
COPYRIGHT PASTE: THE UNFAIRNESS OF STICKING TO
TRANSFORMATIVE USE IN THE DIGITAL AGE

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Digital communication continues to transform our world, and information is shared continuously faster because of exponential technological advances. For example, due to an immense online audience, many companies now use GIF images containing short movie or song clips to advertise their business on social media. This has apparently been an effective advertising tool.

New information-sharing techniques inevitably birth new copyright implications. Our societal increase in digital communication poses new challenges for copyright jurisprudence and for the courts, because in some instances—such as GIF advertising—it is unclear how current copyright law would distribute certain ownership and usage rights.

This Note explores the background and history of U.S. copyright law, including the fair use doctrine, the codification of that doctrine, and the Supreme Court’s development of the “transformative use” doctrine. The complex ambiguity of the fair use doctrine is discussed at length, which is emphasized by the inconsistent application of the four fair use factors among the federal circuits. Given the impending confrontation between GIFs and copyright holders, as well as the current ambiguity in fair use doctrine, this Note argues in favor of the Seventh Circuit’s return to more traditional copyright values through its appraisal of the “market effects” factor as the most important of the four statutory considerations for determining fair use listed in Section 107 of the Copyright Act of 1976.

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I. INTRODUCTION

On Monday, October 12, 2015, Twitter management suspended Deadspin’s account after the NFL complained about the sports news outlet’s display of NFL highlights in GIF and Vine digital video formats.¹ While the league denied demanding any account suspensions, an NFL spokesman pointed to the league’s “copyright enforcement program” as the reason it protested links to alleged “pirated” material as violating NFL copyrights.²

One Deadspin writer called the takedown “the worst repression of free speech in the history of mankind,” albeit as an apparent joke.³ Hyperbole aside, other commentators also criticized Twitter’s response, highlighting copyright law’s “fair use” doctrine and its supposed protection of copyright infringement for journalistic purposes.⁴ Even these critics, however, have admitted that fair use is a “notoriously murky area of copyright law”⁵ or even “a hopeless interpretive morass.”⁶ The tough question, according to American University’s Patricia Aufderheide, is whether the infringing work has a transformative pur-

1. Chad Finn, *NFL’s Campaign Against Deadspin, SB Nation Was Petty*, BOS. GLOBE (Oct. 16, 2015), <https://www.bostonglobe.com/sports/2015/10/15/popular-websites-feel/nVeuXtJLUomHsQQwTB6GcJ/story.html>.

2. *Id.*

3. Drew Magary, *So We Got Suspended from Twitter*, DEADSPIN (Oct. 13, 2015, 2:38 PM), <http://deadspin.com/so-we-got-suspended-from-twitter-1736299031>.

4. Mathew Ingram, *Here’s Why Deadspin Is Right, and the NFL and Twitter Are Wrong*, FORTUNE (Oct. 13, 2015), <http://fortune.com/2015/10/13/deadspin-nfl-twitter/>.

5. Brendan James, *Fair Use or Infringement? NFL Sports GIF Fight Raises Legal Questions for Deadspin*, SB NATION, INT’L BUS. TIMES (Oct. 14, 2015, 1:41 PM), <http://www.ibtimes.com/fair-use-or-infringement-nfl-sports-gif-fight-raises-legal-questions-deadspin-sb-2141415>.

6. David Fagundes, *Market Harm, Market Help, and Fair Use*, 17 STAN. TECH. L. REV. 359, 360 (2014).

pose.⁷ This concept of “transformative use” was first introduced in 1994 by the Supreme Court in its last major confrontation with the fair use doctrine, *Campbell v. Acuff-Rose Music, Inc.*⁸

The world has changed greatly, of course, since 1994, especially due to the Internet’s evolution from a “static archive of documents” to “a network of users engaging with each other.”⁹ That growth in engagement logically leads to an increase in the exchange of ideas. The ease of Internet communication also promotes the development of new communication forms.

Some forms of digital communication pose a challenge for current copyright jurisprudence. The Supreme Court’s “transformative” determination becomes especially murky when it involves social media postings by commercial entities, and even more so if the alleged infringement is a GIF.¹⁰ Retailers across multiple industries routinely use GIFs of copyrighted media as part of their Twitter advertising campaigns.¹¹ In fact, well-employed GIFs can be “the holy grail of advertising” because of their natural ability to blend commercial messages with pop culture.¹² Nothing about these GIFs is obviously transformative, or at least, not nearly as transformative as in previous cases hinging on the transformative use determination.¹³ When these infringing advertising GIFs inevitably come before a court, the transformative determination could go either way, depending on the specific facts of the case and copyrighted material.

Of course, copyright infringement disputes must jump another hurdle before getting into court. Recognizing the threat to copyrighted material posed by the evolving Internet (and the foreseeable massive increase in copyright litigation), Congress passed the Digital Millennium Copyright Act (“DMCA”) in 1998,¹⁴ forcing copyright owners to take certain measures before resorting to litigation.¹⁵ That framework has come under increasing fire due to possible abuse of the “notice-and-takedown regime.”¹⁶ The fact that the fair use defense

7. Shan Wang, *Fair Use or Copyright Infringement? Deadspin and SB Nation Get Tossed off Twitter for NFL GIFs*, NIEMANLAB (Oct. 13, 2015), <http://www.niemanlab.org/2015/10/fair-use-or-copyright-infringement-deadspin-and-sb-nation-get-tossed-off-twitter-for-nfl-gifs/>.

8. 510 U.S. 569, 579 (1994) (“The central purpose of this investigation . . . asks . . . whether and to what extent the new work is ‘transformative.’”).

9. Jeff Bercovici, *Who Coined ‘Social Media’? Web Pioneers Compete for Credit*, FORBES (Dec. 9, 2010, 3:51 PM), <http://www.forbes.com/sites/jeffbercovici/2010/12/09/who-coined-social-media-web-pioneers-compete-for-credit/#58a078f65116>.

10. See, e.g., Michelle Castillo, *Are Viral Sports GIFs Violating ‘Fair Use’?*, CNBC (Oct. 13, 2015, 1:22 PM), <http://www.cnbc.com/2015/10/13/are-viral-sports-gifs-violating-fair-use.html> (“(Social media reach) was not anticipated with fair use,” [Professor Nellie Drew] said. “The ability to widely disseminate these things is different from me showing you a picture I took from the game.”).

11. @Potbelly, TWITTER (Sept. 17, 2016, 11:05 AM), <https://twitter.com/Potbelly/status/777206906389688320>; @Lyft, TWITTER (Sept. 25, 2016, 9:30 AM), <https://twitter.com/lyft/status/780081970449489921>.

12. Jeniece Pettitt, *Are GIFs the Future of Advertising?*, CNBC (Nov. 16, 2015, 7:04 AM), <http://www.cnbc.com/2015/11/13/are-gifs-the-future-of-advertising.html>.

13. See generally *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013); *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109 (2d Cir. 1998).

14. David Kravets, *10 Years Later, Misunderstood DMCA Is the Law That Saved the Web*, WIRED (Oct. 27, 2008, 3:01 PM), <https://www.wired.com/2008/10/ten-years-later/>.

15. See *infra* Section II.G.

16. Kravets, *supra* note 14. See *infra* Section II.G.

has even crept into DMCA disputes¹⁷ means that sooner or later, a federal court will have to deal with fair use in the Internet context.

Given this impending confrontation and the current ambiguity in fair use doctrine, this Note argues in favor of the Seventh Circuit's return to more traditional copyright values through its appraisal of the "market effects" factor as the most important of the four statutory considerations for determining fair use listed in Section 107 of the Copyright Act of 1976.¹⁸ Focusing on that factor rather than the transformativeness of the infringement establishes a more easily applicable rule and would be particularly useful in handling disputes between copyright owners and commercial entities displaying copyrighted clips or images for advertising purposes.

Part II discusses the development and goals of American copyright law, the judicial origins of the fair use doctrine, its codification in the Copyright Act of 1976, and the 1994 introduction of transformative use analysis by the Supreme Court. It then moves into an explanation of the DMCA's effect on disputes between copyright owners and alleged digital infringers and further addresses the fair use doctrine's creep into those disputes. Part III highlights the increasing amount of attention given to social media advertising by celebrities, content producers, and the federal government and discusses why surprising circuit court applications of the transformative use doctrine illustrate the difficulty of fitting GIFs into that analysis. Part IV recommends a move away from the transformative use analysis back toward the commercial considerations and "market effects" factor favored by the Supreme Court before 1994 and, more recently, the Seventh Circuit.¹⁹ Part V concludes by emphasizing the need to simplify the fair use doctrine in an increasingly digital environment.

II. BACKGROUND

This Part will first briefly survey the curious origins of copyright concepts in English law and their incorporation into the United States Constitution, followed by an outline of the first federal copyright statute of 1790 and its three major revisions, the last coming in 1976, which codified fair use for the first time. This Part will then turn to the Supreme Court's handling of the four statutory fair use factors in the 1976 statute and the 1994 introduction of the transformative use doctrine into judicial opinions. Finally, no discussion of copyright infringement in the digital context would be complete without an analysis of the relevant provisions of the DMCA and its effects on digital copyright disputes.

17. See *Lenz v. Universal Music Corp.*, 815 F.3d 1145, 1157 (9th Cir. 2016).

18. *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756, 758 (7th Cir. 2014). Prior to its 1994 introduction of the "transformative use" lens, the Supreme Court also considered the market effects factor the most important. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985) ("This last factor is undoubtedly the single most important element of fair use.").

19. See *Harper & Row*, 471 U.S. at 566.

A. English Origins: Monarchical Control

In 1538, Henry VIII imposed licensing requirements on the English printing industry to suppress the production and penalize the ownership of “naughty printed books.”²⁰ In a time of religious upheaval, the proclamation mandated government review of any English-language publication, declaring “that no person or persons in this realm shall from henceforth print any book in the English tongue, unless upon [government] examination . . . they shall have license so to do”²¹

Two decades later, in 1557, Queen Mary created a monopoly for publishers, granting the Stationers’ Company a charter so that members of that company alone could print books.²² As with the restrictions of 1538, the motive behind this monopoly was not a concern for the industry but rather the Monarchy’s interest in censorship as a tool for maintaining political stability.²³

This state-sponsored monopoly wavered over the next century and a half due largely to political upheaval and civil war, even with the eventual restoration of the monarchy.²⁴ As the Stationers’ privileges eroded, they petitioned Parliament with a new tactic; they sought legal protections for authors, expecting those protections to be conveyed to the publishers.²⁵ They succeeded in 1710 with the passage of the Statute of Anne, which described itself as “[a]n act for the encouragement of learning, by vesting the copies of printed books in the authors or purchasers of such copies”²⁶ According to Professors L. Ray Patterson and Stanley Lindberg, the Statute of Anne “transformed the stationers’ copyright—which had been used as a device of monopoly and an instrument of censorship—into a trade-regulation concept to promote learning and curtail the monopoly of publishers.”²⁷ This notion of promoting creativity and learning by focusing on trade regulation embedded itself in England’s North American colonies and survived the American Revolution.²⁸

B. Copyright in the United States Constitution

The Statute of Anne has been considered the “direct ancestor” of American copyright law.²⁹ Article I of the U.S. Constitution reflects the same desire to nurture creativity and learning by granting Congress the authority to “pro-

20. JODY GREENE, *THE TROUBLE WITH OWNERSHIP: LITERARY PROPERTY AND AUTHORIAL LIABILITY IN ENGLAND, 1660–1730* 25 (2005).

