

IN THE
Supreme Court of the United States

PATRICK CARIOU,

Petitioner,

v.

RICHARD PRINCE, GAGOSIAN GALLERY, INC.,
AND LAWRENCE GAGOSIAN,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether the Second Circuit's fact-specific, interlocutory decision that twenty-five colored collages depicting rock stars and erotic imagery in a post-apocalyptic alternative reality made fair use of altered portions of black-and-white portraits of Rastafarians and Jamaican landscapes, and that five other collages required additional fact-finding to determine whether they were fair use as well, was correct.

RULE 29.6 STATEMENT

Respondent Gagosian Gallery, Inc. has no parent corporation and no publicly held corporation owns 10 percent or more of its stock.

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STATEMENT

Counsel for Petitioner Patrick Cariou (“Cariou”) conceded before the Court of Appeals that “the district court’s legal premise was not correct.” Pet. App. 16. Moreover, to the extent that the Court were to revisit its decision in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), it would be more efficient to do so after the completion of the proceedings below when there will be a full record and a final judgment than to entertain the piecemeal appellate approach Cariou seeks.

The Second Circuit’s decision had three distinct holdings: (1) the district court applied the incorrect standard in determining whether Richard Prince (“Prince”) had made fair use of Cariou’s photographs; (2) based on the summary judgment factual record, Prince made fair use in twenty-five of the thirty artworks at issue; and (3) additional fact-finding is required in the district court to determine whether the remaining five artworks are also fair use. The case is currently proceeding in the district court on remand.

The Second Circuit’s decision, relying on this Court’s articulation of fair use in *Campbell*, is consistent with the law of this Court and of the other Courts of Appeal that have addressed this issue. There is no conflict either among the circuits or with this Court’s decisions. On the contrary, Cariou’s appeal, petition for rehearing *en banc*, and now petition for a writ of certiorari each have argued for a narrow interpretation of *Campbell* that is inconsistent with the goals of copyright and that, if followed, would create a bright-line rule limiting fair use to parody and satire, thereby eviscerating this Court’s

repeated and well-reasoned rule of law that no bright-line rules exist in the fair use analysis.

1. On December 30, 2008, Cariou sued Prince, Gagosian Gallery, Inc., and Lawrence Gagosian (together with Gagosian Gallery, Inc., “Gagosian,” and together with Prince, “Defendants”) for copyright infringement. Pet. App. 11.

On March 18, 2011, the district court granted Cariou’s motion for summary judgment on the issues of copyright infringement and fair use, denied Defendants’ cross-motion for summary judgment on the issue of fair use, and issued a permanent injunction *sua sponte*, ordering the “impounding, destruction, or other disposition, as Plaintiff determines” of Prince’s artworks. Pet. App. 65–66.

2. Defendants appealed. On April 25, 2013, the United States Court of Appeals for the Second Circuit reversed, holding that twenty-five of the thirty paintings constitute fair use as a matter of law. Pet. App. 29. The court analyzed the evidence for each of the thirty paintings individually under each enumerated factor of the fair use statute, 17 U.S.C. § 107 (“§ 107”). Considering Prince’s stated purposes and the perceptions of a reasonable observer, the Second Circuit found that twenty-five of the paintings are transformative as a matter of law because they “have a different character, give Cariou’s photographs a new expression, and employ new aesthetics with creative and communicative results distinct from Cariou’s.” Pet. App. 17–20. It also ruled that this transformative nature of Prince’s paintings mitigates his commercial purpose. Pet. App. 20–21. Based on objective market evidence, the court further held that Prince’s paintings did not harm

Cariou's incentive to create because "Prince's audience is very different from Cariou's, and there is no evidence that Prince's work ever touched—much less usurped—either the primary or derivative market for Cariou's work." Pet. App. 21–23. Moreover, the court noted that the creative nature of Cariou's photographs weighs in his favor, but is less significant due to the transformative nature of Prince's paintings. Pet. App. 23–24. Lastly, the court ruled that Prince's transformative purposes justified the amount and substantiality of the photographs that he appropriated. Pet. App. 24–26. Unable to determine the status of five of the paintings on the record before it, the Second Circuit remanded these five paintings to the district court for further proceedings, which are still pending. Pet. App. 26–28.

3. On June 10, 2013, the Second Circuit denied Cariou's petition for rehearing or rehearing *en banc*, Pet. App. 69, which contains essentially the same arguments as his petition for a writ of certiorari. (*See* Pet. for Rehearing *En Banc, Cariou v. Prince*, No. 11-1197 (2d Cir. May 8, 2013).)

4. On June 18, 2013, the district court ordered the parties to "submit papers on the Second Circuit's standard and the five works still at issue." Order, *Cariou v. Prince*, No. 08 Civ. 11327 (S.D.N.Y. June 18, 2013) (Docket No. 84). On August 1, 2013, Cariou filed a renewed motion for summary judgment and introduced new evidence in the form of an online video. (Mem. of Law Applying the Second Circuit's Fair Use Standard to the Analysis of the Five Artworks that Have Been Remanded to the District Ct., *Cariou v. Prince*, No. 08 Civ. 11327 (S.D.N.Y. Aug. 1, 2013) (Docket No. 85) ("Pl. Mem."), at 2, 14–18.) Defendants intend to oppose summary judgment, respond to evidence

introduced by Cariou for the first time, introduce new evidence, and seek a jury trial on liability and damages.

REASONS FOR DENYING THE PETITION

Review of this ongoing case is premature. Cariou now seeks summary judgment in the district court with respect to the five remanded artworks and has filed extensive briefing in that court introducing factual evidence outside the appellate record. This Court should deny the petition on this basis alone.

