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# *Bill Graham Archives v. Dorling Kindersley Limited:* The Ever-Changing Face of the Fair Use Defense

Christina Alvarado\*

## I. INTRODUCTION

In *Campbell v. Acuff-Rose Music, Inc.*,<sup>1</sup> the United States Supreme Court conducted a modern exploration of the fair use defense to copyright infringement. A reflection of current pop culture, the dispute centered on the alleged infringement of Roy Orbison's copyright in the rock ballad, "Oh, Pretty Woman," by eccentric rap group 2 Live Crew.<sup>2</sup> To aid in its analysis of the § 107 fair use test prescribed by the Copyright Act of 1976,<sup>3</sup> the Court adopted the "transformative use standard" coined by Judge Pierre Leval in his 1990 Harvard Law Review article *Toward a Fair Use Doctrine*.<sup>4</sup> Twelve years later, the Second Circuit attempted to follow *Campbell* with their decision in *Bill Graham Archives v. Dorling Kindersley Limited*.<sup>5</sup> The Second Circuit included the "transformative" inquiry within their fair use analysis to resolve a dispute involving a publisher's unauthorized reproduction of Grateful Dead images within a biography.<sup>6</sup> The ultimate finding of fair use was correct, but the court failed to fully discuss the current role of "transformative use" under § 107, signaling the ongoing struggle to define a cognizable doctrine. Applying § 107's constantly evolving, case-specific framework to each dispute remains a chore for the federal courts and *Bill Graham Archives* is no exception.

## II. FACTUAL BACKGROUND

Dorling Kindersley Limited, Dorling Kindersley Publishing, Inc., and R.R. Donnelley & Sons Company (collectively "DK") created a biography, with assistance from Grateful Dead Productions ("GDP"), entitled "Grateful Dead: The Illustrated Trip" ("the book").<sup>7</sup> The book was designed to take the reader on a tour of the Grateful Dead's historical career through a chronology

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1. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994).
2. *Id.* at 571.
3. *See* 17 U.S.C. § 107 (2006).
4. *Campbell*, 510 U.S. at 579; *see also* Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105 (1990).
5. *Bill Graham Archives v. Dorling Kindersley Ltd. (Bill II)*, 448 F.3d 605 (2d Cir. 2006).
6. *See id.* at 608-09.
7. *Id.* at 607.

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of memorable events.<sup>8</sup> Anticipating the use of images owned by Bill Graham Archives (“BGA”) within the book, DK’s researcher contacted BGA on behalf of GDP.<sup>9</sup> BGA offered to accommodate DK’s request in exchange for permission to produce CDs and DVDs created from Grateful Dead concert footage.<sup>10</sup> While DK rejected BGA’s offer, BGA tentatively granted DK permission to produce the majority of the disputed images.<sup>11</sup> But, just as negotiations were near completion, the two parties failed to agree on pricing for a few images, effectively preventing the finalization of an agreement.<sup>12</sup> Without a licensing arrangement, DK nevertheless used seven of BGA’s copyrighted images within the book published in October 2003.<sup>13</sup>

The book, 480 pages in length, depicted the history of the Grateful Dead through a timeline that spanned its pages.<sup>14</sup> The timeline was surrounded by text and over 2,000 images intended to represent specific events within the band’s career.<sup>15</sup> In order to enhance the reader’s experience, DK carefully positioned the images on the timeline in correlation to the event that they were intended to represent.<sup>16</sup> The images at issue consisted of reproductions of six Grateful Dead concert posters and one concert ticket in reduced form.<sup>17</sup>

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8. *Id.*

9. *Bill Graham Archives v. Dorling Kindersley Ltd. (Bill I)*, 386 F. Supp. 2d 324, 326 (S.D.N.Y. 2005).

