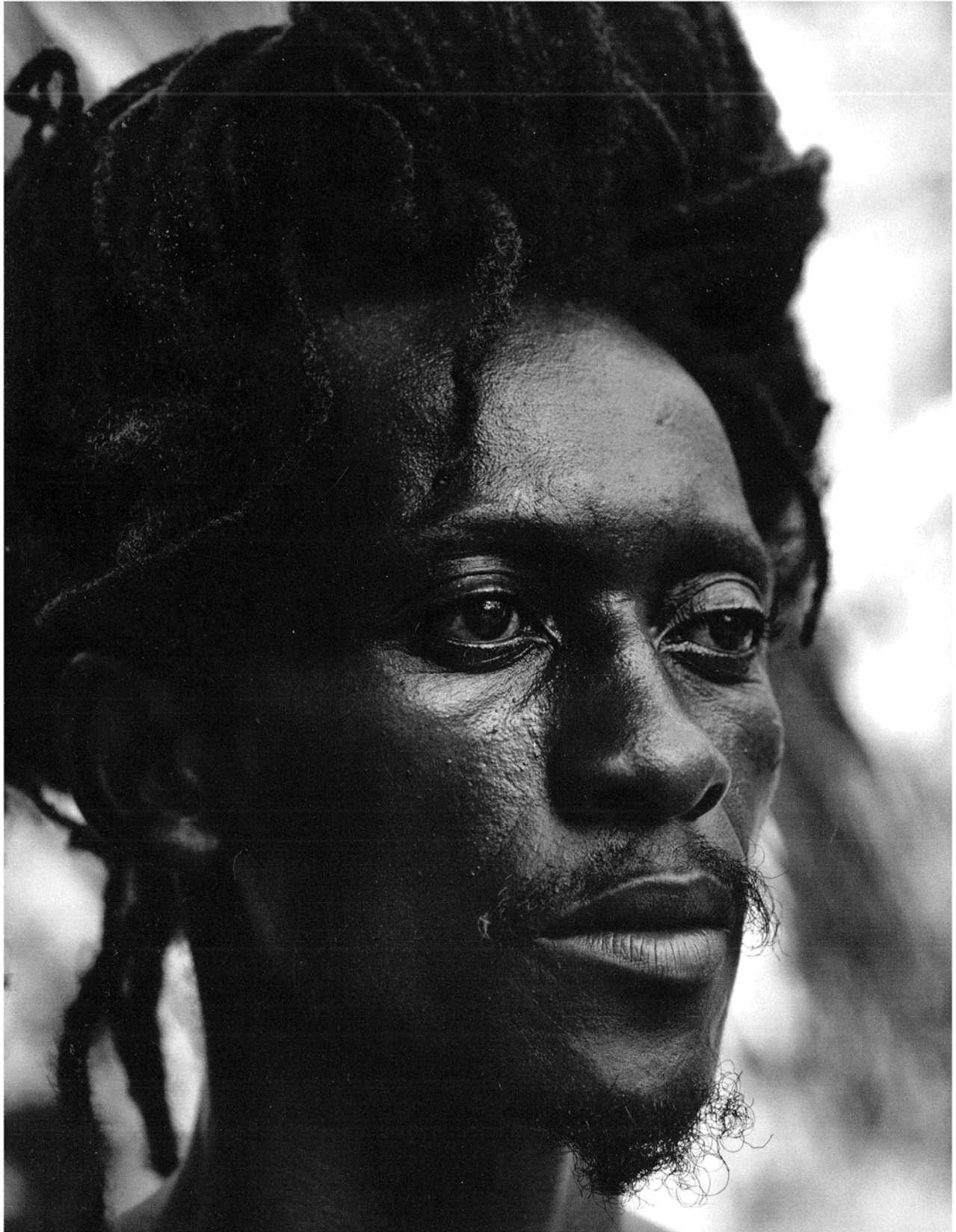
Brian Appel. *Ocular Intoxication: Richard Prince's “Canal Zone” at Gagosian*, http://www.brianappelart.com/art_writing_090325-ocular_intoxication_richard_prince_canal_zone.htm.

Each painting has a different title and different appearance, incorporates different images from many different sources, uses different artistic techniques, was created at different times, was sold as a unique work of art, and conveys a different criticism or comment. (A-744–A-811; *see also* A-933–A-936.)

Below are two images as from *Yes Rasta* and two images from the *Canal Zone* series which are representative of these differences:



Patrick Cariou image from *Yes Rasta* (2000)



Patrick Cariou image from *Yes Rasta* (2000)



Richard Prince *Pumpsie Green* (2008)



Richard Prince *Quarry* (2008)

In some works, the appropriated Cariou image is recognizable; in others, it is almost completely obscured by paint and other collage elements. *Yes Rasta* was one source among many. Below is an image where the Rasta is recognizable:



Richard Prince *Graduation* (2008)

Thirty works in total from the *Canal Zone* series incorporate at least one image from *Yes Rasta*.¹ As part of Defendants' motion for partial summary judgment, Prince submitted a detailed affidavit separately describing the different processes he used to create each *Canal Zone* collage on a work-by-work basis. (A-744–A-811.)

Prince exhibited and sold his works through Gagosian Gallery. Twenty-two of the thirty works at issue appeared at an exhibition at Gagosian Gallery from November 8, 2008, to December 20, 2008. (A-21–A-22; A-1040–A-1041 at ¶ 20.) Defendants printed and mailed postcards with images of the works to advertise the exhibition. (A-190-191; A-2235–A-2236.) Defendants sold four of the works at prices from \$400,000 (A-1254–A-1255 at 323:10-325:10; *see also* A-838) to \$2.3 million (A-785; A-1254–A-1255 at 323:10-325:10) and traded some of the works in exchange for other original works at similar values. (A-422.) Defendants also sold copies of a *Canal Zone* exhibition catalogue for a total of \$6,784. (A-272 at ¶4.) Pursuant to a joint stipulation, all of these materials including the unsold works are now in storage at a mutually agreed-upon, third-party storage facility at Defendants' expense pending the resolution of this action. (A-2262–A-2263.)

¹The district court's order erroneously counts twenty-nine paintings at issue, (SPA 4), but there are in fact thirty. (A-416.)

ARGUMENT

This Court reviews a district court's grant or denial of summary judgment *de novo*. *Blanch*, 467 F.3d at 249. Moreover, the fair use determination, although involving a mixed question of law and fact, is subject to *de novo* review. *Ringgold v. Black Entm't Television, Inc.*, 126 F.3d 70, 80 (2d Cir. 1997).

I. Each of Prince's Works Is Fair Use

Section 107 of the Copyright Act delineates four nonexclusive factors for courts to consider when determining 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(1)-(4).

In weighing these four factors, the Supreme Court has held that “[t]he task is not to be simplified with bright-line rules, for the statute, like the doctrine it recognizes, calls for case-by-case analysis.” *Campbell*, 510 U.S. at 577. Courts are “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.* All four statutory factors “are to be explored, and the results weighed together, in light of the

purposes of the copyright act.” *Id.* at 578. That purpose, according to the Supreme Court, is “[t]o promote the Progress of Science and useful Arts.” *Id.* at 575 (quoting U.S. Const., art. I, § 8, cl. 8).

A. The Purpose-and-Character Prong Weighs in Favor of Prince Because Each of Prince’s Works Is Transformative

The first statutory factor is “the purpose and character of the use.” 17 U.S.C. § 107(1). This prong consists of two, possibly three, subfactors: (1) whether the new work transformed the original, (2) whether the use “is of a commercial nature,” and possibly (3) whether the Defendants acted in bad faith. All three weigh in favor of a finding of fair use.

1. Prince’s Works Are Transformative

Initially, the district court was wrong in holding that a work must comment or criticize the original work in order to constitute fair use. Nothing in Section 107 requires such a result, and the Supreme Court and this Court have emphasized that the reference to comment or criticism in the Copyright Act is purely illustrative. *Campbell*, 510 U.S. at 577; *Blanch*, 467 F.3d at 251. This Court expressly held in *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 609 (2d Cir. 2006) that fair use is not limited to comment or criticism. *See also Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1165 (9th Cir. 2007).

There is no sound policy reason why fair use should be limited solely to comment or criticism. In *Campbell*, the Supreme Court emphasized that what

makes a work transformative is that it “adds something new, with a different purpose or different character, altering the first with new expression, meaning or message.” 510 U.S. at 579. In defining “transformative” in this way, the Supreme Court relied heavily on the seminal work of Judge Leval, who emphasized that in order to be a fair use, the new work cannot merely supersede the object of the original work but “must be productive” and use that which it takes from the original work “in a different manner or for a different purpose from the original.” Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105 (1990).²

Thus, the test is not whether the second work is “comment” or “criticism”, *per se*, but whether it “adds something new” in a different manner or for a different purpose. But even if the district court were correct in holding that fair use must include comment or criticism, Prince’s works clearly meet that test.

i. Prince’s Work “Adds Something New”

Following the Supreme Court, the Second Circuit has consistently applied an objective standard in evaluating whether a work “adds something new.” *See, e.g., Leibovitz* (quoting *Campbell*) (applying *Campbell* to the first-factor analysis, we inquire whether Paramount’s advertisement “may reasonably be perceived,” *id.* at 582, 114 S.Ct. at 1173, as a new work that “at least in part, comments on”

² A classic example of fair use is the use of well-known melodies for political satire or comedy, such as that employed by the Capital Steps and comedian Mark Russel. *See Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), Brief of Amici Curiae Capitol Steps Prod. et al., 1993 U.S. S. Ct. Briefs LEXIS 473. None of these kinds of works are intended to “criticize” or “comment” on the original music, yet they are clearly transformative.

Leibovitz's photograph, *id.* at 580, 114 S.Ct. at 1172); *Lennon v. Premise Media Corp.*, 556 F.Supp.2d 310 322 n. SDNY 2008 (artist's purpose may be "apparent from a viewing of the work.")

Prince's work, including the *Canal Zone* series, has been widely perceived by the public as contributing "new information, new aesthetics, new insights and understandings." *Blanch*, 467 F.3d at 252. If the fair use doctrine is to benefit the public, then the public perception of Prince's work as contributing valuable new insights and new understandings must be considered. As this Court has noted in the copyright context, "the public's interest in free expression is significant and is distinct from the parties' speech interests." *Salinger v. Colting, citing Pac. Gas & Elec. Co. v. Pub. Utils. Comm'n of Cal.*, 475 U.S. 1 (1986); *see also* L. Heymann, *Everything Is Transformative: Fair Use and Reader Response*, 31 Col. J.L. & Arts, 445 (2008) ("asking question [of transformative use] from the reader's perspective is more likely, I think, to determine whether the defendant's use promotes the delivery of new works to the public, the ultimate goal with copyright art.").

In *Blanch*, this Court held that the work before it was transformative because Koons used Blanch's images "as fodder for his commentary on the social and aesthetic consequences of mass media." Koons's goal was not to merely "repackage" Blanch's work, but "to employ it" in the creation of "new information, new aesthetics, new insights and understandings." *Blanch*, 467 F.3d

at 253, quoting *Castle Rock*, 150 F.3d at 142, quoting Leval, 103 Harv. Law Rev. at 1111. Koons's goal in using Blanch's work was "sharply different from Blanch's goals in creating it." *Id.* at 252. Similarly, it is "apparent from a viewing," *Lennon*, 556 F.Supp. 2d at 322 n.2, that Prince's works have a "sharply different" purpose and effect from Cariou's photographs.

Below is an example of this dramatic physical transformation:



Richard Prince *Color Me Mine* (2008)

The transformative quality of Prince's *Canal Zone* works is readily apparent to participants in the art market, the art community at large, and indeed to any reasonable viewer. Prince's work offers not only dramatically "new aesthetics" when compared to Cariou's; the two bodies of work also have strikingly different messages. Cariou's book records a pure, idealistic, utopian, religious community, living in a paradisiacal, natural setting, removed from contemporary secular culture. The genre is romantic, traditional portraiture, documenting the nobility of Rastafarian culture.

Below is one of Cariou's portrait's of a cross-armed Rasta proudly supporting his dreadlocks posing in the jungle:



Patrick Cariou image from *Yes Rasta* (2000)

Just as Prince needed the originals in the “living rooms” and the “four single men” works to “critique, dismantle [and] transform those works” (Spector, *supra*, at 24), so too he needed Cariou’s utopian images to make a new and very different statement in the *Canal Zone* works. For example, in *Naked Confessions*, which makes minimal use of Cariou’s photographs, Prince combined three images of nude female models drawn from his *de Kooning* paintings together with an image of a Rastafarian male from *Yes Rasta*. Prince added an electric guitar to the Rastafarian as a reference to pop culture and painted enlarged hands and feet on the figures. As in many of the works, the Rastafarian image is partly painted over, giving to create a painting that bears little resemblance to Cariou’s original. This portrayal of a “rock star” Rastafarian reggae musician is sharply different from Cariou’s depiction of a noble Rastafarian.