In any event, Cariou's attacks on the Second Circuit's decision concern fact-specific points concerning applications of law for which "a writ of certiorari is rarely granted," and none of which has merit. Sup. Ct. R. 10.

I. REVIEW IN THIS COURT WOULD BE PREMATURE DUE TO ONGOING DISTRICT COURT PROCEEDINGS

The Second Circuit ruled that twenty-five of the thirty paintings at issue were fair use and remanded the remaining five to the district court for further proceedings. *See* Pet. App. 29. Following the denial of Cariou's petition for rehearing *en banc* and issuance of the mandate to the district court, the district court ordered the parties to "submit papers on the Second Circuit's standard and the five works still at issue." Order, *Cariou v. Prince*, No. 08 Civ. 11327 (S.D.N.Y. June 18, 2013) (Docket No. 84). Plaintiff now seeks summary judgment on the five remanded artworks.

Cariou has not sought a stay of the district court proceedings. In addition to moving for summary judgment on the five remanded artworks, Cariou has introduced new evidence in the district court outside of the appellate record. (Pl. Mem. at 2, 14–18.) Defendants will oppose summary judgment and address the evidence introduced for the first time into these proceedings by Cariou, as well as seek a jury trial on liability and damages.

Accordingly, because the district court proceedings are ongoing and the record is still being developed, review in this Court would be premature.

II. THE SECOND CIRCUIT’S HOLDING THAT TWENTY-FIVE OF THE THIRTY COLLAGES ARE TRANSFORMATIVE FOLLOWS *CAMPBELL*, CREATES NO CIRCUIT SPLIT, AND IS CORRECT

In any event, the petition has no merit. The Court of Appeals’ analysis followed directly from *Campbell*. The court began analyzing the first statutory factor by quoting the transformative test from *Campbell* and applied that test exactly as *Campbell* did. Pet. App. 15. Nor is there any circuit split over the purpose-and-character prong.

A. *Campbell* Recognizes that Both the Purpose and the Character of the Second Use Have Independent Significance under the First Statutory Factor

1. Cariou argues that “examination of the secondary work’s character” is considered only “after the secondary user has asserted a particular purpose.” Pet. 17–18. That argument directly conflicts with § 107 and *Campbell*.

Section 107 expressly requires courts to consider, among other things, “the purpose *and* character of the use.” § 107(1) (emphasis added). Accordingly, *Campbell* notes that either a “further purpose” *or* a “different character” may be sufficient to find a work transformative. *Campbell*, 510 U.S. at 579. The Court stated:

We note in passing that [the defendants] need not label their whole album, or even this song, a parody in order to claim fair use protection. . . . Parody serves its goals whether labeled or not, and there is no reason to require parody to state the obvious (or even the reasonably perceived).

Id. at 583 n.17.

Thus, in rejecting Cariou’s argument that Prince must label his paintings as “satire or parody,” the Second Circuit, following *Campbell*, examined “how the artworks may ‘reasonably be perceived.’” Pet. App. 18–19 (quoting *Campbell*, 510 U.S. at 582). Citing *Campbell*, the Second Circuit stated that “[w]hat is critical is how the work in question appears to the reasonable observer, not simply what an artist might say about a particular piece or body of work.” Pet. App. 18–19. This examination led the court to conclude that “twenty-five of Prince’s artworks manifest an entirely different aesthetic from Cariou’s photographs” because “[w]here Cariou’s serene and deliberately composed portraits and landscape photographs depict the natural beauty of Rastafarians and their surrounding environs, Prince’s crude and jarring works, on the other hand, are hectic and provocative.” Pet. App. 17. Furthermore, “Prince’s composition, presentation, scale, color palette, and media are fundamentally different and

new compared to the photographs, as is the expressive nature of Prince’s work.” *Id.* (citing *Campbell*, 510 U.S. at 579).

Contrary to Cariou’s repeated assertions, Pet. 18, the court explicitly analyzed Prince’s testimonial statements of purpose in recognizing that Prince had a “drastically different approach and aesthetic from Cariou’s.” Pet. App. 17. The Second Circuit found that

Prince testified that he “[doesn’t] have any really interest in what [another artist’s] original intent is because . . . what I do is I completely try to change it into something that’s completely different. . . . I’m trying to make a kind of fantastic, absolutely hip, up to date, contemporary take on the music scene.” Prince Dep. 338:4–339:3, Oct. 6, 2009. As the district court determined, Prince’s *Canal Zone* artworks relate to a “post-apocalyptic screenplay” Prince had planned, and “emphasize themes [of Prince’s planned screenplay] of equality of the sexes; highlight ‘the three relationships in the world, which are men and women, men and men, and women and women’; and portray a contemporary take on the music scene.” *Id. Cariou*, at 349; *see* Prince Dep. 339:3–7, Oct. 6, 2009.

Pet. App. 17–18.

By focusing “primarily”—but not exclusively—“on the Prince artworks themselves,” the Second Circuit did not ignore purpose. Pet. App. 19; *see Brownmark Films*,

LLC v. Comedy Partners, 682 F.3d 687, 690, 692–93 (7th Cir. 2012) (finding a transformative purpose and character based “only” on a “side-by-side” comparison of the two works at issue). Rather, it found—consistent with *Campbell*—that a clear testimonial statement of purpose is not a requirement of fair use, that Cariou’s characterization of stray remarks from Prince’s deposition is unpersuasive, and that what a reasonable observer perceives to be transformative is more telling on these facts.

