NORTH CAROLINA JOURNAL OF LAW & TECHNOLOGY
15 N.C. J.L. & TECH. ON. 170 (2014)

"TRANSFORMING" FAIR USE: *AUTHORS GUILD, INC. V. GOOGLE, INC.*

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Since the 1980s, the outcome of the fair use defense to copyright has appeared to turn on whether the secondary use provided the infringer with any commercial benefit. However, recent cases suggest that the commerciality inquiry is no longer controlling. In November of 2013, Authors Guild, Inc. v. Google, Inc. *authorized Google Books to use over 20 million books without the permission of the authors.* Authors Guild *opens the door for a new application of the fair use doctrine to alleged copyright infringement by Internet businesses and services. This Recent Development argues that in cases involving widespread digital use of copyrighted print materials, the transformative nature of the secondary use, rather than commercial benefit, plays a pivotal role in the evaluation of the fair use factors.*

I. INTRODUCTION

In November 2013, the United States District Court for the Southern District of New York granted Google's motion for summary judgment in a class action lawsuit brought by the Authors Guild on behalf of thousands of authors in *Authors Guild, Inc. v. Google Inc.*[1] The program in controversy, the Google Books project, was started in 2005. Since that time, Google has allowed several major research libraries[2] to provide over 20 million books to Google, which Google then scanned—without author

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[1] 954 F. Supp. 2d 282 (S.D.N.Y. 2013).

[2] *Id.* at *285. The Library Project scanned books from the New York Public Library, the Library of Congress, and a number of university libraries. *Id.*

permission—and returned with a digital version to the participating library.[3] Google Books makes only "snippet" views of the books available through the Google search engine, but the complete content of the book is utilized in the search process.[4] The district court granted Google's motion for summary judgment based on the fair use doctrine.[5] The fair use doctrine, which is defined in Section 107 of the Copyright Act,[6] allows persons to utilize copyrighted works without the permission of the authors, provided they follow certain guidelines.[7] As well as determining that Google's actions constituted fair use, the ruling also emphasized that the Google Books project provides "significant public benefit."[8]

The decision in this case, in addition to being a victory for search engine users and libraries, opens the door for a new application of the fair use doctrine to alleged copyright infringement by Internet search engines. As a result, authors and artists everywhere may find themselves in losing battles when fighting to limit the unauthorized use of their work by Internet conglomerates. The *Authors Guild* court's analysis reworked the traditional balancing of the fair use factors. Specifically, the court deemphasized Google's profit motive in favor of the transformative nature of their allegedly infringing use.[9] The *Authors Guild* decision appears to be consistent with other recent cases involving search engines and Internet databases, suggesting a shift in judicial application of the fair use doctrine.[10] This shift is a

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[3] *Id.* at *286.
[4] *Id.* at *286–87.
[5] *Id.* at *294.
[6] 17 U.S.C. § 107 (2012).
[7] *See id.*
[8] *Authors Guild*, 954 F. Supp. 2d at *293.
[9] *Id.* at *291–92.
[10] *See, e.g.*, Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994) (holding that the more transformative the new work is, the less significant any finding of commercial benefit); Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146, 1164 (9th Cir. 2007) (stating that transformativeness is central to determining the nature and purpose of the secondary use); Kelly v. Arriba Soft Corp., 336 F.3d 811, 818 (9th Cir. 2003) (discounting any commercial benefit after finding that Arriba's use of Kelly's images served a different function from

remarkable change in the application of fair use since it was first used as a defense in the 1980s.[11]

After *Sony Corp. of America v. Universal City Studios, Inc.*[12] and *Harper & Row, Publishers, Inc. v. Nation Enterprises*[13] were decided in the 1980s, the Supreme Court seemed to conclude that if the secondary use provided the infringer with any commercial benefit, it was unfair and constituted infringement.[14] However, a recent trend in litigation that places more emphasis on the transformative nature of the secondary work, while simultaneously deemphasizing any ancillary commercial use, suggests that *Sony*'s presumption of unfairness is no longer valid.[15]

This Recent Development argues that, in the digital era, there is a new way to apply the fair use doctrine to copyright infringement cases. Specifically, it contends that in cases involving widespread digital use of copyrighted print materials (including art, literature, etc.): (1) the consideration of "transformativeness" within 17 U.S.C. § 107(1) now carries heavy, if not determinative, weight in deciding if the challenged use is truly fair, and (2) public interest in the copyrighted material, as well as the secondary use's benefit to society, is reemerging as a significant influence in consideration of the fair use defense. Parts II and III of this Recent Development provide a brief overview of the fair use doctrine and a description of its application in past cases. Part IV describes the court's decision in *Authors Guild*. Part V discusses the judicial trend towards preference for transformativeness as a controlling factor in

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the originals); Field v. Google Inc., 412 F. Supp. 2d 1106, 1118–19 (D. Nev. 2006) (holding that the transformative nature of the new work minimized the commercial nature of the use).

[11] *See* Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 421 (1984).

[12] 464 U.S. 417 (1984).

[13] 471 U.S. 539 (1985).

[14] *Harper & Row*, 471 U.S. at 562 ("The fact that a publication was commercial as opposed to nonprofit is a separate factor that tends to weigh against a finding of fair use."); *Sony Corp. of Am.*, 464 U.S. at 451 ("[E]very commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright.").

[15] *See supra* note 10.

the consideration of fair use. Lastly, Part VI discusses future considerations for search engines and other Internet databases based on the change in application of the fair use doctrine in recent cases, focusing on commerciality and public benefit.

II. FAIR USE DOCTRINE

Congress passed the Copyright Act of 1976[16] to update copyright law based upon technological and societal changes that had occurred since the previous copyright legislation was published in 1909.[17] The 1976 Copyright Act includes the fair use doctrine, which provides that some otherwise unauthorized uses of a copyrighted work may be deemed permissible.[18] The legitimacy of the challenged use is determined by considering several factors.[19]

Since its promulgation, the doctrine of fair use has been criticized by both scholars and legal practitioners for the lack of guidance it provides to both the judiciary and potentially legitimate users of copyrighted material.[20] In developing copyright law, Congress sought to balance interests: rewarding authors and innovators for their work while promoting "the Progress of Science and useful Arts"[21] for the benefit of the general public.[22] The

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[16] Copyright Act of 1976, Pub. L. 94-553, 90 Stat. 2541.

[17] Copyright Act of 1909, Pub. L. 60-349, 35 Stat. 1075 (repealed 1978) (current version at 17 U.S.C. §§ 101–810 (2012)).

[18] 17 U.S.C. § 107 (2012).

[19] *Id.*

[20] *See* Mitch Tuchman, *Judge Leval's Transformation Standard: Can it Really Distinguish Foul from Fair?*, 51 J. COPYRIGHT SOC'Y U.S.A. 101, 104 (2003) ("This lack of guidance results in decisions that Leval characterizes as 'intuitive'; by degrees they appear to be ad hoc judgments that rely on aesthetic hunches and cultural prejudices."); Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1107 (1990) ("The opinions reflect widely differing notions of the meaning of fair use. Decisions are not governed by consistent principles, but seem rather to result from intuitive reactions to individual fact patterns.").