Below is an image of the work *Naked Confessions*:



Richard Prince *Naked Confessions* (2008)

Even in the works containing more extensive appropriation, Prince creates something radically different from Cariou. For example, in *Canal Zone, 2008*, Prince took an image of a Rastafarian man from *Yes Rasta* and situated it in an enormous field of marijuana and tropical vegetation. The field is composed of images of vegetation taken from other photographs in *Yes Rasta*. Prince added an electric guitar, oversized hands, and lozenges over the ears, nose, and mouth of the Rastafarian. Where Cariou's photographs convey the natural beauty of the Rastafarians' tropical home, Prince crudely collages the images together with torn edges and marks of transparent tape, critiquing the naïve vision of that beauty. He also comments on a society that would more readily associate Rastafarians and marijuana with rock-and-roll music than with religious harmony.

Below is an image of the work *Canal Zone 2008*:



Richard Prince *Canal Zone 2008* (2008)

Prince's art has deep intellectual roots, and there is considerable art historical scholarship documenting the critique inherent in his work. However, any reasonable viewer may perceive the provocative and radical differences between Cariou's images in *Yes Rasta* and the Canal Zone works. In an interview, Cariou stated, "[Prince] made them look like zombies, it's a racist piece of art."³ Adam Lindemann, *My Artwork Formerly Known as Prince*, N.Y. Observer, Mar. 29, 2011, <http://www.observer.com/2011/culture/court-copyright-ruling-misses-point-says-owner-unlawful-photograph>. Art critic and collector of contemporary art Adam Lindemann, who interviewed Cariou, also sees the works as transformative, states, "[Prince] gives [the appropriated images] new meaning by making us see them out of their original context, which is the thread that holds all his work together: cowboys, girlfriends and [his recent works]." *See Id.* In place of Cariou's black and white, romantic, reverential and "classical" 10 x 12 portraits in a book, Prince presents massive paintings dramatically altered revealing reggae rock stars, erotic nudes, and a post-apocalyptic world in which music, sex and drugs are culture's surviving artifacts.

In *Blanch*, this Court dwelled on exactly these kinds of physical changes in "colors," "background," "medium," "size," context and scale in its finding that Koons's appropriation of Blanch's photograph was fair use. *Blanch* at 253 ("The

³ Defendants reject the accusation that Prince's artwork is "racist", but the statement underscores the fact that even Cariou recognizes the difference between his photographs and Prince's works.

test [for transformation] almost perfectly describes Koons's adaptation of 'Silk Sandals': the use of a fashion photograph created for publication in a glossy American 'lifestyles' magazine-with changes of its colors, the background against which it is portrayed, the medium, the size of the objects pictured, the objects' details and, crucially, their entirely different purpose and meaning-as part of a massive painting commissioned for exhibition in a German art-gallery space. We therefore conclude that the use in question was transformative.”).

This contrast between Cariou’s photographs and Prince’s works conveys a critique, almost a caricature of Cariou’s idealism. *See Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 114 (2d Cir. 1998) (“Because the smirking face of Nielsen contrasts so strikingly with the serious expression on the face of Moore, the ad may reasonably be perceived as commenting on the seriousness, even the pretentiousness, of the original.”). At the same time, the works comment on American society by suggesting that the commercial appeal of the images lies not in the inherent nobility of the figures but in their illicit connotations in a morally decadent culture. Art historians and critics explain that this simultaneous “embrace and critique of mass culture . . . is at the core of Prince’s art.” (A-454 at ¶5.)

The district court wrongly relied solely on one statement, taken out of context from Prince’s deposition testimony, to conclude that Prince did not intend to comment on Cariou’s work. (SPA-18; SPA-19.) This narrow focus was

improper because neither an artist's "clear conception of his reasons" for using a work, nor "his ability to articulate those reasons," "is a *sine qua non* for a finding of fair use." *Koons*, 467 F.3d 244, 255 n.5. The Supreme Court in *Campbell* made clear that the threshold question in a fair use evaluation under the first factor is to ask whether a transformative character "may **reasonably be perceived.**"

(*emphasis added*). See also *id* at "we think it fair to say that 2 Live Crew's song **reasonably could be perceived** as commenting on the original or criticizing it, to some degree."⁴ (*emphasis added*). Exclusive focus on the artist's subjective intent would create a perverse incentive for artists to lie about their artistic purpose and penalize those who do not, or those who are less articulate. Furthermore, it is the perception of viewers of the work that is ultimately relevant to the market effect and consequent harm to the owner's copyright, not the artist's intent. See L. Heymann, *supra*, at 448-49 (2008) (deciding whether a work is truly transformative is best determined by examining whether there is a different community that is attracted to the second work).

⁴ Recently, the Supreme Court has taught us, in the context of the First Amendment, that the meaning of an artwork is manifold and can reasonably be perceived differently by the viewer than by the artists or benefactor creating the art. See *Pleasant Grove City v. Summum* 555 U.S. 460, 129 S.Ct. 1125 L.Ed.2d 853 (2009).

**ii. Prince's Works Do Not "Supersede" or
"Supplant" Cariou's Market**

Prince's works, by their very nature, do not supersede or supplant Cariou's intended market. Unlike Cariou's photographs which are easily reproducible, and which have been sold almost exclusively in book form, Prince's thirty works are massive, unique and one-of-a-kind works designed for sale to a very limited audience and commanding market prices that range in the hundreds of thousands to millions of dollars. Prince's purpose was to create unique works of art, not to supplant Cariou's market, either for his book, which was out of print, or for the resale of the photographs, which Cariou only sold occasionally to acquaintances for between 1,500 and 2,000 Euros. (A-583; A-1543 at 157:4-158:11; A-608; A-1864 at ¶4; A-794; A-838; A-858 at ¶136.)

These facts are critical. As one commentator has noted, most examples of appropriation art that involve the production of unique, one-of-a-kind works pose no real threat to the economic incentive of the original copyright owner, while, at the same time, they exemplify the purpose of copyright law, *i.e.*, encouraging the creation of new works. *See* W. Landes, *Copyright, Borrowed Images and Appropriation Art: An Economic Approach*, 9 *Geo. Mason L. Rev.* 1, 18 (Fall, 2000). To be sure, the number of copies made is not solely determinative of fair use, but this fact, combined with the fact that Prince's works sell in a market very different from Cariou's; that they are perceived by the public to be very different

kinds of works; that they attract a different audience; that they convey a meaning very different from Cariou's; and that the works by their very nature are *designed to be* collaged paintings that include elements of existing photographs demonstrate that Prince was not attempting to supersede Cariou's works in the marketplace.

2. Commerciality Is of Limited Weight Because Prince's Works Are Transformative

The district court gave undue weight to the commerciality subfactor of the purpose-and-character inquiry because it wrongly focused on the mere commerciality of Prince's use rather than on whether Prince exploited Cariou's copyright by usurping his market. The Supreme Court has recognized that "nearly all the illustrative uses listed in the preamble paragraph of § 107, including news reporting, comment, criticism, teaching, scholarship, and research . . . are 'generally conducted for profit in this country.'" *Campbell*, 510 U.S. at 584. Therefore, commerciality does not have any "hard presumptive significance," but instead its force "will vary with the context." *Id.* at 584–85. Specifically, "the more transformative the new work, the less will be the significance of other factors, like commercialism." *Id.* at 579. Transformation is relevant to commerciality because when "the second use is transformative, market substitution is at least less certain, and market harm may not be so readily inferred." *Blanch*, 467 F.3d at 254 (quoting *Campbell*, 510 U.S. at 591).

Here, the district court narrowly focused on Defendants' monetary success (SPA-21–SPA-22), but failed to ask the key question: whether the use “supplant[ed] the copyright holder’s” market. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985). Prince’s collaged paintings did not supplant the market for Cariou’s photographs, and thus their commerciality has little bearing on the fair use inquiry.

Furthermore, the district court overlooked the fact that “courts are more willing to find a secondary use fair when it produces a value that benefits the broader public interest.” *Am. Geophysical Union v. Texaco, Inc.*, 60 F.3d 913 (2d Cir. 1994) (cited in *Blanch* at 253). As the *Blanch* Court explained, “Notwithstanding the fact that artists are sometimes paid and museums sometimes earn money, the public exhibition of art is widely and we think properly considered to ‘have value that benefits the broader public interest.’” *Blanch* at 254, (citing 20 U.S.C. 951 “access to the arts and the humanities” fosters “wisdom and vision”). Like Koons, Prince has a large public audience. Gagosian Gallery displayed Prince’s works to the public for free, with no admission charge, for the duration of his exhibit. As with Koons’ work, “it can hardly be said” that Prince’s economic gains were “to the exclusion of broader public benefits.” *Blanch* at 254.

3. Justification For Copying

This Court found in *Blanch* a genuine creative rationale justifying Koons' use of the photograph to "satirize life as it appears when seen through the prism of slick fashion photography." *Blanch* at 255. Further, the court relied on Koons's explanation that he used the existing photograph in order to "ensure a certain authenticity or veracity that enhances my commentary - it is the difference between quoting and paraphrasing." As in *Blanch*, where Koons satirized the practice of fashion photography, the *Canal Zone* works may be reasonably perceived as exposing Cariou's work and the genre of documentary photography it represents as a romantic fantasy.

Throughout much of his work, Prince's goal is to embrace and critique contemporary culture. For that purpose he must show contemporary culture as it exists. The district court ignored Prince's statement of purpose that he used existing images to "get as much fact into my work and reduce the amount of speculation." (A-124; A-467; A-1184 at 44:7-12.)

4. Defendants Did Not Act in Bad Faith

The district court relied heavily on its conclusion that Defendants acted in bad faith. In this regard, the court committed three errors.

First, the district court wrongly held that Defendants acted in bad faith because Prince never "asked the publisher about licensing or otherwise sought

permission to use *Yes Rasta*”, and “the Gagosian Defendants were aware that Prince is a habitual user of other artists’ copyrighted work, without permission, and . . . [they] neither inquired into whether Prince had obtained permission to use the Photos contained in the Canal Zone Paintings nor ceased their commercial exploitation of the Paintings after receiving Cariou’s cease-and-desist notice.” (SPA-25.)

In *Campbell*, the Supreme Court emphasized that “[i]f the use is otherwise fair, then no permission need be sought or granted.” 510 U.S. at 585 n.18. In *Blanch*, this Court reiterated that “[w]e are aware of no controlling authority to the effect that the failure to seek permission for copying, in itself, constitutes bad faith.” 467 F.3d at 256. The district court’s reasoning is in direct contradiction to *Campbell* and *Blanch*. Similarly, the district court stated that Prince does not generally ask whether a work has “a disclosed author” or is “in the public domain” before he uses it. (SPA-24.) But there is no need to ask whether a work is copyrighted if there is no need to ask permission because the use is otherwise fair.

For this same reason, the district court erred in finding that the Gagosian Defendants acted in bad faith, because, in doing so, the district court created a “duty of inquiry” which does not exist in the law. The Gagosian Gallery represented Prince without incident for four years (A-523; A-1130; A-1279 at 23:2-24:17) and had no reason to believe that the works were infringing, merely

because Prince is an appropriation artist. To the contrary, appropriation art is an established, recognized art form, *id.* at 246 (citing E. Kenly Ames, Note, *Beyond Rogers v. Koons: A Fair Use Standard for Appropriation*, 93 Colum. L. Rev. 1473, 1477-80 (1993)), and this Court recently found similar appropriation art to be fair use.

Likewise, continued use after receiving a cease and desist letter is not bad faith as a matter of law. *Castle Rock*, 150 F.3d at 146 (“One factor that is of no relevance to the fair use equation . . . is defendants’ continued distribution of [the defendants’ work] after [the plaintiff] notified defendants of its copyright infringement claim.”).

Second, given the state of the law at the time these works were created, no finding of bad faith could be made as a matter of law. This Court’s most recent pronouncement in this area in *Blanch*, held that appropriation art remarkably similar to Prince’s is fair use. Given that precedent, a court could hardly find that Defendants acted in bad faith.

Third, even if the Court were to find that Defendants acted in bad faith, the Supreme Court, this Court, and commentators have recognized that the ongoing significance of bad faith in the fair use analysis is questionable. *See, e.g., Campbell*, 510 U.S. at 585 n.18 (citing authorities debating significance of bad faith); *Blanch*, 467 F.3d at 255; *NXIVM Corp. v. Ross Inst.*, 364 F.3d 471, 483–87

(2d Cir. 2004) (Jacobs, J., concurring); Leval, 103 Harv. L. Rev. at 1126.

