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### COPYRIGHTS

When determining whether a particular case of mass digitization should be considered fair use, it may be useful to determine whether the expression of the work in question is being transformed or whether the work is being repurposed.

## A Proposed Framework for Transforming Fair Use Analysis in the World of Mass Digitization



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### I. Introduction

The roots of U.S. copyright law are planted firmly in the Constitution. Article I, Section 8, Clause 8, confers upon Congress the power “[t]o promote 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.” The

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current iteration of the Copyright Act limits or restricts the ability of one party to copy another party's work in most cases, with the exception that such copying may be permitted “for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research.” In order to determine whether such fair use is to be allowed, the courts are directed to balance four factors: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the amount used in relation to the copyrighted work; and (4) the effect of the use upon the potential market for the copyrighted work (17 U.S.C. § 107).

In our ever-changing innovative world, new forms of art, literature and technology are constantly making it difficult for courts to apply the current Copyright Act, which is a product of the time it was written. Luckily, the fair use analysis is flexible, and has overtime been adapted for technological revolutions such as the internet and digitization. Digitization, particularly, presents a difficult copyright issue, as it is the copying of content and indexing such content into a digital library of sorts, usually with the ability to search and analyze, sometimes on a massive scale. Many forms of digitization have been deemed protected by fair use, however, it is increasingly difficult to distinguish the precise legal reasoning that such digitization is or should be protected under fair use.

One reason that case law surrounding digitization remains murky is that courts do not always fully distinguish between fair use when it is applied to traditional forms of art, and fair use when it is applied to the more modern practice of digitization. On the one hand, a party can claim fair use when using another work to create new expression, like taking a page from a book and painting a flower over the text. In this scenario, an old work becomes a new work with new meaning. On

the other hand, a party can claim fair use by repurposing another work without changing the content, such as scanning—thus copying a page from a book and applying software to count the number of letters on the page. In this scenario, the old work remains the same, but is used in a new way.

In light of our modern technological revolution, the fair use analysis is complicated by the fact that old works are being used in new and different ways. It is suggested here that, once distinct types of fair use are identified, there may be better clarity as to how the rules should be applied in various different contexts. It is hoped that the efforts below may contribute to the development of nomenclature regarding, and otherwise to the establishment of a framework for the identification of different types of fair use; and in turn, that the ultimate analysis of different types of fair use may become more clear and consistent.

## II. A proposed framework for identifying and analyzing different types of transformative use

The fair-use test has become increasingly more focused on the first factor, which focuses on the purpose and character of the use, and, more specifically, on the “transformative” nature of the new work. As the Supreme Court stated in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 29 U.S.P.Q.2d 1961 (1994), the analysis under the purpose factor is “whether the new work merely supersedes 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.’”

There are at least two very distinct types of transformative use that the courts recognize—which can be thought of as “expression transformation” and “repurpose transformation”—and it is important to understand the differences between them in the context of digitization. Unfortunately, the courts generally do not explicitly distinguish between them, and instead go through the same type of analysis regardless of the type of transformation.

On the one hand, expression transformation means the addition of some new expression, which changes the work itself into something new. An example of a transformative work in this circumstance is something like a parody song or a piece of appropriation art. With expression transformation, the “new” work is distinguishable from the original work in some expressive way.

On the other hand, repurpose transformation means that the purpose of the work has been repurposed and made available in a new way, so as to confer some form of benefit on a new audience. Examples of this type of transformative work would include a search engine that uses pictures for better search results and an indexing service for books. With repurpose transformation, the original work itself is, for the most part, not changed in any expressive way.

The importance of understanding the intricacies of expression transformation and repurpose transformation is that, despite their major differences, they are often analyzed by the court as if they are the same thing using the same analysis. Therefore, a court’s outlook on expression transformation will color its view of repurpose transformation, and vice versa. In order to keep

analysis more organized, however, it might be better for courts to distinguish these subcategories more strongly when they talk about transformative use in general.