10. *Id.*

11. *Id.*

12. *Id.*

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

14. *Id.*

15. *Id.*

16. *Id.*

17. *Bill I*, 386 F. Supp. 2d at 325 n.1. The first image depicted a poster for a September 1967 Jefferson Airplane and Grateful Dead show. *Id.* The original size was 14” x 20-5/8” and appeared in the book as 2-3/16” x 3-1/4”. *Id.* The second image represented a poster for two October 1969 concerts featuring Jefferson Airplane and the Grateful Dead. *Id.* The original size was 14” x 21-1/16” and appeared in the book as 2-15/16” x 4-5/16”. *Id.* The third poster image appeared as a concert ticket for a 1968 concert, with the original size being 13-15/16” x 20-1/16” and the reproduced picture being 1-1/16” x 1-9/16”. *Id.* The fourth image depicted a poster promoting fifteen September 1980 concerts, with the original size being 19-1/2” x 27-3/4”. *Id.* The final three images depicted posters for the New Years concerts of 1988, 1991, and 1993. *See id.* The 1988 and 1991 posters were both originally 13” x 19-1/2”, while the 1993 poster was 13” x 19”. *Id.* The 1988 poster was reproduced with the measurements of 2-11/16” x 3-15/16”, the 1991 reproduction measured 2-13/16” x 1-13/16”, and the 1993 poster appeared as 2-11/16” x 3-7/8”. *Id.*

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Near each image, a caption described the concert event it signified.<sup>18</sup>

Aware of the book's publication, BGA demanded post-publication licensing fees, a demand that DK refused.<sup>19</sup> BGA then filed suit against DK in the United States District Court for the Southern District of New York, alleging copyright infringement of seven images.<sup>20</sup> BGA sought an injunction against further publication of the book, destruction of all unsold copies, and both actual and statutory damages.<sup>21</sup>

### III. BACKGROUND OF SECTION 107

The district court reviewed both parties' motions for summary judgment and ruled in favor of DK, whose position was grounded solely on the fair use defense.<sup>22</sup> Originally a judicially-created doctrine,<sup>23</sup> § 107 of the Copyright Act of 1976 now codifies the fair use defense.<sup>24</sup> The statute lacks a definition of fair use, but it does provide four factors for the reviewing court to evaluate.<sup>25</sup> A reflection of criteria articulated in *Folsom v. Marsh*,<sup>26</sup> the statutory criteria 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 or value of the copyrighted work."<sup>27</sup> Although § 107 sets forth applicable factors for consideration, the flexible framework of fair use allows the reviewing courts to adapt the doc-

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18. *Id.*

19. *Bill II*, 448 F.3d at 607.

20. *Id.*

21. *Id.*

22. *See Bill I*, 386 F. Supp. 2d at 325.

23. *See H.R. REP. NO. 94-1476*, at 5678-79 (1976).

24. 17 U.S.C. § 107 (2006).

25. *Id.*; *see also H.R. REP. NO. 94-1476*, at 5679 ("Although the courts have considered and ruled upon the fair use doctrine over and over again, no real definition of the concept has ever emerged. Indeed, since the doctrine is an equitable rule of reason, no generally applicable definition is possible . . .").

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

27. 17 U.S.C. § 107; *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 576 (1994) (quoting *Folsom*, 9 F. Cas. at 348 and citing Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1105 (1990) and W. PATRY, *THE FAIR USE PRIVILEGE IN COPYRIGHT LAW* 1-64 (1985)).

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trine on a case-by-case basis.<sup>28</sup> None of the above factors within the statute are exclusive.<sup>29</sup>

#### IV. PROCEDURAL HISTORY

In an opinion authored by Judge Daniels, the district court sought guidance from § 107 to resolve the *Bill Graham Archives* dispute. In addressing the first factor under the statutory framework, the district court noted the Second Circuit's propensity towards a finding of fair use when the allegedly infringing work fell within the § 107 preamble uses of criticism, comment or research.<sup>30</sup> After finding biographies to fit snugly alongside these preamble uses and declaring the book to be a biographical work, the court determined that the balance initially tilted in favor of fair use.<sup>31</sup> However, the district court was careful to recognize that the "more important" inquiry to first factor analysis and "in fair use analysis generally" revolved around the transformative nature of DK's use.<sup>32</sup>