Therefore, it was error for the district court to place such heavy reliance on Defendants' alleged bad faith.

B. The Nature-of-the-Work Prong Is of Limited Weight Under *Blanch* Because Prince's Works Are Transformative

The second statutory factor is “the nature of the copyrighted work.” 17 U.S.C. § 107(2). The district court correctly found that Cariou's photographs are creative and expressive, but this factor is “of limited usefulness where the creative work of art is being used for a transformative purpose.” *Blanch*, 467 F.3d at 257. Although creative works are “closer to the core of intended copyright protection,” *Campbell*, 510 U.S. at 586, the implicit logic behind this inquiry is to protect the skill and labor expended in creating an expressive work. Thus, this Court recognized in *Blanch* that this factor is of limited import for evaluating a transformative use because such a use does not “exploit [a copyrighted work's] creative virtues.” *Blanch*, 467 F.3d at 257.

Here, Prince uses Cariou's photographs in an entirely new context and to give them new meaning. By using Cariou's photographs in this transformative way, Prince did not exploit their inherent creative value, as evidenced by the vastly different prices their respective works commanded in the marketplace. (SPA-23.) Thus, the fact that Cariou's photographs are creative “is not much help in this case,

or ever likely to help much in separating the fair use sheep from the infringing goats in a parody case.” *Campbell*, 510 U.S. at 586.

C. The Amount-and-Substantiality Prong Weighs in Favor of Prince Because His Use Is Reasonable in Light of His Purpose

The third statutory factor is “the amount and substantiality of the portion used in relation to the copyrighted work as a whole.” 17 U.S.C. § 107(3). The district court wrongly focused on the fact that Prince used “the central figures depicted in the portraits taken by Cariou” in the “majority” of his collages. (SPA-28.) The court also relied upon pre-*Campbell* case law to hold that taking the “heart” of the original work is a factor in favor of finding against fair use. This analysis was flawed for the reasons given in Section II, *infra*: because it failed to evaluate the works individually. Moreover, this analysis failed to consider whether the amount and substantiality Prince used was reasonable in light of his transformative purpose.

Both the Supreme Court and this Court have emphasized that the determination as to whether the amount taken of the original work is reasonable depends upon the likelihood that the second work “may serve as a market substitute for the original.” *Campbell*, 510 U.S. at 588; *Leibovitz*, 137 F.3d at 114 (citing *Campbell*). In *Campbell*, the Supreme Court recognized that the secondary musical work at issue there took the “heart” of the original work, but held that that fact was not determinative because the taking of the heart was necessary to conjure

up the original song for purposes of parody. 510 U.S. at 586-87. In *Leibovitz*, the defendant took almost the entire original photograph of Demi Moore, going to “great lengths” to make the body in the two pictures almost identical. 137 F.3d at 116. Yet, the defendant’s work was clearly a different, more comic, version the original—and that therefore both added “something new” and had no impact on the original’s intended or expected market.

Here, through artistic process these collaged paintings take existing images and place them in a totally different context creating new meaning. In some of the works, Prince believed that he accomplished his purpose by taking small snippets, some almost not recognizable, from the various photographs. In others, he obviously felt it necessary to include a substantial portion of, if not the entire, photograph to create the desired overall effect, but always making a critical change that makes it clear that these works in no way are “a market substitute for the original.” *Campbell*, 510 U.S. at 588.

Why did Prince use existing photos of Rastafarians taken from Cariou’s book rather than hiring someone to take the photographs specifically for these works? Prince finds such a notion antithetical to the kind of art that he creates. To

him, using existing imagery gives his work more “believability.”⁵ (A-122; A-1182 at 36:2-10.)

When asked why he did not get on a plane and fly to Jamaica to take his own pictures for the *Canal Zone* works Prince answered simply “[i]ts not how I make pictures.” (A-153; A-1244 at 282: 9-15.) In fact, Prince stated that he had a friend who offered to give him photographs of Rastafarians that he had just taken on a trip to Jamaica, and Prince explained that using the offered pictures was inconsistent with the way he creates art:

But it would never occur to me to get on a plane and go to Jamaica for the express purpose of taking photographs of people who are alive.

I – my way of taking a portrait is to take something that has already been taken ...

everybody creates their own artificial reality when they are making art. And mine gets made in a studio. I am the king of my castle in my studio. I do not operate very well out in the real world. I like a much more private world.

And I am a bibliophile. I collect books. At any one time, I have 20, 25 different types of books laying about the studio. Sometimes I pay attention to them, sometimes I don't. I'm always ripping them up.

And, as I said, I sort of would describe that practice as sort of deejaying photographs...or pictures.

⁵ Indeed, Marcel Duchamp's ultimate “found” object – a urinal turned on its side and signed with a nom de plume, has been considered by many to be one of the most revolutionary and important pieces of artwork in the 20th century. (A-817.)

(A-153; A-1244 at 283:9-284:13.)

Prince also stated in his declaration that he uses “other people’s work to incorporate facts into my work to reduce speculation and make them more genuine, but I am not interested in what is actually there. Instead, I am interested in making art that transforms something that already existed without involving myself in the original intent of the image.” (A-746 at ¶14.) He explained that he takes “pre-existing images of all types and see what I can contribute to make something new, distinctive and hopefully visually beautiful with one or more messages to be found in the work by the viewer.” (A-746 at ¶13.) In this regard, he is exactly like Koons. *Blanch*, 467 F. 3d at 255. See *Rokeach v. Afco Embassy Pictures, Corp.*, 1978 WL 23519, at *8 (SDNY, Jan. 17, 1978) (finding fair use where play used facts and dialogue from a scientific study because it was appropriate for the playwright to give his work “a degree of authenticity, a rooting in reality.”).

By “intermingling” Rastafarian images with images of erotic models and electric guitars drawn from many different sources. (A-750 at ¶25.) Prince changed their context and original expressive meaning. *Bill Graham*, 448 F.3d at 613. Prince’s use of the images did not “supersede” or duplicate the original, but “use[d] it as raw material in a novel context to create new information, newer aesthetics, and new insights. Such use, whether successful or not artistically, is transformative.” *Blanch*, 396 F.Supp.3d 476, 481 (S.D.N.Y. 2005), *aff’d* 467 F.3d

244 (2d Cir. 2006). No one viewing the works (which are of vastly different scale than the original images) against the photographs could have mistaken them as the same, or appealing to the same audience.

D. The Market-Effect Prong Weighs in Favor of Prince Because Prince’s Works Are Transformative and Fill a Market Niche that Cariou Has No Interest in Occupying

The fourth statutory factor is “the effect of the use upon the potential market for or value of the copyrighted work.” 17 U.S.C. § 107(4). This factor is critical because “[c]opyright is a commercial doctrine; the reasonable commercial expectations of the original author need [] to be protected from one who would quote in order to compete by offering a substitute for the original.” Pierre Leval, *Nimmer Lecture: Fair Use Rescued*, 44 U.C.L.A. 1449, 1452 (1997).

Here, it is clear that Prince is not attempting to compete with Cariou; his collaged paintings are unique works that serve a very different market than Cariou’s photographs. Furthermore, Cariou has no interest or capability in occupying the market that Prince’s works occupy. He therefore has suffered no remediable harm to his copyright.

The district court, however, held that the fourth factor weighs heavily in favor of Cariou because the court found that Prince’s work usurped the *potential* market for the licensure of derivative works based on Cariou’s works and because

Prince foreclosed Cariou's actual market by deterring one gallery owner from showing Cariou's works at a possible show.

The district court's finding with regard to the potential market is wrong as matter of law, and any doubts as to the proper conclusion with regard to actual usurpation should have been left to the jury.

1. Prince's Works Do Not Harm Cariou's Potential Market for the Licensure of Derivative Works

This Court and commentators have warned of the "vice of circular reasoning" inherent in the market-effect inquiry, where "a copyright holder can *always* assert some degree of adverse affect on its potential licensing revenues . . . simply because the copyright holder has not been paid a fee to permit that particular use." *Am. Geophysical.*, 60 F.3d at 941 n.17 (emphasis in original) (citing Leval, 103 Harv. L. Rev. at 1124). There would be nothing left of fair use if the defendant were found to usurp the plaintiff's work merely because the defendant did not obtain a license from the plaintiff. M. Nimmer & D. Nimmer, 4 Nimmer on Copyright § 13.05[4] (2011). To avoid this circularity, this Court has stressed that "not every effect on potential licensing revenues enters the analysis under the fourth factor." *Am. Geophysical Union*, 60 F.3d at 929. Thus, this Court looks only to "traditional, reasonable, or likely to be developed markets when examining and assessing a secondary use's effect upon the potential market." *Id.* at

930 (internal quotation marks omitted) (citing *Campbell*, 510 U.S. at 592; *Harper*, 471 U.S. at 568).

The district court fell into this trap when it reasoned that “licensing original works for secondary use by other artists is the kind of derivative use that creators of original works would in general develop.” (SPA-30.) The district court never examined whether Cariou *actually had* any pre-existing interest in occupying the specific market for the kind of transformation of his own work evident here, especially ones as eccentric and disturbing as Prince’s. This market is far from “traditional.” *Am. Geophysical*, 60 F.3d at 930; *see also Campbell*, 510 U.S. at 591 (“[T]he parody and the original usually serve different market functions.”). Indeed, Cariou has stressed that the market for his work is fundamentally different: “extreme classical photography, of portraiture.” (A-589; A-1550 at 187: 7-12.) Cariou explained that he “didn’t want [his] book to look pop culture at all.” (A-589; A-1550 at 187: 7-12.)

Moreover, there was no reasonable likelihood that Prince could have obtained a license for a project that Cariou would have found distasteful and possibly denigrating. *See Campbell*, 510 U.S. at 592 (“[T]he unlikelihood that creators of imaginative works will license critical reviews or lampoons of their own productions removes such uses from the very notion of a potential licensing market.”). Cariou’s own admission shows that the market for Prince’s post-

modern, visually discordant, and ironic artwork was not one that was “reasonable” or “likely to be developed” by Cariou. *Am. Geophysical*, 60 F.3d at 930.

Although Defendants do not share the view, it is a fact that Cariou thinks Prince’s work as “racist.” Lindemann, *supra*. Indeed, Cariou would undoubtedly deny the license, thereby censoring what he believes to be a denigration of his photographs and his subjects. *See Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 805 (9th Cir. 2003) (noting the unlikelihood that Mattel would ever give a license to a creator of satirical and arguably denigrating pictures of the Barbie doll). Prince’s works therefore could not have harmed Cariou in a market niche that Cariou “simply had no interest in occupying.” *Twin Peaks Prods., Inc. v. Publ’ns Int’l, Ltd.* 996 F.2d 1366, 1377 (2d. Cir. 1993).⁶

Cariou, of course, “can always allege that [he] wished to reserve the future right to enter that niche—even to the extent of parodying [his] own work at some future time.” 4 *Nimmer on Copyright* § 13.05. Cariou, however, has made no such

⁶*The Capitol Steps* and comedian Mark Russell, in their amicus brief in *Campbell* explained that they do not obtain licenses from the composers of the melodies they use for several reasons. First, it is very unlikely that the composers would grant such a license, in part because they view granting a license as an endorsement of the political satire; second, there is simply no time to obtain licenses and still be topical with the political satire they produce; third, the transaction costs are simply way too high, especially where they are using numerous melodies in the same show; and finally, seeking a license invites censorship by the original composer. *Campbell*, 510 U.S. 569 (1994), Brief of Amici Curiae Capitol Steps Prod. et al., 1993 U.S. S. Ct. Briefs LEXIS 473. Similar problems would occur for the appropriation artist. As Prince pointed out, he likes to make his works with twenty to twenty-five separate source materials laid out on his studio table. Obtaining a license from the author of each and every source material that he chooses to use (and exposing himself to censorship) would effectively prevent him from doing the kind of work that he does.

allegation. Moreover, such a contention by Cariou would ring false given his stated aversion to “pop culture,” his adherence to “classical photography,” and his continued lack of interest in selling his work, despite his statement that he was *now* (after all the media attention to this case) “ready” to do so. (A-589; A-1550 at 187: 7-12.) Cariou cannot “preempt exploitation of transformative markets” by “prevent[ing] others from entering fair use markets.” *Bill Graham*, 448 F.3d at 614–15. Because Prince’s works occupy a nontraditional market niche that Cariou has no interest in occupying, this factor weighs in favor of a finding of fair use.

2. Prince’s Works Did Not Supersede Cariou’s Market

Prince’s works had no adverse effect on the market for Cariou’s work. Prince’s works are unique; appeal to an entirely different audience; are marketed through different channels; convey a completely different message; and command vastly different prices.

