

11-1197-CV

IN THE
United States Court of Appeals
FOR THE SECOND CIRCUIT

PATRICK CARIOU,

Plaintiff-Appellee,

- against -

RICHARD PRINCE,

Defendant-Appellant,

GAGOSIAN GALLERY, INC., LAWRENCE GAGOSIAN,

Defendants-Cross-Defendants-Appellants.

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

BRIEF FOR PLAINTIFF-APPELLEE

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PRELIMINARY STATEMENT

This case involves appellant Richard Prince's wholesale appropriation of appellee Patrick Cariou's aesthetic, copyrighted photographs and the incorporation by Prince of substantial portions of those photographs into paintings that were exhibited and sold by Prince's gallery and its owner, appellants Gagosian Gallery, Inc. ("Gagosian Gallery") and Lawrence Gagosian (together with Gagosian Gallery, the "Gagosian Defendants"). On cross-motions for summary judgment, the district court found appellants liable for copyright infringement and rejected their affirmative defense of fair use.

The record below clearly demonstrates that Prince had no justification for taking Cariou's copyrighted material, rather than either asking Cariou for permission, which he could easily have done by e-mailing Cariou's website or his publisher, or acquiring equivalent material from numerous available alternative sources, including royalty-free stock photographs that Prince admitted he could have used, or from a myriad of Internet websites, some, ironically enough, identified in Prince's district court motion papers. (A-742, A-444, ¶ 30, A-989–990.)

The lack of justification is apparent from Prince's admission that he had no message he wanted to convey about Cariou's photographs and only

appropriated them because he liked them, and, as an “appropriation artist,” preferred taking for the sake of taking. The district court noted this lack of justification, finding that Prince had “no interest in the original meaning of the photographs he use[d],” did not “really have a message,” did not “intend to comment on any aspect of the original works or on the broader culture,” and intended only “to pay homage . . . to other painters . . . and to create beautiful artworks which related to musical themes and to a post-apocalyptic screenplay he was writing” SPA-18.

Appellants argue that it suffices that the paintings were “transformative,” creating “something new, with a different purpose [or] character,” and did not usurp the market for the original work. That argument fails because, absent a justification for the appropriation, taking copyrighted work in order to create “something new” has no practicable boundary and would effectively eviscerate the rights of copyright owners. In every case finding fair use, there is a justification for why copyrighted materials were taken without permission. Here, there is none.

This limit on the random taking of copyrighted materials is embedded in the Copyright Act, which, as the district court noted (SPA-15-16), provides that one of the “exclusive rights” of a copyright owner is the right to “prepare

derivative works based upon the copyrighted work” (17 U.S.C. § 106(2)) and that a “derivative work,” in turn, includes any “form in which a work may be recast, *transformed*, or adapted.” *Id.* § 101 (emphasis supplied). Clarifying this “potential source of confusion,” this Court has indicated that, just because a work “transform[s]” an original work, thus making it a “derivative work” under § 101, does not make the work “transformative” for purposes of fair use analysis. *Castle Rock Entm’t, Inc. v. Carol Publ’g Group, Inc.*, 150 F.3d 132, 143 (2d Cir. 1998).

Seeking to delineate when a secondary work which “transforms” an original is also “transformative,” the district court looked to the illustrative examples provided in the preamble to the fair use statute (criticism, comment, news reporting, teaching, scholarship, and research), and held that the mere act by one artist of taking another artist’s work as “raw materials” for the creation of new art, standing alone, was a justification “akin to those identified in the preamble” only if “the new work in some way comment on, relate to the historical context of, or critically refer back to the original work.” SPA-16. In the absence of any such justification, and because Cariou’s images were creative and had been substantially and excessively appropriated, to the detriment of the potential market for Cariou’s work, the district court correctly concluded that Prince’s paintings were not fair use.

Having failed to make a showing that their affirmative defense of fair use is meritorious, appellants, under the guise of seeking *de novo* review of the district court's ruling, have filed a brief with this Court ("App. Br.") which is replete with "facts" (many of dubious admissibility) that were never submitted to the district court and with new legal arguments affirmatively contradicting those they made below. For example, attempting to demonstrate justification where there is none, appellants argue that Prince's infringing artworks "caricature" (a synonym for "parody," according to Webster's Dictionary) and "satirize" Cariou's photographs. But, in the district court, they contended: "Here, there is no claim that the Paintings are a satire or a parody." (A-994.)

In making this revisionist argument, appellants contend that Prince's testimony regarding his own subjective intent should be disregarded, that Prince's purpose should be viewed objectively and that, based on the unsworn testimony of counsel and the views of a number of critics whose writings were not presented to the district court, it is "obvious" and "reasonably perceivable" that Prince's artworks caricature or satirize Cariou's photographs. In the face of Prince's disclaimer of any intent to caricature or satirize Cariou's photographs, it would, however, be totally unprecedented, in analyzing fair use, to consider whether the *disavowed* parody or satire was nevertheless "reasonably perceivable" to a disinterested observer. In all of the cases, the defendant first asserts that he

subjectively intended to create a parody, satire or other commentary, and only then do courts look at the secondary work in order to determine whether the claimed comment is objectively perceivable.

Contrary to the dire warnings from appellants and certain *amici curiae*, holding appropriation artists to the same fair use standard as all other secondary users does not imperil appropriation art. Where, as here, a transformative purpose is negated by the sworn testimony of an articulate appropriation artist – who wrote a screenplay expressing in his own words the theme animating these artworks – taking that testimony seriously will not destroy appropriation art; it will simply prevent the mere transgressive practice of appropriation (stealing for the sake of stealing, as Prince testified he preferred doing) from becoming, in and of itself, a *per se* fair use defense, thereby extirpating the rights of photographers and other copyright owners of visual arts. Appropriation artists with a justification for taking the specific images they appropriate, or who use images in the public domain, or who obtain a license to use copyrighted images, will continue to flourish if the decision below is affirmed.

Appellants also incorrectly argue, without having preserved the issue for appeal, that the district court erred by failing to analyze each of Prince's paintings separately; that, despite clearly contrary legal authority, the Gagosian

Defendants should not have been held secondarily liable for copyright infringement; and that the district court erred in granting permanent injunctive relief, a claim which this Court can review on the fully-developed record below. As demonstrated, *infra*, these arguments should all be rejected.

ISSUES PRESENTED FOR REVIEW

1. Whether the district court properly rejected appellants' fair use defense and found them liable for copyright infringement.

2. Whether this Court should disregard factual contentions and legal arguments raised by appellants for the first time on this appeal.

3. Whether, after fully examining each of the infringing works, the district court's aggregate analysis that they were not fair use should be affirmed because it was in accord with applicable precedents and because appellants failed to preserve for appeal any claim that each work should have been discussed separately.

4. Whether the Gagosian Defendants are not only directly liable for copyright infringement, but are also vicariously and contributorily liable, as the district court correctly found.

5. Whether, on the fully-developed record below, injunctive relief should be granted against Prince and the Gagosian Defendants.

STATEMENT OF FACTS

1. *Yes Rasta*

During a six-year period, Cariou, a professional photographer, spent roughly half his time living among the Rastafarian people in Jamaica, earning their trust and taking photographs of these reclusive people in their tropical environment. (A-88 at 42:18–44:23.) Over 100 of these black-and-white photographs (the “Photographs”), mostly portraits of individuals, but also some landscapes, were published in 2000 by powerHouse Books (“powerHouse”) in a book entitled *Yes Rasta*, which contained a copyright notice, and was registered, as a compilation, with the U.S. Copyright Office on November 5, 2001, with Cariou listed as the sole copyright owner and author. (A-88 at 42:18–22; A-227–231.)

Cariou, a French citizen, had authored two other books of photography (*Surfers* and *Trench Town Love*) and had been working for eight years on another photography book, *Gypsies*, which was nearing completion at the time his deposition was taken. (A-98 at 101:6–20; A-116 at 286:7–22.) His commercial photography has appeared widely in fashion and travel magazines. (A-114–115 at 280:2–282:8; A-621–622, 642–663.) He made creative decisions

in taking and developing the Photographs: choosing the camera, lenses, film, depth of field, angle, lighting, time of day, subjects and their poses; awaiting the advent of approaching tropical storms; and supervising the processing of the film in the darkroom to achieve the desired look. (A-90–93 at 51:7–64:25; A-104–106 at 133:21–134:11, 137:10–138:16, 143:3–144:5.) Cariou’s purpose was not only to create the “ultimate” photographic book about Rastafarians (A-94 at 68:9–14), but to do so in an aesthetic way, creating “beautiful” portraits and landscapes, and “visually compelling” and “visually appealing” photographs. (A-90 at 51:2–6; A-95 at 84:20–25; A-99 at 112:6–14.) Almost all of the Photographs were posed, often for considerable periods of time. (A-103–104 at 132:19–24, 133:21–134:7; A-105 at 137:10–21; A-106 at 142:3–14.) *Yes Rasta* was critically acclaimed. (A-1565 at 247:12–248:2); *see* (A-1914–1916) (“[h]ands down, the best photography . . . of Jamaica’s rasta community”; “[b]eautiful photography”; “bold . . . never-before-seen images”; “deeply moving, sensationally well-executed portfolio . . .”).

2. The Canal Zone Paintings

In 2005, by “pure chance,” Prince found a copy of *Yes Rasta* in a bookstore in St. Barth’s. (A-148 at 264:2–7.) In his deposition, Prince confirmed having stated in an interview: “I loved the look, and I loved the dreads.” (A-147–148 at 261:8–262:7; A-295.) Prince tore 35 pages out of his first copy of *Yes Rasta*, drew on them, affixed the pages to a plywood board, and exhibited this

work, entitled *Canal Zone 2007*, in December 2007. (A-134 at 175:16–177:24; A-135 at 179:17–180:13; A-136 at 182:17–184:13; A-325–326.)

In June 2008, Prince decided to make a series of paintings (the “Paintings”), ultimately known as the *Canal Zone* series, named after Prince’s place of birth, which he barely remembered. (A-140 at 218:2–5; A-118 at 7:23–8:19; A-156 at 295:20–22; A-331–348.) That same month, Prince bought three additional copies of *Yes Rasta* directly from Cariou’s publisher, powerHouse. (A-142–143 at 236:4–238:4; A-284.) He claimed not to have seen that *Yes Rasta* had a copyright notice identifying Cariou as the copyright owner of the Photographs. (A-143 at 240:7–241:20; A-231.) Not that it would have mattered: Prince testified that he “find[s] it more satisfying to appropriate than to create [his] own work.” (A-124–125 at 44:7–46:11; A-280); and, when asked if he had a different standard or artistic practice for appropriating images with a disclosed author as opposed to advertisements, “No, not really. It’s just a question of whether I like the image.” (A-127 at 100:19–24.)

Prince, or one of his four full-time assistants (A-133–134 at 173:20–174:18), could easily have sought a license to use the Photographs by contacting Cariou, either through powerHouse or Cariou’s website. Although, as appellants note (App. Br. at 21), Cariou’s website was not actively “maintained,”

e-mails to the website reached Cariou's personal e-mail account. (A-1563 at 239:4-13; A-1568 at 260:6-18; A-206 at 34:2-17; A-207 at 39:3-22.)