[21] U.S. CONST. art. I, § 8, cl. 8 ("The Congress shall have Power . . . : To promote the Progress of Science and useful Arts, by securing for limited Times

doctrine of fair use seeks to allow individuals to use copyrighted works "for purposes such as criticism, comment, news reporting, teaching . . . , scholarship, or research . . . ."[23]

Justice Story, in *Folsom v. Marsh*[24] in 1841, originally identified the elements of fair use.[25] Story described a three-factor test,[26] which served as the basis for the current statutory formulation.[27] The current four-factor test embodied in 17 U.S.C. § 107 includes: (1) the purpose and character of the use; (2) the

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to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.").

[22] *See* Leval, *supra* note 20, at 1107 (quoting Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 545–46 (1985)) ("[C]opyright is intended to increase and not to impede the harvest of knowledge. . . . The rights conferred by copyright are designed to assure contributors to the store of knowledge a fair return for their labors.").

[23] 17 U.S.C. § 107.

[24] 9 F. Cas. 342 (C.C.D. Mass 1841) (Story, C.J.).

[25] Notably, the fair use doctrine was not codified until 1976. The text of the 1909 Copyright Act made no mention of fair use. *See* Copyright Act of 1909, Pub. L. 60-349, 35 Stat. 1075 (repealed 1978).

[26] *Folsom*, 9 F. Cas. at 348. ("In short, we must often . . . look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work.").

[27] *See* 17 U.S.C. § 107. The text reads:

> Notwithstanding the provisions of sections 106 and 106A, the 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. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include --
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> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
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> (2) the nature of the copyrighted work;
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> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
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> (4) the effect of the use upon the potential market for or value of the copyrighted work.

Id.

nature of the copyrighted work; (3) the extent of the use; and (4) "the effect of the use upon the potential market for or value of the copyrighted work."[28]

Section 107 enumerates factors for making a fair use determination, but the statute relies on the judiciary to determine the meaning of those factors. For example, "[b]eyond stating a preference for the critical, educational, and nonprofit over the commercial, the statute tells little about what to look for in the 'purpose and character' of the secondary use."[29] Without explicit definitions to go by, fair use contests often result in "intuitive" decisions based on notions of fairness and morality.[30] This intuition reflects a focus on the equities of property, rather than the objectives of copyright, which emphasize public benefit.[31]

Although the language of the Copyright Act of 1976 does not indicate that any one factor should be given more weight than another,[32] case law indicates that the first factor, the purpose and character of the use, and the fourth factor, "the effect of the use upon the potential market" for the original work, carry the most weight.[33]

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[28] *See id.*

[29] Leval, *supra* note 20, at 1106.

[30] Joseph J. Raffetto, *Defining Fair Use in the Digital Era*, 15 U. BALT. INTELL. PROP. L.J. 77, 78–79 (2006); Tuchman, *supra* note 20, at 104; Leval, *supra* note 20, at 1107. Courts struggled with fair use decisions in the past, resulting in reversals and split opinions. *See* Leval, *supra* note 20, at 1106 n.9, 1107 n.10.

[31] Tuchman, *supra* note 20, at 104–05 (citing Leval, *supra* note 20, at 1107) ("Fair use should be perceived not as a disorderly basket of exceptions to the rules of copyright, nor as a departure from the principles governing that body of law, but rather as a rational, integral part of copyright, whose observance is necessary to achieve the objectives of that law.").

[32] *See* 17 U.S.C. § 107.

[33] Ashten Kimbrough, *Transformative Use vs. Market Impact: Why the Fourth Fair Use Factor Should Not Be Supplanted by Transformative Use as the Most Influential Element in a Fair Use Analysis*, 63 ALA. L. REV. 625, 627 (2012).

Each factor incorporates judicially-constructed sub-factors,[34] some of which are more influential than others.[35] Under "the purpose and character of the use,"[36] these sub-factors include commerciality,[37] transformativeness,[38] bad faith,[39] and preambular purposes.[40] For the purposes of this Recent Development, analysis will focus on commerciality and transformativeness.[41]

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[34] *See, e.g.*, Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1985) (differentiating between creative and factual works); Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539 (1985) (differentiating between published and unpublished works); Rubin v. Brooks/Cole Publ'g Co., 836 F. Supp. 909, 916 (D. Mass. 1993) (enumerating three sub-factors under the "purpose and character" factor: "(1) whether the use was productive; (2) whether the use was commercial; and (3) whether the alleged infringer's conduct was proper"); Hustler Magazine, Inc. v. Moral Majority, Inc., 606 F. Supp. 1526, 1535 (C.D. Cal. 1985) (focusing on the transformative quality of the defendant's use and stating that "defendant's use [of copyrighted material] is more likely to be considered fair if it serves a different function than plaintiff's").

[35] *See* Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978-2005*, 156 U. PA. L. REV. 549 (2008). Generally, favorable outcomes under the first factor correlate very strongly with overall findings of fair use. *Id.* at 597. Within the first factor, the sub-factor of commerciality has received enormous attention in the case law. *Id.* at 597–98.

[36] 17 U.S.C. § 107(1) ("[T]he purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes . . . ").

[37] Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 444–56 (1984) (holding that a VCR manufacturer cannot be held liable for contributory copyright infringement because the VCR was capable of commercially significant non-infringing uses).

[38] *Hustler Magazine*, 606 F. Supp. at 1535.

[39] Courts have characterized the fair use doctrine as a rule of equity. *See* Stewart v. Abend, 495 U.S. 207, 236 (1990) (citing *Sony Corp. of Am.*, 464 U.S. at 448; Iowa State Univ. Research Found., Inc. v. Am. Broad. Cos., 621 F.2d 57, 60 (2d Cir. 1980)).

[40] *See* 17 U.S.C. § 107 ("For purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research . . . ").

[41] Considerations of fairness, propriety, and good or bad faith do not play as significant a role in fair use analysis. *See* Beebe, *supra* note 35, at 607–08. Additionally, uses that fall within the range of preambular purposes listed in Section 107 are generally deemed fair use. *Id.* at 609; 17 U.S.C. § 107.

The commerciality sub-factor asks whether the infringing use of the copyrighted material is commercial in nature, or if it provides the infringer with commercial benefit.[42] A financial benefit can be direct (e.g., through sales) or indirect (e.g., through increased user traffic, which in turn generates increased advertising revenue).[43]

Transformativeness considers whether the new work "supersedes" or "supplants" the original work, or if it creates a new use for material.[44] A new work is "transformative" if it "adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message."[45] A new work that serves a different function from the original work will commonly be deemed transformative.[46] For example, in *Kelly v. Arriba Soft Corp.*,[47] the defendant used the copyright holder's images to create "thumbnail" images that were displayed as search results within Arriba's visual search engine.[48] The Court of Appeals for the Ninth Circuit held that "[a]lthough Arriba made exact replications of

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[42] *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 562 (1985); *see also* Perfect 10, Inc. v. Google Inc., 416 F. Supp. 2d 828 (C.D. Cal. 2006), *aff'd in part, rev'd in part sub nom* Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146, 1166 (9th Cir. 2007) (holding that the search engine's display of the thumbnail images was "commercial use" of images, and that the website derived significant commercial benefit from the increased user traffic, which generated increased advertising revenue).