21. S. MUTCHOW TOWERS, *CONTROL OF RELIGIOUS PRINTING IN EARLY STUART ENGLAND* 20 (2003).

22. Michael D. Bimhack, *The Idea of Progress in Copyright Law*, 1 *BUFF. INTELL. PROP. L.J.* 3, 23 (2001).

23. *Id.*

24. *Id.* at 24.

25. L. RAY PATTERSON & STANLEY W. LINDBERG, *THE NATURE OF COPYRIGHT: A LAW OF USERS’ RIGHTS* 27 (1991).

26. *Id.* at 27–28.

27. *Id.* at 28.

28. *Id.* at 21.

29. *Id.* at 47.

mote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”³⁰

While First Amendment free-speech principles often emerge in copyright discussions,³¹ most courts have rejected free-speech defenses to copyright infringement.³² Nonetheless, copyright is inherently a restriction on the use of a protected expression.³³

C. Folsom v. Marsh

In 1841, Supreme Court Justice Joseph Story, sitting in the Circuit Court of Massachusetts, wrote an opinion widely considered the birth of the fair use doctrine in American law.³⁴ The case, *Folsom v. Marsh*,³⁵ concerned allegations of “piracy” by one of George Washington’s biographers against another.³⁶ Justice Story reasoned:

The question [is] whether this is a justifiable use of the original materials, such as the law recognizes as no infringement of the copyright of the plaintiffs. It is said, that the defendant has selected only such materials, as suited his own limited purpose as a biographer. That is, doubtless, true; and he has produced an exceedingly valuable book. It is certainly not necessary, to constitute an invasion of copyright, that the whole of a work should be copied, or even a large portion of it, in form or in substance. If so much is taken, that the value of the original is sensibly diminished, or the labors of the original author are substantially to an injurious extent appropriated by another, that is sufficient, in point of law, to constitute a piracy The entirety of the copyright is the property of the author; and it is no defence, that another person has appropriated a part, and not the whole, of any property. Neither does it necessarily depend upon the quantity taken, whether it is an infringement of the copyright or not. It is often affected by other considerations, the value of the materials taken, and the importance of it to the sale of the original work.³⁷

Here, Story laid out factors for analyzing justifiable—or fair—use, which were codified over one-hundred years later.³⁸ But while Story discussed value in

30. U.S. CONST. art. I, § 8, cl. 8.

31. Neil Weinstock Netanel, *Locating Copyright Within the First Amendment Skein*, 54 STAN. L. REV. 1, 2–3 (2001) (“To be certain, copyright’s potential for burdening speech has long been recognized in U.S. case law, legislation, and commentary.”).

32. *Id.* at 3.

33. Lee Ann W. Lockridge, *The Myth of Copyright’s Fair Use Doctrine as a Protector of Free Speech*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 31, 48 (2007).

34. David Tan, *The Lost Language of the First Amendment in Copyright Fair Use: A Semiotic Perspective of the “Transformative Use” Doctrine Twenty-Five Years on*, 26 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 311, 318 (2016).

35. 9 F. Cas. 342 (C.C.D. Mass. 1841).

36. *Id.* at 345.

37. *Id.* at 348.

38. Michael G. Anderson et al., *Market Substitution and Copyrights: Predicting Fair Use Case Law*, 10 U. MIAMI ENT. & SPORTS L. REV. 33, 37 (1993) (“Congress codified the copyright and fair use case law in the

connection with sale,³⁹ and thus apparently viewed value in a monetary sense, his repetition of those ideas introduced other possible factors. For example, Story further explained:

[W]e must often, in deciding questions of this sort, look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work.⁴⁰

This juxtaposition of “value” with quantity “fundamentally changed the baseline of copyright protection.”⁴¹

Though Story uses financial terms, certain commentators have latched on to others; for instance, instead of viewing Story’s discussion of value in a monetary sense, Judge Pierre Leval interpreted “supersede the objects” as *Folsom* standing for the protection of new and original works in a qualitative sense.⁴²

D. *The Copyright Act of 1976*

The Statute of Anne clearly served as a model for the first federal copyright statute, the Copyright Act of 1790.⁴³ The Act copies the English introduction, describing itself as “[a]n Act for the encouragement of learning, by securing the copies of maps, Charts, And books, to the authors and proprietors of such copies, during the times therein mentioned.”⁴⁴ This foundational statute was revised in 1870, 1909, and 1976.⁴⁵

This latest revision stemmed from Congress’ recognition that technological innovations like motion pictures, television, and radio had rendered the Copyright Act of 1909 insufficient.⁴⁶ Section 107 of the 1976 revision codified the common law fair use doctrine⁴⁷ and provided four factors to determine fair use:

Copyright Act of 1976 . . . Drawing on *Folsom*, Congress enumerated four factors for determining whether a use qualifies as fair use.”)

39. *Folsom*, 9 F. Cas. at 348.

40. *Id.*

41. Oren Bracha, *The Ideology of Authorship Revisited: Authors, Markets, and Liberal Values in Early American Copyright*, 118 YALE L.J. 186, 230 (2008).

42. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990).

A quotation of copyrighted material that merely . . . republishes the original is unlikely to pass the test; in Justice Story’s words, it would merely “supersede the objects” of the original . . . on the other hand [if] the secondary use adds value to the original—if the quoted matter is used as raw material [and] transformed . . . this is the very type of activity that the fair use doctrine intends to protect . . .

Id.

43. PATTERSON & LINDBERG, *supra* note 25, at 47.

44. Copyright Act of 1790, 1 Stat. 124 (1790).

45. *A Brief Introduction and History*, U.S. COPYRIGHT OFF., <http://www.copyright.gov/circs/circ1a.html> (last visited May 19, 2018).

46. H.R. REP. NO. 94-1476, at 47 (1976) (“Motion pictures and sound recordings had just made their appearance in 1909, and radio and television were still in the early stages of their development. During the past half century a wide range of new techniques . . . have come into use . . .”).

47. Kim J. Landsman, *Does Cariou v. Prince Represent the Apogee or Burn-Out of Transformativeness in Fair Use Jurisprudence? A Plea for a Neo-Traditional Approach*, 24 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 321, 325–26 (2014).

In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.⁴⁸

Of course, it was understood that the “endless variety of situations and combinations of circumstances” in individual cases prevent these rules from being exact.⁴⁹ Fair use is an “equitable rule of reason,” allowing others to “build upon” copyrighted works without requiring licensing negotiations for every possible infringement.⁵⁰ Traditionally, “as a general and flexible doctrine,” fair use defies definition in terms of clear rules or standards.⁵¹ Therefore, Section 107 uses the phrase “shall include”; the four listed factors are nonexclusive.⁵²

The House Judiciary Committee commentary explained, “no real definition of [fair use] has ever emerged. Indeed . . . each case raising the question must be decided on its own facts.”⁵³ The purpose of the four statutory factors is to consolidate the common law criteria in order to provide “some gauge for balancing the equities.”⁵⁴ Courts were encouraged to adapt these considerations on a case-by-case basis.⁵⁵

E. The Supreme Court and the Fair Use Factors After 1976

The Supreme Court first analyzed these factors in 1984,⁵⁶ addressing Universal Studios’ contention that Sony’s VCR manufacturing violated its copyrights by allowing consumers to record its commercially sponsored television programs.⁵⁷ The Court was primarily influenced by the first statutory fair use factor, agreeing with the district court that recording “for private home use must be characterized as a noncommercial, nonprofit activity.”⁵⁸ Declining to evaluate the second and third factors, the Court emphasized that “Congress has also directed us to consider [the fourth factor] . . . a use that has no demonstrable effect upon the potential market for, or value of, the copyrighted work need

48. 17 U.S.C. § 107 (2018).

49. H.R. REP. NO. 94-1476, at 66 (1976).

50. Jay Dratler, Jr., *Distilling the Witches’ Brew of Fair Use in Copyright Law*, 43 U. MIAMI L. REV. 233, 234 (1988).

51. *Id.* at 252.

52. *Id.* at 257–58.

53. H.R. REP. NO. 94-1476, at 65 (1976).

54. *Id.*

55. *Id.*

56. Fagundes, *supra* note 6, at 363.

57. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 420 (1984).

58. *Id.* at 449.

not be prohibited in order to protect the author's incentive to create."⁵⁹ After applying the statutory factors—and perhaps because of the nature of the case—the Court appeared to be most concerned with the commercial aspects of the infringing work.⁶⁰

The very next year, the Supreme Court applied the statutory factors in a publicity dispute.⁶¹ A publishing company contracted with President Ford to publish his memoirs, then negotiated an agreement allowing Time Magazine to first publish an excerpt.⁶² An undisclosed source provided The Nation with a manuscript of the memoir, and The Nation published a short piece using material from that manuscript.⁶³ The Court began its fair use analysis with a commercial determination by noting: “The fact that a publication [is] commercial as opposed to nonprofit is a separate factor that tends to weigh against a finding of fair use.”⁶⁴ The Court further highlighted the purpose of The Nation's infringement as an attempt to supplant the copyright holder's right of first publication.⁶⁵ Its much shorter analyses of the second and third factors also discussed some of the publishing company's financial interests.⁶⁶ But when discussing the fourth factor and the “market effects,” the Court emphasized, “this last factor is undoubtedly the single most important element of fair use,”⁶⁷ and quoted Sony's contention that “to negate fair use one need only show that if the challenged use ‘should become widespread, it would adversely affect the potential market for the copyrighted work.’”⁶⁸ The Court reversed the Second Circuit because of the infringement's market effects.⁶⁹

But only nine years later in *Campbell v. Acuff-Rose Music, Inc.*, its last decision applying the factors, the Supreme Court reversed the Sixth Circuit due to its erroneous conclusion that “the commercial nature of [the infringing work] rendered it presumptively unfair.”⁷⁰ This dispute, though, concerned a commercial parody; the Court admitted, “Parody presents a difficult case.”⁷¹ *Campbell* addressed the dispute between the copyright holder of the song “Oh, Pretty Woman” and 2 Live Crew, a rap group selling a parody titled “Pretty Woman.”⁷²

59. *Id.* at 450.