Prince cut out Photographs from the *Yes Rasta* book and sent them to a commercial laboratory to be scanned, enlarged and printed onto canvases. (A-199-201 at 20:22-22:9; A-123 at 38:25-40:15; A-132 at 168:2-170:5.) The scanned Photographs were incorporated into the *Canal Zone* Paintings, in some cases collaged together with other images and partially painted over. (A-150-151 at 273:4-22, 275:8-276:5.)

In his deposition, Prince confirmed his statement, in an interview, that the Paintings were "very quickly done – they're not really thought about" (A-150 at 273:4-22; A-296.) Prince explained that the Paintings "were done [sic] day, half a day, some of them took two hours." (A-150-151 at 273:4-274:16.) In the same interview, Prince had stated: "[t]he Rastas came really fast. And they're going to be over really fast, too." (A-297.) He testified that the reason for that statement was: "I was in the middle of other bodies of work that I needed to pay attention to." (A-152 at 280:20-281:8.)

Prince testified that he was not commenting on Cariou's Photographs (A-152 at 281:20-23) or on Cariou's technique in taking those Photographs. (A-153 at 281:24-282:2.) He also testified that the Photographs were not the subject

of his Paintings. (A-121 at 30:9–13.) The “primary subject” of the Paintings was the guitar, which he described as his own “brilliant, brilliant contribution” to the Paintings. (A-152 at 278:24–279:16.) Prince also testified: “I don’t really have a message” (A-124–125 at 45:22–46:2), later adding: “The message is to make great art that makes people feel good.” (A-149 at 267:3–10.) He also differentiated his “message and medium” from Cariou’s because “it’s a completely different look, and it’s a completely different application, and it’s a new way of collaging.” (A-162 at 331:8–23.)

Prince testified that he had no interest in the original intent of Cariou’s images. (A-163 at 338:3–8.) Rather, Prince’s intent in creating the Paintings was to pay homage to other painters, including Picasso, Cezanne, and de Kooning (A-131–132 at 165:20–167:25; A-1248–1249 at 300:2–301:8), and to make beautiful artworks which related to musical themes and to a post-apocalyptic screenplay he was writing.¹ (A-121 at 30:14–19; A-146 at 251:6–252:6; A-149 at 267:3–10; A-165 at 360:14–361:8.)

¹ Prince, a self-described “bibliophile” (A-153 at 284:3), wrote a screenplay that he referred to as a “subtext” to the *Canal Zone* series. (A-121 at 30:14–19.) It concerned a family that arrived in St. Barth’s for a vacation only to discover that a nuclear holocaust had occurred while they were traveling there, resulting in global destruction and post-apocalyptic strife on the island among various “tribes,”

...Continued

Simply put, other than the fact that he “loved the look” (A-147–148 at 261:8–262:7; A-295), Prince had no particular reason for conscripting Cariou’s Photographs into this project, and he admitted that he could instead have used royalty-free stock photos. (A-154 at 286:2–10; A-155 at 290:13–292:9.) Alternatively, as asserted by his own counsel, he could have used similar supposedly typical images of Rastafarians and their tropical surroundings ubiquitously available on the Internet. (A-742; A-444, ¶ 30; A-989–990.)

In addition to *Canal Zone 2007*, there were thirty *Canal Zone* Paintings, one of which, *Ding Dong the Witch is Dead*, did not appropriate any images from *Yes Rasta*. (SPA-4; A-809.) Of the remaining thirty artworks (including *Canal Zone 2007*), 15 of them appropriated this image from *Yes Rasta*:

Continued from previous page
including Rastafarians and Amazons. (A-139 at 206:3–20; A-166 at 365:7–21; A-357–358; A-361.)



Image from *Yes Rasta* (A-773)

One Painting, *Graduation*, appropriated the image in its entirety (adding paint dollops to the man's face and placing a guitar in his hands):



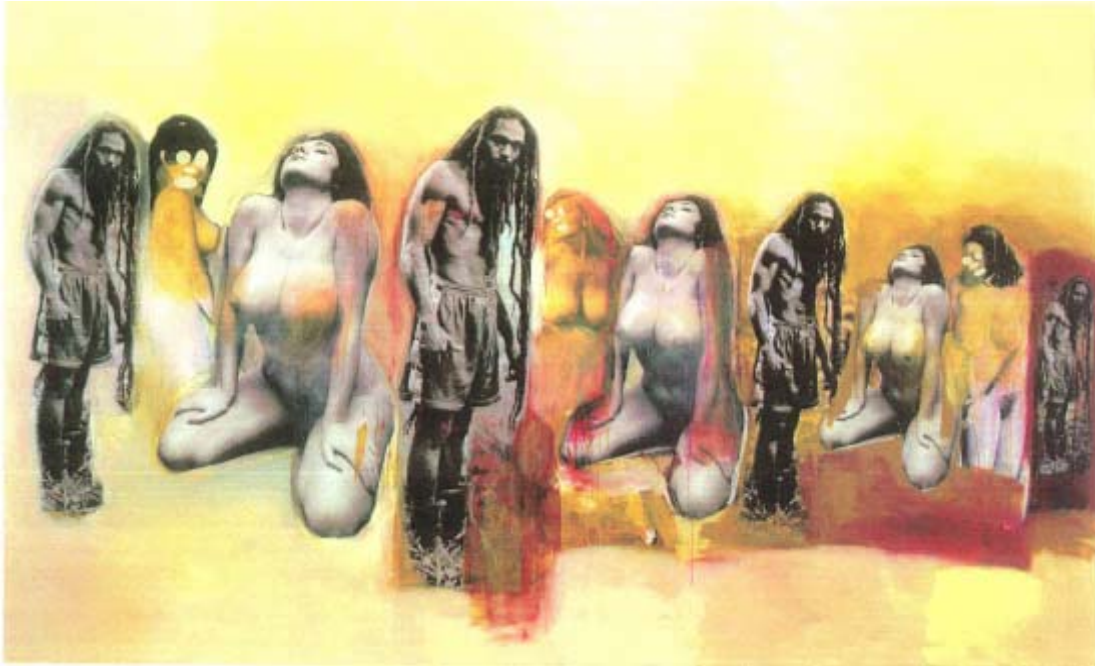
Richard Prince *Graduation* (2008) (A-773)

Of the remaining 14 Paintings that used the image of this Rastafarian, 13 used the entire portrait of the man (A-774–777, A-781–783, A-785–786, A-791, A-796–797, A-807–808) and one used his torso. (A-804). Of these, one Painting, *Meditation*, used only the portrait of that Rastafarian, facing in the opposite direction, with paint dollops on his face and a guitar:



Richard Prince *Meditation* (2008) (A-774)

Three others, *Tales of Brave Ulysses* (A-256), *The Other Side of the Island* (A-260) and *Escape Goat* (A-797), used the image of this Rastafarian repeatedly. In *Tales of Brave Ulysses*, the image is unaltered and appears four times, juxtaposed with nudes taken from different sources:



Richard Prince *Tales of Brave Ulysses* (2008) (A-256)

Prince testified that *Tales of Brave Ulysses* related to his post-apocalyptic screenplay, but without any suggestion that the “Rastafarians are potentially dangerous to these naked white women, [or] that they might rape them.” (A-166 at 365:7–21.)

Another Painting, *Canal Zone 2008*, depicts the same Rastafarian surrounded by a grid-like landscape consisting entirely of images of foliage taken from *Yes Rasta*:



Richard Prince *Canal Zone* (2008) (A-775)

The Painting entitled *The Ocean Club* makes use of the same grid-like landscape, taken entirely from *Yes Rasta*, with two images of the same Rastafarian, with paint dollops on his face, and two images of a nude woman:



Richard Prince *The Ocean Club* (2008) (A-777)

Two of the *Canal Zone* Paintings, *On the Beach* (A-798) and *Djuna Barnes, Natalie Barney, Renée Vivien and Romaine Brooks take over the Guanahani* (A-802), depict scenes on St. Barth's using entire Cariou tropical landscapes as background. In *Djuna Barnes, et al.*, Prince appropriated this Cariou landscape in its entirety (A-164 at 356:3-14):



Image from *Yes Rasta* (A-802)

Prince superimposed four nude women onto Cariou's background, creating the *Djuna Barnes* Painting:



Richard Prince *Djuna Barnes, et al., take over the Guanahani* (2008) (A-802)

Prince testified that, in adding the four nudes (named after four “famous expatriate lesbians living in Paris” in the 1920’s (A-1227–1228 at 216:2–217:20)) to Cariou’s Photograph, he was not commenting on any aspects of culture (A-165 at 360:12–17) (indeed, his work did not generally make such comments (A-164 at 354:11–18; A-166 at 364:6–7)), or trying to create anything with a new meaning or a new message (A-165 at 360:18–20), but was trying to create something new and unique: “A balls-out, great, unbelievably looking great painting that had to do with a kind of rock-and-roll painting on the radical side, and on a conservative side something to do with Cézanne’s bathers.” (A-165 at 360:22–361:8.)

Two other Paintings, *Back to the Garden* and *Charlie Company*, appropriated a Cariou Photograph of a Rastafarian man on a donkey, juxtaposed with other images. Here is the image of the man on the donkey from *Yes Rasta*:



Image from *Yes Rasta* (A-780)

Here is *Back to the Garden*, which appropriated the Photograph of the man on the donkey in its entirety:



Richard Prince *Back to the Garden* (2008) (A-780)

Prince testified that the message or meaning of *Back to the Garden* was: “I’m trying to make a kind of fantastic, absolutely hip, up to date, contemporary take on the music scene.” (A-163 at 338:17–339:3.) Noting that one image of the Rastafarian on the donkey had a guitar (Prince’s “contribution” to the Painting), Prince testified that his “message” was “hey, this guy is playing the guitar.” (A-163 at 340:4–22.)

Of the 30 Paintings that appropriated Cariou’s Photographs, two (*Graduation* and *Back to the Garden*) appropriated entire portraits, with the background; two (*Djuna Barnes* and *On the Beach*) appropriated entire landscapes; 18 (*Meditation*, *Canal Zone 2007*, *Canal Zone 2008*, *The Ocean Club*, *Charlie*

Company, Cheese and Crackers, Mr. Jones, The Other Side of the Island, Naked Confessions, Specially Round Midnight, Zipping the System, Tales of Brave Ulysses, Escape Goat, Cookie Crumbles, It's All Over, Ile de France and two *Untitled (Rasta) Paintings* (A-773–786, A-791-797, A-799–801, A-807–808)) appropriated entire portraits of Rastafarians without the background foliage; and others appropriated recognizable portions of the Photographs (*e.g.*, headshots in *Color Me Mine, Inquisition, Uncle Tom, Dick and Harry*; a torso in *Mina Loy, etc.*; a marijuana cigarette and necklace in *Quarry*). (A-787, A-789–790, A-804–805.)