[43] *See Perfect 10*, 416 F. Supp. 2d at 846–47.

[44] Authors Guild, Inc. v. Google, Inc., 954 F. Supp. 2d 282, *290 (2013).

[45] Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994) (quoting Leval, *supra* note 20, at 1111).

[46] *See, e.g.*, Kelly v. Arriba Soft Corp., 336 F.3d 811, 815–18 (9th Cir. 2003); Hustler Magazine, Inc. v. Moral Majority, Inc., 796 F.2d 1148 (9th Cir. 1986). In *Hustler Magazine*, the defendants, Moral Majority, Inc., distributed an offensive parody created by Hustler Magazine. The parody featured Jerry Falwell, one of Moral Majority's co-defendants. *Id.* at 1150. The court held that the defendants did not seek to claim the parody as their own, but instead intended that their use of the parody serve as both a comment on pornography and as a rebuttal of the derogatory statement the parody made about Falwell. *Id.* at 1153.

[47] 336 F.3d 811 (9th Cir. 2003).

[48] *Id.* at 815.

Kelly's images, the thumbnails were much smaller, lower-resolution images that served an entirely different function than Kelly's original images."[49] Transformativeness and commerciality represent two separate but compelling parts of the fair use inquiry.

As society moves further into the digital age, the line that separates permissible use from infringement becomes increasingly blurred, resulting in widespread copyright litigation.[50] These decisions have the potential to change the face of the fair use doctrine. Because there is no definitive allocation of weight to each factor, the fair use doctrine invites a different formulation of the rule in different contexts. Additionally, the lack of widespread judicial consensus allows lower court judges to rule differently in similar contexts. This phenomenon may explain how the factor of transformativeness has moved to the forefront of fair use balancing. Recent cases addressing fair use defenses to copyright infringement of digital media[51] cite transformativeness as pivotal when determining the purpose and character of the secondary use. The fact that this determination, which once appeared to turn on commerciality, now appears to turn on transformativeness indicates that the fair use doctrine is flexible[52] and subject to modification based on historical context.[53] As such, this Recent

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[49] *Id.* at 818.

[50] *See* Raffetto, *supra* note 30, at 79 (citing Perfect 10, Inc. v. Google Inc., 416 F. Supp. 2d 828 (C.D. Cal. 2006)).

[51] While the topic of this Recent Development concerns fair use in the digital medium, transformativeness is also emerging as a controlling factor in art and print media cases. *See infra* Part V.

[52] *See, e.g.*, Manali Shah, *Fair Use and the Google Book Search Project: The Case for Creating Digital Libraries*, 15 COMMLAW CONSPECTUS 569, 571 (2007) ("This flexible analysis has gained particular utility in copyright disputes arising from unforeseen circumstances created by new technologies."); Raffetto, *supra* note 30, at 80 ("Despite codification, fair use remained an unclear doctrine in application. Congress changed little of the common law's expansive interpretations, stating that its goal was to allow for a flexible and dynamic future in a world of changing technologies."); Tuchman, *supra* note 20, at 137 ("The doctrine is entirely equitable and is so flexible as virtually to defy definition.")

[53] *Compare* Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984) (creating the "*Sony* presumption") *with infra* Part V. While this

Development argues that transformativeness has become the controlling factor in evaluating whether a use of a copyrighted work is fair use.

III. PRIOR FAIR USE APPLICATIONS

Fair use has been in practice since the nineteenth century,[54] but it was not incorporated into statutory law until 1976.[55] The fair use defense was first considered in 1984[56] and has been addressed with increasing frequency since then. Each factor enumerated in Section 107 of the Copyright Act of 1976 has its own history, and the form each takes today has been developed through case law.

A. *The Purpose and Character of Use*

Fair use was first applied to digital works in 1984 in *Sony Corp. of America v. Universal City Studios, Inc*.[57] The *Sony* Court focused on the first and fourth factors of Section 107—the purpose and character of use, and the effect of use on the potential market for or the value of the original work—creating what is known as the "*Sony* presumption."[58] *Sony* proposed that any use that is

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flexibility was intentionally built into the Copyright Act of 1976 in order to allow the law to shift with changing technology, *see supra* note 52, one might argue that the statute is *too* flexible.

[54] *See* Folsom v. Marsh, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841) (Story, C.J.) ("In short, we must often . . . look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work.")

[55] *See* 17 U.S.C. § 107 (2012); Laura G. Lape, *Transforming Fair Use: The Productive Use Factor in Fair Use Doctrine*, 58 ALB. L. REV. 677, 699 (1995).

[56] *Sony Corp. of Am.*, 464 U.S. at 417.

[57] *Id.* (holding that a VCR manufacturer cannot be held liable for contributory copyright infringement because the VCR was capable of commercially significant non-infringing uses).

[58] Beebe, *supra* note 35, at 598; *see also* Stacey L. Dogan, Comment, Sony*, Fair Use, and File Sharing*, 55 CASE W. RES. L. REV. 971, 973 (2005) ("[I]t becomes clear that rebutting the *Sony* presumption does not require proof of actual financial injury from a noncommercial use."); James Boyle, *Intellectual Property Policy Online: A Young Person's Guide*, 10 HARV. J.L. & TECH. 47, 99 (1996) ("The Campbell case made clear that the *Sony* presumption was of

commercial or for-profit is presumptively unfair.[59] This presumption assumes that there exists a meaningful likelihood of future harm to the potential marketability of the copyrighted work.[60] The *Sony* Court's reading of the fair use doctrine was surprising, given that it focused solely on the commercial nature of the defendant's use, despite the presence of several other considerations,[61] such as the remaining three factors included in the statute.[62] Additionally, the House Report on the revision of the Copyright Act, cited by the *Sony* Court, states that the commercial nature of the activity is not conclusive.[63] The *Sony* presumption, despite inconsistent treatment in subsequent case law,[64] set a precedent for courts to assign heavy weight to the commercial nature of the defendant's use.

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greatest applicability in the context of verbatim copying, thus giving greater leeway to commercial but transformative uses.").

[59] *Sony Corp. of Am.*, 464 U.S. at 449 ("If the Betamax were used to make copies for a commercial or profit-making purpose, such use would presumptively be unfair.").

[60] *Id.* at 451. The *Sony* Court further explained that a challenge to a *noncommercial* use requires a showing that some meaningful likelihood of future harm to potential marketability exists. *Id.*

[61] *See* Beebe, *supra* note 35, at 599 (noting that commerciality was added to the statute at the last minute, "primarily to address the concerns of those who were engaged in 'nonprofit educational purposes' "); WILLIAM F. PATRY, THE FAIR USE PRIVILEGE IN COPYRIGHT LAW 351–53 (2d ed. 1995).

[62] *See* 17 U.S.C. § 107 (2012).

[63] H.R. REP. NO. 94-1476, at 66 (2012).