Campbell applied the same analysis. In *Campbell*, this Court held that a parodic rap song satirizing the song “Oh Pretty Woman” may constitute fair use where, among other things, it is “transformative” of the original. 510 U.S. at 578–83. In applying the four nonexclusive factors under § 107, the Court first examined “the purpose and character of the use,” stating that:

[t]he central purpose of this investigation is to see, in Justice Story’s words, whether the new work merely “supersede[s] the objects” of the original creation, or instead adds something new, with a further purpose *or* different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is “transformative.”

Id. at 579 (emphasis added) (citations omitted).

In applying this test, this Court considered the purpose of the use and the character of the use independently. The Court first considered a defendant’s

testimony stating that his purpose was to “satirize the original work” through comical lyrics. *Id.* at 572. The Court then considered “whether a parodic character may reasonably be perceived” in the second work. *Id.* at 582. Answering this question in the affirmative, the Court stated that the song “juxtaposes the romantic musings of a man whose fantasy comes true, with degrading taunts, a bawdy demand for sex, and a sigh of relief from paternal responsibility.” *Id.* at 583.¹

2. Cariou claims that the Second Circuit’s decision “conflicts” with *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 629 (9th Cir. 2003), which noted, in passing, that the defendant in that case did not offer “a specific justification regarding its use of Plaintiffs’ copyrights.” Pet. 22. He is mistaken.

1. It hardly bears mentioning that the amicus’s proposal that fair use be limited to the examples “enunciated in the statute’s preamble” (Br. of N.Y. Intell. Prop. L. Assoc. 3) directly conflicts with the plain text of § 107 and *Campbell*. See § 107 (“[T]he fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes *such as* criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright.” (emphasis added)); *Campbell*, 510 U.S. at 577–78 (“The text employs the terms ‘including’ and ‘such as’ in the preamble paragraph to indicate the ‘illustrative and not limitative’ function of the examples given, which thus provide only general guidance about the sorts of copying that courts and Congress most commonly had found to be fair uses.” (internal citations omitted)). Indeed, Cariou’s counsel conceded before the Court of Appeals that the reading advanced by the amicus “was not correct.” Pet. App. 16.

It is telling that the only support Cariou could muster for his proposed circuit split is one line from one case in one circuit. It is further telling that the Ninth Circuit recently relied on the Second Circuit's opinion when determining the transformative nature of a second use before it. *See Seltzer v. Green Day Inc.*, 725 F.3d 1170, 1177 (9th Cir. 2013) (citing *Cariou*, 714 F.3d at 708 for the proposition that “an allegedly infringing work is typically viewed as transformative as long as new expressive content or message is apparent”).

Even this one line, when read in context, does not support Cariou's alleged circuit split. In *Elvis*, the defendant used television clips, still photographs, and music of Elvis in its video documentary of Elvis. 349 F.3d at 624. The court found that some of the uses of the television clips were likely transformative and others likely not. *Id.* at 628–29. When making this determination, the court relied on the appearances of the clips in the film and inferences about the defendant's purpose drawn from those appearances. *See id.* The court did not cite or reference any direct testimonial statements of the defendant's purpose in its discussion of transformativeness. *See id.* The sole line that Cariou quotes—“Finally, [the defendant] does not even offer up a specific justification regarding its use of Plaintiffs' copyrights in still photographs and music”—comes immediately after the court finishes discussing the television clips. *Id.* at 629. This line does not show that the court required a testimonial statement of the defendant's purpose which the defendant failed to provide. Instead, taken in context, it refers to the Court's belief that the defendant's lawyers only argued that their client's use of the television clips was transformative, and neglected to argue that their client's use of the stills and music, in particular, was also transformative.

Cariou also argues that the Second Circuit’s supposed “disregard of Prince’s testimony and exclusive reliance on its own aesthetic sensibilities” is at odds with *Blanch v. Koons*, 467 F.3d 244 (2d Cir. 2006). Pet. 21. But the Second Circuit in *Blanch*, following footnote 17 in *Campbell*, explicitly rejected Cariou’s proposed testimonial statement of purpose rule, noting that the artist’s “clear conception of his reasons for using [the original], and his ability to articulate those reasons, ease our analysis in this case. We did not mean to suggest, however, that either is a *sine qua non* for a finding of fair use—as to satire or more generally.” *Blanch*, 467 F.3d at 255 n.5.

B. The Second Circuit’s Application of the First Statutory Factor Is Correct

The plain language of § 107 compels the Second Circuit’s (and *Campbell*’s) reading of the first statutory factor. Section 107(1) requires, in relevant part, the court to consider “the purpose and character of the use.” This language gives “purpose” parallel treatment with “character.” Indeed, Cariou’s interpretation—that “[t]he examination of the secondary work’s character” is only “undertaken in order to determine whether the claimed purpose is credible or is pretextual,” Pet. 17–18—reads “character” out of § 107(1) entirely.

Furthermore, Cariou’s testimonial statement of purpose rule cannot be reconciled with the goal of copyright law, which is “[t]o promote the Progress of Science and useful Arts.” *Campbell*, 510 U.S. at 575 (quoting U.S. Const., Art. I, § 8, cl. 8). Not all artists can state in words why their art benefits the public. In many cases, this is *why* an artist will create art—to express himself in a way that he cannot in words. Thus, imposing a

testimonial statement of purpose requirement for finding fair use and giving no independent importance to the character of the work would significantly under-protect art that benefits the public. *See id.* at 583 n.17.