3. The Canal Zone Catalogue

In connection with its exhibition of the Paintings, from November 8 through December 20, 2008, Gagosian Gallery published a catalogue (the “*Canal Zone Catalogue*”), which depicted 22 of the Paintings. (A-157 at 302:13–24; A-232–239.) It also contained exact, unaltered replicas of Cariou Photographs mounted on canvases in Prince’s studio:



Image from *Canal Zone Catalogue* (A-349)



Image from *Canal Zone* Catalogue (A-350)



Image from *Canal Zone* Catalogue (A-351)

And the Catalogue had blown-up details from the Paintings
emphasizing Cariou's Photographs:



Image from *Canal Zone* Catalogue (A-352)

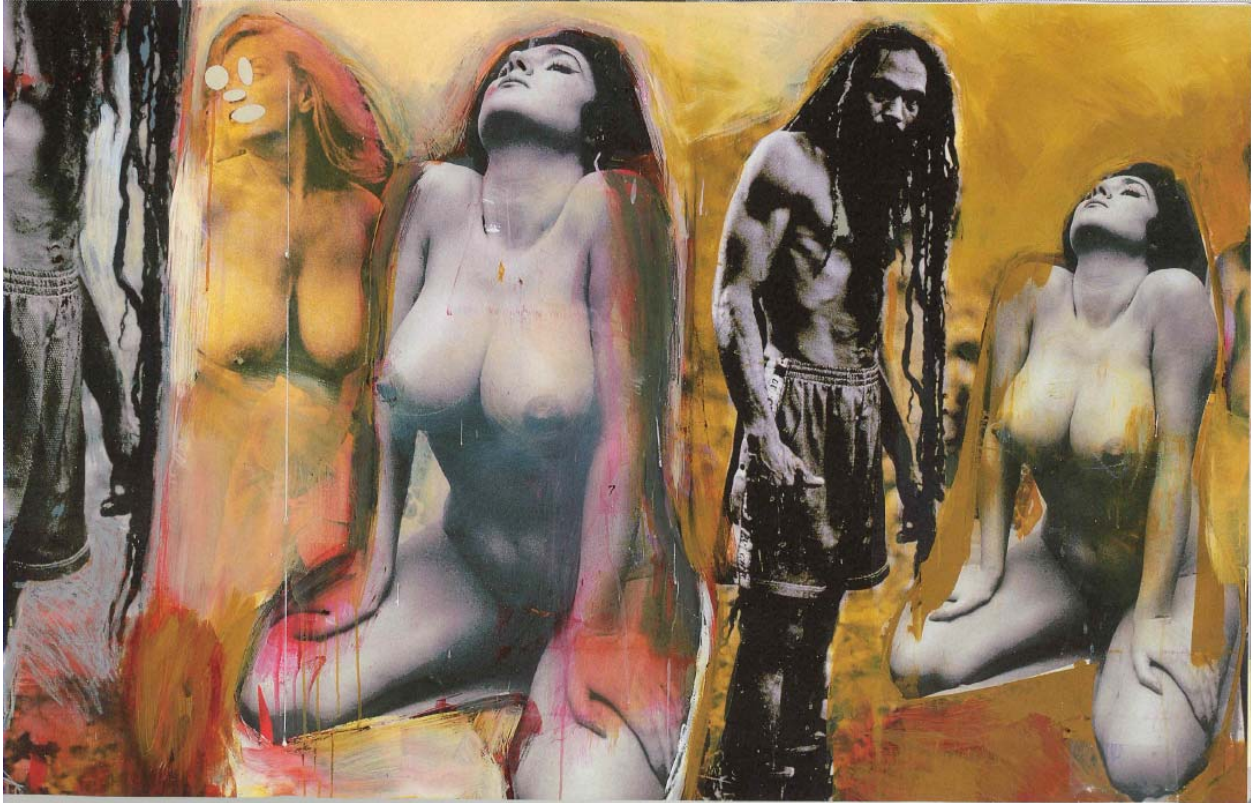


Image from *Canal Zone* Catalogue (A-353)

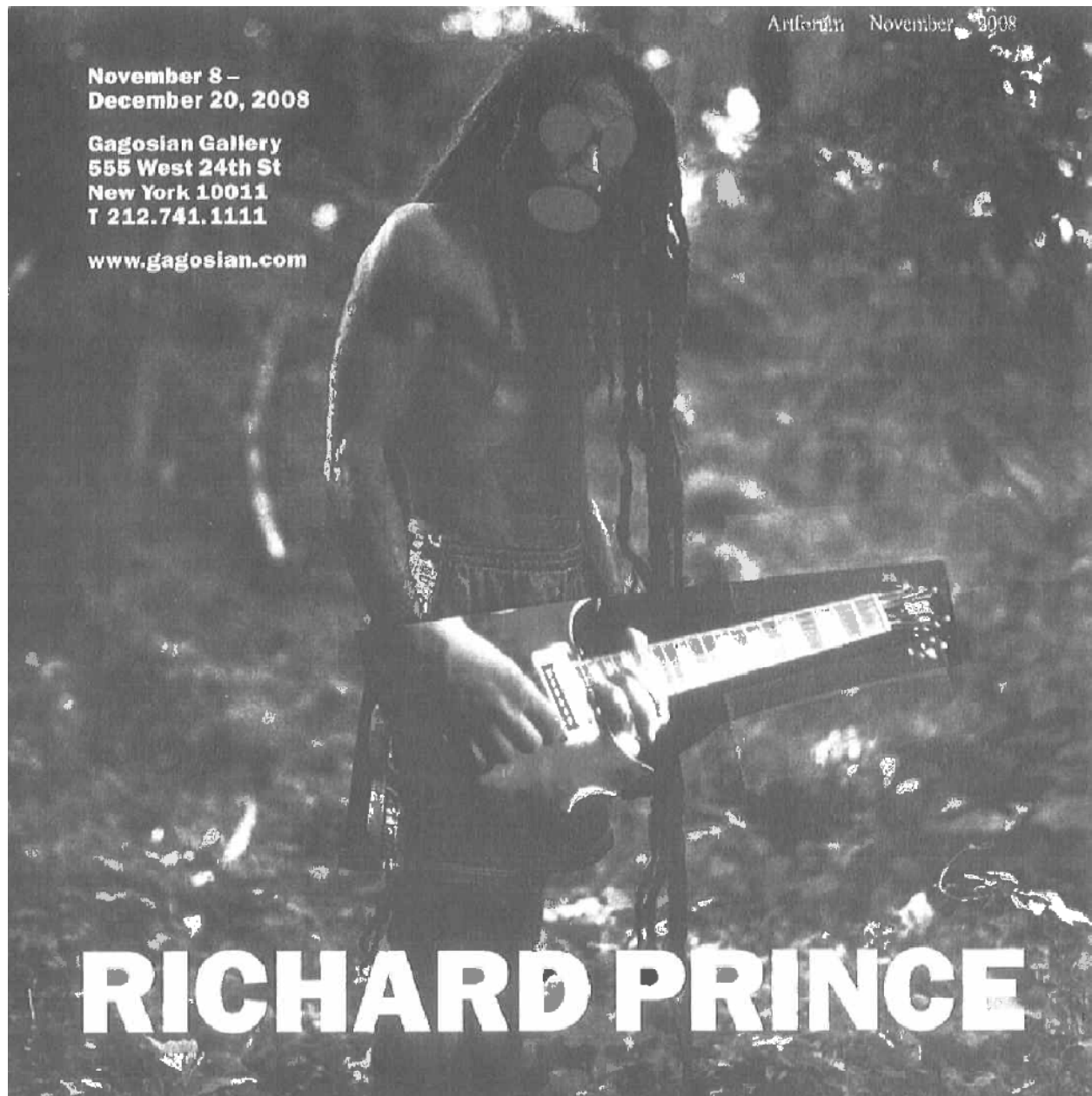
The *Canal Zone* Catalogue was copyrighted in the names of Gagosian Gallery and Prince, with a warning: “All rights reserved. No part of this publication may be used or reproduced in any manner whatsoever without prior written permission from the copyright holders.” (A-240.)

4. The Marketing of the *Canal Zone* Paintings Was Commercially Exploitative

Gagosian Gallery and Gagosian (who either owned all of the stock of Gagosian Gallery, or “may have given [his] sister a small piece of it” (A-168 at 17:15-23)), controlled and profited from the exhibition and sale of the *Canal Zone*

Paintings, and commercially exploited Cariou's Photographs in order to sell Prince's Paintings.

In addition to print advertisements in two newspapers (A-194 at 50:2-14), Gagosian approved advertisements for the *Canal Zone* exhibition in five other publications (A-169 at 36:7-37:23, A-192 at 44:13-45:11), four of which (A-364-368) contained an image from *Yes Rasta* virtually identical to this one:



Advertisement, *Artforum*, November 2008 (A-366)

Gagosian Gallery publicized the *Canal Zone* exhibition on its website and in a press release depicting *Back to the Garden*:

GAGOSIAN GALLERY

RICHARD PRINCE

CANAL ZONE
NOVEMBER 8 - DECEMBER 20,
2008

525 West 24th Street
New York, NY 10011
T: 212.741.1111 F: 212.741.9611
Hours: Tue-Sat 10-6

The gallery will be closed Dec. 24, 2009 through
Jan. 3, 2010
Gallery Information
Gallery Map



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Updated Jul 18th 2008 5:57PM

Richard Prince



[Artist
Info](#)

[VIEW](#)

[Gagosian RSS Feed](#)

"The story was basically about a guy who lands in St Barth, gets off the plane, is immediately told that there's been a nuclear holocaust in the rest of the world, and he looks at his family and says 'We can't go back.'"

--Richard Prince

Gagosian Gallery is pleased to announce "Canal Zone," an exhibition of new paintings by Richard Prince.

Gagosian Gallery Website (A-361)

Additional publicity was sought through an essay contained in the *Canal Zone* Catalogue, based on Prince's screenplay, by James Frey, the notorious author of the bogus memoir, *A Million Little Pieces*. (A-137-138 at 200:9-202:11; A-178 at 112:3-113:2.) According to one Gagosian Gallery employee, Frey's name was to appear on the title page of the Catalogue so it would

come up “if you Google James Frey.” (A-236, A-370.)

An announcement card depicting the Painting *Graduation* was mailed to 7,500 Gagosian Gallery clients and to museums in order to promote the opening reception of the show. (A-169 at 35:6-23, A-190–191 at 29:5–30:17, A-371–372.) Leftover announcement cards, instead of being recycled as planned, were sold to a poster company. (A-195–196 at 55:18–59:14, A-373.) This is the announcement card (front-and-back):



RICHARD PRINCE

November 8–December 20, 2008

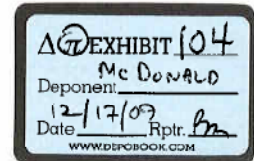
Opening reception Saturday, November 8, 6–8pm

Gagosian Gallery

555 West 24th St, New York 10011

T 212.741.1111

www.gagosian.com



GGP00140A

Gagosian Gallery Announcement Card (A-371–372)

A dinner was held for the opening of the *Canal Zone* show on November 8, 2008. (A-377; A-190 at 26:4–28:11.) Everyone on the invitation list was approved by Gagosian, who was “very strict” and “super intense” about giving his approval. (A-171 at 51:16–55:23; A-380; A-384–385.) A Gagosian Gallery employee wrote: “Larry would like the opening and dinner to be ‘kick ass’ so please invite celebrities/moma/gugg/whitney curators and other clients who will BUY his work.” (A-386.) Another of his employees wrote: “Before Larry approves this list he would like to know if you have sold any art to these people. If so, he would like to see proof.” (A-387.) Gagosian testified that the invitation list (A-388–394) included celebrities (*e.g.*, Tom Brady, Robert De Niro, Leonardo

DiCaprio, Paris Hilton, Mick Jagger, Renée Zellweger) to generate “buzz” for the show (A-173 at 60:4–10); fashion models (*e.g.*, Gisele Bundchen, Lauren Hutton, Elle Macpherson, Kate Moss, Christy Turlington) because they “look good at a dinner table” (A-177 at 74:7–12); and billionaire art collectors (*e.g.*, Leon Black, Eli Broad, Steven A. Cohen, Henry Kravis, Philip Niarchos and Ronald Perelman) who might buy Prince’s art. (A-174 at 62:8–14; A-175–176 at 67:21–70:2; A-177 at 74:22–76:22.)