### A. Expression transformation

The current state of expression transformation analysis is highlighted by the case of *Cariou v. Prince*, 714 F.3d 694, 106 U.S.P.Q.2d 1497 (2d Cir. 2013) (86 PTCJ 5, 5/3/13). In *Cariou*, Richard Prince, an appropriation artist and the defendant in the case, took work from the plaintiff, Patrick Cariou, and repurposed his photographs into new works of art. Going through the fair-use factors, the U.S. Court of Appeals for the Second Circuit was clearly focused on transformation as its guide to determine if Prince’s appropriation was fair use. The court was not concerned if the *intention* was transformation, only that it appeared transformative to a reasonable observer. The court stated, “[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. Prince’s work could be transformative even without commenting on Cariou’s work or on culture, and even without Prince’s stated intention to do so.” The court determined that most of the use was transformative, except for a few exceptions which it concluded needed further review.

Notably, the court found that every other factor bowed to this finding of transformative use under the purpose factor analysis. The court next discussed the market factor, citing *Campbell* in stating, “[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.” When going through the nature of use factor, the court stated that, “just as with the commercial character of Prince’s work, this factor ‘may be of limited usefulness where,’ as here, ‘the creative work of art is being used for a transformative purpose.’” Finally, discussing the amount of use factor, the court stated “[t]he secondary use ‘must be [permitted] to ‘conjure up’ at least enough of the original’ to fulfill its transformative purpose.”

The U.S. Court of Appeals for the Seventh Circuit has rejected the view that transformative use should be the main focus of the fair use analysis, at least when it comes to expression transformation. *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756, 111 U.S.P.Q.2d 2086 (7th Cir. 2014) (88 PTCJ 1238, 9/19/14), stated that it was skeptical of the Second Circuit’s decision to allow “transformative use” to override both the fair use factors of Section 107 and the derivative-work right in 17 U.S.C. § 106(2). The court stated, “[w]e think it best to stick with the statutory list, of which the most important usually is the fourth (market effect).” In *Kienitz*, a small company, Sconnie Nation, made various T-shirts and tank tops displaying an image of Madison, Wis., Mayor Paul Soglin’s face and the phrase, “Sorry for Partying.” The picture that was used on the clothing was taken by the photographer, Michael Kienitz. After considering the Second Circuit’s ruling in *Cariou*, the court rejected that transformative use controlled the analysis, but still found fair use present in the case because, under the nature of use factor, not much remained of the original work, and because, under the market factor, there was no good argument that the appropriated use would affect the plaintiff’s ability to sell or license his original photograph.

## B. Repurpose transformation

Repurpose transformation uses do not change the expression of the original work, but instead use copyrighted materials to serve a new purpose. Repurpose transformation can take many forms. For example, an internet search engine can display thumbnails of copyrighted images in order to help a user navigate the internet more easily. A newspaper can publish a copyrighted photograph in connection with a news story. A viewer can create a recording of a broadcast television show in order to view it at a later time. A company may create copies of copyrighted software for the purpose of analyzing that software and discovering how it functions through reverse engineering. More recent repurpose transformation analysis relies almost entirely on the new uses of a work or group of works. The cases tend to accept that the original work is not changed in any meaningful way, but that the use of the copies is the crux of the transformation. Digitization is a type of repurpose transformation and mass digitization by its nature not easily tracked or measured by copyright holders.

Because courts have not thoroughly dissected the difference between expression transformation and repurpose transformation in their analyses, it appears that a court's treatment of transformation in expression transformation cases like *Cariou* and *Kienitz* may, to some extent, set the stage for understanding how transformation will be viewed in the repurpose transformation context. Unsurprisingly, as discussed below, the Second Circuit, which looks to transformation to a great extent in its fair-use expression transformation analysis, also consistently holds that there is fair use in a number of repurpose transformation cases. Based on *Kienitz*, would a repurpose transformation case come out differently in the Seventh Circuit? Would the Seventh Circuit put less weight on transformation when addressing fair use in the context of repurpose transformation? With that background, the manner in which courts have addressed repurpose transformation in the context of digitization will now be addressed.