1. Cariou argues that “creat[ing] new aesthetics cannot, by itself, supply sufficient justification” for fair use. Pet. 16. This argument misconstrues the Second Circuit’s decision. The Second Circuit found that Prince’s artworks have “a different character” and “new expression,” in addition to “new aesthetics,” all of which collectively add “something new” to Cariou’s photographs. Pet. App. 19–20. This is consonant with *Campbell*, which ruled that “[t]he central purpose” of the first statutory factor is to determine whether the new work “adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” *Id.* at 579. Thus, Prince’s purpose to create new aesthetics and new meanings by appropriating Cariou’s photographs is a sufficient justification for fair use.

Strangely, Cariou relies on a pre-*Campbell* Second Circuit case, Pet. 16 (quoting *Rogers v. Koons*, 960 F.2d 301, 310 (2d Cir. 1992)), which, he claims (incorrectly), imposed a comment requirement. At least since *Campbell*, however, “[t]he law imposes no requirement that a work comment on the original or its author in order to be considered transformative.” Pet. App. 16; *see also Seltzer*, 725 F.3d at 1177. In fact, Cariou conceded this point before the Second Circuit. Pet. App. 16.

Additionally, Cariou contends that the Second Circuit’s decision “abrogates the copyright owner’s exclusive right to prepare and authorize” derivative

works. Pet. 22–23. But the Second Circuit’s emphasis on the transformative nature of Prince’s artwork leaves ample room for a copyright holder’s derivative rights as expressed in 17 U.S.C. § 106(2). For example, in this case, Cariou’s derivative rights would have been violated, and Prince would not have a fair use defense, if Prince had sold written descriptions of each photograph in *Yes, Rasta*; had sold 5 x 6 copies of *Yes, Rasta*; or had sold coffee mugs displaying Cariou’s photographs unaltered. These examples do not transform the meanings and aesthetics of Cariou’s photographs. *See* Pet. App. 20 (“A secondary work may modify the original without being transformative. For instance, a derivative work that merely presents the same material but in a new form, such as a book of synopses of television shows, is not transformative.”).

2. Cariou also contends that, because his photographs were supposedly “typical of their genre,” there was no reason for Prince to use Cariou’s specific photographs rather than photographs in the public domain. Pet. 15. He does not cite any authority for this novel proposal, nor is it in § 107 or the precedent of this Court.

There is good reason that no such rule has been adopted: it would conflict with the goal of copyright “[t]o promote the Progress of Science and useful Arts.” *Campbell*, 510 U.S. at 575 (quoting U.S. Const., Art. I, § 8, cl. 8). First, Cariou’s rule would impose burdensome costs on second users who would have to scour the entire public domain for each raw material each time they create something new to determine whether there is a close substitute for the original. Second, Cariou’s rule would increase the costs of litigating fair use cases by requiring countless comparisons of public domain works

to assess their substitutability for the copyrighted work. Third, Cariou's rule would actually harm, rather than protect, first users' incentives to create. Under Cariou's rule, a second user would make fair use of an original (and thereby not have to pay a fee) only when there are no close substitutes in the public domain—but that is precisely when an original has its most economic value. To the extent there is a close substitute in the public domain for the original, no one would pay for the original. *See* Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1124 n.85 (1990) (“If a royalty obligation attached to every secondary use, many would simply forgo use of the primary material in favor of free substitutes.”).

3. Finally, contrary to Cariou's assertions, Pet. 18–20, the Second Circuit's ruling produces coherent, predictable results. As *Campbell* requires, the fair use determination still “calls for case-by-case analysis.” *Campbell*, 510 U.S. at 577. While Defendants maintain that all thirty paintings are transformative, the Second Circuit's remand of five of the paintings is understandable. The Second Circuit recognized “key differences” in each of the five remanded paintings while hesitating to conclude whether those differences were “enough to render it transformative” because the court concluded that the remaining five works were “still similar in key aesthetic ways.” Pet. App. 26-28. With regard to the twenty-five works, the Second Circuit found that Prince's artworks “manifest an entirely different aesthetic” and thus the “transformative nature” of Prince's works could not be disputed. Pet. App. 17. Having decided against summary judgment in favor of the defendants on the remanded works, the only conceivable resolution of the disputed fact as to “whether the artworks are transformative” will be subject to determination by a jury. Pet. App. 28.

III. THE TRANSFORMATIVE NATURE OF PRINCE'S COLLAGES JUSTIFIES THE AMOUNT AND SUBSTANTIALITY OF THE PHOTOGRAPHS HE USED

A. Cariou posits that *Campbell's* “approval of substantial copying was clearly limited to parody.” Pet. 23–25. This too is incorrect.

The third statutory factor considers “the amount and substantiality of the portion used in relation to the copyrighted work as a whole.” § 107(3). The *Campbell* Court noted that “the extent of permissible copying varies with the purpose and character of the use.” *Campbell*, 510 U.S. at 586–87. Furthermore, “context is everything,” so the court must ask what the second user “did besides go to the heart of the original.” *Id.* at 589. Applying these principles to the context of the parody before it, the Court acknowledged that (i) copying substantial portions of the original may be justified because a parody must evoke the most memorable qualities of its target to make its intended effect known to the audience, and (ii) the parody in question contained several elements not found in the original. *See id.* at 588.

The Second Circuit applied these principles to the context before it. Citing *Campbell* and circuit authorities, the court explained that Prince’s use of the source photographs—which varies in each painting—was sensitive to his transformative purposes in at least twenty-five of his paintings. *See* Pet. App. 24–26. It concluded that Prince was justified in using “key portions of certain of Cariou’s photographs” because “in twenty-five of his artworks, Prince transformed those photographs into something new and different.” Pet. App. 25–26.