The district court, drawing all factual inferences in Cariou’s favor, concluded that “a gallery owner discontinued plans to show the *Yes, Rasta* Photos. . . because she did not want to appear to be capitalizing on Prince’s Paintings.” (SPA-30.) But the testimony of Christine Celle recounting one incident was contradictory and hardly evidence of any real market impact.

Celle’s testimony demonstrates that her initial decision not to pursue a show was based on the mistaken belief that Cariou had worked with Prince on the *Canal*

Zone exhibition. Celle's opinion that the show had been "done already," which she held for only a short time in late November or early December 2008, was based on her husband relaying to her that a French artist told him that Cariou's photographs were in Prince's work at the Gagosian Gallery. (A-213; A-720; A-1593 at 63:14-20; A-216–A-217; A-725–A-726; A-1599–A-1560 at 88:11-90:10; A-219; A-1606 at 113:6-24.) She had no idea at that moment of the nature of Prince's work. This second-hand account from her husband – along with Cariou not returning her phone call – led Celle to imagine that Cariou was ignoring her because he was collaborating with Prince. (A-213; A-720; A-1593 at 63:18-20; A-216–A-217; A-725–A-726; A-1599–A-1560 at 88:11-90:10; A-220; A-1608 at 123: 9-21.) Her decision in November/December 2008 not to show Cariou's work at her spring 2009 gallery opening was a product of her apparent misimpression and Cariou's non-responsiveness – not any "usurpation" of the market for Cariou's work. *Id.* Indeed, after Cariou finally explained his views about Prince's work to Celle in January 2009, Celle enthusiastically encouraged him to do a show. (A-724 at 81-82; A-1598 at 81-82.)

Celle's contradictory testimony that, in the alleged January 2009 phone call to Cariou, she said she did not want to "capitalize on . . . the Richard Prince notoriety" or the "success or bad press" created by Cariou's lawsuit does not show usurpation of Cariou's market. All it conceivably shows (if it is to be believed) is

that Celle recognized that the lawsuit against Prince gave notoriety to Cariou's work and that she did not want to be seen as exploiting Prince's success. (A-218; A-728; A-1604 at 105:2-9.) Alternatively, Celle could have believed that Prince's work would have harmed her sales and her reputation because it disparaged Cariou's work by making it look ridiculous. But this kind of market effect is not remediable by the copyright laws but, rather, is a result of having a free marketplace of ideas. *Campbell*, 510 U.S. at 592. This suppression would be "unremediable disparagement." *Id.* In any event, relying solely on this one person's conflicting testimony⁷ to conclude that Prince usurped the market for Cariou's work was error, especially where Cariou has not attempted to contact a single additional gallerist to sell his work since Celle discontinued her plans. (A-1563 at 237:24-239:3.)

Objective market facts provide the best evidence that Prince's work is transformative and serves a different market than Cariou's. The *Canal Zone* works sold between \$400,000 and \$2,430,000. Cariou's classical black-and-white portraits, by contrast, were taken for the express purpose of being included in a coffee-table book, produced in an edition of thousands (and already out-of-print);

⁷ Celle expressed a strong negative bias against Prince that casts doubt on her credibility. In her email, Celle wrote that she thinks Prince believes "he's ahead of everybody and he can do whatever he wants." (A-1602 at 100:23-25.) Celle hoped that Cariou "will get some kind of money." (A-1598 at 81:2-3.) Celle admitted in deposition she had been romantically involved with Cariou's former assistant. (A-398; *see also* A-212; A-1079; A-1592 at 58:21-59:6.)

they have never been shown at a gallery; they have no active market; and they have sold sporadically only to Cariou's acquaintances at individual private sales for between 1,500 and 2,000 Euros. (A-583; A-1543 at 157:6-158:23; A-608; A-1863; A-794; A-838; A-858 at ¶136.) These markedly different prices and market channels demonstrate the fundamentally different markets their works served. This objective evidence is based on multiple participants engaging in arms-length transactions and is far more probative than the vague and inconclusive testimony of a single gallery owner. The market-effect factor therefore weighs in favor of a finding of fair use.

II. The District Court Erred in Finding That All Prince's Works Violated Cariou's Copyright Without Analyzing Each Work Separately

Even if the district court were correct in holding that Prince's works were not all fair use, it could not find that none of them were fair use without analyzing each work individually. The court declined to do so, even though it recognized that the works' "transformativeness varies from work to work." (SPA-20.) Thus, even if this Court concludes that not all the works are necessarily transformative, it should at least reverse and remand and direct the district court to examine each work individually.

Indeed, the amount of use of Cariou's photographs is so insubstantial in many of the works that the use is *de minimus* and falls below the threshold for

copyright infringement, separate and apart from fair use. *See Sandoval v. Newline Cinema Corp.*, 147 F.3d 215, 217-18 (2d Cir. 1998); *Rosemont Enters., Inc. v. Random House, Inc.*, 366 F.2d 303, 306 (2d Cir. 1996). At the very least, the insubstantiality of the use creates questions of fact for a jury determination on substantial similarity under the “ordinary observer” test. *Sandoval*, 147 F.3d at 218. *See, e.g., James Brown Disco Ball; Color Me Mine; Djuna Barnes, Natalie Barney ...; and Ding Dong the Witch Is Dead.*

In *Campbell*, the Supreme Court emphasized that “the statute, like the doctrine it recognizes, calls for case-by-case analysis.” 510 U.S. at 577. In *Ty, Inc. v. Publ’ns Int’l Ltd.*, 292 F.3d 512 (7th Cir. 2002) (Posner, J.), the Seventh Circuit reversed the district court’s grant of the copyright owner’s motion for summary judgment because “differences among the books that the district court found infringed Ty’s copyright” made the case too “fact-laden.” *Id.* at 519.

Here, the district court committed the same error. It recognized that the transformative content of Prince’s works “varies from work to work depending on the amount of copying.” (SPA-20.) Like the different books in *Ty*, the district court noted that some works incorporate “entire photographs or unaltered portraits.” At the opposite extreme, however, the district court observed that in other works the *Yes Rasta* images “play a comparatively minor role.” (SPA-21.) Despite this recognition, the district court concluded that the “[o]verall”

transformative content of Prince’s works “is minimal at best,” and added that the transformative element “is not consistent throughout the 28 paintings in which Prince used the Photos.” (SPA-21.) Thus, the district court condemned *some* of Prince’s works with minimal copying because *other* works contained more copying.

On summary judgment, Prince submitted a detailed affidavit separately describing the artistic process and creative purpose of each work. (A-744–A-811.) Prince’s uncontroverted affidavit establishes that the works are each unique, with different titles, images, source materials, artistic techniques, and creative messages. The works use different images from *Yes Rasta* in differing ways, in differing amounts, and for differing purposes. Clearly, a separate analysis of each was required.

III. The Gagosian Defendants Are Not Liable

The district court erred in finding liability against the Gagosian Defendants. Indeed, the Gagosian Defendants cannot be secondarily liable, because Prince’s works are fair use, and not infringing. *See Faulkner v. Nat’l Geographic Enters., Inc.*, 409 F.3d 26, 40 (2d Cir. 2005). Moreover, the record contains no evidence to support either vicarious or contributory liability against Gagosian. At very least, the facts were sufficiently equivocal such that summary judgment should not have been granted on these issues.

A. **There Was No Vicarious Liability**

Vicarious liability for copyright infringement is an outgrowth of the *respondeat superior* doctrine, under which an employer or principal can be held liable for acts of an employee or agent. *Faulkner v. Nat'l Geographic Soc.*, 211 F. Supp. 2d 450, 472 (S.D.N.Y. 2002). Although vicarious liability can apply outside an employment relationship, a defendant cannot be found vicariously liable unless, among other things, the defendant “has the right and ability to supervising the infringing activity.” *Id.*; *Softel, Inc. v. Dragon Med. & Scientific Commc'ns, Inc.*, 118 F.3d 955, 971 (2d Cir. 1997). The “control must be substantial and have practical force.” *Faulkner*, 211 F.Supp.2d at 473 n. 140. Indeed, “the parties’ paths must cross on a daily basis, and the character of this intersection must be such that the party against whom liability is sought is in a position to control the personnel and activities responsible for the direct infringement.” *Id. citing Banff Ltd. v. Limited, Inc.*, 869 F.Supp. 1103, 1109 (S.D.N.Y. 1994).

There is no evidence that the Gagosian Defendants were in any way involved with, much less had the right to supervise, Prince’s creative process. To the contrary, Prince created the works in his studio in the Hamptons, with help from two assistants in upstate New York. (A-134; A-480; A-1217 at 173:20-

175:15; *see also* A-750 at ¶ 24.) Mr. Gagosian generally worked out of his offices in New York City, and not in the Hamptons. (A-521; A-1277 at 15:7-23; *see also* A-522; A-1278 at 18:12-19:23.) There is no evidence that Prince had any interaction with Mr. Gagosian, or with the Gagosian Gallery, while he was creating the works.

The district court's sole basis for finding vicarious liability was that Gagosian Gallery was supposedly "handling everything," in connection with marketing the works. (SPA-32-SPA-33.) However, the record is clear that Gagosian had no involvement with any of the works until *after* they were created. As such, this after-the-fact marketing of works that were extant is not sufficient to support a retroactive finding that Gagosian had any ability to supervise Prince.

Moreover, the district court's holding would force every museum and gallery to undertake an independent legal and factual analysis of every new and existing work within their collection which contained any element of appropriation to decide whether there was any possible copyright infringement. Such a chilling effect could remove all appropriation art from public view.

B. There Was No Contributory Infringement

The Gagosian Defendants were also not liable for contributory infringement because they had no knowledge of Prince's (alleged) infringing activity. *See*

Faulkner, 409 F.3d 26, 40 (2d Cir. 2005) (knowledge of primary infringement is necessary to support a finding of contributory infringement).

The district court erroneously held Gagosian liable for contributory infringement because it “found” – without any evidence in or citation to the record – that the Gagosian Defendants were “aware of . . . Prince’s reputation as an appropriation artist who rejects the constricts of copyright law, but they never inquired into the propriety of Prince’s use of the Photos.” (SPA-34.) This is insufficient as a matter of law especially where the district court cited no supporting evidence. It is undisputed that Prince has a reputation as an “accomplished, educated and informed artist” (A-24; A-1850 at ¶ 28), and that his form of appropriation art is a long-standing, recognized, and respected art form. Indeed, in over 30 years of experience, Prince had never been sued for copyright infringement before this lawsuit. (A-120; A-464; A-1180 at 25:9-23.) As such, there was no basis for the Gagosian Defendants to know that the works were infringing, or that Prince’s appropriation of images (whether from Cariou or other artists) was, under the *Koons* analysis, anything other than fair use of those images for a transformative, creative purpose. *Faulkner*, 211 F. Supp. 2d at 473 (no knowledge can be imputed, where question of infringement by primary defendant turned on “complex analysis of contractual arrangements”). Similarly, because Gagosian did not know about the (alleged) primary infringement, the district court

erred in finding that the Gagosian Gallery could be liable because it failed to inquire whether use of the images was proper. The law imposes no such duty of inquiry. *See Inwood Labs, Inc v. Ives Labs, Inc.*, 456 U.S. 844, 854, n. 13 (1982) (defendant not liable for failure to “reasonably anticipate” possibility of a third party’s infringing conduct.). Furthermore, where use of an image is fair, then use is proper, and there is no need to seek a license.

For all of these reasons the district court erred in granting summary judgment against the Gagosian Defendants on the issues of vicarious and contributory infringement.

IV. Even if the Court Finds Infringement, the District Court’s Grant of a Permanent Injunction Still Requires Reversal Because It Was Procedurally and Substantively Defective

Even if the district court had properly found that Prince’s artwork unfairly infringed Cariou’s photographs, its grant of a permanent injunction, banning sale or display of any of Prince’s works; directing notice to non-party owners that public display is prohibited; and ordering the works to be rendered up for destruction at plaintiff’s option must be reversed. The district court failed to undertake any analysis and took no briefing on the equitable factors it was required to consider under *eBay*, 547 U.S. 388 and *Salinger*, 607 F.3d 68. A proper analysis of those factors shows that this injunctive relief was unwarranted.

A. The District Court Abused its Discretion by Not Applying the *eBay* Test

This Court reviews a district court's grant of a permanent injunction for abuse of discretion. *Silverstein v. Penguin Putnam, Inc.*, 368 F.3d 77, 83 (2d Cir. 2004). A district court abuses its discretion when it commits an error of law. *See ACORN v. United States*, 618 F.3d 125, 133 (2d Cir. 2010).

The district court erred in issuing a permanent injunction without considering the "four-factor test" set forth by the Supreme Court in *eBay*, 547 U.S. at 391; *See also Salinger*, 607 F.3d at 77-78&80 (applying *eBay* to copyright injunctions).