On December 11, 2008, Cariou, having been alerted to a newspaper advertisement for the show, and having confirmed Prince’s infringement of his Photographs by viewing the Gagosian Gallery website, sent a cease-and-desist letter to Prince and the Gagosian Defendants. (A-85 at 25:2–26:10; A-395-396; A-35, ¶ 24; A-46, ¶ 24.) The show nevertheless continued on until its scheduled conclusion. (A-35–36, ¶ 25; A-46, ¶ 25.)

Gagosian Gallery sold eight Paintings, which Gagosian was involved in pricing, for a cash total of \$10,480,000, of which 60% went to Prince and 40% was kept by Gagosian Gallery. (A-271, ¶ 2; A-170 at 48:14–25.) Four other Paintings were exchanged by Prince for a Larry Rivers painting owned by Gagosian personally, and valued by him at \$3 or \$4 million. (A-272, ¶ 3(a); A-276; A-182 at 136:2–137:7.) One of the Paintings that Gagosian acquired in this

exchange, *It's All Over*, was sold by Gagosian Gallery in August 2009 for \$1.1 million.² (A-894–895 at 141:18–144:11.)

In addition to the Paintings, Gagosian Gallery also sold *Canal Zone* Catalogues for a total of \$6,784. (A-271–272, ¶¶ 2, 3(a), 4.)

5. The Potential Market for Cariou's *Yes Rasta* Work Was Harmed

As appellants would have it, their hijacking of Cariou's work could actually “increase the value” of that work “by bringing attention to it” (App. Br. at 3), a risible claim given that appellants never gave credit or attribution to Cariou. Similarly, even though *Yes Rasta* was *out-of-print* (App. Br. at 53), appellants claim that the list price of *Yes Rasta* supposedly increased after the commencement of this litigation, presumably also indicating that appellants' copyright infringement benefited Cariou. App. Br. at 21. Aside from the baseless premise that appellants should benefit from having forced Cariou to sue them, the purported

² Appellants quote from an article written *after* the district court's decision by the owner of that Painting (Adam Lindemann) – hearsay that was not presented to the district court and so is not part of the record on this appeal – as though Lindemann is a disinterested “art critic” who happens to believe Prince's work is “transformative” (App. Br. at 50), rather than a collector who paid \$1.1 million for an artwork that he cannot legally re-sell or publicly display.

increase in the list price of *Yes Rasta* rests upon inadmissible hearsay evidence.³

The admissible evidence makes clear that, far from benefiting Cariou, Prince's appropriation of Cariou's Photographs and the exhibition of Prince's infringing works at the Gagosian Gallery palpably harmed the market for Cariou's work.

Although *Yes Rasta* was exhibited in a gallery in Paris in 2000, prints were not offered for sale, and, in the ensuing years, while Cariou privately sold six prints to friends (A-608, ¶ 1(c)), he was not yet "ready to make [his] work available" to the general public. (A-1562 at 234:7–236:2.) As Cariou explained, he had always planned to make eight prints of each of the *Yes Rasta* Photographs and to offer them for sale at the "right opportunity" (A-96 at 93:10–95:7, A-1559 at 221:25–222:3), namely, after he had completed his fourth book of portraiture photography, *Gypsies*, on which he had been working for eight years. (A-96 at 94:4–21.) After completing *Gypsies*, Cariou anticipated moving on to a different genre of photography (A-116 at 285:2–286:22), and believed that having a completed body of work would "enhance the value or the price" of prints of

³ Factual assertions concerning *Yes Rasta*'s list price, sales of *Yes Rasta* and royalties paid to Cariou (App. Br. at 20-21) are attributed to a "stipulation," to which *Cariou was not a party*, entered into, in lieu of a deposition, between the Gagosian Defendants and powerHouse. (A-551–554.) As Cariou pointed out in the district court (A-931, n.3), these unsworn, hearsay statements of a non-party are inadmissible and may not be considered on this appeal.

photographs from all four portraiture books. (A-96 at 94:9–25.) By 2008, having completed the mock-up of the photographs for *Gypsies*, Cariou felt the time was right to market prints of his portraits. (A-116, at 285:2–18, 286:3-22.)

On August 28, 2008, Cariou received an e-mail from Christiane Celle, an art gallery owner, stating that, although she did not know Cariou, she was familiar with his work, and wanted to represent him and put on an exhibit of his work in New York. (A-397–399.) Cariou replied the same day, indicating that he was not represented by any gallery and that he would be interested in an exhibit. (A-398.) This e-mail exchange (which occurred through Cariou’s website (A-206 at 34:2–17, A-207 at 39:3–22)) took place before either Cariou or Celle knew about Prince’s *Canal Zone* Paintings; they both first learned of the Paintings when they were being exhibited at the Gagosian Gallery in November-December 2008. (A-85 at 25:4–26:10; A-219 at 113:3–115:6.)

Celle wanted to exhibit Cariou’s *Yes Rasta* photography as the opening show of a new gallery, dedicated to photography, that she was planning to launch in Soho, in lower Manhattan, in the spring of 2009.⁴ (A-207–208 at 39:3–

⁴ Having founded and sold Calypso, a successful line of clothing boutiques in St. Barth’s and New York, Celle opened galleries with her husband in East Hampton, St. Barth’s and two locations in Soho. (A-204 at 17:3–22, 18:23–19:15; A-206–207 at 36:16–37:17; A-211–212 at 56:3–23.)

43:2; A-204 at 17:18–19, 19:10–15.) After the August 28, 2008 e-mail exchange, Celle and Cariou met twice, once in New York and once in Paris, in September-October 2008, to discuss the potential *Yes Rasta* show. (A-207 at 39:23–40:20; A-96 at 94:9–96:25.) They discussed financial terms (A-97 at 97:5–8; A-208 at 42:11–20) and which Photographs Celle “like[d] in the [*Yes Rasta*] book” that might be in the show. (A-208 at 42:21–43:11.) Celle concluded that Cariou “was interested” and “wanted to do a show.” (A-208 at 44:9–17.)

Celle wanted to exhibit 30 or 40 *Yes Rasta* Photographs, with multiple prints of each Photograph to be sold during the show and kept in inventory after the show for future sale, at prices ranging from \$3,000 to \$20,000, depending upon the size of the print. (A-207–208 at 40:20–42:20; A-209 at 46:14–24; A-214 at 66:12–68:2; A-221 at 127:24–128:23; A-224 at 153:6–154:3, 155:6–10.) Celle also wanted to have *Yes Rasta*, which was out-of-print, reprinted for a book signing by Cariou during the show. (A-224–225 at 156:5–157:16; A-216 at 87:23–88:7.) Finally, Celle intended to introduce Cariou to clients of hers (decorators and entertainers) with an interest in photographs of Rastafarians. (A-209 at 45:6–22; A-214–215 at 68:11–69:25; A-222 at 130:24–131:19; A-225 at 158:8–159:16.)

In late November 2008, Celle’s husband advised her about the *Canal Zone* show at the Gagosian Gallery, about which he had heard. (A-216 at 88:8–14;

A-219 at 113:6–114:10.) After going on the Gagosian Gallery website to verify her husband’s information (A-219 at 114:11–18), Celle immediately decided to cancel Cariou’s show and to replace it with one by another artist, Lyle Owerko, whose ethnographic photography was similar to Cariou’s. (A-217 at 91:5–10; A-220 at 123:9–124:3; A-221 at 125:25–126:20; A-225 at 159:9–160:10.) She decided to cancel Cariou’s show because she did not want to seem to be capitalizing on Prince’s fame (A-217 at 89:9–14; A-218 at 105:2–9, 105:25–106:3; A-97 at 98:20–100:10) and did not want to exhibit art which had been “done already” at a renowned nearby gallery. (A-217 at 89:9–11, 91:5–10.) Nor would Celle commit to doing the *Yes Rasta* show in the future, although she remained open to exhibiting Cariou’s *Surfers* photography and encouraged Cariou to put on that show. (A-218 at 107:2–5; A-97–98 at 100:3–19, 100:20–101:8; A-217 at 89:9–19; A-732 at 149:15–150:16.)

As Celle testified, upon learning of the *Canal Zone* show: “I knew that if I will do something with Patrick it will be probably the Surfer. But I could not do anymore the Rasta” (A-217 at 89:9–19.) When asked whether she arranged advertising for Cariou’s show, Celle responded: “No, because *the minute* I figure out that there was a Chelsea show of his work, you know, I knew that it was over.” (A-217 at 91:5–10) (emphasis supplied). When asked whether it was in January 2009 that she decided not to proceed with the Cariou exhibit, Celle

unequivocally replied: “No, actually I decided the end of November, December, . . . when I saw the Richard Prince situation, I committed with another photographer called Lyle Owerko . . . [and] I just opened my gallery with [Owerko’s] show.” (A-220 at 123:9–124:3.) Given that Celle’s decision was made many months before the scheduled *Yes Rasta* show, it is hardly surprising (*cf.* App. Br. at 22) that there was no written contract between Celle’s gallery and Cariou; indeed, there was no written contract between Prince and Gagosian Gallery. (A-1128 at 90:23–91:3; A-1130 at 23:24–24:3.)

SUMMARY OF ARGUMENT

Randomly taking copyrighted works without justification, for use in secondary works that do not convey a message relating to the originals, is not transformative. When, in addition, the appropriated works are creative, the taking is substantial, and the potential market for the originals is harmed, fair use is no defense, as the district court correctly found based on the evidence in the record, including Prince’s testimony.

Appellants’ contention that Prince’s testimony should not be considered is insupportable, as are their attempts to present facts and legal arguments that were never presented below.

Appellants' illogical argument that the district court could find them liable only if it separately discussed each of the infringing Paintings was not preserved for appeal and runs counter to this Circuit's precedents.

The Gagosian Defendants are vicariously liable because they benefited from and controlled the exhibition and sale of the Paintings and are contributorily liable because they had constructive knowledge of the infringement.

Finally, although the district court should have applied the *eBay* factors, injunctive relief is nevertheless appropriate on the fully-developed record below.

ARGUMENT

I. PRINCE'S TAKING, WITHOUT JUSTIFICATION, OF SUBSTANTIAL PORTIONS OF CARIOU'S CREATIVE PHOTOGRAPHS, RESULTING IN HARM TO THEIR POTENTIAL MARKET, IS NOT FAIR USE

A. The Standard of Review

Because “[f]air use is a mixed question of law and fact” (*Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985)), on an appeal from a grant of summary judgment in a fair use case, this Court “review[s] the district court’s legal conclusions *de novo* and its findings of fact for clear error.” *Castle Rock*, 150 F.3d at 137, citing *Am. Geophysical Union v. Texaco, Inc.*, 60 F.3d 913, 918 (2d Cir. 1994) (“we review the District Court’s conclusions on this

issue *de novo*, though we accept its subsidiary findings of fact unless clearly erroneous”).