The Second Circuit’s conclusion rests on ample facts. The new aesthetics and new meanings Prince created are detailed in Section I, *supra*. These transformations show what Prince did “besides go to the heart of the original.” *Campbell*, 510 U.S. at 589; *see also Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 613 (2d Cir. 2006).

Moreover, Prince’s transformative purposes required appropriation of key images of the source photographs. To “juxtapose,” *Campbell*, 510 U.S. at 583, and expose as exaggerated both the fantasy of popular culture’s commercialized understanding of Rastafarians with the naturalist understanding of Rastafarians, *see* Brian Appel, *Ocular Intoxication: Richard Prince’s “Canal Zone” at Gagosian*, http://www.brianappelart.com/art_writing_090325-ocular_intoxication_richard_prince_canal_zone.htm; *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 115 (2d Cir. 1998), Prince had to show both understandings as they exist in the world, to make them recognizable. *See* Joint Appendix (“J.A.”) A-746–A-747, at ¶ 14 (“I like to use other people’s work to incorporate facts into my work to reduce speculation and make them more genuine.”); J.A. A-1184–A-1185, at 44:10–45:21. *See also Blanch*, 467 F.3d at 255, 257–58 (“By using an existing image, I also ensure a certain authenticity or veracity.” (quotations omitted)); *Rokeach v. Avco Embassy Pictures, Corp.*, 1978 WL 23519, at *8 (S.D.N.Y. Jan. 17, 1978) (upholding fair use where play used facts and dialogue from a scientific study because the playwright had to give his work “a degree of authenticity, a rooting in reality”).

To evoke concepts of Rastafarian rock stars, Prince needed to use entire image of Rastafarians—a pair of

legs or a toe would not evoke Bob Marley. *See Seltzer*, 725 F.3d at 1178 (holding third factor does not weigh against defendants because the original—a poster of a face—“is not meaningfully divisible”); *Mattel, Inc. v. Walking Mt. Prods.*, 353 F.3d 792, 804 (9th Cir. 2003) (where defendant took photographs of obscured Barbie dolls in erotic poses, plaintiff’s “argument that [defendant] could have used a lesser portion of the Barbie doll is completely without merit and would lead to absurd results”).

Furthermore, because Prince’s screenplay was set on a post-apocalyptic island, he needed vast, lush vegetation as a tropical referent to evoke the idea of a tropical paradise in the viewer’s mind. A single black-and-white plant or patch of grass would not “do that trick.” J.A. A-1262 at 354:19–355:7; *see also Blanch*, 467 F.3d at 255. Thus, given the requirements of making his transformative meanings come to life in the viewer’s mind, as well as the significant aesthetic differences between the paintings and photographs, the Second Circuit correctly held that Prince’s use was justified.

Cariou objects that Prince could have no “conceivable justification for appropriating an entire copyrighted landscape photograph only in order to obscure it and make it unrecognizable.” Pet. 26. Cariou misunderstands Prince’s unique style of collaging, which often involves layering images to create a “jarring,” “hectic,” and dream-like effect. *See* Pet. App. 17; J.A. A-745–A-751, at ¶¶ 9, 26, 27. The fact that the photographs are “barely recognizable” helps prove the paintings are transformative and are not capable of superseding the photographs. *See* Pet. App. 25; *Mattel*, 353 F.3d at 803–04.

Cariou observes that Prince creates his artwork quickly. Pet. 26. So did Picasso. *See* J.A. A-768, at ¶ 62. This evidence shows that Prince is a talented artist who experiments with innovative techniques and does not want to “overthink” his artwork. *See* J.A. A-1242, at 273:4–276:5; A-768, at ¶ 62. It does not show that his paintings are unworthy of fair use protection. *See Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 353–54 (1991) (rejecting the “sweat of the brow” test as a justification for copyright protection).

B. Cariou argues that the Second Circuit’s decision “conflicts with its earlier decision in *Blanch*” with regard to the amount-and-substantiality factor. Pet. 27 n.6. However, *Blanch* strongly supports the decision below on this factor. The appropriation artist in *Blanch* satirized consumer advertising culture. *See Blanch*, 467 F.3d at 255. To accomplish this purpose, he needed only an ubiquitous image of women’s legs selling shoes, and not the background, which showed an airplane. *See id.* at 258. Likewise, in some of Prince’s paintings, such as *Cheese and Crackers*, Prince needed only the Rastafarian figure cut out of the background to fulfill his purpose. In this painting, Prince used the Rastafarian to represent a member of a rock band, and totally replaced the background with swirling paint to pay homage to the artist Willem de Kooning. *See* J.A. A-756, at ¶ 38; A-1236, at 251:6–252:17. In other paintings, such as *Djuana Barnes, Natalie Barney, Renee Vivian and Romaine Brooks Take Over the Guanahani*, Prince had to use landscape photographs to evoke tropical imagery to place the viewer on Prince’s fantasy island. *See* J.A. A-765–A-766, at ¶ 55; A-1262–A-1263, at 355:23–358:16. The use of differing degrees of photographic background

in each painting reflects the fact that each painting has unique meanings. *See* J.A. A-744–A-770, A-933–A-935. Thus, *Blanch*, like the decision below, permits the second user to appropriate key portions of the original that aid in fulfilling his transformative purposes.