## III. The blurred line between expression transformation and repurpose transformation

One of the earliest and most impactful repurpose transformation cases in the digital space is *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 99 U.S.P.Q.2d 1746 (9th Cir. 2007) (74 PT CJ 119, 5/25/07), which involved a claim against Google. Google used copyrighted pictures from internet websites and converted them into smaller thumbnails with a purpose of facilitating a better search for the user. *Perfect 10* claimed that Google's image-filled search violated its display right, and Google asserted the defense of fair use.

In discussing the first fair-use factor, the court latched on to the idea of transformative use. The court stated that, "[a]lthough an image may have been created originally to serve an entertainment, aesthetic, or informative function, a search engine transforms the image into a pointer directing a user to a source of information." Importantly, as relevant to the subject matter of this Article, the court then arguably blurred the line between expression transformation and repurpose transformation, stating that repurpose transformation might even be more transformative than expression transformation, notwithstanding that, in the case of re-

purpose transformation, the entire original work is left intact. The court stated that, "[j]ust as a 'parody has an obvious claim to transformative value' because 'it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one,' a search engine provides social benefit by incorporating an original work into a new work, namely, an electronic reference tool. Indeed, a search engine may be more transformative than a parody because a search engine provides an entirely new use for the original work, while a parody typically has the same entertainment purpose as the original work." The court stressed the fact that this new use provides a public benefit throughout the opinion, concluding that "the significantly transformative nature of Google's search engine, particularly in light of its public benefit, outweighs Google's superseding and commercial uses of the thumbnails in this case."

It is respectfully submitted here that the classification nomenclature of repurpose transformation and expression transformation could well have aided the court in further focusing its analysis. The case focuses heavily on transformative use and public benefit and come to the determination that there was fair use. Today, a user may well come to expect that, when a search engine is used, thumbnail images will and should appear to help locate the site in need. *Perfect 10* expressed skepticism regarding how, from a practical perspective, a search engine could hope to license every thumbnail image. Would providers be willing or able to pay any substantial amount of money for thumbnail-sized images? Query whether there would have been some amount of further clarity to the reasoning of the case had the court more specifically compartmentalized their thinking using the categories of transformation such as the two—expression transformation and repurpose transformation—being suggested herein.

## IV. How (and why) to distinguish

More recently, digitization and repurpose transformation has been at the forefront of the conversation in the Google Books cases, *Authors Guild, Inc. v. Google Inc.*, 954 F. Supp. 2d 282 (S.D.N.Y. 2013), *aff'd*, 804 F.3d 202 (2d Cir. 2015), *cert. denied sub nom.*, 136 S. Ct. 1658 (2016), and *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87 (2d Cir. 2014). The issue at the heart of these cases is that Google compiled thousands of copyrighted works with the purpose is to index, search and analyze the works themselves.

Ringling in the language of repurpose transformation, *HathiTrust* identifies the full-text search to be "a quintessentially transformative use." The court took a familiar approach, stating that this transformation was a use that in fact added a great deal more to the copyrighted work than in *Cariou* and other expression transformation cases. While the court did not expressly categorize the transformation in *Cariou* and other similar cases as expression transformation or, conversely, the transformation in *Perfect 10* and *HathiTrust* as repurpose transformation, it is submitted here that the distinction between the two categories may well be at the heart of the court's basic rationale.

The Google Books cases cite *Perfect 10* as support that other circuit courts view the type of transformation at issue in *HathiTrust* as valuable fair use. The court discusses a wide range of factors that it considers, many of which are not typically a part of traditional fair use analysis, such as security. The court noted that

there are security measures present in the digitization technology and the benefit of the public. Google’s repurpose transformation passed muster as fair use, yet the fair use analysis is appearing to evolve separately from expression transformation analysis.