#### V. SECOND CIRCUIT'S HOLDING AND REASONING

The Second Circuit affirmed the district court's ruling.<sup>33</sup> The court agreed with the district court's overall evaluation of the § 107 factors.<sup>34</sup> The Second Circuit found DK's use of the images within the book to be sufficiently transformative, thereby allowing DK to prevail on the fair use defense.<sup>35</sup>

Beginning with the first factor of § 107's fair use test, the court emphasized the "transformative nature of the work" as critical to analyzing the purpose and character of the use in question.<sup>36</sup> With this consideration in mind, the court determined that the images served as historical artifacts used to

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28. See H.R. Rep. No. 94-1476, at 5680.

29. See *Campbell*, 510 U.S. at 578.

30. *Bill Graham Archives v. Dorling Kindersley Ltd. (Bill I)*, 386 F. Supp. 2d 324, 328 (S.D.N.Y. 2005) ("There is a strong presumption in the Second Circuit that this factor favors the defendant if the allegedly infringing work fits within the Section 107 preamble uses: criticism, comment, or research."); see also 17 U.S.C. § 107 (setting forth the preamble uses of: "criticism, comment, new reporting, teaching, . . . scholarship, or research.").

31. *Id.*

32. *Id.* at 328-29.

33. *Bill Graham Archives v. Dorling Kindersley Ltd. (Bill II)*, 448 F.3d 605, 615 (2d Cir. 2006).

34. *Id.* at 608-15.

35. *Id.* at 612.

36. *Id.* at 608 (citing Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990)).

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memorialize the occurrence of certain Grateful Dead concert events.<sup>37</sup> This use was separate and distinct from the images' original use as a form of artistic expression and promotion for Grateful Dead concerts.<sup>38</sup>

Although satisfied that DK's transformative use signaled fair use, the court strengthened its position by fully analyzing the aesthetic qualities. Upon observing the images' significantly reduced size and inclusion within a collage display, the court concluded that such a display was intended to enrich the presentation of Grateful Dead's history rather than exploit BK's images.<sup>39</sup> The minimal appearance of the images within the book appeared to be just large enough for the reader to identify the contents and relate them to the relevant concert.<sup>40</sup> Similarly, the court noted that the appearance of the images within the book constituted "less than one-fifth of one percent of the book."<sup>41</sup> The court ended its first factor analysis by briefly addressing the commercial nature of DK's use.<sup>42</sup> Although conceding that the book was for profit, the court found DK's use to be "incidental" to its "commercial biographical value."<sup>43</sup>

After a thorough review of the purpose and character of DK's allegedly infringing use, the court engaged in a brief discussion of the three remaining fair use factors. Initially, the court revealed that the second factor, the nature of the copyrighted work, may be of limited value where the work was being used for transformative purposes, thereby dispensing with the presumption favoring copyright holders of creative artworks.<sup>44</sup> Although the poster images were creative in nature, this statutory factor failed to bolster BGA's position because DK's use of the images was limited to emphasizing their historical value.<sup>45</sup> Next, the court transitioned to a review of the third fair use factor, the "amount and substantiality of the portion used."<sup>46</sup> Noting the reproduction of the images in their entirety, the court nevertheless concluded that the substantial size reduction signified DK's intent to display the minimum image size and quality necessary for readers to recognize the images and relate them to the relevant events.<sup>47</sup> In addressing the final factor, the

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37. *Id.* at 610.

38. *Id.*

39. *Id.* at 611.

40. *Id.* The court also identified the largest reproduction of a BGA image as 3" x 4", which is less than one-twentieth the size of the original. *Id.*

41. *Id.*

42. *Id.* at 611-12.

43. *Id.* at 612.

44. *Id.*

45. *Id.* at 612-13.

46. *Id.* at 613.