60. *See generally id.*

61. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 547 n.2 (1985).

62. *Id.* at 542–43.

63. *Id.* at 543.

64. *Id.* at 562.

65. *Id.*

66. *Id.* at 563–66.

67. *Id.* at 566.

68. *Id.* at 568 (quoting *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 541 (1984)) (emphasis omitted).

69. *Id.* at 569.

70. 510 U.S. 569, 594 (1994).

71. *Id.* at 588.

72. *Id.* at 572.

The complications of producing an effective parody—which obviously requires directly associating the original work⁷³—may explain why the Court used case law from 1841⁷⁴ to adopt a new “transformative use” doctrine, which looks to whether the new work adds to or alters the copyrighted work with “new expression, meaning, or message.”⁷⁵ The Court explicitly adopted District Court Judge Pierre Leval’s interpretation of *Folsom*,⁷⁶ promoting qualitative analysis over the quantitative, or financial, effects of infringement.⁷⁷ This doctrine replaced commercial and market-effect determinations as the primary consideration in the fair use analysis.⁷⁸ The Court even examined the fourth factor, the market effects analysis, using this new “transformative” lens.⁷⁹ This lens, while perhaps useful in a parody dispute, has clouded successive fair use cases by promoting first-factor analysis at the other factors’ expense.⁸⁰

One explanation for the growing influence of transformative use at the expense of other considerations is that Justice Souter, writing for the majority in *Campbell*,⁸¹ overestimated Judge Leval’s description of the first factor as “the soul of fair use.”⁸² In Leval’s construction of the transformative determination, “transformativeness” was necessary but not sufficient to find fair use.⁸³ Instead, according to some interpretations of the *Campbell* decision, Justice Souter hinted that transformative use might be sufficient.⁸⁴

F. Commercial Confusion

It would be unfair to blame the Supreme Court for avoiding commercial discussion without acknowledging the term’s vagueness, not just in copyright law, but across intellectual property in general.⁸⁵ “Commercial” can mean different things within even the same body of law.⁸⁶ In federal intellectual property statutes, “commercial” can refer to congressional power under the Commerce Clause,⁸⁷ speech that proposes a transaction,⁸⁸ general for-profit use,⁸⁹

73. See *id.* at 580–81.

74. *Folsom v. Marsh*, 9 F. Cas. 342, 347 (C.C.D. Mass. 1841).

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

76. *Id.*; see *supra* Section II.C.

77. *Campbell*, 510 U.S. at 569–70 (“[T]he more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”).

78. Landsman, *supra* note 47, at 355–56.

79. *Campbell*, 510 U.S. at 591 (“But when, on the contrary, the second use is transformative, market substitution is at least less certain, and market harm may not be so readily inferred.”).

80. Tan, *supra* note 34, at 317.

81. *Campbell*, 510 U.S. at 571.

82. Landsman, *supra* note 47, at 329.

83. *Id.*

84. *Id.*

85. Jennifer E. Rothman, *Commercial Speech, Commercial Use, and the Intellectual Property Quagmire*, 101 VA. L. REV. 1929, 1948 (2015).

86. *Id.* at 1934.

87. *Id.* at 1935–36.

88. *Id.* at 1936.

89. *Id.*

market harm,⁹⁰ or just material with “limited expressive value.”⁹¹ Another problem is that most expressive works are meant to produce income or have a commercial effect in some sense.⁹² As demonstrated in *Campbell* and its two predecessors, commercial discussion is required in certain decisions and much more uncertain in others. In *Sony*, Universal’s commercial interests were directly at stake.⁹³ The same interests were at stake in *Harper & Row*, which concerned the importance of publishing information first.⁹⁴ *Campbell*, on the other hand, dealt with murkier commercial estimates, complicated further by parody considerations.⁹⁵ The “market” discussion dealt with the effects of criticism rather than the effects of substitution.⁹⁶

G. *The Digital Millennium Copyright Act*

In 1996, the World Intellectual Property Organization held a conference in Geneva that led to the adoption of two international treaties: the Copyright Treaty and the Performances and Phonograms Treaty.⁹⁷ The development of the Internet had forced yet another wrinkle in copyright law due to anticipated copyright-holder reluctance to convert material to digital formats.⁹⁸ In this sweeping amendment to the Copyright Act of 1976,⁹⁹ Congress sought to bring U.S. copyright law “squarely into the digital age” by implementing these treaties.¹⁰⁰ The hope was to “make available via the Internet the movies, music, software, and literary works that are the fruit of American creative genius.”¹⁰¹

The Digital Millennium Copyright Act (“DMCA”) focuses on limiting service provider liability for copyright infringement “by reason of the provider’s transmitting, routing, or providing connections for, material through a system or network controlled by or operated by or for the service provider”¹⁰² Section 512(c) of the DMCA, known as the “safe harbor” for providers, states:

A service provider shall not be liable . . . for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, if the service provider—

90. *Id.*

91. *Id.*

92. Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978–2005*, 156 U. PA. L. REV. 549, 598 (2008).

93. *See generally* *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984).

94. *See generally* *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985).

95. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 589 (1994) (“In parody, as in news reporting . . . context is everything.”).

96. *Id.* at 592.

97. Amy P. Bunk, Annotation, *Validity, Construction, and Application of Digital Millennium Copyright Act* (*Pub. L. No. 105-304, 112 Stat. 2860 (1998)*), 179 A.L.R. Fed. 319 Art. 2 (2016).

98. 144 CONG. REC. S12,730–31 (daily ed. Oct. 20, 1998) (statement of Sen. Leahy).

99. David Nimmer, *A Riff on Fair Use in the Digital Millennium Copyright Act*, 148 U. PA. L. REV. 673, 674 (2000).

100. S. REP. NO. 105-190, at 2 (1998).

101. *Id.*

102. 17 U.S.C. § 512(a) (2018).

(A)

- (i) does not have actual knowledge that the material . . . on the system or network is infringing;
- (ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent; or
- (iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material[.]¹⁰³

The trade-off is that, upon notification by a copyright holder that the provider is storing her copyrighted material, the provider must respond “expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity.”¹⁰⁴ Congress also specified the required elements of that notification.¹⁰⁵ Of particular importance is that the notification must include a “statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.”¹⁰⁶

The takedown provisions have not shielded the largest and most popular service providers, such as YouTube and Amazon, from frequent litigation.¹⁰⁷ Instead of pursuing individual copyright infringement on the Internet, copyright holders occasionally pursue service providers under secondary or vicarious-liability theories,¹⁰⁸ or claim that the provider violated DMCA’s “safe harbor” provisions.¹⁰⁹ In general, courts have been reluctant to infer service-provider knowledge of infringement absent a takedown notice.¹¹⁰

While the DMCA’s strict takedown requirements and other provisions raised concerns for fair-use advocates,¹¹¹ President Clinton—whose administration instigated the amendment by brokering its foundational treaties—declared, “[the DMCA] will extend intellectual protection into the digital era while preserving fair use”¹¹² An effective mechanism for protecting fair use, however, remains elusive. Some providers have tried simply asking potential

103. *Id.* § 512(c)(1)(A).

104. *Id.* § 512(c)(1)(C).

105. *Id.* § 512(c)(3).

106. *Id.* § 512(c)(3)(A)(v).

107. *See, e.g.,* *Viacom Int’l, Inc. v. YouTube, Inc.*, 676 F.3d 19 (2d Cir. 2012); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007).

108. *See* Methaya Sirichit, *Catching the Conscience: An Analysis of the Knowledge Theory Under § 512(C)’s Safe Harbor & the Role of Willful Blindness in the Finding of Red Flags*, 23 ALB. L.J. SCI. & TECH. 85, 96–97 (2013).

109. 17 U.S.C. § 512(c)(1). *See, e.g.,* *UMG Recordings, Inc., v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1011 (9th Cir. 2013).

110. *See, e.g.,* *UMG Recordings*, 718 F.3d at 1020 (“UMG’s decision to forgo the DMCA notice protocol ‘stripped it of the most powerful evidence of a service provider’s knowledge—actual notice of infringement from the copyright holder.’”).

111. Christina Bohannon, *Reclaiming Copyright*, 23 CARDOZO ARTS & ENT. L.J. 567, 570 (2006) (“The derivative works right and the prohibitions in the DMCA . . . should be construed narrowly, particularly when they conflict with public-interest provisions such as fair use”).

112. Press Release, White House Office of Commc’ns, Statement on the Digital Millennium Copyright Act (Oct. 12, 1998), 1998 WL 716639.

takedown requesters to “[b]e sure to consider whether fair use, fair dealing, or a similar exception to copyright applies before you submit.”¹¹³ After the U.S. Copyright Office issued regulations forcing providers to designate an agent to receive takedown notices,¹¹⁴ many service providers have established pages promising to investigate fair use.¹¹⁵

Though the majority of takedown notices might be legitimate,¹¹⁶ the DMCA clearly states that a copyright holder who “knowingly materially misrepresents . . . that material or activity is infringing . . . shall be liable for any damages, including costs and attorney’s fees, incurred by the alleged infringer”¹¹⁷ Due to the vast amounts of takedown requests produced autonomously,¹¹⁸ mistakes do happen. For instance, in 2003, the Recording Industry Association of America sent a DMCA takedown notice to Penn State University, accusing the school of illegally distributing Usher songs.¹¹⁹ The RIAA mistakenly identified the combination of “Usher” (the last name of a Penn State professor) and an educational acapella song as an infringing work.¹²⁰

On other occasions, the “mistakes” seem less innocent and accentuate the fallout from designing the DMCA specifically to minimize judicial oversight of copyright disputes.¹²¹ In 2013, Liberation Music issued a takedown notice to YouTube requesting the removal of a Harvard professor’s lecture.¹²² The professor filed a lawsuit under the DMCA’s material misrepresentation provision, § 512(f), and Liberation settled immediately, blaming a temporary employee who had not actually seen the lecture video before issuing the takedown notice.¹²³ Possibly adding to the confusion is the growth over the last ten years of “reporting agents,” which are entities that detect online infringements and issue takedown notices on behalf of the copyright owner or licensee.¹²⁴

In another example of a not-so-innocent, allegedly deceitful misuse of the DMCA takedown system, Ashley Madison, the notorious adulterers’ network-

113. *Submit a Copyright Takedown Notice*, YOUTUBE, <https://support.google.com/youtube/answer/2807622?hl=en> (last visited May 19, 2018).