As Cariou notes, Pet. 25 n.5, many courts of appeals have extended *Campbell*'s allowance of substantial copying beyond parody cases “because copying the entirety of a work is sometimes necessary to make a fair use of the image.” Pet. App. 25 (quotations omitted); *see, e.g., Seltzer*, 725 F.3d at 1178; *A.V. ex rel. Vanderhye v. iParadigms, LLC*, 562 F.3d 630, 642 (4th Cir. 2009); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1166–68 (9th Cir. 2007); *Bill Graham*, 448 F.3d at 613; *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 820–21 (9th Cir. 2003); *Nunez v. Caribbean Int’l News Corp.*, 235 F.3d 18, 24 (1st Cir. 2000). *See also* Melville B. Nimmer and David Nimmer, 4 *Nimmer on Copyright* § 13.05[D] (2013); Leval, *supra*, at 1122–24.

IV. THE SECOND CIRCUIT APPROPRIATELY FOUND THAT PRINCE’S COLLAGES DO NOT HARM THE ACTUAL OR POTENTIAL MARKETS FOR CARIOU’S PHOTOGRAPHS OR THEIR DERIVATIVES

A. The Second Circuit’s Analysis of the Fourth Statutory Factor Is Exhaustive and Follows *Campbell*

1. Cariou argues the Second Circuit placed “the burden of coming forward with evidence of lack of harm to [his] potential derivative market” on Cariou. Pet.

29–30. To the contrary, the court followed *Campbell* and considered many pieces of evidence on this factor and found Cariou’s contentions unsupported.

The fourth statutory factor considers “the effect of the use upon the potential market for or value of the copyrighted work.” § 107(4). The *Campbell* Court considered “the extent of market harm” to the original and to its derivatives, as well as harm to “the potential market” for the original and for its derivatives. *Campbell*, 510 U.S. at 590 (quotations omitted). “The market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop.” *Id.* at 592. “Market substitution” is the only relevant harm. *Id.* at 593. Applying this factor, the *Campbell* Court ruled that the defendants presented uncontested affidavits proving there was no harm to the market for the original, but failed to present any evidence on the market for rap derivatives. *See id.* at 593. The Court remanded for the lower court to plug this “evidentiary hole.” *Id.* at 593–94.

The Second Circuit followed *Campbell* in holding that this factor favors Prince. There is no harm to Cariou’s actual or potential original market because the audience for Prince’s paintings is “very different” from the audience for Cariou’s photographs and “the nature of the infringing content” is also very different from the photographs. Pet. App. 22–23. Prince’s postmodern paintings fill a pop culture niche; Cariou’s black-and-white photographs fill a classical portraiture niche. *See* Pet. App. 6, 17–18. Prince’s paintings sold for millions of dollars; *Yes, Rasta* sold for \$60 less applicable discounts. *Compare* Pet. App. 23, with J.A. A-552, at ¶ 5. Prince’s paintings are unique and life-

size; *Yes, Rasta* is available in bookstores and fits on a coffee table. *See* Pet. App. 7–8. Prince’s paintings were exhibited publicly; Cariou’s photographs have only been made publicly available in book form. *See* Pet. App. 22–23. If anything, the *Canal Zone* series has increased—not harmed—*Yes, Rasta*’s value, which has almost tripled since the creation of the paintings. *Compare* J.A. A-552, at ¶ 5 (stipulating that the retail price of *Yes, Rasta* was \$60 less applicable discounts from 2000 to 2008), *with* www.amazon.com (search on 9/24/2013 showing that price of new copy of *Yes, Rasta* is \$145.78); *see also* *Nunez*, 235 F.3d at 25 (holding that an increase in the value of the original due to the second use weighs in favor fair use).

There is also no harm to Cariou’s actual or potential derivative market. Cariou’s copyright does not extend to barring second uses for reasons unrelated to the goal of copyright law; he only has a right to prevent “market substitution.” *Campbell*, 510 U.S. at 593.² But

2. The amicus incorrectly asserts that the Second Circuit’s decision conflicts with this Court’s decision in *Stewart v. Abend*, 495 U.S. 207, 237 (1990), claiming that the exclusive rights of artists to control derivative works are “trampled” as a result. Br. of N.Y. Intell. Prop. L. Assoc. 2, 6, 14. However, commentators have warned of the “vice of circular reasoning” inherent in the market-effect inquiry, where “a copyright holder can *always* assert some degree of adverse affect on its potential licensing revenues . . . simply because the copyright holder has not been paid a fee to permit that particular use.” *Am. Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 941 n.17 (2d Cir. 1994) (emphasis in original) (citing Leval, 103 Harv. L. Rev. at 1124). There would be nothing left of fair use if the defendant were found to usurp the plaintiff’s work merely because the defendant did not obtain a license from the plaintiff. M. Nimmer & D. Nimmer, 4 Nimmer on Copyright § 13.05[4] (2011). In concluding that twenty-five of Prince’s works

Prince's paintings are not of a kind that Cariou "would in general develop or license others to develop." *Id.* at 592. Therefore, they are not market substitutes for any potential derivatives of Cariou's photographs. The Second Circuit considered several pieces of affirmative evidence on this issue:

First, Prince's paintings are transformative because they create a whole new aesthetic. Pet. App. 19–20. This fact is crucial because where "the second use is transformative, the market substitution is at least less certain, and market harm may not be so readily inferred." *Campbell*, 510 U.S. at 591.

were fair use, the Second Circuit explained that "an accused infringer has usurped the market for copyrighted works, including the derivative market, where the infringer's target audience and the nature of the infringing content is the same as the original." *Cariou*, 714 F.3d at 79. This holding is consistent with *Stewart*, where this Court found that the second work had made use of the "unique setting, characters, plot, and sequence of events" of a fictional story, thereby "impinging" on the market for new versions of that story. *Stewart*, 495 U.S. at 210.