B. The Fair Use Defense Was Properly Rejected by the District Court

Fair use is an affirmative defense. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994). Accordingly, “the burden of proof is on its proponent.” *Infinity Broad. Corp. v. Kirkwood*, 150 F.3d 104, 107 (2d Cir. 1998). Fair use balances competing interests: on one hand, encouraging creativity by granting creators of original works a limited monopoly, “thus reward[ing] the individual author in order to benefit the public” (*Harper & Row*, 471 U.S. at 546) and, on the other hand, in recognition that “important areas of intellectual activity are explicitly referential,” not allowing “[m]onopoly protection of intellectual property [to] impede[] referential analysis and the development of new ideas out of old.” Pierre N. Leval, *Toward A Fair Use Standard*, 103 HARV. L. REV. 1105, 1109 (1990) (“Leval”).

Fair use developed as judge-made law until codified as § 107 of the 1976 Copyright Act. *Campbell*, 510 U.S. at 576. In its preamble, § 107 provides for the fair use of copyrighted work, “for purposes such as criticism, comment, news reporting, teaching . . . , scholarship, or research” Section 107 lists four factors to be considered in making a fair use determination: “(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. Each of these factors strongly supports the district court’s finding that Prince’s appropriation of Cariou’s work is not fair use.

1. First Fair Use Factor: The Appropriation of Cariou’s Work Lacked Any Transformative Justification; Was Commercially Exploitative; and Involved Conduct Calling Appellants’ Good Faith into Question

a. There was no Transformative Justification

In his seminal article, Judge Leval wrote that the first factor “raises the question of justification[,]” the answer to which “turns primarily on whether, and to what extent, the challenged use is transformative.” Leval at 1111. In *Campbell*, the Supreme Court adopted this terminology, as well as Justice Story’s formulation in *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841), and found the “central purpose” of the first factor to be “in Justice Story’s words, whether the new work merely ‘supersede[s] the objects’ [*Folsom*, 9 F. Cas. at 345] 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’ [quoting Leval at 1111].” *Campbell*, 510 U.S. at 579.

In examining when a secondary use may be considered “transformative,” the district court looked to the structure of the Copyright Act, which provides that one of the “exclusive rights” of a copyright owner is the right to “prepare derivative works based upon the copyrighted work” (17 U.S.C. § 106(2)), and that a “derivative work,” in turn, includes any “form in which a work may be recast, *transformed*, or adapted.” *Id.* § 101 (emphasis supplied). (SPA-15–16.) As the district court noted, this “potential source of confusion” was clarified by this Court, which explained that, just because a work “transform[s]” an original work, thus making it a “derivative work” under § 101, does not make the work “transformative” in the sense of the first fair use factor. *Castle Rock*, 150 F.3d at 143.

The inquiry into what uses not only “transform” original works, but do so in a way that is “transformative” within the meaning of the first fair use factor “may be guided by the examples given in the preamble to § 107” *Campbell*, 510 U.S. at 578-79. The illustrative categories listed in the preamble “should not be ignored,” and when a secondary use “is not remotely similar to any of the listed categories,” it is likely that the secondary work lacks a transformative

justification. *Ringgold v. Black Entm't Television, Inc.*, 126 F.3d 70, 78-79 (2d Cir. 1997). *See Castle Rock*, 150 F.3d at 136, 142-43 (trivia book which repackaged *Seinfeld* television episodes by urging readers to “open this book to satisfy your between-episode cravings,” was not transformative because it did not seek “to educate, criticize, parody, comment, report upon, or research *Seinfeld* . . .”).

Given the breadth of the preambular categories, appellants are correct that a secondary work need not invariably “comment [on] or criticize the original work in order to constitute fair use.” App. Br. at 39. Comment and criticism are but two common forms of justification; a review of other recognized examples, however, only underscores the central point that, without a justification, secondary works cannot constitute fair use. *See Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 607, 609-11 (2d Cir. 2006) (images of Grateful Dead concert posters were used “as historical artifacts” in a biographical work, a form of “historical scholarship, criticism, and comment that require[s] incorporation of original source material for optimum treatment of [its] subjects[,]” and were displayed “us[ing] the minimal image size necessary to accomplish [the] transformative purpose” of “permit[ting] readers to recognize the historical significance of the posters, [but without] offer[ing] more than a glimpse of their expressive value.”); *but see Elvis Presley Enters. v. Passport Video*, 349 F.3d 622,

625, 629 (9th Cir. 2003) (use of copyrighted still photographs of Elvis Presley in a video documentary about his life was not fair use where the photos were used as “video filler,” were “not highlighted or discussed as objects of the commentary,” and defendant did not “offer up a specific *justification* regarding its use of” the photos) (emphasis supplied). *See also Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 818-20 (9th Cir. 2003) (Internet search engine’s use of small, lower-resolution thumbnail images of artistic works had the transformative purpose of assisting research and enhancing “access to images,” without posing any likelihood “that anyone would use [the] thumbnails for illustrative or aesthetic purposes because enlarging them sacrifices their clarity”); *see Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1165 (9th Cir. 2007) (same); *Nunez v. Carribean Int’l News Corp.*, 235 F.3d 18, 23 (1st Cir. 2000) (fair use of photographs for news reporting and not to exploit their aesthetic qualities).

In this case, Prince had no justification for taking these particular images without asking because he could easily have sought permission by contacting powerHouse (as he did when he bought three *Yes Rasta* books in June 2008 (A-284)) or directly e-mailing Cariou’s website (as Celle did on August 28, 2008 (A-397–399)). If Cariou had refused, Prince admitted that he could, instead, have used royalty-free stock photographs (A-154 at 286:2–10; A-155 at 290:13–292:9), or he could equally have used images of Rastafarians and their

tropical surroundings that appellants themselves “culled from the internet from a myriad of websites,” and presented to the district court in order to demonstrate that Cariou’s Photographs were mundane and generic. (A-742, A-444, ¶ 30, A-989–990.)

In this specific context – one artist claiming that the very act of taking another artist’s work as “raw materials” in the creation of new art is a justification “akin to those identified in the preamble to § 107” – the district court concluded, “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.” SPA-16.⁵ Removing this conclusion from its context, appellants make two arguments: first, they challenge the validity of the legal standard enunciated by the district court; and, second, they contend that even if the

⁵ The district court’s conclusion, which appellants disparage as an aberration, was subsequently quoted with approval in a similar case. *LaChapelle v. Fenty*, 11 Civ. 945 (SAS), 2011 U.S. Dist. LEXIS 80337 at *31 (S.D.N.Y. July 20, 2011) (“[a]ll 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 also Friedman v. Guetta*, CV 10-00014 DDP, 2011 U.S. Dist. LEXIS 66532, at *19 (C.D. Cal. May 27, 2011) (“To permit one artist the right to use without consequence the original creative and copyrighted work of another artist simply because that artist wished to create an alternate work would eviscerate any protection by the Copyright Act.”).

court correctly enunciated the standard, it erred in finding that Prince was not commenting on Cariou's work.

As to the legal standard, appellants ignore the context (the appropriation by one artist of another artist's work in order to exploit its aesthetic virtues) and assert: "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 [sic] purpose or different character, altering the first with new expression, meaning or message.'" App. Br. at 39–40. Prince, however, admitted that his *Canal Zone* Paintings had no "meaning" or "message" relating to Cariou's images (A-165 at 360:18–20; A-124–125 at 45:22–46:2), and that, at most, his "message" was "to make great art that makes people feel good" (A-149 at 267:3–10), with "a completely different look, . . . a completely different application, and . . . a new way of collaging" (A-162 at 331:8–23), or that, in one case, the "message" was "hey, this guy is playing the guitar." (A-163 at 340:4–22.)

Accordingly, Prince had no justification for taking these particular images without asking. In a similar case, *Rogers v. Koons*, 960 F.2d 301, 304, 309 (2d Cir. 1992), the appropriation artist Jeff Koons argued that he belonged to an artistic tradition, emulating Marcel Duchamp and Andy Warhol, that incorporated

mass-produced images into artistic works in order to comment on society. This Court rejected Koons' fair use argument, holding that the original work must be, at least in part, the object of the secondary work, "otherwise there would be no need to conjure up the original." *Id.* at 310. As this Court explained, "We think this is a necessary rule, as were it otherwise there would be no real limitation on the copier's use of another's copyrighted work to make a statement on some aspect of society at large." *Id.* And the Court flatly rejected Koons' claim, echoed here by Prince, that operating within the artistic tradition of appropriation constitutes fair use: "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." *Id.*

Even *Blanch v. Koons*, 467 F.3d 244 (2d Cir. 2006), upon which appellants heavily rely, supports Cariou's position, not Prince's. In *Blanch*, reiterating that a transformative use must do more "than find a new way to exploit the creative virtues of the original work" (*id.* at 252), the Court, based on Koons' affidavit, accepted Koons' justification for appropriating an advertisement for Gucci sandals from a glossy fashion magazine in order "to further his purpose of *commenting* on the 'commercial images . . . in our consumer culture'; "to *comment* on the ways in which some of our most basic appetites . . . are mediated by popular images"; "to *satirize* life as it appears when seen through the prism of

slick fashion photography”; and to “*comment* upon the culture and attitudes promoted and *embodied* in [the magazine containing the ad].” *Id.* at 247, 248, 255 (emphasis supplied).

Secondary works which do not use an original work for purposes such as scholarship, research, news reporting or teaching, but merely transform the original work’s appearance or lyrics without any justification, are not transformative. *See, e.g., Gaylord v. United States*, 595 F.3d 1364, 1373 (Fed. Cir. 2010), *rev’g* 85 Fed. Cl. 59 (2008) (distinguishing *Blanch* and *Dorling Kindersley* and holding that a postage stamp depicting the Korean War Veterans Memorial was not transformative because it “did not use [the Memorial] as part of a commentary or criticism” despite the lower court’s finding, 85 Fed. Cl. at 68-69, that the stamp “transform[ed] [the Memorial’s] expression and message, creating a surrealistic environment with snow and subdued lighting where the viewer is left unsure whether he is viewing a photograph of statues or actual human beings”); *MCA, Inc. v. Wilson*, 677 F.2d 180, 185 (2d Cir. 1981) (not fair use to “plagiarize” a copyrighted song, “substitute dirty lyrics,” “perform it for commercial gain,” and then call “the end result a parody or satire on the mores of society.”). Were it otherwise, the balance would be decisively skewed in favor of the appropriator, who would be free, without any “practicable boundary” (*Rogers*, 960 F.2d at 310),

to take anything, for any or no reason, in order to create a different form of art, eviscerating the rights of the copyright owner.