Moreover, the district court's failure to conduct the requisite analysis "seriously impedes appellate review" and independently "warrants vacating the injunction." *Alleyne v. New York State Educ. Dep't*, 516 F.3d 96, 101 (2d Cir. 2008).

B. Cariou Is Not Entitled to a Permanent Injunction

Even if this Court applies the *eBay* test itself based on the summary judgment record, Cariou cannot demonstrate that he is entitled to any permanent injunction, much less the broad and drastic injunction issued by the district court without an evidentiary hearing. While an injunction may often be appropriate in cases of simple piracy, "such cases are worlds apart from many of those raising reasonable contentions of fair use where there may be a strong public interest in the publication of the secondary work and the copyright owner's interest may be

adequately protected by an award of damages for whatever infringement is found.” *Campbell*, 510 U.S. at 578 n.10 (quoting *Leval*, *supra*, at 1132) (quotations and alterations omitted). Consideration of the relevant equitable factors here demonstrates that a permanent injunction is improper.

1. Cariou Has Not Suffered Irreparable Harm, and His Legal Remedies Are Adequate

Irreparable injury may not be presumed simply because a plaintiff’s copyright has been infringed. Instead, a court must consider the harm plaintiff would suffer without an injunction, “paying particular attention to whether the ‘remedies available at law, such as monetary damages, are inadequate to compensate for that injury.’” *Salinger*, 607 F.3d at 80 (quoting *eBay*, 547 U.S. at 391). Here, Cariou cannot establish that he has been irreparably harmed such that money damages would be an inadequate remedy. Putting aside the issue of fair use, the scope of Prince’s alleged infringement is limited to only thirty works. More significantly, Cariou’s photographs were not being marketed at the time Prince created his artwork—indeed, *Yes, Rasta* was out of print. Thus, Prince’s work posed no risk of future economic harm to Cariou, and an award of monetary damages may remedy any potential harm that has since arisen.

This is not the type of case in which irreparable harm and inadequate legal remedies can be established. *MGM Studios, Inc. v. Grokster, Ltd.*, 518 F.Supp.2d 1197, 1217 (C.D. Cal. 2007) (“The irreparable harm analysis centers on two basic

themes: (1) [Defendant] has and will continue to induce far more infringement than it could ever possibly redress with damages; and (2) Plaintiff's copyrights . . . have and will be rendered particularly vulnerable to continuing infringement on a massive scale due to [Defendant]'s inducement."); *see also Ty*, 292 F.3d at 524 ("All that [defendant] is entitled to if it proves infringement on remand is the profits attributable to the photos, a smaller amount than [defendant]'s actual profits, although [defendant] would have the burden of proving how much smaller.") (citations omitted). Consideration of the first two factors of the *eBay* test thus weigh against issuing a permanent injunction.

2. The Balance of Hardships Tips Against a Permanent Injunction

Related to the issues of irreparable harm and inadequate legal remedies is the question whether "considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted." *Salinger*, 607 F.3d at 77, 81. Here, the only relevant interest Cariou has asserted is a property interest in his photographs. Although this interest clearly is legitimate, it can, as discussed above, be protected by an award of monetary damages.

On the other hand, Prince has a property interest in his own work as well as "a core First Amendment interest in the freedom to express him[self]," so long as he is not infringing Cariou's photographs. *Id.* at 81. Even if this Court finds that infringement has occurred, Prince has invested considerable time, effort, and skill

in creating these works. The significance of Prince's labors - independent of Cariou's - is reflected in part by the critical reception of the work and the prices that members of the public are willing to pay to purchase those works. The Gagosian Defendants have invested \$434,730.47 in marketing the works. (A-529.) All that would be lost by a permanent injunction such as the one entered by the district court, which would further bar display or sale of Prince's works and subject them to possible destruction.

3. The Public Interest Favors Distribution of Prince's Unique Works

The public has a clear interest—protected by the First Amendment—in access to expressive works, *see Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1276 (11th Cir. 2001) (“[T]he public interest is always served in promoting First Amendment values and in preserving the public domain from encroachment.”), and it is undisputed that there is great interest in Prince's artwork remaining available for public consumption. Accordingly, because Cariou's property rights are capable of redress by monetary damages, the public interest would be disserved by a permanent injunction that deprived the public of access to Prince's artwork. *See, e.g., Abend v. MCA, Inc.*, 863 F.2d 1465, 1479 (9th Cir. 1988) (injunction inappropriate where plaintiff “can be compensated adequately for the infringement by monetary compensation” and “an injunction could cause public injury by denying the public the opportunity to view a classic film for many

years to come”), *aff’d on other grounds sub nom. Steward v. Abend*, 495 U.S. 207 (1990).

CONCLUSION

The judgment of the district court should be reversed and summary judgment entered for Defendants. Alternatively, the judgment should be reversed and the case remanded for a new determination on the issue of fair use.

Dated: New York, NY
October 26, 2011

Respectfully submitted,

\s\ Hollis Gonerka Bart

Hollis Gonerka Bart
Chaya Weinberg-Brodt
Dara G. Hammerman
Azmina N. Jasani
WITHERS BERGMAN LLP
430 Park Avenue, 10th Floor
New York, NY 10022
(212) 848-9800

*Attorneys for Appellants
Gagosian Gallery, Inc. and
Lawrence Gagosian*

/s/ Jonathan D. Schiller

Jonathan D. Schiller
George F. Carpinello
Joshua I. Schiller
BOIES, SCHILLER & FLEXNER LLP
575 Lexington Avenue, 7th Floor
New York, NY 10022
(212) 446-2388

*Attorneys for Appellant
Richard Prince*

CERTIFICATE OF COMPLIANCE

Pursuant to Fed. R. App. P. 32(a)(7)(C), I hereby certify that this brief was produced in Times New Roman (a proportionately spaced typeface), 14-point type and contains 14,000 words (as calculated by the Microsoft Word word processing system's word count function).

Dated: October 26, 2011
 New York, NY

\s\ Hollis Gonerka Bart

Hollis Gonerka Bart
Chaya Weinberg-Brodt
Dara G. Hammerman
Azmina N. Jasani
WITHERS BERGMAN LLP
430 Park Avenue, 10th Floor
New York, NY 10022
(212) 848-9800

*Attorneys for Appellants
Gagosian Gallery, Inc. and
Lawrence Gagosian*

/s/ Jonathan D. Schiller

Jonathan D. Schiller
George F. Carpinello
Joshua I. Schiller
BOIES, SCHILLER & FLEXNER LLP
575 Lexington Avenue, 7th Floor
New York, NY 10022
(212) 446-2388

*Attorneys for Appellant
Richard Prince*

SPECIAL APPENDIX

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
-----X
PATRICK CARIOU,

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 3/18/11

Plaintiff,

-against-

08 Civ. 11327 (DAB)
MEMORANDUM & ORDER

RICHARD PRINCE, GAGOSIAN GALLERY, INC.,
LAWRENCE GAGOSIAN, and RIZZOLI
INTERNATIONAL PUBLICATIONS, INC.

Defendants.

-----X

DEBORAH A. BATTS, United States District Judge.

This matter is now before the Court on cross-motions for summary judgment. Defendants Richard Prince, Gagosian Gallery, Inc., and Lawrence Gagosian seek a determination that their use of Plaintiff's copyrighted photographs was a fair use under the relevant section of the Copyright Act, 17 U.S.C. §§ 107(1)-(4), and that Plaintiff's claim for conspiracy to violate his rights under the Copyright Act is barred by law.¹ Plaintiff seeks summary judgment in his favor on the issue of liability for copyright infringement.

For reasons detailed herein, the Court finds (1) that

¹Named Defendant Rizzoli International Publications, Inc. was voluntarily dismissed from this action by stipulation of dismissal entered by the Court on February 5, 2010.

Defendants' infringing use of Plaintiff's copyrighted photographs was not fair use under the Copyright Act; and (2) that Plaintiff's conspiracy claim is barred by law. Accordingly, Defendants' Motion is GRANTED in part, and Plaintiff's Motion is GRANTED in its entirety.

I. BACKGROUND

Familiarity with the affidavits, declarations, deposition transcripts, and other evidence before the Court is assumed, and the undisputed facts are set forth here only briefly.

Plaintiff Patrick Cariou ("Plaintiff" or "Cariou") is a professional photographer. PC Tr. 45-46, 279-80.² Cariou spent time with Rastafarians in Jamaica over the course of some six years, gaining their trust and taking their portraits. PC Tr. 34-48. In 2000, Cariou published a book of photographs which were taken during his time in Jamaica. Brooks Decl. Ex. L. The book, titled Yes, Rasta and released by PowerHouse Books ("Yes, Rasta"), contained both portraits of Rastafarian individuals (and others) in Jamaica and landscape photos taken by Cariou in

²"PC. Tr.," used herein, refers to the transcript of Patrick Cariou's deposition testimony. "RP Tr.," "CC Tr.," "LG Tr." and "AM Tr." refer to the deposition transcripts of Richard Prince, Christiane Celle, Lawrence Gagosian, and Alison McDonald, respectively. Similarly, "RP. Aff." refers to the affidavit filed by Richard Prince.

Jamaica.³ Id.

Cariou testified at length about the creative choices he made in determining which equipment to use in taking his photos, the staging choices he made when composing and taking individual photos, and the techniques and processes he used (and directed others to use) when developing the photos. See e.g., PC Tr. 49-66, 133-34, 137-38, 143-44, 152, 169. Cariou also testified that he was heavily involved in the layout, editing, and printing of the Yes, Rasta book. Id.; PC Tr. at 180-208. According to the colophon page included in Yes, Rasta, Cariou is the sole copyright holder in the images that appear in Yes, Rasta. Brooks Decl. Ex. L.

Defendant Richard Prince ("Prince") is a well-known "appropriation artist" who has shown at numerous museums and other institutions, including a solo show at the Guggenheim Museum in New York City. RP Aff. ¶¶ 3, 5. Defendant Gagosian Gallery, Inc. (the "Gallery") is an art dealer and gallery which represents Prince and markets the artworks he creates. LG Tr. 22-25; RP Tr. 270, 294. Defendant Lawrence Gagosian ("Gagosian"; collectively with the Gallery, the "Gagosian Defendants") is the

³The portraits and landscape photographs Cariou published in Yes, Rasta are collectively referred to herein as the "Photos," "Cariou's Photos," or the "Yes, Rasta Photos."

President, founder, and owner of the Gagosian Gallery, Inc. LG Tr. at 16.⁴

In or about December 2007 through February 2008, Prince showed artwork at the Eden Rock hotel in St. Barts. See RP Tr. at 187-88. Among the works shown was a collage entitled Canal Zone (2007), which consisted of 35 photographs torn from Yes, Rasta and attached to a wooden backer board. See RP Decl. Comp. Ex. A. at 20-24; see also RP Tr. at 179-80. Prince painted over some portions of the 35 photographs, and used only portions of some of the photos, while others were used in their entirety or nearly so. See generally RP Decl. Comp. Ex. A at 20-24. Though Canal Zone (2007) was not sold, Prince sold other artworks at that show through Gagosian. RP Tr. 187-88, 197-98. Portions of Canal Zone (2007) were reproduced in a magazine article about Prince's Canal Zone show at the Gagosian Gallery. RP Tr. at 198-201. Prince intended that Canal Zone (2007) serve as an introduction to the characters he intended to use in a screenplay and in a planned series of artworks, also to be entitled Canal Zone. RP Aff. ¶ 48.

Prince ultimately completed 29 paintings in his contemplated Canal Zone series, 28 of which included images taken from Yes,

⁴Gagosian testified that he "may have given" "a small piece" of the Gallery to his sister. LG Tr. at 17.

Rasta.⁵ See RP Decl. Comp. Ex. A. Some of the paintings, like "Graduation (2008)" and "Canal Zone (2008)," consist almost entirely of images taken from Yes, Rasta, albeit collaged, enlarged, cropped, tinted, and/or over-painted, while others, like "Ile de France (2008)" use portions of Yes, Rasta Photos as collage elements and also include appropriated photos from other sources and more substantial original painting.⁶ See RP Decl. Comp. Ex. A (comparing Prince paintings with Cariou Photos used therein); compare Brooks Decl. Ex. M (Canal Zone catalog) with Brooks Decl. Ex. L (Yes, Rasta book). In total, Prince admits using at least 41 Photos from Yes, Rasta as elements of Canal Zone Paintings. RP Decl. ¶ 24.

The Gallery showed 22 of the 29 Canal Zone paintings at one of its Manhattan locations from November 8, 2008 to December 20, 2008. Brooks Decl. Ex. M at 1; LG Tr. at 25, 50; RP Aff. at Ex. A. The Gallery also published and sold an exhibition catalog from that show, similarly entitled Canal Zone, which contained

⁵The allegedly infringing works in the Canal Zone series, together with Canal Zone (2007), are referred to collectively herein as the "Paintings," "Prince's Paintings," or the "Canal Zone Paintings."