47. *Id.*

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court reviewed the “effect of the use upon the market for or value of the original.”<sup>48</sup> Holding that DK’s use of the images “falls within a transformative market,” the court refused to rule that BGA suffered any market harm from such use.<sup>49</sup>

Upon conclusion of the fair use analysis, the court held that the combined weight of all factors leaned in favor of fair use.<sup>50</sup> DK had successfully made fair use of the images contained within the book.

## VI. PROPER SCOPE OF TRANSFORMATIVE USE

The Second Circuit correctly found fair use of the Grateful Dead images. However, the court’s express adoption of transformative use analysis under the first fair use factor created a misleading impression as to the effects of Judge Leval’s concept on the entire fair use balance. Citing Judge Leval’s 1990 article, the Second Circuit proclaimed the transformative nature of the work to be the paramount consideration in the court’s analysis of only the first statutory factor, “purpose and character of use.”<sup>51</sup> But, construing *Campbell*, the Second Circuit then claimed the second factor to be of “limited usefulness” to the fair use inquiry if the work was being used for a transformative purpose.<sup>52</sup> Likewise, in its discussion of the third factor, the court determined that the amount and substantiality of copying varied with the transformative use of the copyrighted work.<sup>53</sup> The court’s disposition of the fourth factor also appeared to hinge on the consideration of transformative use, as is readily apparent by the court’s determination that BGA did not suffer market harm because DK’s use fell within a transformative market.<sup>54</sup> Thus, despite the Second Circuit’s initial limitation of the transformative use inquiry to the first factor, it is apparent that this consideration played a pivotal role in the entire fair use analysis.

Invited to clarify this modern concept, the Second Circuit should have further expounded upon the reach of transformative use. In particular, the court should have applied the proposition stated in *Campbell* which noted, “the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”<sup>55</sup> This proposition seemed to imply that the transformative consideration could play a role outside the ambit of the first factor. Based on the district court’s discussion of transformative use, such an interpretation of

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48. *Id.*

49. *Id.* at 615.

50. *Id.*

51. *Id.* at 608.

52. *Id.* at 612.

53. *Id.* at 613.

54. *See id.* at 614-15.

55. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994).

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*Campbell* is plausible.<sup>56</sup> The Second Circuit's reluctance to support this contention may have stemmed from the ambiguity present in *Campbell*, where the Supreme Court failed to clearly articulate whether "other factors" were limited to those affecting first factor analysis or if any factors that could negatively affect a fair use finding were at risk.<sup>57</sup> As a result of their reservations, the Second Circuit declined the opportunity to explain the contours of transformative use within the fair use balance, suggesting uncertainty by the courts as to its proper application.

## VII. THE RECONFIGURATION OF THE FAIR USE BALANCE

The court's application of Judge Leval's transformative use concept also revealed a possible movement towards an unbalanced fair use analysis. In *Bill Graham Archives*, the Second Circuit's finding of DK's biographical use as "transformatively different" under first factor analysis<sup>58</sup> marked the beginning of an uphill battle for BGA. With this conclusion firmly fixated in the equation at the outset, the § 107 balance strongly tilted toward fair use. The court's persistent evaluation of the remaining factors against the backdrop of this damaging finding eventually amounted to an insurmountable obstacle for BGA. Illustrative of this point is the court's analysis of the "nature" factor, where the court found that DK's use of the images merely served to highlight the images' historical value.<sup>59</sup> Considering such use to be "transformatively different" from the original purpose of creative expression,<sup>60</sup> the court concluded that the second factor had "limited weight" in the fair use balance.<sup>61</sup> Thus, the court essentially canceled this statutory consideration from the fair use calculation and effectively boosted DK's chances of prevailing on their defense. With the court's persistent consideration of DK's transformative use in all of the statutory factors, BGA had little chance of surviving DK's summary judgment motion.

From *Bill Graham Archives*, it appears that a finding of transformative use may be ultimately determinative to a finding of fair use.<sup>62</sup> Thus, if a court following *Bill Graham Archives* initially finds transformative use

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56. See *Bill Graham Archives v. Dorling Kindersley Ltd. (Bill I)*, 386 F. Supp. 2d 324, 328-29 (S.D.N.Y. 2005) ("The more important question under the first factor, and in fair use analysis generally, is . . . 'whether and to what extent the new work is 'transformative.'" (emphasis added) (quoting *Campbell*, 510 U.S. at 579)).