Appellants' reliance on Prince's prominent place in the pantheon of "post-modern" appropriation art (App. Br. at 2–3, 8–20) is misplaced. "Some appropriation art does not implicate copyright law at all. For example, Marcel Duchamp exhibited ready-made objects such as a urinal, bicycle wheel, and snow shovel as works of art. But when the borrowed image is copyrighted, appropriation art risks infringing the rights of the copyright owner." William M. Landes, *Copyright, Borrowed Images, and Appropriation Art: An Economic Approach*, 9 GEO. MASON L. REV. 1, 1 (2000) ("Landes"). While, at the intersection of appropriation and copyright, artists perceive "legal restraints on borrowing as a threat to artistic freedom" (and Prince himself testified that his standard for appropriating copyrighted images and advertisements was the same, depending only on "whether [he liked] the image" (A-127 at 100:19–24)), "[t]he law takes a more traditional view of appropriation art. Artists receive no special privileges to borrow copyrighted material." Landes at 1–2. Thus, although the tradition of appropriation art is well-established, appropriation artists, like other secondary users, do not have an absolute, unfettered right to use copyrighted material, as has

been recognized by appropriation artists themselves.⁶

Appellants stress the long, well-recognized tradition of appropriation art, as exemplified by Andy Warhol and others, including Prince (App. Br. at 8, 12) in order to argue that Prince’s work is inherently transformative. Turning to the facts of this case, and assuming that Warhol’s artworks were fair use, it does not automatically follow that Prince’s *Canal Zone* Paintings are transformative. Unlike Warhol, whose “silkscreens . . . have as their *subjects* the images of such celebrities as Marilyn Monroe, Elizabeth Taylor, and Elvis Presley” (*Comedy III Productions, Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 811 (Cal. 2001) (emphasis supplied)), Prince testified that Cariou’s Photographs were *not* the “subject” of his Paintings. (A-121 at 30:9–13.) According to Prince, the “primary subject” of the

⁶ Rather than defending appropriation as a matter of principle, Robert Rauschenberg, Sherrie Levine and David Salle, all well-known appropriation artists, settled actual or threatened lawsuits without attempting to litigate any fair use defense. E. Kenly Ames, Note, *Beyond Rogers v. Koons: A Fair Use Standard for Appropriation*, 93 COLUM. L. REV. 1473, 1480, 1484-85 (1993). Even Andy Warhol settled a threatened lawsuit by Patricia Caulfield, the copyright owner of a photograph Warhol appropriated in his famous *Flowers* paintings, agreeing to pay Caulfield royalties. *Id.* at 1484. After Warhol’s death, moreover, the Andy Warhol Foundation for the Visual Arts and related entities were sued by a photographer, Henri Dauman, whose copyrighted photograph of Jackie Kennedy, taken at President Kennedy’s funeral, had been appropriated in Warhol’s iconic *Jackie* series of silkscreens. After the Andy Warhol Foundation successfully obtained coverage from its liability insurance carrier (*Andy Warhol Found. for the Visual Arts, Inc. v. Federal Ins. Co.*, 189 F.3d 208, 214, 218 (2d Cir. 1999)), the Warhol entities settled with Dauman. Landes at 19.

Paintings was the guitar. (A-152 at 278:24–279:16.) Thus, while Warhol could, “[t]hrough distortion and the careful manipulation of context . . . convey a message that went beyond the commercial exploitation of [his] celebrity [subjects]” (*Comedy III*, at 811), thereby creating something transformative, Prince, by his own admission, had no interest in the intent of Cariou’s images, which were not even the “subject” of his Paintings.

Appellants insist that 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.” App. Br. at 51. In addition to testifying that Cariou’s images were not the “subject” of his Paintings (making it implausible that he was commenting on those images), Prince expressly testified that he was not commenting on Cariou’s Photographs (A-152 at 281:20–23) or on Cariou’s technique. (A-153 at 281:24–282:2). Appellants claim that what Prince really “meant” was that he was not a “political commentator.” App. Br. at 29 (purportedly quoting from p. 339 of Prince’s deposition, *58 pages after* Prince’s unequivocal testimony that he was not commenting on Cariou’s Photographs). In fact, Prince did not use the term “political commentator.” What he actually said, when asked to explain his *message*, was that he was not a “political artist.” (A-163 at 339:12–13.) This only means that his message is not political; it obviously does not refer to or qualify in any way Prince’s prior

unrelated testimony that he was not commenting on Cariou's Photographs. Prince also testified that he had no interest in the original intent of Cariou's images (A-163 at 338:3–8), testimony incompatible with any intent to comment on those images. Similarly, Prince confirmed his statements, in an interview, that the Paintings were "very quickly done – they're not really thought about" (A-150 at 273:4–22; A-296) and that the "Rastas . . . [were] going to be over really fast," because Prince "was in the middle of other bodies of work that [he] needed to pay attention to." (A-297; A-152 at 280:20–281:8.)

Prince's testimony demonstrates that he was exploiting Cariou's work without any justification. Because Prince's appropriation had "no critical bearing on the substance or style of the original composition, which [Prince] merely use[d] to get attention or to avoid the drudgery in working up something fresh, [Prince's] 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." *Campbell*, 510 U.S. at 580.

The district court's finding that Prince did not intend to comment on Cariou's work is amply supported by the undisputed evidence and appellants cannot show, as they must, that this finding is clearly erroneous. *See Castle Rock*,

150 F.3d at 137 (“We review the district court’s legal conclusions *de novo* and its findings of fact for clear error.”).⁷

b. The Appropriation was Commercially Exploitative

It would be difficult to imagine a starker example of “commercial exploitation” (*Am. Geophysical*, 60 F.3d at 922) than the marketing of Prince’s Paintings through advertisements in seven different newspapers, five depicting Cariou’s Rastafarian images; the prominent use of Cariou’s images on 7,500 announcement cards and the Gagosian Gallery website; and an exhibition catalogue, claiming copyright ownership of Cariou’s images and containing James Frey’s name on its title page in order to elicit Google hits, all targeted at an audience of celebrities and billionaires having “proof” that they would “BUY” works of art hastily thrown together by Prince without much thought, resulting in proceeds of over \$11 million plus additional bartered art and the sale of the leftover announcement cards to a poster company, likely inducing further infringement of Cariou’s copyright.

⁷ Recognizing this impediment, appellants argue on this appeal that it does not matter what Prince said in his deposition, or what his subjective intent was, as long as a comment is reasonably perceivable to the objective viewer or would be to an expert art critic, even though no such expert testimony was presented to the district court. This new argument, contradicting appellants’ position in the district court, is addressed in Point II, *infra*.

c. Indicia of Bad Faith

Although not determinative, “the propriety of a defendant’s conduct” is relevant to the first fair use factor. *NXIVM Corp. v. Ross Inst.*, 364 F.3d 471, 478 (2d Cir. 2004). While not asking permission for a license does not, in itself, demonstrate bad faith, misrepresentations to the district court effectively negate appellants’ claimed good faith. As they told the district court: “upon learning of this lawsuit, [they] pulled the remaining Paintings pending resolution of this lawsuit out of respect for the judicial process.” (A-832.) Prince made a similar representation in his moving affidavit. (A-751, ¶ 28.) In opposition, Cariou pointed out that this assertion was false (demonstrating appellants’ bad faith) because, while the lawsuit was commenced on December 30, 2008, *Canal Zone* Catalogues were sold through February 2009; four Paintings were traded for a Larry Rivers painting valued at \$3 or \$4 million on March 13, 2009; the Painting *Inquisition* was sold on June 8, 2009 for \$800,000; and *It’s All Over* was sold in August 2009 for \$1.1 million. (A-922; see A-270–278; A-894–895 at 141:18–144:11.)

If tearing the copyright mark off an original work before sending it to be replicated is indicative of bad faith (*Rogers*, 960 F.2d at 309), surely false protestations of “respect for the judicial process” and blatant misrepresentations to a district court, including in a sworn affidavit, should also be considered probative

of bad faith. Finally, indicative at least of *chutzpah*, and, arguably, bad faith, is the copyright notice in the *Canal Zone Catalogue* (A-240), warning that Prince and the Gagosian Gallery own the copyright in the contents, including Cariou's Photographs incorporated into the Paintings and even images of Cariou's Photographs in Prince's studio, *before* they were purportedly "transformed." *See Weissman v. Freeman*, 868 F.2d 1313, 1323–24 (2d Cir. 1989) (appropriator acted in bad faith in attempting to pass off the work of another as being his).

2. Second Fair Use Factor: Cariou's Photographs Were Creative and Expressive, Fitting within the Core of Copyright Protection

After arguing in the district court that Cariou's "fact-based" Photographs documenting Rastafarian life were so lacking in originality that they were not even protectable under copyright law (A-984–992), appellants have reversed themselves, conceding that "[t]he district court correctly found that Cariou's photographs are creative and expressive." App. Br. at 59. As such, the Photographs have a value that is central to the copyright laws, making this factor weigh in favor of Cariou. *See* Leval at 1117, 1122.

3. Third Fair Use Factor: The Appropriation Was Substantial and Excessive

While "the extent of permissible copying varies with the purpose," *Campbell*, 510 U.S. at 586-87, appellants' contention (App. Br. at 60–61) that

Prince needed to take substantial portions of Cariou’s Photographs in order to conjure them up (citing *Campbell* and *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109 (2d Cir. 1998) (both *parody* cases)) is unpersuasive because (at least in the district court) Prince flatly disavowed any intent to parody, satirize or otherwise comment on Cariou’s work. (A-994, A-997–998, A-1145–1146.) In those circumstances, as *Campbell* reiterated, citing *Harper & Row*, 471 U.S. at 564-66, 568, Prince’s wholesale and substantial copying, especially of the “heart” of the appropriated images, weighs against fair use. *Campbell*, 510 U.S. at 587-88.

In assessing whether the amount used is reasonable in relation to the purpose of the copying, this Court’s opinion in *Blanch* is instructive. There, in order “to comment on the commercial images in our consumer culture,” Koons took a fragment of a photo showing a woman’s legs and feet resting on a man’s lap in a first-class airplane cabin that, in its essence, “was supposed to have an erotic sense and a sexuality,” and fulfilled his transformative purpose by taking “only the legs and feet from the photo [and inverting their orientation], discarding [the rest].” *Blanch*, 467 F.3d at 248. Here, rather than taking “only that portion of the image[s] necessary” to make his point (*id.* at 258), as Koons did, Prince, who “loved the look, and . . . loved the dreads” (A-295), took entire Cariou Photographs, or, at least, entire portraits of Rastafarians, in almost all of his Paintings, without any restraint.

Appellants seek to justify the substantial nature of the appropriation because Prince “‘intermingl[ed]’ Rastafarian images with images of erotic models and electric guitars.” App. Br. at 63. The third factor, “the amount and substantiality of the portion used in relation to the copyrighted work as a whole,” examines what was taken from the *copyrighted* work, not how much of the infringing work (such as the nude women and guitars) was taken from *other sources*. See *NXIVM*, 364 F.3d at 480 (“the statutory enumeration of the third factor plainly requires only an analysis ‘in relation to the copyrighted work,’ not the infringing work”); see also *Harper & Row*, 471 U.S. at 565 (“[A] taking may not be excused merely because it is insubstantial with respect to the infringing work. As Judge Learned Hand cogently remarked, ‘no plagiarist can excuse the wrong by showing how much of his work he did not pirate.’”) (citation omitted).

4. Fourth Fair Use Factor: The Potential Market for Cariou’s Work Was Harmed

The district court found that “Prince had 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.” SPA-30. Appellants contend that the issue of actual harm “should have been left to the jury” and that the district court’s finding on the issue of potential harm to Cariou’s licensure of derivative works was “wrong as a matter of law.” App. Br. at 64–65.