114. Designation of Agent to Receive Notification of Claimed Infringement, 37 C.F.R. § 201.38(a) (2013).

115. *See, e.g., Copyright and Intellectual Property Policy*, YAHOO!, <https://policies.yahoo.com/us/en/yahoo/ip/> (last visited May 19, 2018); *Eventbrite Trademark & Copyright Policy*, EVENTBRITE, https://www.eventbrite.com/support/articles/en_US/Troubleshooting/eventbrite-trademark-copyright-policy?lg=en_US (last updated Apr. 3, 2018).

116. Marc J. Randazza, *Lenz v. Universal: A Call to Reform Section 512(f) of the DMCA and to Strengthen Fair Use*, 18 VAND. J. ENT. & TECH. L. 743, 748 (2016).

117. 17 U.S.C. § 512(f) (2018).

118. *See* Randazza, *supra* note 116, at 748 (“One study reports that Google’s notices . . . reached more than sixty thousand notices each month in 2012. Each notice may include between one and ten thousand takedown requests.”).

119. Wendy Seltzer, *Free Speech Unmoored in Copyright’s Safe Harbor: Chilling Effects of DMCA on the First Amendment*, 24 HARV. J. LAW & TECH. 171, 210 (2010).

120. *Id.*

121. *See* Daniel Seng, *The State of the Discordant Union: An Empirical Analysis of DMCA Takedown Notices*, 18 VA. J.L. & TECH. 369, 376 (2014).

122. *See* Randazza, *supra* note 116, at 751.

123. *Id.* at 751–52.

124. *See* Seng, *supra* note 121, at 395–96.

ing site, responded to its infamous hacking episode by sending takedown notices to social media sites that put up screenshots of its users' account information.¹²⁵ In response, Twitter took down a tweet by a Vice Media journalist listing employees in Ashley Madison's Toronto office.¹²⁶ Additionally, Reddit banned an Ashley Madison subreddit.¹²⁷ While the legality of the notices remains doubtful,¹²⁸ the episode demonstrates providers' willingness to unquestionably comply with takedown requests.

One proposed explanation for the deficiencies of the takedown system is that takedowns have taken on an unintended role, in addition to the purposeful misuses.¹²⁹ The DMCA's takedown provision was originally intended for isolated incidents as a "stopgap" measure so that the copyright owner could get into court.¹³⁰ But because the amount of content online has increased exponentially since the DMCA was enacted, "[t]he expense of locating, identifying, and then sending a notice . . . is so significant that even large companies must limit their efforts to only their most recent releases."¹³¹ Nonetheless, a 2015 study found that copyright owners send roughly 78 million takedown notices annually.¹³²

In 2015, YouTube issued a release on its Public Policy Blog announcing its decision to fight back against unfair DMCA takedown notices by covering the costs of litigation for certain individual "creators."¹³³ Though it has been accused of "profiting from piracy,"¹³⁴ it has built a reputation for helping copyright holders either prevent infringement or make licensing profits.¹³⁵

Despite worries about widespread takedown-notice abuse, some commentators commend the law as a "rare point of agreement between civil liberties groups and the entertainment industry"¹³⁶ Because the DMCA protects providers from litigation, according to an Electronic Frontier Foundation attor-

125. Jeff John Roberts, *Why Ashley Madison Should Be Punished for Copyright Abuse*, FORTUNE (Aug. 26, 2015), <http://fortune.com/2015/08/26/ashley-madison-dmca/>.

126. Hope King, *Ashley Madison Tries to Stop the Spread of Its Leaked Data*, CNN (Aug. 21, 2015, 5:14 PM), <http://money.cnn.com/2015/08/21/technology/ashley-madison-dmca-requests/>.

127. *Id.*

128. *Id.*

129. BRUCE BOYDEN, CTR. FOR THE PROT. OF INTELLECTUAL PROP., THE FAILURE OF THE DMCA NOTICE AND TAKEDOWN SYSTEM: A TWENTIETH CENTURY SOLUTION TO A TWENTY-FIRST CENTURY PROBLEM 1 (2013), <http://sfs.gmu.edu/cpip/wp-content/uploads/sites/31/2013/08/Bruce-Boyden-The-Failure-of-the-DMCA-Notice-and-Takedown-System1.pdf>.

130. *Id.*

131. *Id.* at 2.

132. *Id.*

133. Fred von Lohmann, *A Step Toward Protecting Fair Use on YouTube*, GOOGLE PUB. POL'Y BLOG (Nov. 19, 2015), <https://publicpolicy.googleblog.com/2015/11/a-step-toward-protecting-fair-use-on.html>.

134. Jeff John Roberts, *Why YouTube's New Copyright Campaign Is a Game-Changer*, FORTUNE (Nov. 19, 2015), <http://fortune.com/2015/11/19/youtube-copyright-legal-fund/>.

135. *Id.*

136. David Kravets, *10 Years Later, Misunderstood DMCA Is the Law That Saved the Web*, WIRED (Oct. 27, 2008, 3:01 PM), <https://www.wired.com/2008/10/ten-years-later/>.

ney, “you could not run a blog without these [protections]. You couldn’t run MySpace, AOL without [them].”¹³⁷

In at least one instance, though, a provider has had to fight infringement claims even after it complied with a takedown notice.¹³⁸ Photographer Kai Eiselein sent a takedown notice to BuzzFeed after it included one of his soccer photographs in a collection titled “The 30 Funniest Header Faces.”¹³⁹ Even though BuzzFeed took it down (and renamed the collection “The 29 Funniest Header Faces”), Eiselein sued for contributory infringement because, by then, his copyrighted image had disseminated across the web.¹⁴⁰ Interested parties like the Electronic Frontier Foundation scoffed at Eiselein’s theory, predicting that he was unlikely to recover the \$3.6 million he demanded in damages.¹⁴¹ The parties settled,¹⁴² suggesting that Eiselein received something from his creative theory.

Regardless of the DMCA’s impact on Internet freedom, on September 14, 2015, the Ninth Circuit issued an interpretation of one DMCA provision that could change the entire structure of how Internet copyright disputes play out.¹⁴³

H. Lenz v. Universal Music Corp.

In February 2007, a woman uploaded to YouTube a video of her two children dancing to the song “Let’s Go Crazy” by Prince.¹⁴⁴ Universal Music Corp., Prince’s administrator responsible for enforcing his copyrights, located the video and sent a takedown notice, along with a good-faith-belief statement, to YouTube, who removed the video.¹⁴⁵ The woman then filed a complaint against Universal for misrepresentation under 512(f), which provides, “Any person who knowingly materially represents under this section (1) that material or activity is infringing . . . shall be liable for any damages, including costs and attorneys’ fees, incurred by the alleged infringer”¹⁴⁶ Though the case bounced back-and-forth between the Ninth Circuit and the district court for several years, the determinative issue came down to whether the statutory provision requiring the copyright holders to have a good-faith belief that the infringing work is not authorized by law also requires the copyright holder to

137. *Id.*

138. John Villasenor, *Copyright Infringement and Photo Sharing: A New Lawsuit Tests the Limits of Fair Use*, FORBES (June 22, 2013, 5:29 PM), <https://www.forbes.com/sites/johnvillasenor/2013/06/22/copyright-infringement-and-photo-sharing-a-new-lawsuit-tests-the-limits-of-fair-use/#5856bfc3735e>.

139. *Id.*

140. *Id.*

141. Kurt Opsahl, *3 Great Reasons That One Photographer’s Not Getting \$3.6 Million from BuzzFeed*, ELEC. FRONTIER FOUND. (June 18, 2013), <https://www.eff.org/deeplinks/2013/06/buzzfeed-faces-36-million-copyright-suit-not-so-much>.

142. Stipulation of Dismissal, *Eiselein v. BuzzFeed, Inc.*, No. 13-cv-3910-RA (S.D.N.Y. Dec. 20, 2013), <https://www.plainsite.org/dockets/tjeuf2vs/new-york-southern-district-court/eiselein-v-buzzfeed-inc/>.

143. *Important Win for Fair Use in ‘Dancing Baby’ Lawsuit*, ELEC. FRONTIER FOUND. (Sept. 14, 2015), <https://www.eff.org/press/releases/important-win-fair-use-dancing-baby-lawsuit> [hereinafter *Important Win*].

144. *Lenz v. Universal Music Corp.*, 815 F.3d 1145, 1149 (9th Cir. 2016).

145. *Id.*

146. 17 U.S.C. § 512(f) (2018).

consider fair use before sending the takedown notice.¹⁴⁷ The Ninth Circuit held that it did, stating, “the statute unambiguously contemplates fair use as a use authorized by law.”¹⁴⁸

Though the Ninth Circuit did not specify the amount or type of recoverable damages,¹⁴⁹ this decision possibly jeopardizes copyright holders’ usual practice of sending reflexive, “thoughtless” takedown notices.¹⁵⁰ The Ninth Circuit specified, however, that if a copyright owner forms a *subjective* good faith belief that the infringement does not constitute fair use, it can avoid liability.¹⁵¹ Moreover, the court held that the willful blindness doctrine will be applicable; a copyright holder cannot escape liability by simply issuing a notice without considering fair use at all.¹⁵²

While the decision generated some celebration among fair use enthusiasts,¹⁵³ critics of the decision suggest that it did not change much, and “Internet users like Lenz are left essentially where they started.”¹⁵⁴ Still, other commentators highlight the fact that the Ninth Circuit appeared to consider fair use of copyrighted material to be a right, rather than an affirmative defense.¹⁵⁵ Lenz’s petition for a writ of certiorari was denied on June 19, 2017.¹⁵⁶

Regardless of how long the Ninth Circuit’s decision survives, the case illustrates the complexity of DMCA disputes involving alleged digital infringement when the user claims fair use. The increasingly creative ways that copyright owners have found to circumvent the DMCA threaten to inundate the federal court system with copyright litigation.

III. ANALYSIS

This Part first delves into the growing litigation exposure for social media advertisers and follows with a discussion of copyright issues that may arise with advertising tools such as GIFs. It then highlights a 2015 case that could have answered many questions about social media postings, but it ended in a settlement.¹⁵⁷ As images, or at least image-like concepts, GIFs fit awkwardly into the traditional transformative use analysis, which various circuit court de-

147. *Lenz*, 815 F.3d at 1151.

148. *Id.*

149. *Id.* at 1157.

150. *See Important Win*, *supra* note 143.