Moreover, there was no reasonable likelihood here that Prince could have obtained a license for a project that Cariou would have found distasteful and possibly denigrating. *See Campbell*, 510 U.S. at 592 ("[T]he unlikelihood that creators of imaginative works will license critical reviews or lampoons of their own productions removes such uses from the very notion of a potential licensing market."). Prince's works therefore could not have harmed Cariou in a market niche that Cariou "simply had no interest in occupying." *Twin Peaks Prods., Inc. v. Publ'ns Int'l, Ltd.*, 996 F.2d 1366, 1377 (2d. Cir. 1993). Cariou cannot "preempt exploitation of transformative markets" by "prevent[ing] others from entering fair use markets." *Bill Graham*, 448 F.3d at 614–15.

Second, Prince’s artwork juxtaposes a commercialized understanding of Rastafarians as cartoon-like, marijuana-smoking rock stars with the naturalist understanding of Rastafarians as a proud, deeply religious folk. Seeing these images side-by-side, a reasonable observer could interpret Prince’s artwork as criticizing both understandings as comically exaggerated. *See Appel, supra*. “[T]he unlikelihood that creators of imaginative works will license critical reviews or lampoons of their own productions removes such uses from the very notion of a potential licensing market.” *Campbell*, 510 U.S. at 592.

Third, Cariou wanted the *Yes, Rasta* photographs to represent classical portraiture rather than pop culture. Pet. App. 6 (citing J.A. A-1550, at 187:8–15). As a result, it is very unlikely that Cariou would in general license Prince to place his serene images of noble Rastafarians in a debased, pop culture setting of sex, drugs, and rock-and-roll. *See Mattel*, 353 F.3d at 796, 805–06 (holding the second use does not usurp Mattel’s potential market because Mattel is very unlikely to license photographs of Barbie dolls in “various absurd and [] sexualized positions”).

Fourth, Cariou thinks (incorrectly) that Prince’s paintings are racist. *See Adam Lindemann, My Artwork Formerly Known as Prince*, N.Y. Observer, Mar. 29, 2011, <http://observer.com/2011/03/my-artwork-formerly-known-as-prince/>. A first user is highly unlikely to license a second user to create art that he finds offensive. *See Bourne Co. v. Twentieth Century Fox Film Corp.*, 602 F. Supp. 2d 499, 510 (S.D.N.Y. 2009) (ruling that the second use does not usurp plaintiff’s potential market where the original is “wholesome[]” and the second use is likely to be offensive to Jews).

Fifth, Cariou has never licensed the *Yes, Rasta* photographs to anyone other than the publisher of *Yes, Rasta*. Pet. App. 41. Use of a plaintiff's past licensing conduct is relevant, at least to determining what a copyright holder would in general license others to do. See *Am. Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 930–31 (2d Cir. 1994) (ruling that lost potential revenue from licensing individual articles is protected because the plaintiff-publishers had created “a workable market for institutional users to obtain licenses” for individual articles, where articles had previously been available only in journal volumes). See also *Blanch*, 467 F.3d at 258 n.9; *Nunez*, 235 F.3d at 25.

Contrary to Cariou's assertions, Pet. 29–30, the preceding analysis shows the Second Circuit placed the burden of proof on the Defendants, as *Campbell* requires. The Defendants presented numerous pieces of affirmative evidence that disprove any harm to Cariou's actual or potential original and derivative markets. After discussing affirmative evidence, the Second Circuit noted that “nothing in the record suggests that anyone will not now purchase Cariou's work, or derivative non-transformative works (whether Cariou's own or licensed by him) as a result of the market space that Prince's work has taken up,” demonstrating the contrast between Defendants' pile of evidence and Cariou's utter lack of evidence. Pet. App. 23; see *Brownmark*, 682 F.3d at 693–94; *Compaq Computer Corp. v. Ergonome Inc.*, 387 F.3d 403, 410–11 (5th Cir. 2004); *SunTrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1274–76 (11th Cir. 2001). It does not mean that the record was “silent,” as in *Campbell*. See *Campbell*, 510 U.S. at 594.

2. Cariou also asserts that “the Second Circuit wrote off Celle’s testimony” improperly. Pet. 29. He is wrong. In late August, 2008, Christiane Celle (“Celle”), a gallery owner, approached Cariou about a possible show featuring some of his works, including *Yes, Rasta*; they never made definite plans. Pet. App. 10–11. In November or December of 2008, someone told Celle’s husband, who told Celle, that Cariou’s *Yes, Rasta* photographs were “in the show with Richard Prince.” J.A. A-1606, at 113:15–24. Celle called Cariou about this third-hand rumor, but Cariou never responded. Pet. App. 11. Celle never saw the Prince exhibit. J.A. A-1606, at 113:12–13. Mistakenly concluding that Cariou had decided to collaborate with Prince, rather than put on a *Yes, Rasta* show with her, Celle decided not to put on a *Yes, Rasta* show and considered putting on a different exhibit with Cariou. *See* Pet. App. 11 (citing J.A. A-1599–A-1600, at 88:15–89:7). Cariou never followed through. *Id.* A month or two after Celle made this decision, Celle claims she told Cariou that she does not want to capitalize on “the Richard Prince notoriety” or “the success or the bad press.” *See* J.A. A-1603–A-1604, at 103:11–106:20.

The Second Circuit explained that this testimony proves “Celle did not decide against putting on a *Yes Rasta* show because it had already been done at Gagosian, but rather because she mistakenly believed that Cariou had collaborated with Prince on the Gagosian show.” Pet. App. 22. An intermediary’s uninformed belief—based on rumor and no personal knowledge—that Cariou displayed his works elsewhere is not evidence that anyone bought Prince’s paintings as a substitute for Cariou’s photographs. *See Campbell*, 510 U.S. at 593.