⁶In reaching its determination herein, the Court has examined fully the exhibits and reproductions provided by the Parties and has compared the 29 Canal Zone paintings with the Yes, Rasta Photos. The Court sees no need to describe each work in great detail.

reproductions of many of the Canal Zone Paintings (including some Paintings which were not shown at the Gallery) and photographs of Yes, Rasta Photos in Prince's studio. See Brooks Decl. Ex. M (Canal Zone exhibition catalog). The Gagosian employee who was the Managing Editor of the catalog testified that she never inquired as to the source of the Rastafarian photographs contained therein. AC Tr. at 42.

Other than by private sale to individuals Cariou knew and liked, the Photos have never been sold or licensed for use other than in the Yes, Rasta book. PC Tr. 86-94. However, Cariou testified that he was negotiating with gallery owner Christiane Celle ("Celle"), who planned to show and sell prints of the Yes, Rasta Photos at her Manhattan gallery, prior to the Canal Zone show's opening. PC Tr. at 96-98; see CC Tr. 39-40, 42-44. Cariou also testified that he intended in the future to issue artists' editions of the Photos, which would be offered for sale to collectors. PC Tr. 92-94; 97-98.

Celle originally planned to exhibit between 30 and 40 of the Photos at her gallery, with multiple prints of each to be sold at prices ranging from \$3,000.00 to \$20,000.00, depending on size. CC Tr. at 40-42, 46, 66-68, 127-28, 153-55. She also planned to have Yes, Rasta reprinted for a book signing to be held during the show at her gallery. CC Tr. at 87-88, 155-56. However, when

Celle became aware of the Canal Zone exhibition at the Gagosian Gallery, she cancelled the show she and Cariou had discussed. PC Tr. at 98; CC Tr. 63-64, 71. Celle testified that she decided to cancel the show because she did not want to seem to be capitalizing on Prince's success and notoriety, CC Tr. at 89, 105-06, and because she did not want to exhibit work which had been "done already" at another gallery, CC Tr. 89, 91, 105.

II. DISCUSSION

A. Summary Judgment

A district court should grant summary judgment when there is "no genuine issue as to any material fact," and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c); see also Hermes Int'l v. Lederer de Paris Fifth Ave., Inc., 219 F.3d 104, 107 (2d Cir. 2000). Genuine issues of material fact cannot be created by mere conclusory allegations; summary judgment is appropriate only when, "after drawing all reasonable inferences in favor of a non-movant, no reasonable trier of fact could find in favor of that party." Heublein v. United States, 996 F.2d 1455, 1461 (2d Cir. 1993) (citing Matsushita Elec. Industr. Co. v. Zenith Radio Corp., 475 U.S. 574, 587-88 (1986)).

In assessing when summary judgment should be granted, "there

must be more than a 'scintilla of evidence' in the non-movant's favor; there must be evidence upon which a fact-finder could reasonably find for the non-movant." Id. (citing Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 252 (1986)). While a court must always "resolv[e] ambiguities and draw [] reasonable inferences against the moving party," Knight v. U.S. Fire Ins. Co., 804 F.2d 9, 11 (2d Cir. 1986) (citing Anderson, 477 U.S. at 252), the non-movant may not rely upon "mere speculation or conjecture as to the true nature of the facts to overcome a motion for summary judgment." Id. at 12. Instead, when the moving party has documented particular facts in the record, "the opposing party must set forth specific facts showing that there is a genuine issue for trial." Williams v. Smith, 781 F.2d 319, 323 (2d Cir. 1986) (quotation omitted). Establishing such facts requires going beyond the allegations of the pleadings, as the moment has arrived "to put up or shut up." Weinstock v. Columbia Univ., 224 F.3d 33, 41 (2d Cir. 2000) (citation omitted). Unsupported allegations in the pleadings thus cannot create a material issue of fact. Id.

A court faced with cross-motions for summary judgment need not "grant judgment as a matter of law for one side or the other," but "'must evaluate each party's motion on its own merits, taking care in each instance to draw all reasonable

inferences against the party whose motion is under consideration.'" Heublein, Inc. v. United States, 996 F.2d 1455, 1461 (2d Cir. 1993) (quoting Schwabenbauer v. Bd. of Educ. of Olean, 667 F.2d 305, 313-14 (2d Cir. 1981)).

To prevail on a copyright infringement claim, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original. See Harper & Row, 471 U.S. at 548; Feist Publ'ns., Inc. v. Rural Tel. Serv. Co., Inc., 499 US at 348, 363 (1991) (holding that alphabetical arrangement of names in telephone directory was not protected by copyright, since alphabetical arrangement "is not only unoriginal, it is practically inevitable."). To be "original," a copyrighted work must have been independently created by the author and must possess "at least some minimal degree of creativity," although "the requisite level of creativity is extremely low; even a slight amount will suffice." Id. at 345. "The vast majority of works make the grade quite easily, as they possess some creative spark, 'no matter how crude, humble or obvious' it might be." Id. (citation omitted).

"[T]he applicability of [the fair use defense to copyright infringement] presents mixed questions of law and fact," Arista Records, LLC v. Doe 3, 604 F.3d 110 (2d Cir. 2010) (citing Harper

& Row Pubs., Inc. v. Nation Enters., 471 U.S. 539, 560 (1985)), but may nevertheless be determined on a motion for summary judgment where the record contains facts sufficient to evaluate each of the statutory factors, Harper & Row at 560.

B. Copyright in the Photos

Cariou's ownership of a valid copyright in the Photos is undisputed. However, Defendants assert that Cariou's Photos are mere compilations of facts concerning Rastafarians and the Jamaican landscape, arranged with minimum creativity in a manner typical of their genre, and that the Photos are therefore not protectable as a matter of law, despite Plaintiff's extensive testimony about the creative choices he made in taking, processing, developing, and selecting them.⁷

Unfortunately for Defendants, it has been a matter of settled law for well over one hundred years that creative photographs are worthy of copyright protection even when they depict real people and natural environments. See, e.g., Burrow-Giles Lithographic Co. v. Sarony, 111 U.S. 53, 60 (1884)

⁷Defendant's arguments concerning whether ideas can be protected by copyright are irrelevant to this case: Plaintiff seeks recourse for Prince's use of his original creative works, not for any use of or infringement on the ideas they portray.

(photographic portrait of Oscar Wilde was original creative work, since photographer posed the subject, selected his clothing, background, light and shade, and "suggest[ed] and evok[ed] the desired expression"); Rogers v. Koons, 960 F.2d 301, 307 (2d Cir. 1992) ("Elements of originality in a photograph may include posing the subjects, lighting, angle, selection of film and camera, evoking the desired expression, and almost any other variant involved."), cert. denied, 506 U.S. 934 (1992); Mannion v. Coors Brewing Co., 377 F. Supp. 2d 444,450 (S.D.N.Y. 2005) ("Almost any photograph 'may claim the necessary originality to support a copyright.'" (citation omitted); Eastern Am. Trio Prods., Inc. v. Tang Elec. Corp., 97 F. Supp. 2d 395, 417 (S.D.N.Y. 2000) (photographs of "common industrial items" were protectable); Monster Comm.'s, Inc. v. Turner Broad. Sys. Inc., 935 F. Supp. 490, 494 (S.D.N.Y. 1996) ("photographic images of actual people, places and events may be as creative and deserving of protection as purely fanciful creations").

Accordingly, Cariou's Photos are worthy of copyright protection.

C. Fair Use

From the infancy of copyright protection, some opportunity

for fair use of copyrighted materials has been thought necessary to fulfill copyright's very purpose, "[t]o promote the Progress of Science and useful Arts. . . ." Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 575 (1994) (quoting U.S. Const., Art. I, § 8, cl. 8). At the Constitutional level, while the "Copyright Clause and the First Amendment [are] intuitively in conflict, [they] were drafted to work together to prevent censorship" such that "the balance between the First Amendment and copyright is preserved, in part, by the idea/expression dichotomy and the doctrine of fair use." Suntrust Bank, 268 F.3d at 1263 (citing Eldred v. Reno, 239 F.3d 372, 375 (D.C. Cir. 2001) (quoting Harper & Row, 471 U.S. at 560)).

"Copyright law thus must address the inevitable tension between the property rights it establishes in creative works, which must be protected up to a point, and the ability of authors, artists, and the rest of us to express them- or ourselves by reference to the works of others, which must be protected up to a point. The fair-use doctrine mediates between the two sets of interests, determining where each set of interests ceases to control." Blanch v. Koons, 467 F.3d 244, 250 (2d Cir. 2006); see also Warner Bros. Entertainment Inc., v. RDR Books, 575 F.Supp.2d 513,540 (S.D.N.Y. 2008) ("At stake in this case are the incentive to create original works which copyright

protection fosters and the freedom to produce secondary works which monopoly protection of copyright stifles—both interests benefit the public.”) (quoting Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1109 (1990) (hereinafter “Leval”) (noting that although “the monopoly created by copyright ... rewards the individual author in order to benefit the public[,]” on the other hand “the monopoly protection of intellectual property that impeded referential analysis and the development of new ideas out of old would strangle the creative process.”)

The doctrine of Fair Use was codified in Section 107 of the 1976 Copyright Act. Section 107 calls for a four-factor test:

Limitations on exclusive rights: Fair use:

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include-

- (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.

In applying the fair use doctrine, "[t]he task is not to be simplified with bright-line rules, for the statute, like the doctrine it recognizes, calls for case-by-case analysis." Campbell, 510 U.S. at 577-78. In conducting that analysis, "all [of the four factors] are to be explored, and the results weighed together in light of the purposes of copyright." Id.

D. Applying the Four-Factor Analysis

1. The Purpose and Character of Prince's Use of the Photos

i. Transformative Use

"The central purpose of the inquiry into the first factor is to determine, in Justice Story's words, whether the new work merely supersede[s] the objects of the original creation or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is 'transformative.'" Salinger v. Colting, No. 09 Civ. 5095 (DAB), 641 F.Supp.2d 250, 256 (rev'd on other grounds 607

F.3d 68 (2d Cir. 2010); Campbell, 510 U.S. at 579 (internal quotations and citations omitted). Although a transformative use is not strictly required for the Defendant to establish the defense of fair use, "the goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works. Such works thus lie at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright, and the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use." Id. (citing Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417, 478-80 (U.S. 1984) (Blackmun, J., dissenting)).

The inquiry into the first factor of the fair use test, "the purpose and character of the use," may be guided by the examples given in the preamble to § 107, looking to whether the use is for criticism, or comment, or news reporting, and the like." Campbell, 510 U.S. at 578-79 (citing 17 U.S.C. § 107) (identifying parody as a use akin to the illustrative uses identified in the preamble).

As the Second Circuit clearly noted in Castle Rock, the fact that a work "recast[s], transform[s], or adapt [s] an original work into a new mode of presentation," thus making it a

"derivative work" under 17 U.S.C. § 101, does not make the work "transformative" in the sense of the first fair use factor. Castle Rock, 150 F.3d at 143. Nevertheless, Defendants invite this Court to find that use of copyrighted materials as raw materials in creating "appropriation art" which does not comment on the copyrighted original is a fair use akin to those identified in the preamble to § 107.

The cases Defendants cite for the proposition that use of copyrighted materials as "raw ingredients" in the creation of new works is per se fair use do not support their position, and the Court is aware of no precedent holding that such use is fair absent transformative comment on the original. To the contrary, the illustrative fair uses listed in the preamble to § 107 - "criticism, comment, news reporting, teaching [...], scholarship, [and] research" - all have at their core a focus on the original works or their historical context, and all of the precedent this Court can identify imposes a requirement that the new work in some way comment on, relate to the historical context of, or critically refer back to the original works. See, e.g., Campbell, 510 U.S. at 579 (transformative use is use that "alter[s] the first with new expression, meaning, or message"); Bourne v. Twentieth Century Fox Film Corp., 602 F.Supp.2d 499 (S.D.N.Y. Mar. 15, 2009) (Batts, J.) (parody song which commented both on

the copyrighted original and on famous person associated with original was transformative); Blanch v. Koons, 467 F.3d at 252-53 (use of copyrighted fashion advertisement as "raw material" was transformative because artist used it to comment on the role such advertisements play in our culture and on the attitudes the original and other advertisements like it promote); Liebowitz v. Paramount Pictures Corp., 137 F.3d 109, 114 (2d Cir. 1998) (superimposition of Leslie Nielsen's face on photo of body intended to resemble pregnant Demi Moore commented on original photo of Moore by holding its pretentiousness up to ridicule). C.f. Rogers v. Koons, 960 F.2d 301, 310 (2d Cir. 1992), cert. denied, 506 U.S. 934 (1992) (sculpture drawn from copyrighted photograph was not fair use because while the sculpture was a "satirical critique of our materialistic society, it is difficult to discern any parody of [or comment on] the photograph . . . itself.")