151. *Lenz*, 815 F.3d at 1154.

152. *Id.* at 1155.

153. *See Important Win*, *supra* note 143.

154. *Recent Case: Copyright Law—Digital Millennium Copyright Act—Ninth Circuit Requires Analysis of Fair Use Before Issuing of Takedown Notices—Lenz v. Universal Music Corp.*, 815 F. 3d. 1145 (9th Cir. 2016), 129 HARV. L. REV. 2289, 2296 (2016).

155. *See Randazza*, *supra* note 116, at 117.

156. *Lenz v. Universal Music Corp.*, 137 S. Ct. 2263 (2017); *Lenz v. Universal Music Corp.*, SCOTUSBLOG, <http://www.scotusblog.com/case-files/cases/lenz-v-universal-music-corp> (last visited May 19, 2018).

157. Andrew Chung, *Fox News, Publisher, Settle Copyright Dispute Over Iconic 9/11 Photo*, REUTERS (Feb. 16, 2016, 1:45 PM), <http://www.reuters.com/article/us-ip-fox-news-photo-idUSKCN0VP2HY>.

cisions make apparent by contradicting one another in infringing-images cases. This confusion illustrates that judges are generally poor appraisers of art, and two different judges can view similar pieces of art in completely different ways from both each other and the creating artist.

A. *Social Media Litigation*

Clearly, clumsy social media postings can lead to lawsuits involving legal concepts other than copyright. New York drugstore chain Duane Reade learned this the hard way when it Tweeted a paparazzi picture of Katherine Heigl walking out of one of its locations; she brought suit, requesting \$6 million in damages.¹⁵⁸ That case, had it not settled,¹⁵⁹ would have involved right of publicity or privacy issues, rather than copyright infringement.¹⁶⁰ Until recently, copyright disputes over an Internet posting typically ended with the website taking down the allegedly infringing material,¹⁶¹ that is because the DMCA protects Internet entities from liability for copyright infringement by its users, provided that it removes the infringing material upon request from a copyright holder.¹⁶²

Duane Reade's only mistake was including *who* it used in its advertisements; it used Twitter to advertise to its 2 million followers,¹⁶³ which is an increasingly popular, and perhaps necessary, marketing practice.¹⁶⁴ Industry insiders predict a further "dramatic upswing" in social media advertising spending.¹⁶⁵ Spending estimates for 2017 topped \$35 billion, or 16% of all digital advertising spending.¹⁶⁶

B. *A Near Miss*

While Heigl's claims were more privacy-related, Fox News recently found itself embroiled in an actual copyright fight over a Facebook posting.¹⁶⁷ On September 11, 2001, Thomas Franklin took the now-iconic photograph of three New York City firefighters raising an American flag near the collapsed

158. Alan Duke, *Katherine Heigl Files \$6 Million Suit Against Drugstore Chain Over Tweet*, CNN (Apr. 10, 2014, 4:18 PM), <http://www.cnn.com/2014/04/10/showbiz/katherine-heigl-duane-reade-lawsuit/>.

159. Nate Raymond, *Katherine Heigl, Duane Reade End Lawsuit Over Actress' Photo*, REUTERS (Aug. 27, 2014, 4:51 PM), <http://www.reuters.com/article/us-people-katherineheigl-idUSKBN0GR2BD20140827>.

160. Emily Yahr, *Can Katherine Heigl Really Sue Duane Reade for Tweeting Her Photo? Yes, and Here's Why.*, WASH. POST (Apr. 11, 2014), <https://www.washingtonpost.com/news/arts-and-entertainment/wp/2014/04/11/can-katherine-heigl-really-sue-duane-reade-for-tweeting-her-photo-yes-and-heres-why/>.

161. See Wang, *supra* note 7.

162. 17 U.S.C. § 512(c)(1)(A)(iii) (2018).

163. Janelle Griffith, *Duane Reade Responds to Katherine Heigl's \$6M Lawsuit . . . Sort of*, NJ.COM (Apr. 11, 2014, 5:01 AM), http://www.nj.com/entertainment/index.ssf/2014/04/katherine_heigl_duane_reade.html.

164. See Althea Chang, *The Future of Digital Ads: Native and Social Set to Spike*, CNBC (Nov. 24, 2015, 4:02 PM), <http://www.cnbc.com/2015/11/24/the-future-of-digital-ads-native-and-social-set-to-spike.html> ("It's increasingly a matter of necessity, now that consumers' use of ad-blocking software has increased so much that it's expected to cost publishers nearly \$22 billion in 2015 alone . . .").

165. *Id.*

166. *Id.*

167. See generally *North Jersey Media Grp. v. Pirro*, 74 F. Supp. 3d 605 (S.D.N.Y. 2015).

World Trade Center.¹⁶⁸ His employer, North Jersey Media Group, Inc. (NJMG), registered the photograph with the U.S. Copyright Office.¹⁶⁹ In 2013, a Fox News employee found the image online and juxtaposed it with the famous World War II photograph of Marines hoisting the American flag on Iwo Jima to create a commemorative 9/11 Facebook post.¹⁷⁰ NJMG brought suit for copyright infringement on October 9, 2013.¹⁷¹ In a memo to the court, Fox News' lawyers (echoing *Campbell*) claimed:

Expression on social media, and on Facebook in particular, is . . . inherently intertwined with 'comment and criticism' Every post is an invitation for others to comment and criticize; every message and image invites reciprocal expression. A context-sensitive test for transformativeness, then, will necessarily account for the fact that Facebook and other social media sites are by design used for purposes of 'comment' and 'criticism,' and such a test will inevitably favor uses on social media.¹⁷²

Industry monitors immediately recognized the tremendous implications if the court agreed with Fox News that social media is inherently transformative.¹⁷³ The general counsel for the National Press Photographers Association noted the irony that Fox News, "which depends on strong copyright laws for its livelihood, would go to such imaginative lengths to circumvent them."¹⁷⁴

The Southern District of New York found the argument imaginative as well and denied Fox News' motion for summary judgment.¹⁷⁵ Instead, the court used a controversial Second Circuit decision, *Cariou v. Prince*,¹⁷⁶ as a template for evaluating the image.¹⁷⁷ Using the transformative analysis, the court determined that the infringing image did not "constitute the creation of 'new information, new aesthetics, new insights and understandings'" necessary for satisfying the transformative hurdle.¹⁷⁸ Interestingly, the court did acknowledge that the "market effects" fourth factor is the most important of the four statutory factors but primarily evaluated its weight through the transformative lens.¹⁷⁹

Because the court determined that questions existed over whether the Facebook post was transformative, it refused to conclude that Fox News' use of the photograph was fair as a matter of law.¹⁸⁰ The parties settled,¹⁸¹ so an op-

168. *Id.* at 609.

169. *Id.* at 610.

170. *Id.* at 610–11.

171. *Id.* at 612.

172. Christopher Zara, *Fox News, Jeanie Pirro Facebook Lawsuit Could Change Copyright Landscape on Social Media*, INT'L BUS. TIMES (Mar. 31, 2015, 1:27 PM), <http://www.ibtimes.com/fox-news-jeanie-pirro-facebook-lawsuit-could-change-copyright-landscape-social-media-1865246>.

173. *Id.*

174. *Id.*

175. *Pirro*, 74 F. Supp. 3d at 623.

176. 714 F.3d 694 (2d Cir. 2013); *see infra* text accompanying notes 206–08.

177. *Pirro*, 74 F. Supp. 3d at 615–16.

178. *Id.* at 617.

179. *Id.* at 622.

180. *Id.* at 623.

181. Chung, *supra* note 157.

portunity was lost to determine how exactly the social media context plays into the transformative determination.

C. *What Happens When GIFs Are Involved?*

If Universal was concerned about YouTube videos of dancing babies,¹⁸² is the BBC worried about a Planet Earth GIF on YouTube's Twitter account?¹⁸³ Some powerful copyright holders have decided to aggressively police the Internet for GIFs of their copyrighted material,¹⁸⁴ and perhaps more will do so as GIF use increases.¹⁸⁵ Since mid-2012, online searches for GIFs have risen by a factor of nine.¹⁸⁶ Multiple start-ups are creating a nascent industry either selling GIFs or creating searchable libraries. Giphy has raised more than \$23 million in venture capital, noticing that brands are increasingly integrating the animations into marketing and advertising.¹⁸⁷ Giphy's Chief Operating Officer explained, "people are using content and culture to communicate—they're not using words anymore. . . . When they're doing that, there's an opportunity for that culture to come from a brand."¹⁸⁸ GIFs can also provide special value as "native advertising," or advertisements that look similar to traditional web content but "carry some kind of design feature to distinguish [them] from non-sponsored content."¹⁸⁹

As most successful GIFs feature scenes from popular movies, television shows, or music videos,¹⁹⁰ it seems only a matter of time before they become the subject of a DMCA fair use fight. Industry experts know that companies like Disney and Fox aggressively police their copyrights on YouTube and Twitter.¹⁹¹ Still, hope remains for GIF producers because there is presently no case law that addresses whether a fair use defense can apply to GIFs.¹⁹² The fact that GIFs pop up and disappear so quickly creates another issue for copyright holders. For instance, the International Olympic Committee tried to ban the creation of GIFs during the 2016 Rio games.¹⁹³ In at least one case, Twitter

182. See generally *Lenz v. Universal Music Corp.*, 815 F.3d 1145 (9th Cir. 2015).

183. @YouTube, TWITTER, (Feb. 5, 2018, 6:48 AM), <https://twitter.com/YouTube/status/960525516729135105>.

184. See Finn, *supra* note 1.

185. See Mike Isaac, *For Mobile Messaging, GIFs Prove to Be Worth at Least a Thousand Words*, N.Y. TIMES (Aug. 3, 2015), http://www.nytimes.com/2015/08/04/technology/gifs-go-beyond-emoji-to-express-thoughts-without-words.html?_r=1.

186. *Id.*

187. *Id.*

188. Lauren Johnson, *Here's Why GIFs Are Back in Style and Bigger Than Ever for Brands*, ADWEEK (June 24, 2015, 8:00 AM), <http://www.adweek.com/news/technology/heres-why-gifs-are-back-style-and-bigger-ever-brands-165499>.

189. See Chang, *supra* note 164.

190. David Griner, *Why Brands Should Be Wary of Animated GIFs*, ADWEEK (Aug. 30, 2013, 1:47 PM), <http://www.adweek.com/adfreak/why-brands-should-be-wary-animated-gifs-152151>.