[64] *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539 (1985). Initially intending to remold the factor one analysis by distinguishing commerciality as a distinct sub-factor, Justice O'Connor ultimately affirmed the *Sony* presumption by quoting its establishing material. *Id.* at 562. In 1994, the *Campbell* Court stated that the *Sony* presumption was bad law, but only through revival of *Harper & Row*'s original reasoning. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 585 (1994) ("[A]s we explained in *Harper & Row*, *Sony* stands for the proposition that the 'fact that a publication was commercial as opposed to nonprofit is a separate factor that tends to weigh against a finding of fair use.'").

As a result, despite the attention that the concept of transformativeness has received in scholarly commentary,[65] it has come second to the commerciality inquiry in judicial analysis. That, however, may not continue to hold true. In his 1990 Harvard Law Review article, *Toward a Fair Use Standard*,[66] Judge Leval argued for an analysis of the "transformative" nature of the defendant's work. He suggested courts consider whether "the secondary use adds value to the original—if the quoted matter is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings."[67] Since Judge Leval's article was published, courts and commentators have suggested that the concept of transformativeness is vital to the fair use doctrine,[68] and that transformativeness goes to the "heart of the fair use inquiry."[69] However, data suggests that courts and commentators have exaggerated the influence of transformativeness on the outcome of cases in which the fair use defense is raised.[70] Scholars suggest, and research confirms, that the doctrine of transformativeness has begun a downward slope in recent years.[71] A 2008 study of cases addressing fair use shows that the proportion of opinions making reference to transformativeness

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[65] *See, e.g.*, Jeremy Kudon, *Form Over Function: Expanding the Transformative Use Test for Fair Use*, 80 B.U. L. REV. 579 (2000); Lape, *supra* note 55; Diane Leenheer Zimmerman, *The More Things Change, the Less They Seem "Transformed": Some Reflections on Fair Use*, 46 J. COPYRIGHT SOC'Y U.S.A. 251 (1998).

[66] Leval, *supra* note 20.

[67] *Id.* at 1111. Leval suggested that transformative work "is the very type of activity that the fair use doctrine intends to protect for the enrichment of society." *Id.* He went on to provide examples of transformative uses, including "criticizing the quoted work, exposing the character of the original author, proving a fact, . . . parody, symbolism, . . . and innumerable other uses." *Id.* Some of these suggested uses are incorporated in the statutory language defining fair use as preambular purposes. *See* 17 U.S.C. § 107.

[68] Leval, *supra* note 20, at 1111.

[69] On Davis v. Gap, Inc., 246 F.3d 152, 174 (2d Cir. 2001) (citing *Campbell*, 510 U.S. at 579).

[70] *See* Beebe, *supra* note 35, at 604–05.

[71] *Id.* at 605.

began declining sometime in the early 2000s.[72] In spite of this apparent decline, however, recent cases provide contrary evidence, indicating that the doctrine is reemerging as a heavyweight in the fair use determination.[73]

B. *The Nature of the Copyrighted Work*

Application of the second factor—"the nature of the copyrighted work"[74]—to fair use cases has been somewhat ambiguous, perhaps due to the open-ended statutory language.[75] Emerging from the haze are two sub-factor considerations: whether the original work is creative or factual, and whether it is published or unpublished.[76]

Generally, the defendant is more likely to prevail on a fair use defense if the plaintiff's work is more factual than creative in nature.[77] The court in *Campbell v. Acuff-Rose Music, Inc.*[78] stated that consideration of the second factor "calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequences that fair use is more difficult to establish when the former works are copied."[79] This analysis suggests that creative works "of fiction or fantasy"[80] are at the core of copyright, and as such, they are entitled to greater protection from infringement.

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[72] *Id.*
[73] *See infra* Part V.
[74] 17 U.S.C. § 107(2) (2012).
[75] Beebe, *supra* note 35, at 610; *see* 17 U.S.C. § 107(2).
[76] Beebe, *supra* note 35, at 610.
[77] *Id.* at 611. One reason for the resilience of factually-based works to fair use challenges is that copyright seeks more to protect creative works "of fiction or fantasy" than it does to defend factual works. *Id.* (citing Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 563 (1985) ("The law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy.")).
[78] 510 U.S. 569 (1994).
[79] *Id.* at 586.
[80] *See Harper & Row*, 471 U.S. at 563.

The published/unpublished inquiry was established in *Harper & Row, Publishers, Inc.*[81] There, the Supreme Court stated that "the scope of fair use is narrower with respect to unpublished works,"[82] suggesting that, similar to creative works, unpublished works are entitled to more protection. Interestingly, though, case law indicates that the status of the plaintiff's work as unpublished has little effect on the analysis. By contrast, the work's status as published has a strong effect on the outcome of the test in favor of a finding of fair use.[83] In an empirical study of copyright cases conducted in 2008, Barton Beebe found that in less than fifty percent of cases the fact that the plaintiff's work was unpublished favored a finding of fair use.[84] By contrast, almost seventy-eight percent of decisions stated that the published status of the copyrighted work favored a finding of fair use.[85]

C. *The Amount and Substantiality of the Portion Used*

The third factor in the fair use doctrine—the amount and substantiality of the portion used—is the most settled and easily understood of the four factors.[86] This factor asks the courts to consider on both a qualitative and quantitative scale what proportion of the original work the defendant used.[87] "In general, the larger the volume (or the greater the importance) of what is

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[81] *Harper & Row*, 471 U.S. 539.

[82] *Id.* at 564.

[83] Beebe, *supra* note 35, at 613 (citing Table 9). This indicates that material that is already widely available is meant to be used and shared. Such an argument lends support to Google's case against the Authors Guild, because all the material used in the Library Project had already been widely distributed via the Internet.

[84] *Id.* at 614.

[85] *Id.*

[86] *Id.* at 615. This factor also correlates strongly with the overall outcome of the test, as well as the outcomes of factors one and four (i.e., less taking means less appreciable effect on the market value of the original work). *Id.*

[87] *Id.*

taken, the greater the affront to the interests of the copyright owner, and the less likely that a taking will qualify as a fair use."[88]

This factor correlates strongly with factor one, "the purpose and character of the use"[89] and factor four, "the effect of the use upon the potential market for or value of the copyrighted work."[90] For example, as to the purpose and character of use, it would be easier to argue for a transformative justification when the secondary user only takes a few sentences from the original work.[91] As to market impact factor, both the quantitative ("amount") and qualitative ("substantiality") aspects are significant.[92] From a quantitative standpoint, a secondary user borrowing a sentence or two from a lengthy paper is unlikely to have a significant impact on the potential market for the paper.[93] However, depending on the quality of that borrowed portion—e.g., the thesis of a research paper, previously untold stories contained in a memoir—even minimal taking can constitute serious harm to the market for the work.[94]

D. *The Effect of the Use upon the Potential Mark for or Value of the Copyrighted Work*

The fourth factor incorporates a two-pronged analysis: (1) "whether the particular use harmed the market for the original,"[95] and (2) whether widespread use would have an adverse effect on the potential market for the original work.[96] Thus, even

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[88] Leval, *supra* note 20, at 1122; *see also* Beebe, *supra* note 35, at 615 ("[T]he more the defendant takes of the plaintiff's work, the less likely it is that the taking will qualify as a fair use.").