"If an infringement of copyrightable expression could be justified as fair use solely on the basis of the infringer's claim to a higher or different artistic use . . . there would be no practicable boundary to the fair use defense." Rogers v. Koons, 960 F.2d at 310. The Court therefore declines Defendants' invitation to find that appropriation art is per se fair use, regardless of whether or not the new artwork in any way comments

on the original works appropriated. Accordingly, Prince's Paintings are transformative only to the extent that they comment on the Photos; to the extent they merely recast, transform, or adapt the Photos, Prince's Paintings are instead infringing derivative works. See Castle Rock, 150 F.3d at 143.

Prince testified that he has no interest in the original meaning of the photographs he uses. See e.g., RP Tr. at 338. Prince testified that he doesn't "really have a message" he attempts to communicate when making art. RP Tr. at 45-46. In creating the Paintings, Prince did not intend to comment on any aspects of the original works or on the broader culture. See e.g., RP Tr. at 357-60; 362-64. Prince's intent in creating the Canal Zone paintings was to pay homage or tribute to other painters, including Picasso, Cezanne, Warhol, and de Kooning, see RP Tr. at 164-67, 300-01, and to create beautiful artworks which related to musical themes and to a post-apocalyptic screenplay he was writing which featured a reggae band, see, e.g., RP Tr. 7, 30, 207-08, 218, 232, 251-52. Prince intended to emphasize themes of equality of the sexes; highlight "the three relationships in the world, which are men and women, men and men, and women and women"; and portray a contemporary take on the music scene. RP Tr. 338-39. With regard to the paintings in which Prince collaged guitars onto portraits of Rastafarian men

which were taken from Yes, Rasta, Prince testified that his message related to the fact that the men had become guitar players. See, e.g., RP Tr. at 340 ("[H]e's playing the guitar now, it looks like he's playing the guitar, it looks as if he's always played the guitar, that's what my message was."); see also RP Tr. 166-68, 279.

Prince also testified that his purpose in appropriating other people's originals for use in his artwork is that doing so helps him "get as much fact into [his] work and reduce[] the amount of speculation." RP Tr. at 44. That is, he chooses the photographs he appropriates for what he perceives to be their truth – suggesting that his purpose in using Cariou's Rastafarian portraits was the same as Cariou's original purpose in taking them: a desire to communicate to the viewer core truths about Rastafarians and their culture. See Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 609 (2d Cir. 2006) (considering, in weighing transformativeness, whether the new purpose in using an original work was "plainly different from the original purpose for which it was created.")

On the facts before the Court, it is apparent that Prince did not intend to comment on Cariou, on Cariou's Photos, or on aspects of popular culture closely associated with Cariou or the

Photos when he appropriated the Photos, and Price's own testimony shows that his intent was not transformative within the meaning of Section 107, though Prince intended his overall work to be creative and new.

As this Court and others in this jurisdiction have found, where a work is not "consistently transformative," and "lacks restraint in using [Plaintiff's] original expression for its inherent . . . aesthetic value," the "transformative character of [that work] is diminished." Salinger v. Colting, No. 09 Civ. 5095 (DAB), 641 F.Supp.2d 250, 262 (rev'd on other grounds 607 F.3d 68 (2d Cir. 2010)); Warner Bros. Enter. Inc. v. RDR Books 575 F.Supp.2d 513, 544 (S.D.N.Y. 2008) (citing Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605 (2d Cir. 2006). See Suntrust Bank, 268 F.3d at 1280 (Marcus, J., concurring) (finding that issue of transformative character cuts "decisively in [Defendant's] favor" where the ratio of "the borrowed and the new elements" is "very low, and the incongruity between them wide").

Accordingly, while there may be some minimal transformative element intended in Prince's use of the Photos, the overall transformativeness varies from work to work depending on the amount of copying. In the works most heavily drawn from Cariou's Photos, such as those in which Prince uses entire photographs or

unaltered portraits taken from Yes, Rasta, there is vanishingly little, if any, transformative element; in those where Cariou's Photos play a comparatively minor role, Defendant has a stronger argument that his work is transformative of Cariou's original Photos.⁸ Overall, because the transformative content of Prince's paintings is minimal at best, and because that element is not consistent throughout the 28 paintings in which Prince used the Photos, the "transformative use" prong of the first § 107 factor weighs heavily against a finding of fair use.

ii. Commerciality

The second prong of the first factor of the § 107 test asks whether the otherwise infringing work "serves a commercial purpose or nonprofit educational purpose." Suntrust Bank, 268 F.3d at 1269 (citing § 107(1)). The less transformative a work, the more importance should be attached to "the extent of its

⁸Many of the Paintings which have the strongest claim to transformative use are also those in which the amount and substantiality of the Photos used is least reasonable: those which feature, as their central elements, strikingly original Rastafarian portraits taken from Yes, Rasta Photos. See discussion of third Section 107 factor, infra. For that reason, even the most transformative Paintings have only a weak claim to fair use, since the four § 107 factors must be "weighed together in light of the purposes of copyright." Campbell, 510 U.S. at 577-78.

commerciality" in determining whether the first factor favors a finding of fair use. Campbell, 510 U.S. at 580-81 (if "the commentary has no critical bearing on the substance or style of the original composition . . . the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality loom larger."); see American Geophysical Union v. Texaco Inc., 60 F.3d 913, 922 (2d Cir. 1995) ("The greater the private economic rewards reaped by the secondary user (to the exclusion of broader public benefits), the more likely the first factor will favor the copyright holder and the less likely the use will be considered fair.") "[C]ourts are more willing to find a secondary use fair when it produces a value that benefits the broader public interest." Blanch v. Koons, 467 F.3d 244, 253-54.

"Notwithstanding the fact that artists are sometimes paid and museums sometimes earn money, the public exhibition of art is widely . . . considered to have value that benefits the wider public interest." Id. (citations and internal quotations omitted).

The Canal Zone show at the Gagosian Gallery was advertised in seven different newspapers, five of which included reproductions of Cariou's Photos as altered by Prince. AM Tr. at 42-50; LG Tr. at 36. The Gagosian Defendants sent some 7,500

invitation cards, featuring a reproduction of a Prince work containing a Cariou Photo, to clients of the Gallery, LG Tr. at 35, AM Tr. at 29-33, and sold the leftover invitations to a poster company, AM Tr. at 55-59. As a result of these and other marketing efforts, Gagosian Gallery sold eight of the Canal Zone Paintings for a total of \$10,480,000.00, 60% of which went to Prince and 40% of which went to Gagosian Gallery. Brooks Dec. Ex. P ¶ 2 and Ex. A; LG Tr. at 48. Seven other Canal Zone Paintings were exchanged for art with an estimated value between \$6,000,000.00 and \$8,000,000.00. Brooks Dec. Ex P ¶ 3; LG Tr. at 136-37, 149-50. Gagosian Gallery sold \$6,784.00 worth of Canal Zone exhibition catalogs. Brooks Dec. Ex. P ¶ 4. The facts before the Court do not establish whether any of the Paintings have ever been made available for public viewing other than when they were offered for sale at the Gallery.

This Court recognizes the inherent public interest and cultural value of public exhibition of art and of an overall increase in public access to artwork. However, the facts before the Court show that Defendants' use and exploitation of the Photos was also substantially commercial, especially where the Gagosian Defendants are concerned. Accordingly, given the overall low transformative content of Prince's Paintings, the commerciality prong of the first § 107 factor weighs against a finding of fair use.

iii. Bad Faith

The first § 107 factor requires the Court to consider "the propriety of a defendant's conduct," which is an integral part of the Court's analysis of the character of the use. NXIVM Corp. v. Ross Inst., 364 F.3d 471, 478 (2d Cir. 2004) (citations omitted). Though not in itself determinative, "it has been considered relevant within this subfactor that a defendant could have acquired the copyrighted [material] legitimately." Id.

Here, Prince testified that he does not have a different standard or weigh different considerations when appropriating works with a disclosed author than he does when using materials that are in the public domain; to Prince, the question of whether an image is appropriate for his use is "just a question of whether [he] like[s] the image." RP Tr. at 100. Prince's employee contacted the publisher of Yes, Rasta to purchase additional copies of the book, but apparently neither Prince nor his employee ever asked the publisher about licensing or otherwise sought permission to use Yes, Rasta or the Photos contained therein legitimately. RP Tr. 236-41, 183. Nor did Prince attempt to contact Cariou by email and inquire about usage rights to the Photos, even though Yes, Rasta clearly identified Cariou as the sole copyright holder and even though Cariou's publicly-accessible website includes an email address at which he

may be reached. See PC Tr. 238-40, 254, 260. Under these circumstances, Prince's bad faith is evident. Moreover, since the record establishes that the Gagosian Defendants were aware that Prince is an habitual user of other artists' copyrighted work, without permission, and because the record is equally clear that the Gagosian Defendants neither inquired into whether Prince had obtained permission to use the Photos contained in the Canal Zone Paintings nor ceased their commercial exploitation of the Paintings after receiving Cariou's cease-and-desist notice, the bad faith of the Gagosian Defendants is equally clear.

Because Prince's use was at most only minimally transformative of Cariou's Photos, because the use was substantially though not exclusively commercial, and because Prince and the Gagosian Defendants acted in bad faith, the first factor in the fair use analysis weighs heavily in favor of Plaintiff.

2. The Nature of the Copyrighted Work

"The more the copyrighted matter is at the center of the protected concerns of the copyright law, the more the other factors, including justification, must favor the secondary user

in order to earn a fair use finding." Leval at 1122. "The statutory articulation of this factor derives from Justice Story's mention ... of the 'value of the materials used.' Justice Story's word choice is more communicative than our statute's 'nature of,' as it suggests that some protected matter is more 'valued' under copyright than others. This should not be seen as an invitation to judges to pass on [artistic] quality, but rather to consider whether the protected [work] is of the creative or instructive type that the copyright laws value and seek to foster." Id. at 1117. A key distinction that has emerged "in the decisions evaluating the second factor [is] whether the work is expressive or creative, such as a work of fiction, or more factual, with a greater leeway being allowed to a claim of fair use where the work is factual or informational." 2 Abrams, *The Law of Copyright*, § 15:52 (2006).

Here, the Court finds that Carlou's Photos are highly original and creative artistic works and that they constitute "creative expression for public dissemination" and thus "fall[] within the core of the copyright's protective purposes." Campbell, 510 U.S. at 586. Consequently, this factor weighs against a finding of fair use.

3. The Amount and Substantiality of the Portion Used

The "amount and substantiality of the portion of the copyrighted work used [] must be examined in context [and] the inquiry must focus on whether the extent of [the] copying is consistent with or more than necessary to further the purpose and character of the use." Castle Rock, 150 F.3d at 144 (quoting Campbell, 510 U.S. at 586-87) (internal quotations omitted). The Court must examine not only "the quantity of the materials used, but their quality and importance too." Warner Bros. Enter., Inc., 575 F.Supp. at 546 (quoting Campbell 510 U.S. at 587).

"[W]hatever the use, generally it may not constitute a fair use if the entire work is reproduced." Weissmann v. Freeman, 868 F.2d 1313, 1325 (2d Cir. 1989) (citing 3 Nimmer on Copyright § 13.05[A] at 13-80). Moreover, the amount and substantiality factor weighs in favor of the copyright holder "where the portion used was essentially the heart of the copyrighted work." Wright v. Warner Books, Inc., 953 F.2d 731, 738 (2d Cir. 1991) (quoting Harper & Row, 471 U.S. at 565) (internal quotations omitted).

"As the statutory language indicates, a taking may not be excused merely because it is insubstantial with respect to the infringing work." Harper & Row v. Nation Enters., 471 U.S. at 565 (citation omitted) (emphasis in original) (quoting Judge Learned

Hand, who "cogently remarked, 'no plagiarist can excuse the wrong by showing how much of his work he did not pirate.'")

In a number of his Paintings, Prince appropriated entire Photos, and in the majority of his Paintings, Prince appropriated the central figures depicted in portraits taken by Cariou and published in Yes, Rasta. Those central figures are of overwhelming quality and importance to Cariou's Photos, going to the very heart of his work. Accordingly, the amount of Prince's taking was substantially greater than necessary, given the slight transformative value of his secondary use, and the third factor weighs heavily against a finding of fair use.