B. The Second Circuit’s Acknowledgement that Cariou Has Not Licensed His Photographs Does Not Create a Circuit Split

Cariou contends the Second Circuit’s “emphasis on Cariou not having aggressively marketed his work overlooks the statutory focus on *potential markets* and conflicts with decisions of other circuits.” Pet. 28. That is wrong. The court appropriately used this evidence to help establish (1) that there is no harm to Cariou’s existing market, and (2) the definition of the potential derivative market. Indeed, the Ninth Circuit, the only circuit to consider the Second Circuit’s decision, has followed the Second Circuit’s analysis in this case finding the fourth factor weighs in favor of fair use where “there is no reasonable argument that conduct of the sort engaged in by [defendants] is a substitute for the primary market for [plaintiff]’s art.” *Seltzer*, 725 F.3d at 1179 (holding “where the allegedly infringing use does not substitute for the original and serves a different market function, such factor weighs in favor of fair use.”) (internal citations omitted).

Campbell requires consideration of “the extent of market harm” to the copyright owner’s existing market. *Campbell*, 510 U.S. at 590. In *Campbell*, the defendants presented uncontested affidavits proving there was no harm to the plaintiff’s existing market. *Id.* at 593. In the present case, the court noted, among numerous other pieces of evidence, that Cariou “has not actively marketed his work.” Pet. App. 23. This evidence helps show, in tandem with the other record evidence showing lack of market substitution, that Prince could not have harmed the existing market for Cariou’s works because there was

no such market. *See Compaq*, 387 F.3d at 410–11 (finding no harm to existing market for original in part because defendants “decided to cease actively marketing” it).

Campbell also requires the court to consider the potential derivative market, defined as “only those [uses] that creators of original works would in general develop or license others to develop.” *Campbell*, 510 U.S. at 592. To determine the uses that original creators in general license, the Court noted the plaintiff’s argument that the copyright holder’s past licensing activity matters. *See id.* at 593. In that case, the second use was rap music (in addition to being a parody) and “another rap group sought a license [from the copyright holder] to record a rap derivative” of the original. *See id.* The Court then stated that this fact is “no evidence that a potential rap market was harmed” by the parody, but concluded there was a potential rap derivative market. *See id.* Thus, the implication is that courts should consider past licensing activity to help define the potential derivative market, but this evidence does not prove harm or lack of harm to the potential derivative market.

The Second Circuit used evidence of Cariou’s past activity consistently with *Campbell*. The court quoted *Campbell*’s definition of potential derivative markets. Pet. App. 22. It concluded that Cariou would not “ever develop or license secondary uses of his work in the vein of Prince’s artworks.” Pet. App. 22–23. As one supporting fact among many, the court pointed out that “Cariou has not aggressively marketed his work.” Pet. App. 23. The court ruled there is no potential derivative market for postmodern appropriations of classical portraiture. *See id.* It did not rule that Cariou forfeited his right to a

potential market by not licensing his photographs. Use of this evidence in this way is consistent with *Blanch* as well, where the court stated,

We have sometimes found that the fourth factor favors the plaintiff even in the absence of evidence that the plaintiff has tapped, or even intends to tap, a derivative market. But nothing in the record here suggests that there was a derivative market for [the plaintiff] to tap into that is in any way related to [the defendant's] use of her work, even if she dearly wanted to.

Blanch, 467 F.3d at 258 n.9 (citations omitted); *see also Nunez*, 235 F.3d at 25 (finding no potential market exists “for professional photographs of models publishable [in newspapers] only due to the controversy of the photograph itself” because the defendant and other photographers do not commonly license such photographs to newspapers).

The Second Circuit's two applications of Cariou's inactivity are also consistent with the two cases Cariou cites to propose a circuit split. In both cases, unlike here and unlike in *Campbell*, the purpose for copying and the targeted audience were the same as the original work. In *Balsley v. LFP, Inc.*, 691 F.3d 747, 761 (6th Cir. 2012), the defendant interfered with the potential original market for erotic photographs of one of the plaintiffs because it printed and sold those photographs unaltered in an issue of its erotic magazine. *See id.* The court simply ruled that a lack of prior licensing does not result in the copyright holder's forfeiture of future licensing rights.

Worldwide Church of God v. Philadelphia Church of God, Inc., 227 F.3d 1110 (9th Cir. 2000), considered the same argument as in *Balsley*, and rejected it for the same reasons. The defendant “argue[d] that [plaintiff’s] failure to exploit [the original] for ten years and its lack of a concrete plan to publish a new version show that ‘[the original] has no economic value to the [plaintiff] that the [defendant’s] dissemination of the work would adversely affect.’” *Worldwide Church*, 227 F.3d at 1119. The court rejected this argument “first, because the relevant consideration was the ‘potential market’ and, second, because [the plaintiff] has the right to change his mind.” *Id.* Again, this statement has nothing to do with the existing market, nor with the definition of the potential derivative market. As in *Balsley*, the relevant market was clear. The defendant interfered with the potential original market for the plaintiff’s teachings because the defendant “appropriated [the original] in its entirety for the very purposes for which [the plaintiff] created [the original].” *Id.* at 1120. Like *Balsley*, the court ruled that a copyright holder’s right to license his work in the future is not jeopardized by his decision not to license his work in the past.

CONCLUSION

The petition for a writ of certiorari should be denied.

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