[89] 17 U.S.C. § 107(1) (2012).

[90] *Id.* § 107(4).

[91] *See* Leval, *supra* note 20, at 1123.

[92] *Id.* at 1123.

[93] Beebe, *supra* note 35, at 615.

[94] Leval, *supra* note 20, at 1123. For example, "[i]n the case of President Ford's memoir, a taking of no more than 400 words constituting the heart of the book caused cancellation of the first serialization contract—a serious impairment to the market for the book." *Id.*

[95] Kimbrough, *supra* note 33, at 632.

[96] *Id.*

without current harm, the plaintiff might still prevail if he can prove that there could be harm to the market for his or her work in the future.[97] Beebe concluded that "[t]he fourth factor essentially constitutes a metafactor under which courts integrate their analyses of the other three factors and, in doing so, arrive at the outcome not simply of the fourth factor, but of the overall test."[98] Likewise, the *Harper & Row* Court, when discussing this last factor, asserted that it was "undoubtedly the single most important element of fair use."[99] The Court stated that fair use is limited to cases in which the secondary work "does not materially impair the marketability of the work which is copied."[100] However, despite its weightiness in fair use analysis, recent case law involving Internet entities suggests that the first factor, and specifically transformativeness, may begin playing a bigger role.[101]

IV. *AUTHORS GUILD, INC. V. GOOGLE, INC.*

In 2004, Google announced plans to pursue a digital books project, known as "Google Books."[102] Google Books consisted of two programs: the Partner Program (initially called "Google Print") and the Library Project.[103] The Partner Program involved display of several million books with the permission of book publishers and other rights holders.[104] The Library Project involved the digital scanning of some 20 million books from the collections

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[97] *Id.*

[98] Beebe, *supra* note 35, at 617.

[99] *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 566 (1985).

[100] *Id.* at 567 (internal quotations omitted).

[101] *See infra* Part V.

[102] Zachary Brown, *United States: Google Defeats Authors' Guild in US Book-Scanning Dispute*, MONDAQ (Dec. 22, 2013), http://www.mondaq.com/unitedstates/x/281040/Copyright/Google+Defeats+Authors+Guild+In+US+BookScanning+Dispute.

[103] *Id.*

[104] Authors Guild, Inc. v. Google Inc., 954 F. Supp. 2d 282, *285–86 (S.D.N.Y. 2013); Brown, *supra* note 102.

of participating libraries.[105] Notably, the works included in the Library Project were scanned without the permission or participation of the rights holders.[106] In 2005, the Authors Guild of America and Association of American Publishers[107] sued Google in the Southern District of New York,[108] citing massive copyright infringement.[109] After extensive negotiations spanning years, the parties entered into a $125 million settlement; however, in March 2011, the district court judge rejected the proposed settlement[110] "on the grounds that it was not fair, adequate, and reasonable."[111] The parties then further attempted to reach a settlement agreement, but were unable to reach resolution.[112] Plaintiffs filed a motion for

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[105] *Authors Guild*, 954 F. Supp. 2d at *285–86; Brown, *supra* note 102. These libraries include the New York Public Library, the Library of Congress, and the libraries of the universities of Oxford, Harvard, Stanford, California, and Michigan. *Authors Guild*, 954 F. Supp. 2d at *285–86.

[106] *Authors Guild*, 954 F. Supp. 2d at *286; Brown, *supra* note 102.

[107] The lawsuit also named plaintiffs Jim Bouton (a former New York Yankees player who wrote *Ball Four*, his autobiography), Betty Miles and Joseph Goulden. *Authors Guild*, 954 F. Supp. 2d at *285; Brown, *supra* note 102.

[108] *Authors Guild*, 954 F. Supp. 2d at *288. The suits were later consolidated. Authors Guild, Inc. also brought an action against the universities involved in the Library Project, alleging that their systematic digitization of the copyright books owned by the universities without permission was a violation of the Copyright Act. *See* Authors Guild, Inc. v. Hathitrust, 902 F. Supp. 2d 445 (S.D.N.Y. 2012).

[109] In 2010, the American Society of Media Photographers ("ASMP") created another class and joined with the Authors Guild in its suit against Google. The class was comprised of photographers and graphic-art owners who wished to enjoin Google from using their works. Am. Soc'y of Media Photographers, Inc. v. Google Inc., No. 1:10-cv-02911-DC (S.D.N.Y. Apr. 7, 2010) (Bloomberg Law); Peter S. Vogel, *There's a New Fair Use Law in Town*, E-COMMERCE TIMES (Dec. 16, 2013, 5:00 AM), http://www.ecommercetimes.com/story/79629.html. ASMP's claims are similar to those filed in Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146 (9th Cir. 2007) and Field v. Google, Inc., 412 F. Supp. 2d 1106 (D. Nev. 2006). The ASMP claims are still pending in the case.

[110] Authors Guild, Inc. v. Google Inc., 770 F. Supp. 2d 666 (S.D.N.Y. 2011).

[111] *Authors Guild*, 954 F. Supp. 2d at *288.

[112] *Id.*

class certification, which was granted in May of 2012.[113] However, the Second Circuit vacated the class certification in July of 2013.[114] Most recently, in November 2013, Judge Chin ruled that Google's Book Project constituted "fair use" under the Copyright Act of 1976.[115]

In his analysis, Judge Chin weighed the four factors comprising the fair use doctrine, "along with any other relevant considerations, in light of the purposes of the copyright laws."[116] Unlike previous case law deciding copyright challenges,[117] Judge Chin's analysis of the first factor focused not on the commercial nature of Google's use, but on its transformative nature.[118] Judge Chin emphasized that Google Books transforms the text of the books into a digital medium, which can be employed as a tool for librarians, libraries, and cite-checkers.[119] He also noted that Google Books transforms book text into data, which can be used extensively in substantive research, "including data mining and text mining in new areas, thereby opening up new fields of research."[120] Significantly, Judge Chin remarked that Google Books is not a tool to be used for

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[113] *Authors Guild*, 282 F.R.D. 384, 395 (S.D.N.Y. 2012).

[114] Authors Guild, Inc. v. Google Inc., 721 F.3d 132, 134 (2d Cir. 2013).

[115] 17 U.S.C. § 107 (2012); *Authors Guild*, 954 F. Supp. 2d 282 (S.D.N.Y. 2013).

[116] *Authors Guild*, 954 F. Supp. 2d at *293. Judge Chin emphasized the public benefits of Google Books, including its role in the advancement of the progress of the arts and sciences; its value as a research tool; and its ability to preserve old, out-of-print books. *Id.*

[117] *See supra* Part III.

[118] *Authors Guild*, 954 F. Supp. 2d. at *291–92. The court made a passing comment regarding Google Books' potential for commercial exploitation, but dismissed the risk as outweighed by potential benefits. *Id.*; s*ee also* Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146, 1168 (9th Cir. 2007) (holding that use of works—"thumbnail images," including copyrighted photographs—to facilitate search was "transformative"); Kelly v. Arriba Soft Corp., 336 F.3d 811, 818 (9th Cir. 2003) (holding that Arriba's use of the copyrighted images was transformative).