4. The Effect of the Use Upon the Potential Market for or Value of the Copyrighted Work

The fourth fair use factor requires courts "to consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the defendant would result in a substantially adverse impact on the potential market for the original." Campbell, 510 U.S. at 590 (internal quotations omitted). The inquiry "must take account not only of harm to the original but also of harm to the market for derivative works." Id. Harm to the market for derivatives weighs against a finding

of fair use "because the licensing of derivatives is an important economic incentive to the creation of originals." Id. at 593. "Potential derivative uses include only those that creators of original works would in general develop or license others to develop." Warner Bros. Enter., Inc., 575 F.Supp. at 549 (quoting Campbell, 510 U.S. at 592) (internal quotation marks omitted). See also id. at 550-51 (finding that where Defendant's derivative work "is only marginally transformative, [it] is likely to supplant the market for [Plaintiff's derivative work]") (citing Campbell, 510 U.S. at 591).

Defendants' protestations that Cariou has not marketed his Photos more aggressively (or, indeed, as aggressively as Prince has marketed his Paintings) are unavailing. As the Second Circuit has previously emphasized, the "potential market" for the copyrighted work and its derivatives must be examined, even if the "author has disavowed any intention to publish them during his lifetime," given that an author "has the right to change his mind" and is "entitled to protect his opportunity to sell his [works]." J.D. Salinger v. Random House, Inc., 811 F.2d 90, 99 (2d Cir. 1987) (emphasis omitted); see Castle Rock, 150 F.3d at 145-46 (finding the fourth factor to favor Plaintiff even where Plaintiff "has evidenced little if any interest in exploiting this market for derivative works" because copyright law must

"respect that creative and economic choice"). The fact that Plaintiff has not marketed his work more aggressively is therefore irrelevant.

Here, it is undisputed that a gallery owner discontinued plans to show the Yes, Rasta Photos, and to offer them for sale to collectors, because she did not want to appear to be capitalizing on Prince's Paintings and did not want to show work which had been "done already" at the nearby Gagosian Gallery. CC Tr. 89, 91, 105. It is therefore clear that the market for Cariou's Photos was usurped by Defendants. Moreover, licensing original works for secondary use by other artists is the kind of derivative use "that creators of original works would in general develop," Warner Bros. Enter., Inc., 575 F.Supp. at 549, and widespread unlicensed use in new artworks would destroy the market for such licenses, see Campbell, 510 U.S. at 590. Accordingly, the Court finds that Prince has unfairly damaged both the actual and potential markets for Cariou's original work and the potential market for derivative use licenses for Cariou's original work.

Because Defendants' secondary use has unfairly damaged the original market for the Photos and, if widespread, would likely destroy an identifiable derivative market for the Photos, the fourth § 107 factor weighs against a finding of fair use.

5. Aggregate Analysis

The Court has considered the four factors set forth in § 107, and found that none favors a finding of fair use. Moreover, "the monopoly created by copyright" does not unduly "impede[] referential analysis [or] the development of new ideas out of old" when copyright law is enforced under circumstances like those presented here. *Leval* at 1109. Accordingly, the purposes of copyright are best served by extending protection to Cariou's Photos.

Having conducted a case-specific analysis of the four factors laid out in 17 U.S.C. § 107 in light of the purposes of copyright, the Court finds that Defendants are not entitled to the defense of fair use.

E. Liability of the Gagosian Defendants

Copyright infringement has two elements: "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work which are original." *Feist*, 499 U.S. at 361.

Here, it is uncontroverted that the Gagosian Defendants copied original constituent elements of Cariou's copyrighted Photos when they published the Canal Zone exhibition catalog, created and distributed invitation cards featuring reproductions

of Cariou's Photos, and otherwise distributed reproductions of Cariou's work as appropriated by Prince. Moreover, by exhibiting and selling Prince's unauthorized works, the Gagosian Defendants infringed Cariou's exclusive rights, as copyright owner of the Photos, to reproduce, prepare derivative works based upon, distribute, sell, and display the Photographs. See Copyright Act, 17 U.S.C. § 106(1), (2), (3), and (5). The Court therefore finds the Gagosian Defendants directly liable for copyright infringement.

The Gagosian Defendants are also liable as vicarious and contributory infringers.

"The concept of vicarious copyright infringement was developed in the Second Circuit as an outgrowth of the agency principles of *respondiat superior*." Faulkner v. Nat'l Geo. Soc., 211 F.Supp.2d 450, 472 (S.D.N.Y. 2002) (citations omitted).

"Vicarious liability extends beyond an employer/employee relationship to cases in which a defendant has the right and ability to supervise the infringing activity and also has a direct financial interest in such activities. Benefit and control are the signposts of vicarious liability." Id. (citations omitted).

Here, the record establishes that Gagosian was "handling

everything" to do with the marketing of the Canal Zone Paintings beginning at the time Price first showed Canal Zone (2007), which Prince thought of as a "preview" of the characters he would use in the Canal Zone Paintings, in December, 2007. See, e.g., RP Tr. at 185-87 (describing Gagosian's role in the Eden Rock show and describing Gagosian's home as an "off-off-off Broadway" location where previously unseen paintings could be shown and sold). The Court therefore finds that the Gagosian Defendants had the right and ability to supervise Price's work, or at the very least the right and ability (and perhaps even responsibility) to ensure that Prince obtained licenses to use the Photos before they made Prince's Paintings available for sale. The financial benefit of the infringing use to the Gagosian Defendants is self-evident. Accordingly, the Gagosian Defendants are liable as vicarious infringers.

"One who, with knowledge of the infringing activity, induces, causes, or materially contributes to the infringing conduct of another, may be held liable as a contributory infringer." Faulkner, 211 F.Supp.2d at 473 (citations and quotations omitted) In other words, "the standard for contributory infringement has two prongs, the 'knowledge' prong and the 'material contribution' prong." Id. "Knowledge of the infringing activity may be actual or constructive . . . In other

words, this prong is satisfied if the defendant knew or should have known of the infringing activity at the time of its material contribution." Id. at 474 (citations and quotations omitted). "Advertising or otherwise promoting an infringing product or service may be sufficient to satisfy the material contribution prong." Id. at 473-74.

Here, the Gagosian Defendants were well aware of (and capitalized on) Prince's reputation as an appropriation artist who rejects the constricts of copyright law, but they never inquired into the propriety of Prince's use of the Photos. The Court concludes that the Gagosian Defendants knew or should have known of the infringement at the time that they reproduced, advertised, marketed, and otherwise promoted the Paintings. Accordingly, the Court finds that the Gagosian Defendants are liable as contributory infringers.

Because Plaintiff has established a prima facie case of copyright infringement as against all Defendants, and because the defense of fair use does not apply, Plaintiff's Motion for Summary Judgment on the issue of liability is GRANTED in its entirety.

F. Plaintiff's Claim for Conspiracy Under the Copyright Act

Defendants argue that Plaintiff's fifth claim for relief, which charges conspiracy to violate his rights under the Copyright Act, must be dismissed as failing to state a claim on which relief may be granted.

No Party has called the Court's attention to any Second Circuit or Supreme Court authority which provides that a cause of action for conspiracy to violate the Copyright Act may lie under New York or Federal law. Nor is conspiracy proscribed by the Copyright Act itself. See generally Copyright Act, 17 U.S.C. § 501 et seq.; Calloway v. Marvel Entertainment Group, No. 82 Civ. 8697 (RWS), 1983 WL 1152, at *5 (S.D.N.Y. 1983).

In the absence of contrary authority, the Court finds Judge Sweet's reasoning in Irwin v. ZDF Enterprises GmbH, No. 04 CIV. 8027 (RWS), 2006 WL 374960 (S.D.N.Y. February 16, 2006) persuasive. In Irwin, Judge Sweet considered whether the Copyright Act foreclosed a common law conspiracy claim based on copyright infringement and determined that "[b]ecause copyright law already recognizes the concepts of contributory infringement and vicarious copyright infringement . . . which extend joint and several liability to those who participate in the copyright infringement . . . [a] civil conspiracy claim does not add

substantively to the underlying federal copyright claim . . .”
Irwin at *4 (citations and quotations omitted).

The Court therefore finds that Plaintiff’s Fifth Cause of Action must be dismissed.

III. CONCLUSION

For reasons stated herein, the Court GRANTS Plaintiff’s Motion for Summary Judgment on the issues of copyright infringement, fair use, and liability. The Court DENIES Defendants’ Motion for Summary Judgment except as pertains to Plaintiff’s Fifth Cause of Action, for conspiracy, which is DISMISSED.

It is further ORDERED:

That, pursuant to 17 U.S.C. § 502, Defendants, their directors, officers, agents, servants, employees, and attorneys, and all persons in active concert or participation with them, are hereby enjoined and restrained permanently from infringing the copyright in the Photographs, or any other of Plaintiff’s works, in any manner, and from reproducing, adapting, displaying,

publishing, advertising, promoting, selling, offering for sale, marketing, distributing, or otherwise disposing of the Photographs or any copies of the Photographs, or any other of Plaintiff's works, and from participating or assisting in or authorizing such conduct in any way.

That Defendants shall within ten days of the date of this Order deliver up for impounding, destruction, or other disposition, as Plaintiff determines, all infringing copies of the Photographs, including the Paintings and unsold copies of the Canal Zone exhibition book, in their possession, custody, or control and all transparencies, plates, masters, tapes, film negatives, discs, and other articles for making such infringing copies.

That Defendants shall notify in writing any current or future owners of the Paintings of whom they are or become aware that the Paintings infringe the copyright in the Photographs, that the Paintings were not lawfully made under the Copyright Act of 1976, and that the Paintings cannot lawfully be displayed under 17 U.S.C. § 109(c).

That the Parties shall appear before this Court on May 6,

2011 at 11:00am for a status conference regarding damages,
profits, and Plaintiff's costs and reasonable attorney's fees.

SO ORDERED.

Dated: New York, New York

March 18, 2011



Deborah A. Batts
United States District Judge

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
PATRICK CARIOU,

Plaintiff,

-against-

RICHARD PRINCE, et al.

Defendants.
-----X

DEBORAH A. BATTIS, United States District Judge.


The Court is in receipt of Plaintiff's letters dated April 1, 2011 and April 4, 2011, and of Defendants' letters dated April 1, 2011 and April 4, 2011.

Defendants shall provide Plaintiff with unredacted copies of the notices sent to the owners no later than April 18, 2011. Should Defendants believe that information contained in those notices requires confidential treatment, they shall submit a stipulated confidentiality agreement, signed by all Parties, no later than April 12, 2010.

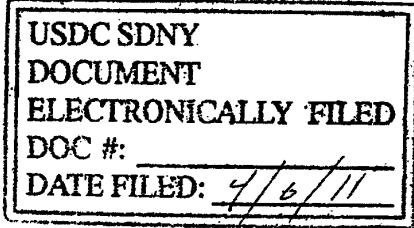
SO ORDERED.

Dated: New York, New York

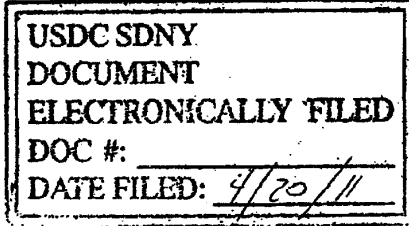
April 6, 2011



Deborah A. Battis
United States District Judge



08 Civ. 11327 (DAB)
ORDER



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
PATRICK CARIOU,

Plaintiff,

-against-

08 Civ. 11327 (DAB)
ORDER

RICHARD PRINCE, et al.

Defendants.
-----X

DEBORAH A. BATTS, United States District Judge.

The Court is in receipt of Defendants' letters dated April 14, 2011 and April 15, 2011, and of Plaintiff's letters dated April 15, 2011 and April 18, 2011.

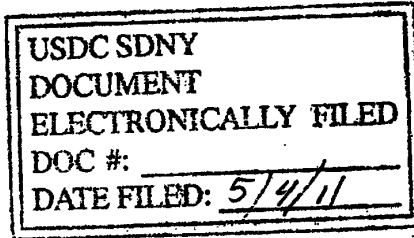
Defendants' request for a stay of these proceedings is DENIED, and Parties shall appear before this Court for the May 6, 2011 status conference as previously scheduled.

SO ORDERED.

Dated: New York, New York

April 20, 2011

Deborah A. Batts
United States District Judge



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
PATRICK CARIOU,

Plaintiff,

-against-

08 Civ. 11327 (DAB)

ORDER

RICHARD PRINCE, et al.

Defendants.
-----X

DEBORAH A. BATTS, United States District Judge.

In light of the fact that Defendants have appealed this Court's determination as set out in the Order dated March 18, 2011, and the fact that briefing in the appeal is due on June 30, 2011, the conference previously set for May 6, 2011 is adjourned sine die. Parties are to notify the Court when the appeal in this matter has been resolved.

SO ORDERED.

Dated: New York, New York

May 4, 2011

Deborah A. Batts
United States District Judge