191. Jeff John Roberts, *The Copyright Law Behind a \$600M Startup and Millennials' Favorite Form of Expression*, FORTUNE (Nov. 7, 2016, 10:22 AM), <http://fortune.com/2016/11/07/giphy-gifs-copyright/>.

192. *Id.*

193. Leanna Garfield, *The Olympic Committee Could Actually Sue People Who Make GIFs*, BUS. INSIDER (Aug. 12, 2016, 4:12 PM), <http://www.businessinsider.com/rio-2016-ban-gifs-2016-8>.

enforced the ban.¹⁹⁴ Jim Weber reported on LinkedIn that after posting three GIFs of Olympic performances, he received a notice from Twitter restricting his account under the DMCA.¹⁹⁵ Of course, the “ban” was largely ineffective at stopping Olympic GIF creation, including on Twitter.¹⁹⁶ Because of the highly dispersed and decentralized nature of GIF use, targeting GIF creators one-by-one is what one commentator called “legal whack-a-mole.”¹⁹⁷

The issue turns on whether the fair use doctrine protects GIFs; and if recent Circuit Court cases are any indication, the transformative use doctrine is difficult to apply to images, at least with any recognizable structure.

D. *The Excesses of Cariou v. Prince*

In 2013, the Second Circuit determined in *Cariou v. Prince* that an “appropriation” artist made fair use of a photographer’s copyrighted images of Jamaica’s Rastafarian community.¹⁹⁸ Appropriation art has been described as a “controversial but longstanding postmodern artistic strategy.”¹⁹⁹ In *Cariou*, the appropriation artist painted guitars into the photographs or changed the tint and lighting to create different effects.²⁰⁰ He made several million dollars selling his “new” works.²⁰¹ In line with *Campbell*, and in contrast to the pre-*Campbell* Supreme Court, the Second Circuit declared, “The first statutory factor . . . is the heart of the fair use inquiry.”²⁰² The court then signaled its intention to take a transformative use approach²⁰³ and took on the role of an art critic to determine that Prince, the appropriation artist, had not “presented the same material as Cariou in a different manner, but . . . presented images with a fundamentally different aesthetic.”²⁰⁴ Ironically, Prince himself had made clear that he had not intended for his works to convey any “new meaning or new message.”²⁰⁵ Discussing the influence of commercial considerations under the first factor, the court noted, “we do not place much significance on that fact due to the transformative nature of the work.”²⁰⁶ As for the fourth market factor, it merited little discussion because “Prince’s audience is very different from Cariou’s.”²⁰⁷

194. Ingram, *supra* note 4.

195. *Id.*

196. Garfield, *supra* note 193.

197. *Id.*

198. 714 F.3d 694, 712 (2d Cir. 2013).

199. Randy Kennedy, *Court Rules in Artist’s Favor*, N.Y. TIMES (Apr. 25, 2013), <http://www.nytimes.com/2013/04/26/arts/design/appeals-court-ruling-favors-richard-prince-in-copyright-case.html>.

200. *Cariou*, 714 F.3d at 700–03.

201. *Id.* at 709.

202. *Id.* at 705 (internal quotations omitted).

203. *Id.* at 707.

204. *Id.* at 708.

205. Kennedy, *supra* note 199.

206. *Cariou*, 714 F.3d at 708.

207. *Id.* at 709.

The transformative use test dominated the decision, filtering into all of the other factors codified by Congress as balancing considerations.²⁰⁸

Decisions like this prompt commentators to lament: “Fair use is a doctrinal piñata. Recently, the motivation for courts and commentators to line up and take a swing has been *Cariou v. Prince* . . . ; their battle cry in the ensuing volley has been that the transformativeness inquiry . . . has stretched too far.”²⁰⁹ Though currently gaining a certain level of infamy, *Cariou* is hardly the first copyright decision addressing “edited” images.²¹⁰

E. Does Leibovitz Help?

Like the alleged infringement in *Campbell*, GIFs are oftentimes created for comic relief.²¹¹ The Second Circuit revisited the fair use determination’s application to parodies in *Leibovitz v. Paramount Pictures Corp.*, but this case concerned a particular visual.²¹² That visual—a movie teaser featuring a pregnant Leslie Nielsen—allegedly infringed on professional photographer Annie Leibovitz’s famous photograph of a pregnant Demi Moore.²¹³ The court first acknowledged *Campbell*’s complication of the commercial factor, noting, “In focusing the first factor inquiry upon the ‘transformative’ nature of the use, [*Campbell* explicitly] abandoned [the notion] that ‘every commercial use of copyrighted material is presumptively . . . unfair.’”²¹⁴ The court then launched into the transformative determination, reasoning: “Plainly, the ad adds something new [and] ‘transformative’ [T]he smirking face of Nielsen contrasts so strikingly with the serious expression on the face of Moore . . . [and] achieves the effect of ridicule.”²¹⁵ As for the “market effects” factor, Leibovitz admitted that the Nielsen poster would have no effect on the market for her photograph or derivative works, so the court spent little time discussing it, deciding only that the factor pointed towards fair use.²¹⁶ Thus, again, the court was forced to decide the case based on artistic interpretations of what can constitute “transformative.”²¹⁷

Another court in the same year addressed oddly similar facts and came to the complete opposite conclusion.²¹⁸ As part of its 1996 advertising campaign to promote the movie *Men in Black*, Columbia Pictures created posters of Will

208. See generally *id.*

209. Brian Sites, *Fair Use and the New Transformative*, 39 COLUM. J.L. & ARTS 513, 514 (2016).

210. See, e.g., *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 110 (2d Cir. 1998).

211. See Summer Anne Burton et al., *31 GIFs That Will Make You Laugh Every Time*, BUZZFEED (Nov. 21, 2013, 11:44 AM), https://www.buzzfeed.com/summeranne/gifs-that-will-make-you-laugh-every-time?utm_term=.cjrxxmMQoE#jhvy0y5gzM.

212. 137 F.3d at 112.

213. *Id.* at 111.

214. *Id.* at 115 (quoting *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984)).

215. *Id.* at 114.

216. *Id.* at 116–17.

217. *Id.* at 113.

218. See *Columbia Pictures Indus. v. Miramax Films Corp.*, 11 F. Supp. 2d 1179, 1189 (C.D. Cal. 1998).

Smith and Tommy Lee Jones wearing black suits, white shirts, black ties, and sunglasses, standing in front of the New York skyline and holding large weapons.²¹⁹ Miramax, another film studio, promoted its 1998 Michael Moore documentary *The Big One* with a poster featuring Michael Moore wearing a black suit, white shirt, black tie, and sunglasses, standing in front of the New York skyline and holding an oversized microphone. Like *Leibovitz*, some aspects of the allegedly infringing work were changed, apparently as an attempt at parody.²²⁰ The Central District of California began its opinion with a commercial discussion: “Advertisements are entitled to less indulgence than other forms of parody.”²²¹ Without getting into an artistic analysis, the court simply decided that “[t]he TBO Poster [does] not create a ‘transformative work.’ . . . [It] merely incorporates several elements of the MIB poster . . . [and is] designed solely for the purpose of attracting viewers to see ‘The Big One.’”²²² Miramax lost its fair use argument.²²³

The fact that courts can apply the same factors to almost identical facts and reach opposite conclusions is troubling.²²⁴ Commenting from a free-speech perspective, Notre Dame professor Joseph Bauer points out that this means a user of unauthorized material will have serious difficulty in determining whether the use is permitted, so a risk-averse potential user will be deterred.²²⁵ In the Internet context, then, even if alleged infringers do gain the right to challenge takedown notices on fair use grounds, that power is useless if it is impossible to determine what is and is not fair use ahead of time.²²⁶

F. *Transformative vs. Derivative*

One particularly influential critique of the *Cariou* decision comes from a Harvard Law Review article,²²⁷ which identifies a key deficiency in the second Circuit’s reasoning:

[T]he definition [of transformativeness] is the broadest of any circuit court yet—and is in direct tension with the statutory definition of derivative works. . . . [T]here must be some way to distinguish [transformative and derivative works] if the derivative work right is to have any meaning. This problem is particularly acute in appropriation art, a genre that uses prior works as raw material to create new expression. Without a clear standard, judges may be likely to decide according to taste, and artists

219. *Id.* at 1182.

220. *Id.*

221. *Id.* at 1187.

222. *Id.* at 1188.

223. *Id.* at 1189.

224. Joseph P. Bauer, *Copyright and the First Amendment: Comrades, Combatants, or Uneasy Allies?*, 67 WASH. & LEE L. REV. 831, 854–55 (2010).

225. *Id.*

226. *Id.* at 878.

227. See generally *Copyright Law—Fair Use—Second Circuit Holds That Appropriation Artwork Need Not Comment on the Original to Be Transformative—Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013), 127 HARV. L. REV. 1228 (2014) [hereinafter *Copyright Law—Fair Use*].

will have no principled method of conforming their actions to the law *ex ante*. Future courts would be wise to clarify the contours of these two overlapping doctrines, lest appropriation art be left in uncharted waters, subject to the winds of judges' artistic appeals.²²⁸

Under the Copyright Act of 1976, copyright owners have the “exclusive right” to prepare derivative works based on the copyrighted work.²²⁹ Complicating matters further, the Act defines a “derivate work” as a work based on “one or more preexisting works, such as a . . . motion picture version . . . art reproduction . . . or any other form in which a work may be recast, *transformed*, or adapted.”²³⁰ In a case preceding *Cariou*, the Second Circuit described the irony of the appearance of “transformed” in the definition of “derivative works” as a “potential source of confusion” in copyright jurisprudence.²³¹

Even the Second Circuit illustrates this confusion as it has expanded and contracted its application of the statutory language defining derivatives.²³² In October 2003, Dorling Kindersley Ltd. (“DK”) published a coffee table book intended as a “cultural history” of the Grateful Dead.²³³ The book featured seven images that were copyrighted by Bill Graham Archives, LLC (“BGA”) despite BGA’s refusing permission after a breakdown in licensing negotiations.²³⁴ In reviewing the district court’s dismissal of BGA’s copyright claims, the Second Circuit first addressed the transformative use analysis, concluding that the coffee table book was in fact a historical artifact that used BGA’s images to “document and represent the actual occurrence of Grateful Dead concert events.”²³⁵ Because DK published unaltered (only resized) copies of BGA’s images, the court cautioned, “Neither our court nor any of our sister circuits has ever ruled that the copying of an entire work *favours* fair use.”²³⁶ BGA made its “derivative” argument under the fourth factor, claiming that DK’s use destroyed the derivative market for licensing the images.²³⁷ The court disagreed, declaring DK’s use of the image a “transformative market.”²³⁸ In *Campbell*, however, the Supreme Court considered (albeit in dicta) unaltered copying an obvious indication of market harm, suggesting it is “common sense” to view a “mere duplication” of an original work as a market substitute for it.²³⁹ And the contradictions do not end there.