[119] *Authors Guild*, 954 F. Supp. 2d at *291.

[120] *Id.* ("Google Books has created something new in the use of book text—the frequency of words and trends in their usage provide substantive information.").

reading books, and it therefore does not replace or supersede the original works.[121] Instead, it "adds value to the original and allows for the creation of new information, new aesthetics, new insights and understandings."[122] Although the court noted that Google is a for-profit entity, and that Google Books is commercial in nature,[123] it concluded that any incidental commerciality[124] was outweighed by the enterprise's educational benefits.[125]

Judge Chin's analysis of the remaining factors was relatively straightforward. Judge Chin found that the second factor, the nature of the copyrighted works,[126] favored a finding of fair use because (1) the vast majority of the copyrighted works were non-fiction, and (2) all the works at issue were published and available to the public.[127] He did find that the third factor, the amount and substantiality of the portion used,[128] weighed slightly against a finding of fair use.[129] Although Google Books scans the full text of books and copies that text verbatim, reproduction of the entire literary work is critical to the function of the full-text search.[130] Additionally, Google puts limits on the amount of text that is

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[121] *Id.* Notably, the creators of the Google Books project did originally intend that users be able to purchase full access to the books online. *Google Books History*, GOOGLE BOOKS, https://www.google.com/googlebooks/about/history.html (last visited Feb. 19, 2014). The current status of this proposed function is unknown.

[122] *Authors Guild*, 954 F. Supp. 2d 282, *291 (S.D.N.Y. 2013) (internal quotations omitted).

[123] *Id.*

[124] *Id.* at *291–92.

[125] Although Google does see a commercial benefit from increased user traffic to its site, the Google Books project does not use the copyrighted works solely for commercial gain. *Id.* ("[E]ven assuming Google's principal motivation is profit, the fact is that Google Books serves several important educational purposes."). The court also noted that Google does not seek to engage in direct commercialization of copyrighted works. *Id.*

[126] 17 U.S.C. § 107(2) (2012).

[127] *Authors Guild*, 954 F. Supp. 2d at *292.

[128] 17 U.S.C. § 107(3).

[129] *Authors Guild*, 954 F. Supp. 2d at *292.

[130] *Id.*

displayed in the search results.[131] However, Judge Chin gave little weight to the negative impact of this third factor when making his final determination.[132]

By contrast, he found that the fourth factor, the effect of the challenged use on the potential market for or the value of the original work,[133] strongly favored a finding of fair use.[134] The plaintiffs argued that the Google Books project would serve as a "market replacement" for their books.[135] They also contended that users could access an entire book by conducting multiple searches and varying the search terms.[136] Judge Chin rejected both of these suggestions. Quite opposite of harming the original authors, he found that the Google Books project increases the notoriety of borrowed works, thereby increasing book sales and profits.[137]

Finally, in his overall assessment, Judge Chin put great weight on the Google Books project's public benefit.[138] Specifically, the court concluded that Google Books advances "the Progress of

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[131] *Id.*
[132] *Id.*
[133] 17 U.S.C. § 107(4).
[134] *Authors Guild*, 954 F. Supp. 2d at *292–93.
[135] *Id.* at *292.
[136] *Id.*
[137] *Id.* In advocating for this argument, Judge Chin failed to consider that by making portions of these books freely available to an international audience, many researchers, and the general public, may choose to utilize Google Books rather to purchase a copy of the original work. As the plaintiffs suggested, a variety of search terms can be used to see multiple "snippets" of the digital book. As long as the user is not in need of the entire text of the book, these snippets may provide the necessary information. Hence, a Google Books user could utilize a publication, and the copyright holder would see no benefit. *See infra* Part V.A.
[138] *Authors Guild*, 954 F. Supp. 2d at *292; Vogel, *supra* note 109. Although not the focus of this Recent Development, the emphasis on the public benefits of mass sharing of copyrighted material may play a role in future controversies. However, based on decisions in cases such as *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007), it is fair to assume that a lack of public benefit will not preclude a finding of fair use. In *Perfect 10*, the Ninth Circuit failed to consider public benefit and still found that the secondary use was fair.

Science and the useful Arts,"[139] and does so in a way that respects and does not harm the rights of the copyright holders.[140] Judge Chin also acknowledged Google Books' potential to become an "an invaluable research tool" for teachers, students, librarians and others.[141] Moreover, he noted that Google Books helps to preserve out-of-print and old books and provides a new generation access to them.[142] Finally, he stated that Google Books facilitates access to books for populations that have previously struggled to obtain such literature.[143]

The concept of "public benefit" is not a new consideration.[144] In reality, the fair use doctrine, and copyright law for that matter, has always involved balancing of societal benefit and harm.[145] Transformativeness is said to grow out of the "productive use" doctrine.[146] Productive use is sometimes considered an aspect of the "purpose and nature of the use"[147] factor.[148] "The predominant meaning of productive use [since *Sony*] has been use which produces a new work;"[149] essentially the same as "transformative." However, this meaning has not been consistent.[150] Justice Blackmun in *Sony Corp. of America v. Universal City Studios, Inc.* described productive use as a use that results "in some added benefit to the public beyond that produced by the first author's

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[139] *Authors Guild*, 954 F. Supp. 2d at *293; *see also* U.S. CONST. art. I, § 8, cl. 8 ("The Congress shall have Power . . . : To 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.").

[140] *Authors Guild*, 954 F. Supp. 2d at *293.

[141] *Id.*

[142] *Id.*

[143] *Id.*

[144] *See* Lape, *supra* note 55, at 678.

[145] *Id.* at 678. ("The [fair use] doctrine applies where the benefit to society of permitting the unauthorized use outweighs the harm to society of reducing the incentive to create new works.").

[146] Kimbrough, *supra* note 33, at 630.

[147] 17 U.S.C. § 107(1) (2012).

[148] Lape, *supra* note 55, at 724.

[149] *Id.* at 709.

[150] *Id.* at 710.

work. . . . [I]n other words, [it] permits works to be used for 'socially laudable purposes.' "[151] Public use acts as a corollary to the transformativeness inquiry. A consideration of public benefit adds to the transformativeness doctrine and serves to further quash objections that the secondary work is considerably commercial in nature.

The *Authors Guild* finding falls in line with a trend of recent cases,[152] which suggest that the doctrine of transformativeness is reemerging as a determinative factor in fair use challenges. Additionally, Judge Chin's opinion suggests that productive use may be related to transformativeness' influence. The consideration of public benefit in the transformativeness analysis will be further discussed in Part VI.

V. A NEW FAIR USE LAW FOR SEARCH ENGINES: TRANSFORMATIVENESS

This Recent Development argues that there has been a contemporary shift in the application of the fair use doctrine, one that takes into account the specific qualities and functions of Internet search engines and other web-based corporations.[153] Historically, when considering the first factor in the fair use test, judicial emphasis has been on the commercial nature of the defendants work.[154] The fair use doctrine, however, is built for flexibility, so that courts may adapt to technological changes.[155]

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[151] *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 478–79 (1984) (Blackmun, J., dissenting).