So how should we think about repurpose transformation factors as opposed to expression transformation? Outlined below are factors that in some ways can be applied to expression transformation, but appear to more appropriately strike the heart of the repurpose transformation question of what should and should not be considered fair use. While there are certainly some thematic overlaps between what is set out below (my repurpose transformation factors) and the analysis of expression transformation, courts might be wise to more clearly distinguish and use separate analysis to determine cases of repurpose transformation. As of now, courts already do consider these factors, but it would create more clarity and consistently if the distinction of the type of use is specified and discussed.

### A. Security

Security measures in place to protect the copyrighted material are discussed in more than one case. Nowhere in the statute is “security” a factor, but perhaps the courts find that security might influence the analysis of the market factor. It is unclear if security is an important factor in the digitization fair-use analysis, but it does find its way into some of the opinions. It is certainly not the most important factor, but it seems beneficial to the potential fair user to have security measure in place to protect content. In any event, security seems fairly distinct from the core issues surrounding transformation.

### B. Nature of the end user and the extent of the user’s access

Other factors that seem at first blush to be distinct from the extent of transformative use relate to the nature of the end user and the extent to which access to content is restricted. In *Google Books*, the end user is the general public, but the content is restricted. For instance, the plaintiffs were concerned that users could put in multiple searches with slight variations in the search terms to access an entire book. The court rejected this argument by balancing out this concern with the “security measures” discussed above.

Similar considerations are present in *HathiTrust*, although the court elaborated that the end user in that case was everyone from libraries and non-profits, to the general public, to the disabled. The general public had very restricted access—basically none—and therefore the digitization was not a concern for the court. Interestingly, in some cases such as *Fox News Network, LLC v. TVEyes, Inc.*, 43 F. Supp. 3d 379 (S.D.N.Y. 2014), which involved a service that recorded and indexed television programming and sold the ability to search the programming to businesses, the end users are businesses and public entities, not the general public. How-

ever, the court found that this fact actually helped the case for digitization, highlighting how TVEyes’ business model does not interfere with Fox News’ promotion of content to the general public.

The amount of information a user can access seems to be the most important factor, besides transformative use. While the amount a user can access may seem similar to the enumerated fair use factor of “the amount used,” it is worth noting that digitization uses the *entire work*, and how much a user can access is a slightly different issue.

### C. The public interest

The above considerations are sometimes balanced with considerations relating to the public benefit, which is often an important aspect of digitization fair use cases. Courts have identified the public benefits of digitization. In some cases, the public interest involves basic types of increased access in general or to specified segments of the population, such as helping the disabled gain access to literary works through digitization. In the *Google Books* cases, particularly, the court strongly stressed the public interest when making the case for fair use.

Some cases blur the public-interest question with the question of transformation and, in particular repurpose transformation. In *TVEyes*, the court states that, “users access the clips and snippets for an altogether different purpose—to evaluate and criticize broadcast journalism, to track and correct misinformation, to evaluate commercial advertising, to evaluate national security risks, and to track compliance with financial market regulations.” The court focused on how these considerations are so valuable that they push what might otherwise be a close case of fair use over the fair use line. The court stated that the market factor requires a balance between “the benefit the public will derive if the use is permitted and the personal gain the copyright owner will receive if the use is denied,” a consideration that is not present in expression transformation cases.

### VI. Conclusion

As the digitization of information becomes more and more a part of modern-day life, the courts will continue to struggle with how to apply traditional legal concepts in a changing—or changed—world. Mass digitization will only hasten the struggle.

Fundamental to the analysis is the extent to which the digitization is transformative as to the underlying information. That critical factor may have materially different impact on the analysis depending on whether the expression is being transformed or the information is being repurposed. It is submitted here that an initial focus on whether expression transformation or repurpose transformation is at issue in any given case, and the factual and legal differences between the two, can be a valuable first step in many cases in framing the issues to be considered, analyzed and answered.