As to actual harm, Prince’s use of images intended by Cariou to be “beautiful,” “visually compelling,” and “visually appealing,” *supra*, at 8, emphasized rather than minimized their visual appeal and commercially exploited central and substantial portions of them, “supersed[ing] the objects” of Cariou’s original creations (*Campbell*, 510 U.S. at 579), as evidenced by Celle’s cancellation of the *Yes Rasta* show because it had been “done already.” (A-217 at 89:9–11.) Appellants speculate that Celle believed the show had been “done already” and decided to cancel it based only upon “second-hand” information from her husband and actually “had no idea” of the nature of Prince’s work. *Id.* at 69. In fact, Celle explained why – “the minute” (A-217 at 91:5–10) she became aware of the *Canal Zone* exhibition – she irrevocably decided to cancel the *Yes Rasta* show and to replace it with one by another photographer, whose ethnographic photography resembled Cariou’s. This was because, *after viewing the Gagosian Gallery website* (A-219 at 114:11–18) – which *graphically shows* that Prince had replicated Cariou’s work (A-331–348) – Celle did not want to seem to be capitalizing on Prince’s fame and did not want to put on a show that had been “done already,” and not because (as appellants also speculate (App. Br. at 68–69)), of any fleeting thoughts that Cariou and Prince might have collaborated or because Cariou did not return her call over the Christmas holidays, which would not have been possible because she was in St. Barth’s, where her cell phone did not work.

(A-213 at 63:16–64:24; A-215 at 71:12–19; A-899 at 104:5–17; A-900 at 111:23–24.)

Analyzing this undisputed testimony by Celle, as corroborated by Cariou’s testimony, the district court found that Celle cancelled the show because of the *Canal Zone* exhibition. Appellants cannot show, as they must, that this “subsidiary finding[] of fact [is] clearly erroneous.” *Infinity*, 150 F.3d at 107, quoting *Am. Geophysical*, 60 F.3d at 918.

Appellants also downplay actual harm by arguing that Cariou had never previously tried to market prints of his Photographs and that Prince’s pricey Paintings had a different market than Cariou’s “coffee-table book.” App. Br. at 70–71. Cariou, however, had “the right to change his mind” about marketing prints of his Photographs (*Salinger v. Random House, Inc.*, 811 F.2d 90, 99 (2d Cir. 1987)), as he testified he did upon completing the photography for his *Gypsies* book. (A-96 at 94:4–25.) The right to decide if and when to market his Photographs belonged exclusively to Cariou and could not be preempted by appellants. *See Castle Rock*, 150 F.3d at 145–46. Moreover, even without competing in the same market, a secondary use can potentially harm an original work. *See Twin Peaks Prods., Inc. v. Publ’ns Int’l, Ltd.*, 996 F.2d 1366, 1377 (2d Cir. 1993) (book containing detailed plot summaries of television episodes could

lead someone who had missed an episode to refer to the book instead of renting the videotape). Moreover, while Prince's Paintings and Cariou's Photographs may have had different potential end-users, the intermediate users were both art galleries, and the harm occurred due to a cancellation of a show in that intermediate market. *See Harper & Row*, 471 U.S. at 542–43, 567 (defendant's publication of excerpts of President Ford's memoirs caused "actual damage," not in sales of the book, but because of Time Magazine's cancellation of its agreement to serialize excerpts pre-publication).

As to the usurpation of a derivative market that Cariou would have been likely to occupy, appellants argue, based on double hearsay in an article written by Adam Lindemann *after* the district court's decision (App. Br. at 50), that it is a "fact" that Cariou disliked Prince's work and would not have been willing to give Prince a license. App. Br. at 65–67. Lindemann's article, however, is not part of the record, and is not reliable, given his vested interest as the owner of one of the Paintings, which he bought for \$1.1 million. There is no such "fact" in the record, for the simple reason that counsel for Prince and the Gagosian Defendants *failed to ask* Cariou, during his deposition, whether he would have given Prince a license. Since appellants have the burden of proof on their affirmative defense of fair use, the issue whether Cariou would have given a license, and the related issue whether appellants usurped a potential derivative

market that Cariou would have developed, must be resolved against them. *Infinity*, 150 F.3d at 111 (defendant “bears the burden of showing an absence of ‘usurpation’ harm to [plaintiff]”).

II. APPELLANTS’ ATTEMPTS TO INJECT INTO THIS APPEAL FACTS THAT ARE NOT PART OF THE RECORD AND LEGAL ARGUMENTS THAT AFFIRMATIVELY CONTRADICT THEIR CONTENTIONS IN THE DISTRICT COURT ARE IMPROPER AND SHOULD BE REJECTED

Fittingly perhaps, in a case involving appropriation art, appellants’ brief is “post-modern,” questioning basic concepts such as: what is a fact, and what is properly before an appellate court on an appeal? Appellants’ efforts to present an entirely new case for the first time on appeal highlight the weakness of their position and should be rejected.

A. Appellants Improperly Rely on Facts that Are Not Part of the Record, Some of which Would be Inadmissible in any Event

Evidence submitted for the first time on appeal is “simply not part of the record” and “cannot be considered in deciding this case.” *Weinstock v. Columbia Univ.*, 224 F.3d 33, 46 (2d Cir. 2000). To be sure, in extremely rare cases, a supplemental record may be certified and transmitted. *United States v. Aulet*, 618 F.2d 182, 186–187 (2d Cir. 1980) (criminal defendant raised, for first time on appeal, issue of ineffective assistance of trial counsel, who failed to move for suppression of evidence, and Government successfully argued that “3500”

materials, “the very materials a district judge would have examined in deciding a suppression motion,” should also be considered even though they were not in the record). This is not one of those extremely rare cases.

The following factual matters are not in the record, are not properly before this Court, and should not be considered:

- Images of artworks by Prince and other appropriation artists (App. Br. at 9, 10, 11, 13, 14, 17, 18, 19); and
- Articles, books and other writings authored by Adam Lindemann, Brian Appel, Douglas Eklund, Lisa Phillips and Nancy Spector (*id.* at 50, 67, 31, 29, 12, 15, 46).

Appellants’ brief is littered with counsel’s unsworn testimony, masquerading as fact, which also should not be considered:

- “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 . . .” (App. Br. at 29);
- “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” (*id.* at 41);

- “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” (*id.* at 44);
- “Prince’s art has deep intellectual roots, and there is considerable art historical scholarship documenting the critique inherent in his work” (*id.* at 50); and
- “[T]he *Canal Zone* works may be reasonably perceived as exposing Cariou’s work and the genre of documentary photography it represents as a romantic fantasy” (*id.* at 56).

These quotes are simply attempts to remedy perceived defects in testimony actually given by Prince, who said he was not commenting on, let alone mocking, Cariou’s romantic idealism and who never expressed any reluctance to articulate his artistic intent.

Finally, appellants attempt to shore up their case through the improper use of hearsay writings that were never presented to the district court and so cannot

be considered on appeal:

- Appel seeing “a Richard Prince ‘directed’ scenario that serves an ideological purpose” (App. Br. at 31);
- Eklund describing Prince “as being intentionally inarticulate” (*id.* at 29);
- Phillips observing significant “transformation” in Prince’s work (*id.* at 12);
- Spector asserting that Prince needs original works in order to “critique, dismantle [and] transform those works” (*id.* at 46, 15); and
- Lindemann opining that the Paintings are “transformative,” give “new meaning,” alter Cariou’s “romantic, reverential and ‘classical’” works and also claiming that Cariou supposedly told him that Prince’s work was “racist.” (*id.* at 50, 67).

The use of hearsay opinion testimony from Spector and Lindemann is particularly troublesome. Appellants belatedly designated Spector, a curator at the Guggenheim Museum, as their expert witness pursuant to Fed. R. Civ. P. 26, but the district court denied an extension of the discovery period in order to enable

appellants to have Spector testify as an expert. (A-60.) Given the broad discretion afforded to district courts on such matters, rather than raise that as error on appeal, appellants simply ignore the ruling and rely on Spector anyway, citing a publication she apparently wrote that is not part of the record. Lindemann is not a disinterested “art critic,” but, as stated in the quoted article, is the owner of one of the *Canal Zone Paintings, It’s All Over*, for which he paid \$1.1 million. (A-894–895 at 141:18–144:11.) Moreover, Lindemann’s article, written after the district court’s decision, opines that Prince’s works suggest “a terrorist rampaging through Picasso’s *Les Demoiselles d’Avignon*,” a view diametrically opposed to Prince’s testimony that he was not suggesting that the “Rastafarians are potentially dangerous to these naked white women, [or] that they might rape them.” (A-166 at 365:7–21.)

Additionally, appellants “cannot rely on inadmissible hearsay in opposing a motion for summary judgment.” *Burlington Coat Factory v. Esprit de Corp.*, 769 F.2d 919, 924 (2d Cir. 1985). These writings would not be admissible as “learned treatise” hearsay exceptions (Fed. R. Evid. 803(18)) because “a proper foundation as to the authoritativeness of [these] text[s] must be laid by an expert witness,” which appellants have not done. *Schneider v. Revici*, 817 F.2d 987, 991 (2d Cir. 1987). Nor have appellants shown (which they cannot) that the writings

would be admissible under the residual exception to the hearsay rule (Fed. R. Evid. 807).

B. This Court Should Not Consider Appellants’ Legal Arguments Raised for the First Time on Appeal, Especially Where Those New Arguments Have No Merit

The well-established general rule is that “an appellate court will not consider an issue raised for the first time on appeal.” *In re Nortel Networks Corp. Sec. Litig.*, 539 F.3d 129, 132 (2d Cir. 2008). Although courts may consider new arguments “where necessary to avoid a manifest injustice,” that discretion is not exercised when the arguments “were ‘available to the [parties] below’ and they ‘proffer no reason for their failure to raise the arguments below.’” *Id.* at 133 (internal citations omitted).

In the district court, Prince testified that he was not commenting on Cariou’s images and his counsel disclaimed any intent on Prince’s part to comment on, parody or satirize Cariou’s work. (*See* A-994 (“Here, there is no claim that the Paintings are a satire or a parody.”); A-998 (“there was no need for Prince to comment on the Images since his intent was to re-contextualize them into an entirely new expression, thereby rendering their original meaning irrelevant.”)). At most, they argued that Prince “effectively comments generally on aspects of society and the music scene” (A-998). A comment on society, however, is

transformative only if it “at least in part, comments on [the original].” *Campbell*, 510 U.S. at 581, citing *MCA*, 677 F.2d at 185.

Now, however, appellants argue, throughout their brief, that Prince’s Paintings satirize and caricature Cariou’s Photographs, exposing them as naïve, utopian, romantic fantasies. In order to make this revisionist argument, it is necessary for appellants to argue that, even though fair use is an affirmative defense, it does not matter what Prince said in his deposition, because to take an artist’s testimony seriously “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.” App. Br. at 52. This bizarre proposed standard, applying uniquely to the testimony of artists, is both unwarranted and ironic, given appellants’ frequent references to testimony by Cariou, also an artist, whose native language is French, but testified in English. (A-1505 at 7:5–16.) *See, e.g.*, App. Br. at 20, 66 (“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.’”). In any event, Prince is not inarticulate and, even if his testimony harms his case, he is not being “penalized” for telling the truth; he is simply being treated like any other witness.