228. *Id.* at 1232.

229. 17 U.S.C. § 106 (2018).

230. *Id.* § 101 (emphasis added).

231. *See* Castle Rock Entm’t, Inc. v. Carol Publ’g Grp., 150 F.3d 132, 143 (2d Cir. 1998).

232. *Compare* Bill Graham Archives v. Dorling Kindersley, Ltd., 448 F.3d 605, 607–08 (2d Cir. 2006), with Authors Guild v. Google, Inc., 804 F.3d 202, 225 (2d Cir. 2015) (“[D]erivative works over which the author of the original enjoys exclusive rights ordinarily are those that re-present the protected aspects of the original work, *i.e.*, its expressive content, converted into an altered form . . .”).

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

234. *Id.*

235. *Id.* at 609.

236. *Id.* at 613.

237. *Id.* at 614.

238. *Id.*

239. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 591 (1994).

A decade later, in *Authors Guild v. Google Inc.*,²⁴⁰ the Second Circuit apparently suddenly remembered the *Campbell* decision, explaining, “Derivative works over which the author of the original enjoys exclusive rights ordinarily are those that re-present the protected aspects of the original work, *i.e.*, its expressive content, converted into an altered form”²⁴¹ This time, the court confronted Google Books and a copyright challenge against the service’s display of searchable copyrighted content.²⁴² After acknowledging the presence of “transform” in the statutory definition of derivative,²⁴³ the court directly contradicted the reasoning from *Bill Graham Archives* by declaring, “An author’s right to control and profit from dissemination of her work ought not to be evaded by conversion of the work into a different form.”²⁴⁴ That “conversion into a different form” was the exact question considered in *Bill Graham Archives*.²⁴⁵

Perhaps unsure about the derivative question, the Second Circuit ultimately held that Google’s use of copyrighted material was fair use, relying on considerations other than transformative use.²⁴⁶ The court considered the third and fourth statutory factors to weigh strongly in favor of Google.²⁴⁷ Interestingly, in its discussion of the latter—the “market effects” factor—the court cited *Harper & Row*, and even mentioned the Supreme Court’s consideration of the fourth factor as “the single most important element of fair use.”²⁴⁸ The third factor analysis, determining that the “snippets” taken from the copyrighted books did not equal a market “substitute,” led the court to rule in favor of Google.²⁴⁹ Though the *Authors Guild* decision took careful pains to justify Google’s infringement as “transformative,” unlike past decisions²⁵⁰ it also valued the commercial effects of the infringement.²⁵¹ This waffling offers little assurance to commercial entities, or companies like Google, whose business model depends on their ability to accurately predict what will be considered fair use and what will not.²⁵²

The Ninth Circuit favors distancing transformative use from the fourth “market effects” factor as well.²⁵³ In a 2013 dispute between the band Green Day and, once again, an artist, the court backed off from the transformative use test, explaining, “Although transformation is a key factor in fair use, whether a

240. 804 F.3d 202 (2d Cir. 2015).

241. *Id.* at 225.

242. *Id.* at 207.

243. *Id.* at 215.

244. *Id.* at 225.

245. *Bill Graham Archives v. Dorling Kindersley, Ltd.*, 448 F.3d 605, 607 (2d Cir. 2006).

246. *Authors Guild*, 804 F.3d at 225.

247. *Id.* at 229.

248. *Id.* at 223.

249. *Id.* at 224.

250. *Cariou v. Prince*, 714 F.3d 694, 706 (2d Cir. 2013); *Bill Graham Archives*, 448 F.3d at 609.

251. *Authors Guild*, 804 F.3d at 223.

252. *See, e.g.*, Jeff John Roberts, *Google and Oracle’s \$9.3 Billion Fair Use Fight Starts Today, Here’s a Guide*, FORTUNE (May 9, 2016), <http://fortune.com/2016/05/09/google-oracle-fair-use/>.

253. *See generally* *Seltzer v. Green Day, Inc.*, 725 F.3d 1170 (9th Cir. 2013).

work is transformative is a often highly contentious topic.”²⁵⁴ The decision even cited a treatise, which criticized the test as a “conclusory label which is ‘all things to all people.’”²⁵⁵

In that case, the artist, Seltzer, claimed that Green Day infringed upon his copyrighted “Scream Icon” (a twisted face) by featuring it in a movie backdrop for its concerts.²⁵⁶ Expressing some doubt about its ability to make a definitive “transformation” determination, the court only claimed that its appraisal—that the appropriation was transformative—was “in line with other appellate authority.”²⁵⁷ Thus, the court left the transformative use analysis in the first factor and made independent judgments on the other three.²⁵⁸ It weighed the second factor—the “nature of the copyrighted work”—slightly in Seltzer’s favor, and considered the third factor neutral.²⁵⁹ The fourth factor favored Green Day; Seltzer could not point to any effect on his ability to license “Scream Icon” in the future or any other damage to its economic value.²⁶⁰ Interestingly—considering the tension in copyright theory between artistic and commercial motives—Seltzer felt personally harmed because Green Day’s use “tarnished” his creation in an artistic sense.²⁶¹

So where does this fair use jurisprudence leave Giphy investors? The court decisions discussing the slight but nonetheless “transformative” alterations, or the unaltered but “transformative” uses of copyrighted works, do not offer much guidance for the wider digital creation industry.²⁶² Additionally, the “plasticity and interactivity” of digital media present a different challenge than two-dimensional movie posters or photographs.²⁶³ Digital information can easily be manipulated for use in a different medium—for example, voice-to-text—or deleted, edited, etc.²⁶⁴ Though the Second Circuit and its district courts are outliers in how they define the relationship between the fourth factor and first factor transformative use determination,²⁶⁵ they have rejected the notion that the Internet is transformative by its very nature.²⁶⁶

What will be the case, what will be the facts, that can clear up the DMCA/GIF/fair use dilemma? Interestingly, provocateurs have already begun working on instigating such a suit. Jean-Baptiste Henri Franck Cyrille Marie Le Divelec, an ad agency creator, chopped the late Stanley Kubrick’s *2001: A*

254. *Id.* at 1176.

255. *Id.* (citing MELVILLE B. NIMMER & DAVID NIMMER, 4 NIMMER ON COPYRIGHT § 13.05(A)(1)(b) (2011)).

256. *Id.* at 1174–75.

257. *Id.* at 1177.

258. *See generally id.*

259. *Id.* at 1178.

260. *Id.* at 1179.

261. *Id.*

262. *See* Jisuk Woo, *Redefining the “Transformative Use” of Copyrighted Works: Toward a Fair Use Standard in the Digital Environment*, 27 HASTINGS COMM. & ENT. L.J. 51, 70 (2004).

263. *Id.*

264. *Id.*

265. *See* North Jersey Media Grp. v. Pirro, 74 F. Supp. 3d 605, 622 (S.D.N.Y. 2015).

266. *Id.* at 615.

Space Odyssey into 569 miniature GIFs to create his very own “2001: A GIF Odyssey.”²⁶⁷ His stated goal was to find the “breaking point” of the fair use doctrine.²⁶⁸ So far, it appears that neither Stanley Kubrick’s estate nor *2001: A Space Odyssey*’s copyright managers are much offended by Mr. Le Divelec’s project. Still, he should do his best to avoid the Seventh Circuit.²⁶⁹

IV. RECOMMENDATION

The impending rise in digital copyright infringement cases, possibly involving commercial GIF use, requires a simplification of fair use jurisprudence. Specifically, resurrecting the commercial factors from *Harper & Row* would rescue courts from the impossible task of making logical evaluations of the “transformativeness” of digital images. Although not in the context of digital infringement, one circuit has denounced the unwieldy transformative use test.²⁷⁰

A. Returning to Harper & Row

In *Kienitz v. Sconnie Nation LLC*, the Seventh Circuit discussed the oft-lamented shortcomings of the transformative use analysis, directly criticizing the outcome in *Cariou* based on the statutory protection of a copyright owner’s interest in derivative works: “To say that a new use transforms the work is precisely to say that it is derivative and thus . . . protected under § 106(2).”²⁷¹ The court deemed the “market effects” factor the most important of the four statutory considerations, asking whether the infringing work is a complement or a substitute to the copyrighted work.²⁷² Additionally, the court remarked that the Copyright Act of 1976’s fair use factors include no discussion of “transformativeness” at all.²⁷³

In a now-familiar scenario, *Kienitz* pitted Sconnie Nation, an apparel producer, against a photographer.²⁷⁴ Because of mutual dislike between student block-partiers from the University of Wisconsin and the mayor of Madison, Sconnie Nation printed shirts featuring the photographer’s photo of the mayor with the added words “sorry for partying.”²⁷⁵ Though not a digital item in the strict sense, the product was, in terms of copyright law, remarkably similar to the types of GIFs appearing in social media advertising.²⁷⁶ GIFs and memes

267. Steve Dent, ‘2001: A Space Odyssey’ as 569 GIFs Tests Fair Use Limits, ENGADGET (Mar. 25, 2016), <https://www.engadget.com/2016/03/25/2001-a-space-odyssey-as-569-gifs-tests-fair-use-limits/>.

268. *Id.*

269. *Id.* See *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756, 758 (7th Cir. 2014).

270. *Id.* at 758.

271. *Id.*

272. *Id.*

273. *Id.*

274. *Id.* at 757.

275. *Id.*

276. See, e.g., @Lyft, TWITTER (Dec. 24, 2016, 4:25 PM), <https://twitter.com/lyft/status/812786199643516928>.

typically feature some sort of comedic text superimposed on a foundational image. Again, a transformative use analysis would need to determine the “transformativeness” of that text. Is the message meant as a parody? As a political criticism? The possible questions are endless.

The *Kienitz* decision has been criticized for ignoring *Campbell*,²⁷⁷ but those critiques apparently ignore the fact that *Campbell* itself ignored two precedent cases in favor of one judge’s analysis of a nineteenth-century case. Moreover, these same critics have suggested that *Campbell*’s transformative standard somehow created a steadier platform for courts to stand on when deciding murky cases.²⁷⁸ The addition of this standard has done the exact opposite. While originally intended as a tool for making the first factor “purpose” determination,²⁷⁹ the transformative use analysis has clearly leaked into the other factors,²⁸⁰ if not completely superseded them.²⁸¹ Thus, it upsets the holistic “balancing test” that Congress intended to promote by codifying the statutory factors.