[152] *See infra* Part V.

[153] This shift, in the author's opinion, applies to works characteristic of the digital era. *See* Warner Bros. Entm't Inc. v. RDR Books, 575 F. Supp. 2d 513, 541 (S.D.N.Y. 2008) (describing transformative use as the "[combination of] copyrighted expression with original expression to produce a new creative work" or "where the defendant uses a copyrighted work in a different context to serve a different function than the original"). *Warner Bros.* involved a lawsuit over an encyclopedia for Harry Potter novices. *Id.* at 521. For the purpose of this Recent Development, however, the author specifies search engines and databases.

[154] *See supra* Part III.

[155] *See* Lape, *supra* note 55.

The development of the fair use doctrine as it applies to Internet search engines suggests that the first factor of fair use should and does revolve around the transformative nature of the defendant's use, rather than its commercial nature.

The judicial shift away from commerciality towards transformativeness began in *Campbell v. Acuff-Rose Music, Inc.* in 1994.[156] In *Campbell*, the defendants recorded and released a parody of "Pretty Woman," which sold over 250,000 records.[157] Acuff-Rose sued for copyright infringement, and the Supreme Court found the parody to be fair use under Section 107.[158] In so finding, the Court stated that the transformativeness of the new work may override the other sub-factors.[159] Justice Souter wrote that a consideration of the new work's transformativeness was necessary when determining the use's character, stressing that the aspect lies "at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright."[160]

Following suit and applying *Campbell*'s refocused analysis, the Ninth Circuit in *Kelly v. Arriba Soft Corp.* held that U.S. search engines may use thumbnails of images, despite failure to obtain permission for such images from the rights holder.[161] The court discounted the commercial purposes of Arriba's website and instead focused on the transformative nature of the defendant's use of the images.[162] The court held that Arriba's use of Kelly's images was transformative because they took a different form and served a different purpose from the original images.[163] Additionally, the

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[156] 510 U.S. 569 (1994).

[157] *Id.* at 573.

[158] *Id.* at 579.

[159] *Id.* ("[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.").

[160] *Id.*

[161] Kelly v. Arriba Soft Corp., 336 F.3d 811 (9th Cir. 2003).

[162] *Id.* at 818–19 ("The more transformative the new work, the less important the other factors, including commercialism, become.").

[163] *Id.* at 818 (discussing that Kelly's images were artistic works, and Arriba's use of the images as thumbnails was completely "unrelated to any aesthetic purpose").

court noted that Arriba's use of the images "involve[d] more than merely a retransmission of Kelly's images in a different medium,"[164] again referencing the distinction between use which supersedes the original use and use which creates a different purpose for the copyrighted material.[165]

In 2006, the year after Authors Guild filed its suit against Google, the search engine giant was again in court. In *Field v. Google, Inc.*,[166] Field argued that Google infringed on his exclusive right to reproduce his copyrighted works when it "cached" his website and made a copy of it available on its search engine.[167] The United States District Court of Nevada found that the transformative nature of the work minimized the significance of the commercial nature of its use.[168] As in *Arriba*, the plaintiff's images served an artistic function, whereas Google's presentation of the "links to the copyrighted works at issue . . . [did] not serve the same functions."[169] The court distinguished five functions served by Google's "Cached" links," each of which it found to serve a public benefit.[170]

> First, Google's cache functionality enables users to access content when the original page is inaccessible. . . . Second, providing "Cached" links allows Internet users to detect changes that have been made to a particular Web page over time. . . . Third, offering "Cached" links allows users to understand why a page was responsive to their original query. . . . Fourth, Google utilizes several design features to make clear that it does not intend a "Cached" link of a page to substitute for a visit to the original page. . . . Fifth, Google ensures that any site owner can disable the cache functionality for any of the pages on its site in a matter of seconds.[171]

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[164] *Id.* at 819.
[165] *Id.*
[166] 412 F. Supp. 2d 1106 (D. Nev. 2006).
[167] *Id.* at 1110–11, 1113–14.
[168] *Id.* at 1119. The *Field* court restated that the concept of transformativeness lies at the heart of the fair use doctrine. *Id.*
[169] *Id.* at 1118.
[170] *Id.*
[171] *Id.* at 1118–19.

This new functionality made Google's use of Field's images both transformative and productive, and favored a finding of fair use.

Most recently, in *Perfect 10, Inc. v. Amazon.com, Inc.*,[172] the Ninth Circuit encountered another case turning on thumbnail images stored on an Internet server. Perfect 10 alleged that Google's[173] search engine catalogued its copyrighted images, kept "thumbnail" versions of those images on the Google servers, enabled display of the images on users' computer screens, and gave programming instructions which told those users' web browsers how to retrieve full-size versions of the copyrighted images via the internet.[174]

The Ninth Circuit concluded that Perfect 10 had established a *prima facie* case of direct infringement,[175] but nonetheless accepted Google's fair use defense.[176] In doing so, the Ninth Circuit held that the first factor, the purpose and character of the use, weighed heavily in Google's favor.[177] Unlike previous cases, however, the *Perfect 10* court went so far as to say that the transformative nature of the use is central to the factor one inquiry.[178] The court concluded that the "significantly transformative nature of Google's search engine" heavily outweighed "any incidental superseding use

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[172] 508 F.3d 1146 (9th Cir. 2007).

[173] The claims against Amazon.com were based largely on Amazon.com's display of search results and "thumbnail" images generated by Google. *Id.* at 1154. Perfect 10 initially sued Amazon.com and Google separately, but the cases were consolidated by the district court. *See id.* at 1157.

[174] *Id.* at 1155–56; *see also* Robert A. McFarlane, *The Ninth Circuit Lands a "Perfect 10" Applying Copyright Law to the Internet*, 38 GOLDEN GATE U. L. REV. 381, 382 (2008).

[175] *Perfect 10*, 508 F.3d at 1160. The court applied the "server test," which considers whether "a computer owner that stores an image as electronic information and serves that electronic information directly to the user ('i.e., physically sending ones and zeroes over the [I]nternet to the user's browser,' . . . ." *Id.* at 1159 (citing Perfect 10 v. Google, Inc., 416 F. Supp. 2d. 828, 838 (C.D. Cal. 2008). Such storage and transmission is deemed to be "display" in violation of the copyright holder's exclusive display right. *Id.*

[176] *Id.* at 1164–68.

[177] *Id.* at 1164–66.

[178] *Id.* at 1164 ("The central purpose of this [first-factor] inquiry is to determine whether and to what extent the new work is transformative.").

or the minor commercial aspects of Google's search engine and website."[179]

Transformativeness appears to be making an impact in many copyright cases. While garnering more widespread support in the areas of art and print media,[180] transformativeness is coming to the forefront in digital cases, as well. The cases place a steadily increasing emphasis on the transformative nature of the infringer's use, so much so that transformativeness may become controlling in the consideration of fair use defenses.