57. *Campbell*, 519 U.S. at 579.

58. *Bill II*, 448 F.3d at 612.

59. *Id.* at 612-13.

60. *Id.* at 612.

61. *Id.* at 612-13.

62. See Jeremy Kudon, *Form Over Function: Expanding the Transformative Use Test for Fair Use*, 80 B.U. L. Rev. 579, 583 (2000) (proposing that a rigid



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within the first factor and deems it sufficiently transformative, circumstances favoring the copyright holder may prove to be no match when viewed in light of the alleged infringer's new use. Conversely, if the reviewing court does not discover a transformative use or is unimpressed with the extent of the transformation, the proponent of the fair use defense may face an unduly heavy burden.<sup>63</sup> Hinting to such a conclusion is Justice Souter's comment in *Campbell*: "[A]lthough such transformative use is not *absolutely* necessary for a finding of fair use, the goal of copyright . . . is generally furthered by the creation of transformative works."<sup>64</sup>

Judge Leval cautioned against using the statutory fair use factors as a mere judicial scorecard.<sup>65</sup> Instead, he advocated for a thorough examination of the fair use issue from "every pertinent corner" and urged the courts to question whether and to what extent a fair use finding would, or would not, fulfill the goals of the copyright.<sup>66</sup> An apparent departure from this proposal, *Bill Graham Archives* represents a concerning view of the fair use defense, underscoring the need for clarification in such an essential component of copyright law.<sup>67</sup> Nonetheless, the Second Circuit's strong presumption toward a fair use finding for biographical works limits the reliance copyright holders should place on this decision for a true representation of fair use adjudication. The Second Circuit agreed with the district court's finding of the book as a biographical work and clearly endorsed a circuit-specific bias towards deeming copyrighted work within such a medium as fair use.<sup>68</sup> Serving as a foundation for the court's analysis, this presumption facilitated the ultimate recognition of DK's use as transformative under the first statutory factor.<sup>69</sup> Thus, *Bill Graham Archives* fails to provide guidance to analogous cases contested within circuits that decline to follow a similar approach.

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approach to transformative use may lead to the labeling of the transformative use test as a presumptively dispositive factor).

63. See, e.g., *Castle Rock Entm't, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 141-46 (2d Cir. 1998) (finding that the Seinfeld trivia book had little or no transformative purpose, the court relied on its finding in determining that the defendant did not meet the four, § 107 factors in deciding that the book infringed on the plaintiff's copyright).
64. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994) (emphasis added).
65. See Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1110 (1990) ("The factors do not represent a score card that promises victory to the winner of the majority.").
66. See *id.* at 1110-11.
67. See *id.* at 1110 (finding fair use to be "a necessary part of the overall design").
68. See *Bill Graham Archives v. Dorling Kindersley Ltd. (Bill II)*, 448 F.3d 605, 608-12 (2d Cir. 2006).
69. See *id.* at 609-11.

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### VIII. CONCLUSION

The Second Circuit's failure to discuss the full effect of the transformative inquiry within fair use analysis highlights the difficulties that have arisen in applying the flexible § 107 framework. Although the balancing test was designed to accommodate change, the courts have consistently struggled to articulate a cognizable system of working through the analysis. Judge Leval's transformative factor is a rational attempt at clarifying the doctrine, but *Bill Graham Archives* highlights a few problematic areas for the courts. First, there may be some confusion as to whether transformative use is applicable to the entire fair use analysis, or is only the paramount consideration within the first factor. This ambiguity may lead to an inconsistent application of the tweaked doctrine and scattered precedent. More importantly, the current doctrine, as it incorporates "transformative use," may be evolving into a disproportionate balancing test that renders the first factor as a sign of impending success, or doom, for the copyright holder in their battle against the fair use defense.