This hijacking of the traditional analysis of the statutory factors can create absurd outcomes even without the complications imposed by images.²⁸² In 1995, Penguin Books published a satire of the O.J. Simpson trial, *The Cat NOT in the Hat!*²⁸³ The book featured the famous “Cat in the Hat” character copyrighted by Dr. Seuss Enterprises, who, unsurprisingly, brought both copyright and trademark infringement claims.²⁸⁴ Addressing Penguin’s fair use affirmative defense assertions, the Ninth Circuit refused to consider *The Cat NOT in the Hat!* a parody of Dr. Seuss’ traditional works, deciding that the former did not add “new expression, meaning, or message.”²⁸⁵ Because the infringing work was not “transformative,” and was intended to produce a profit, the court concluded that, under the fourth factor analysis, market harm could be reasonably inferred.²⁸⁶ Inferring that a satire of the O.J. Simpson trial could serve as a market substitute for a “beloved children’s classic” seems ridiculous.²⁸⁷ The idea of parents teaching their children how to read with a murder trial parody appears farfetched, to say the least.

Inverting the logical process by evaluating market effects first, apart from the “transformative” purpose, could help courts avoid the inconsistent applica-

277. Aaron B. Wicker, Note, *Much Ado About Transformiveness: The Seventh Circuit and Market-Centered Fair Use*, 11 WASH. J.L. TECH. & ARTS 355, 378 (2016).

278. *Id.* at 379.

279. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578–79 (1994).

280. *See Woo, supra* note 262, at 63 (“The approach of linking transformiveness and market effect clearly reduces the benefit of introducing the productive use/transformative use factor to fair use analysis in addition to the four factors.”).

281. *See Landsman, supra* note 47, at 354.

282. Matthew D. Bunker, *Eroding Fair Use: The “Transformative” Use Doctrine After Campbell*, 7 COMM. L. & POL’Y 1, 20 (2002).

283. *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1396 (9th Cir. 1997).

284. *Id.*

285. *Id.* at 1401–02.

286. *Id.* at 1403.

287. *See Bunker, supra* note 282, at 20.

tions of the transformative use doctrine. Additionally, granting that fourth factor the most prominent role in the statutory analysis would prevent the confusing balancing tests put forth in the circuit cases discussed previously.²⁸⁸ As balancing tests “have been targeted as unprincipled, result-driven, and bad jurisprudence,” perhaps attempts should be made to tilt the test to the most solid factor, the fourth.²⁸⁹

Admittedly, focusing primarily on the “market effects” factor will not simply solve the typical argument made by copyright holders: that any unauthorized use automatically affects the owner’s licensing market.²⁹⁰ Requiring licensing, however, would eliminate the very concept of fair use because requiring private-party agreements would grant copyright holders complete control over their works.²⁹¹ So it would be difficult to make fair use determinations based solely on objective market considerations without taking into account copyright’s abstract purpose of inspiring creativity.

B. *Commercial Protections Are Socially Beneficial*

Other critics of the *Kienitz* decision point out that the “transformativeness” development has broadened the availability of the fair use defense (while market considerations tighten it), and that a “thriving fair use defense . . . [promotes] culture and innovation.”²⁹² Supporting the transformative use doctrine on the grounds that it expands fair use for the common good makes less sense, though, when one considers the types of works that “transformative” cannot cover. Surely, the simple reproduction and dissemination of works with no alterations could also benefit the public as a whole.²⁹³ In that sense, the “transformative” requirement is really just another restriction.

Neil Turkewitz, a former executive for the Recording Industry Association of America, explained this fallacy perfectly: “Many of those that celebrate fair use draw upon the sympathetic environment for considering expressive/transformative use . . . but apply them to consumptive uses that lack social value.”²⁹⁴ He also asked why social benefits are only discussed in terms of fair users, claiming, “If we can succeed in allowing creators to earn a living from their craft, we will have greatly advanced the public interest, and produced a wealth of accessible cultural materials that enrich present and future generations.”²⁹⁵ His argument might not grasp the concept of transformativeness hav-

288. See *supra* Section III.F.

289. Charlie Penrod, *Restoring the Balancing Test: A Better Approach to Fair Use in Copyright*, 14 CHL-KENT J. INTELL. PROP. 106, 122 (2014).

290. Jason Mazzone, *The Boundaries of Copyright and Trademark / Consumer Protection Law: Administering Fair Use*, 51 WM. & MARY L. REV. 395, 404 (2009) (“Somebody who wants to make use of a copyrighted work without facing a legal penalty can, therefore, license the use from the copyright owner.”).

291. *Id.*

292. Wicker, *supra* note 277, at 372–73.

293. Lockridge, *supra* note 33, at 97.

294. Daniel Sanchez, *Former RIAA Exec Calls Fair Use a Sham*, DIGITAL MUSIC NEWS (Feb. 24, 2017), <http://www.digitalmusicnews.com/2017/02/24/riaa-neil-turkewitz-fair-use/>.

295. *Id.*

ing inherent social value, but it rebuts the presumption that transformativeness is the *only* social benefit of fair use.

C. *The Social Media Environment Requires Simplification*

If the *Leibovitz-Columbia* dichotomy proves anything, it is that applying the transformative use test to the statutory factors is at best tricky, and at worst a coin flip.²⁹⁶ In the constantly changing digital context, are courts equipped to determine what constitutes the “Arts” featured in the Constitution?²⁹⁷ GIF makers apparently consider themselves artists.²⁹⁸ But are GIFs parodies? Or just pure expressive works? Or sometimes one or the other?

Common sense suggests that pirate streaming of HBO’s *Game of Thrones*,²⁹⁹ considered one of the greatest television shows of all time,³⁰⁰ is the kind of copyright infringement that the law should worry about, not a Twitter joke by Denny’s using bits of *Game of Thrones* material.³⁰¹ Logically, if HBO had no guarantee that it could control the show’s broadcasting (and thus its profits from the show), it might not have invested the vast resources to create it. If HBO knew that its creative material would be the laughing stock of Denny’s Twitter followers, in all likelihood it would still make the show.

After all, in the words of Eighteenth Century English writer Samuel Johnson, as quoted by Justice Souter in *Campbell*, “No man but a blockhead ever wrote, except for money,”³⁰² and no one ever spent millions of dollars creating a TV show for purely artistic purposes. This illustrates why protecting the commercial value of copyrighted works is more important for “protecting the Arts” than encouraging “transformative” rip-offs. Even the Second Circuit, the longest and most frequent defender and promoter of the “transformative” determination, recently admitted, “Copyright is a commercial doctrine whose objective is to stimulate creativity among potential authors by enabling them to earn money from their creations.”³⁰³

Apart from the abstract purposes of copyright protection, if litigation over takedown notices (like *Lenz*, for instance)³⁰⁴ becomes more common, or if the DMCA’s notice system further deteriorates,³⁰⁵ federal courts could face an

296. See *supra* text accompanying notes 212–24.

297. U.S. CONST. art. I, § 8.

298. Luke Bailey, *30 Artists Proving That GIFs Are the Next Great Art Form*, BuzzFeed (Oct. 19, 2013, 7:20 PM), <https://www.buzzfeed.com/lbailey211/30-artists-proving-that-gifs-are-the-next-great-art-form>.

299. Ashlee Kieler, *HBO Starting to Get Serious About Game of Thrones Piracy*, CONSUMERIST (May 9, 2016, 4:29 PM), <https://consumerist.com/2016/05/09/hbo-starting-to-get-serious-about-game-of-thrones-piracy>.

300. James Dyer et al., *The 50 Best TV Shows Ever*, EMPIRE (June 15, 2016, 4:00 PM), <http://www.empireonline.com/movies/features/best-tv-shows-ever> (ranking *Game of Thrones* the seventh greatest show of all time).

301. @DennysDiner, TWITTER (Apr. 6, 2014, 7:57 PM), <https://twitter.com/DennysDiner/status/452973358619951104/photo/1>.

302. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 584 (1994); JAMES BOSWELL, *THE LIFE OF SAMUEL JOHNSON* 641 (Alfred A. Knopf 1993) (1791).

303. *Authors Guild v. Google, Inc.*, 804 F.3d 202, 223 (2d Cir. 2015).

304. See *supra* Section II.H.

305. See BOYDEN, *supra* note 129, at 3.

enormous amount of copyright disputes. Due to the diversity of digital infringement, including GIFs, the transformative use standard would have to be applied uniquely in each case. For example, in the Olympic scenario, a Tweeted GIF of Michael Phelps holding up a gold medal might not be considered transformative, while a GIF of Phelps brooding in a hoodie in connection with an author's reflections on depression could be considered highly transformative. The court would have to look at everything about the post, including its intent, its purpose in using the picture, any changes to the picture itself, its possible meanings, etc. The likelihood of inconsistent determinations, like those in certain movie poster cases,³⁰⁶ only increases in the social media context. As critics of the transformative use doctrine have noted, the analysis rarely relies on or creates any criteria or useful precedent.³⁰⁷

This is not true for the "market effects" factor, however, because this factor requires evaluating only a few contextual aspects. Does the new work have commercial value? Will it impinge the copyright holder's ability to profit from its creative efforts? Fewer considerations would increase the judiciary's ability to make consistent, reliable rulings.

V. CONCLUSION

Though the Supreme Court has yet to pivot away from its attachment to transformative use as the most important fair use consideration, the rise of widespread social media copyright infringement³⁰⁸ will eventually require a simplified standard. As cracks develop in the DMCA's takedown system,³⁰⁹ case-by-case, court-by-court, "transformative" evaluations cannot keep up with the eventual explosion in infringement litigation.

"Transformativeness" may have its place in fair use analysis, but its reign as the primary consideration for deciding fair use cases has only created confusion and uncertainty.³¹⁰ By questioning that consideration's usefulness, and concurrently promoting the "market effects" factor, the Seventh Circuit offers a clearer starting point for fair use analysis.³¹¹

A thirty-year-old doctrine based on one judge's analysis of a nineteenth-century case cannot be expected to endure forever. Given the increasing criticism from commentators and judges alike over the transformative use doctrine's usurpation of other traditionally important fair use factors (as, incidentally, codified by Congress), it is about time the doctrine was officially reigned in.

306. See *supra* text accompanying notes 212–24.

307. See Bunker, *supra* note 282, at 16.

308. See Randazza, *supra* note 116, at 748 ("One study reports that Google's notices . . . reached more than sixty thousand notices each month in 2012. Each notice may include between one and ten thousand takedown requests.").

309. See *supra* text accompanying notes 116–35.

310. See generally *Copyright Law—Fair Use*, *supra* note 227.

311. See generally *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756 (7th Cir. 2014).

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