Instead of focusing on Prince’s subjective intent, as clearly expressed by him in his deposition testimony, appellants contend that Prince’s caricature of

Cariou’s work is objectively evident to “any reasonable viewer” (App. Br. at 50) and to various art critics, who are quoted throughout appellants’ brief, but whose opinions were never presented to the district court. Parody, however, “is a question of law, not a matter of public majority opinion[,]” and whether a work is parodic is not assessed “using surveys and opinion testimony.” *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 801 (9th Cir. 2003).⁸

In every case relied upon by appellants, the defendant claimed – sometimes pre-litigation (*e.g.*, *Campbell*, 510 U.S. at 572), but always in the trial court – that he or she subjectively intended to create a satire or parody; only then do courts analyze whether the *claimed* parody or satire is reasonably perceivable. In none of those cases did a court examine whether a comment was reasonably perceivable when the defendant *expressly disavowed* any intent to comment, as Prince did here. *See, e.g.*, *Campbell*, 510 U.S. at 582 (“The threshold question *when fair use is raised in defense of parody* is whether a parodic character may

⁸ Appellants’ argument would make fair use a jury question in virtually every case. “[F]air use determinations,” however, are resolved “‘at the summary judgment stage’ where, as here, there are no genuine issues of material fact.” *Castle Rock*, 150 F.3d at 137 (citations omitted). According to one extensive empirical study, more than half of the fair use opinions surveyed addressed motions or cross-motions for summary judgment, granting 86% of them. *See* Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978-2005*, 156 U. PA. L. REV. 549, 570 (2008).

reasonably be perceived.”) (emphasis supplied); *Blanch*, 467 F.3d at 247, 248, 255 (Koons claimed he wanted “to comment upon the culture and attitudes promoted and embodied in [the magazine containing the appropriated advertisement].”); *Leibovitz v. Paramount Pictures Corp.*, 984 F. Supp. 1214, 1215 (S.D.N.Y. 1996) (defendant “contended that the ad was a parody and a fair use of plaintiff’s copyrighted work”), *aff’d*, 137 F.3d 109 (2d Cir. 1998).

In assessing whether parodies or other claimed comments are reasonably perceivable, appellate courts are not ferreting out affirmative defenses that have not been raised; rather, they are determining whether claims of parody are believable or are pretextual, as courts have sometimes found. *Salinger v. Colting*, 607 F.3d 68, 83 (2d Cir. 2010) (district court’s finding, that it was not credible for defendant to assert that his purpose was a critique in light of prior statements that the book was a sequel, was not clearly erroneous); *Castle Rock*, 150 F.3d at 136, 142-43 (rejecting claim that purpose of trivia book was to criticize, expose or comment on television show when back cover of book urged readers to “satisfy [their] between-episode cravings” for *Seinfeld*). The claimed comment need not be asserted in an articulate manner (*Blanch*, 467 F.3d at 255 n.5), but it must be asserted and cannot simply be divined. This is necessary in order to prevent *post hoc* rationalizations of the type attempted on this appeal. *See Campbell*, 510 U.S. at 600 (Kennedy, J., concurring).

III. THE DISTRICT COURT WAS NOT REQUIRED SEPARATELY TO DISCUSS EACH OF THE INFRINGING ARTWORKS IN ORDER TO FIND APPELLANTS LIABLE FOR COPYRIGHT INFRINGEMENT

Appellants claim the district court erred by failing to analyze separately each of the Paintings, some of which – because they supposedly involved *de minimis* copying or were not substantially similar to the original – did not even infringe Cariou’s copyright. App. Br. at 71-73. This argument fails because, while the district court did not separately *discuss* each Painting, it “examined fully” and analyzed each of the Paintings by comparing them with the Photographs. SPA-5, n.6. And, because appellants did not raise *de minimis* copying, lack of substantial similarity, or the claim that each Painting should be separately analyzed in the district court (A-812–841, A-984–1013, A-1139–1153), those issues are not preserved for appeal. Moreover, as it relates to the issue of liability, this claim is self-evidently futile, given that appellants would be liable for copyright infringement if even *one* of the Paintings infringes Cariou’s copyright and is not fair use.

Significantly, given that Prince was not commenting on Cariou’s work in *any* of the Paintings; that appellants now concede that *all* the Photographs are “creative and expressive”; and that the harm to the market for Cariou’s work resulted from the collective impact of *all* the *Canal Zone* Paintings and their

exhibition, rather than from any particular Paintings, the only fair use factor amenable to a work-by-work analysis is the third factor. In the district court, however, appellants took an all-or-nothing approach to the third factor, refraining from advocating any Painting-by-Painting analysis (A-835–836, A-1003–1006, A-1114) and contending that, because Cariou’s fact-based Photographs individually lacked “quality and importance” and could only be appreciated as a whole, Prince’s appropriation was reasonable. (A-1005.)

In any event, in this Circuit, multiple similar acts of copying are viewed in the aggregate and a separate discussion of each infringing act is not necessary. *See Castle Rock*, 150 F.3d at 138, citing *Wainwright Secs. Inc. v. Wall St. Transcript Corp.*, 558 F.2d 91, 94 (2d Cir. 1977) (abstracts of a number of research reports treated cumulatively in fair use analysis); *see also Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65, 70-72 (2d Cir. 1999) (paralleling the finding of the court below that one Painting took nothing from *Yes Rasta* (SPA-4–5), finding two abstracts of articles non-infringing, but the remaining 20 not to be transformative because “by and large,” and “for the most part” the abstracts directly translated the articles, “only occasionally” rearranging the sentence structures).

IV. THE GAGOSIAN DEFENDANTS ARE SECONDARILY LIABLE

While apparently conceding that, without a viable fair use defense, they are directly liable for copyright infringement, the Gagosian Defendants claim they are not vicariously liable because they did not control Prince’s “creative process” and are not contributorily liable because they lacked actual knowledge that Prince was infringing Cariou’s copyright. App. Br. at 73–77. Both arguments fail.

A. Vicarious Liability Was Properly Imposed

As a copyright owner, Cariou had “exclusive rights” to “reproduce” and to “prepare derivative works based upon the copyrighted work” – rights violated through Prince’s “creative process” – and also rights to “distribute . . . by sale” and to “display” copyrighted work – rights violated when the Paintings were advertised, exhibited and sold (together with the Catalogue) under the control and for the benefit of the Gagosian Defendants, regardless of whether they had control of Prince’s creative process. See 17 U.S.C. § 106(1), (2), (3), (5). Vicarious liability derives from *respondeat superior*, rendering liable those having a financial interest in and the right and ability to supervise primary infringers, even if they merely provide a venue and lack knowledge of, or control over, the process of infringement. *Shapiro, Bernstein & Co., Inc. v. H.L. Green Co., Inc.*, 316 F.2d 304, 307-08 (2d Cir. 1963) (department store vicariously liable for its

concessionaire's sales of bootleg records even though it had no knowledge of or participation in the manufacture of the records), cited with approval, *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 931 n.9 (2005).

Although appellants warn that imposing vicarious liability will create an onerous duty of inquiry and a resulting chilling effect on the exhibition of appropriation art by galleries and museums (App. Br. at 75), the very purpose of vicarious liability is to protect copyright owners, who lack any control over infringers, by encouraging those with the power to police infringing conduct to do so, "thus placing responsibility where it can and should be effectively exercised." *Shapiro, Bernstein*, 316 F.2d at 308. Appellants do not explain why galleries that benefit from and control the exhibition and sale of art should be exempted from the same duty of inquiry that applies to other commercial ventures, such as book publishers. As for museums, their display of art "for nonprofit educational purposes" is explicitly protected by the fair use statute. 17 U.S.C. § 107(1); see *Bouchat v. Baltimore Ravens Ltd. P'ship*, 619 F.3d 301, 314 (4th Cir. 2010) (finding fair use even when display occurred in lobby of football team's corporate headquarters, a "museum-like setting").

B. Contributory Liability Was Properly Imposed

Contributory infringement requires only constructive, not actual, knowledge of the primary infringement. *Arista Records LLC v. Doe*, 604 F.3d 110, 118 (2d Cir. 2010) (“contributory infringement liability is imposed on persons who ‘know or have reason to know’ of the direct infringement”), quoting *A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1020 (9th Cir. 2001) and citing *In re Aimster Copyright Litig.*, 334 F.3d 643, 650 (7th Cir. 2003) (“[w]illful blindness is knowledge”). The Gagosian Defendants received Cariou’s cease-and-desist letter on December 11, 2008 (A-46, ¶ 24), which provided detailed information about Cariou’s copyright ownership of the Photographs (A-395–396), and yet, turning a blind eye, continued exhibiting and selling *Canal Zone* Paintings and Catalogues, even though they clearly had “reason to know” of the primary infringement.

V. INJUNCTIVE RELIEF IS WARRANTED

While the district court should have followed the “four-factor test” set forth in *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006), this Court can itself apply *eBay*, and find, on the fully-developed record compiled below, that injunctive relief is warranted.

A. The Inadequacy of Cariou’s Remedies at Law Demonstrates Irreparable Harm

Having sold only six prints of his Photographs, Cariou’s claim for actual damages “would probably be unavailing because of problems of measurement.” *HarperCollins Publishers L.L.C. v. Gawker Media LLC*, 721 F. Supp. 2d 303, 307 (S.D.N.Y. 2010). Although Cariou can also elect disgorgement of the profits attributable to the infringement, appellants will undoubtedly claim that all of their profits are attributable to Prince’s fame. Alternatively, Cariou could seek statutory damages, but they are discretionary in amount. Accordingly, Cariou’s ability to quantify his damages is uncertain.

B. The Balance of Hardships Tips in Favor of Injunctive Relief

Although appellants stress that “Prince has invested considerable time, effort, and skill in creating [the Paintings]” (App. Br. at 80-81), those efforts, which were “very quickly done [and] not really thought about,” and “came really fast [and were] over really fast, too,” pale in comparison to the six years Cariou spent in remote locations in Jamaica. Absent an injunction, when the litigation concludes, appellants will be free to sell the 21 unsold Paintings for millions of dollars without compensating Cariou, who would then be saddled with the hardship of commencing another lawsuit in order to prevent appellants from profiting again from the exploitation of his copyrighted works.

C. The Public Interest is in Equipoise

Both the monopoly protection of intellectual creators through the granting of copyright and the protection of creators of secondary works are designed to benefit the public. Leval at 1108–1110. While countenancing appropriation of copyrighted works which could be obtained through a license diminishes creative incentives, so, too, enjoining the sale of appropriation art would deprive some members of the public of the opportunity to purchase art that they might wish to own and could afford. *See* Leval at 1134 (public interest seeks to maximize “creative incentives”). Since, on balance, the public interest neither favors nor disfavors an injunction, the first three factors, tipping in favor of injunctive relief, should control.

CONCLUSION

The district court's March 18, 2011 order should be affirmed.

Dated: New York, New York
January 25, 2012

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Pursuant to Fed. R. App. P. 32(a)(7)(C), the undersigned certifies that this brief complies with the type-volume limitations of Fed. R. App. P.

32(a)(7)(B)(i):

1. Exclusive of the exempted portions of the brief, as provided in Fed. R. App. P. 32(a)(7)(B)(iii), this brief includes 13,979 words.

2. This brief has been prepared in proportionally spaced typeface using Microsoft Office Word 2007 in 14-point Times New Roman font. As permitted by Fed. R. App. P. 32(a)(7)(C), the undersigned has relied upon the word count of this word-processing system in preparing this certificate.

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