VI. FUTURE CONSIDERATIONS

In future cases involving widespread digital use of copyrighted print materials (including art, literature, etc.) the consideration of "transformativeness" within 17 U.S.C. § 107(1) should carry heavy, if not determinative, weight in deciding if the challenged use is truly fair. Additionally, *Authors Guild* and other fair use case law suggests that public interest and benefit in the secondary use

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[179] *Id.* at 1166–67. The court's conclusion that the thumbnails were highly transformative was based on multiple factors, including the fact that Google's thumbnails served a different function from the originals, and that the search engine provides social benefit by incorporating the original work into an electronic reference tool. *Id.* at 1165.

[180] *See, e.g.*, Cariou v. Prince, 714 F.3d 694 (2d Cir. 2013). Cariou, a photographer, sued a well-known appropriation artist, gallery, and gallery owner. *Id.* at 698. The artist used Cariou's photographs in paintings that were marketed and sold by the gallery and its owner. *Id.* at 699–703. The court held that the majority of the defendant's artwork was transformative and thus constituted fair use. *Id.* at 708; *see also* Blanch v. Koons, 467 F.3d 244 (2d Cir. 2006). Blanch, a fashion photographer, brought suit against a visual artist and the institutions that commissioned and exhibited his paintings. *Id.* at 246, 249. Koons used Blanch's photograph in a collage painting. *Id.* at 246. The court held the defendant's work to be transformative because it served a function different from the original purpose for which the work was created. *Id.* at 253. *See also* Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605 (2d Cir. 2006). The plaintiff held the copyright on several posters of a music group, and it sued the publisher of a biographical book for using the posters' images within the book. *Id.* at 607. The court held that defendant's reproduction of original images in the book was transformative and strongly favored a finding of fair use. *Id.* at 609–11.

plays a substantial role in the court's analysis of the fair use defense.

Authors Guild could have any number of effects in other jurisdictions and on future matters with similar facts.[181] Courts may generalize this ruling and apply it to all digital catalogues of works of art, music, or photography. While books are unique in that multiple distinct parts (pages) comprise the whole, thus making snippet views possible (unlike a painting or a photograph), *Authors Guild* and the cases discussed in Part V suggest that the transformative nature of such use makes it fair. In other words, because databases' and search engines' display and use of the copyrighted works serves a different function from the original work, the court will likely find the secondary use to be fair.

In the alternative, future courts may conclude that the *Authors Guild* decision extended the doctrine of transformativeness too far. Presumably, a finding limiting the reach of transformativeness may be prompted by the reality of the vast and substantial scope of the Google Books project and its potential for international exploitation of the authors' rights. However, as Judge Leval suggested, such a conclusion would be based on notions of fairness[182] rather than a promotion of the goals of copyright.

While it is possible that courts may decide that *Authors Guild* extended the doctrine of transformativeness too far, this is

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[181] For example, Google is currently involved in a lawsuit with the American Society of Media Photographers (ASMP). Am. Soc'y of Media Photographers, Inc. v. Google, Inc., No. 1:10-cv-02977-DC (S.D.N.Y. Apr. 7, 2010) (Bloomberg Law). ASMP is also objecting to the Google Books project, and made complaints about the images reproduced when Google scanned various books. *Id.* Based on decisions in *Perfect 10*, *Field*, and *Arriba*, as well as *Authors Guild*, Google will likely win its case against ASMP. The allegations made by the ASMP class mirror those in previously decided cases, and as such, Google's use of the visual works will likely be deemed transformative enough to warrant a finding of fair use. *See Am. Soc'y of Media Photographers*, No. 1:10-cv-02977-DC; Authors Guild, Inc. v. Google Inc., 954 F. Supp. 2d 282 (S.D.N.Y. 2013); *Perfect 10*, 508 F.3d 1146; Field v. Google Inc., 412 F. Supp. 2d 1106 (D. Nev. 2006); Kelly v. Arriba Soft Corp., 336 F.3d 811 (9th Cir. 2003).

[182] Leval, *supra* note 20, at 1107.

doubtful. Judge Chin's focus on transformativeness and public benefit, at the expense of the commerciality inquiry, mirrors the decisions in *Arriba* and *Perfect 10*. Additionally, his analysis suggests that *Authors Guild* follows and perpetuates precedent, making it unlikely that the decision will be overturned. Accordingly, fair use determinations will likely continue to emphasize transformativeness rather than commercial benefit.

A. *Commerciality*

For Google as a corporation, the decisions in *Perfect 10* and *Field* have sanctioned its use of copyrighted artwork—without permission—in the form of thumbnails and "Cached" links. The *Authors Guild* appeal is pending,[183] but a finding in favor of Google would grant the corporation virtually limitless use of copyrighted books and other works in relation to the Google Books project, which potentially extends to future endeavors beyond Google Books. A decision in favor of Google would also bring revenue to the corporation from the Google Books project, whether it be through advertising[184] or increased user traffic.

An additional concern, dismissed by Judge Chin, is that Google Books will become a replacement for the original texts, in a variety of fields.[185] For example, when conducting research, a student might read the selected pages of a reference book which provides him or her with the needed information, rather finding and utilizing the original print copy or certified digital copy of the book. As a result, copyright holders may be suffering, and will continue to suffer, huge market losses based on judicial neglect of the commerciality inquiry. While commerciality is tied to the fourth factor, which considers the effect of the infringing use on the potential market for the plaintiff's work, the commerciality inquiry

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[183] Authors Guild, Inc. v. Google, Inc., 954 F. Supp. 2d 282 (S.D.N.Y. 2013), *appeal docketed*, No. 13-04829 (2d Cir. Dec. 23, 2013).

[184] Judge Chin noted that Google no longer runs ads on the "About the Book" pages which display the snippets. *Id.* at *292. However, this may not be a permanent policy, and Google may derive ad revenue from the About the Books pages in the future.

[185] *Id.*

is critical in that it can result in an evaluation of the first factor, the nature and purpose of the use, which disfavors a finding of fair use. Even if the fourth factor indicates potential harm to the market, an intersection of the other three factors may indicate a finding of fair use.

Other Internet businesses[186] may rely on the *Authors Guild* ruling in order to use copyrighted material in unprecedented ways.[187] Given the court's recent diminished attention towards the commerciality factor, businesses may push the boundaries regarding how much commercial gain is too much gain. It may take some time before the courts endeavor to define the parameters of the "nature and purpose" inquiry, specifically the balancing of transformativeness versus commerciality. Currently, it appears that a secondary work which is transformative establishes a presumption of fair use, much like the presumption of *un*fair use upon a showing of commercial gain established in *Sony*.[188]

One must keep in mind that the fair use doctrine requires a fact-specific inquiry.[189] The *Authors Guild* decision does not guarantee that future copyright infringement suits will be decided in the same way.[190] However, the trend suggests that the courts will

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[186] For example, search engines, databases, online shopping services (such as Amazon).

[187] *See* Vogel, *supra* note 109.

[188] Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 451–52 (1984) ("[E]very commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright.").

[189] *See* Kimbrough, *supra* note 33, at 629 ("Each of the factors is highly fact-specific and must be given weight in the analysis . . . .").

[190] Brown, *supra* note 102 ("However, the impact of the judgment should be not overstated. Fair use under US law is a fact-specific matter and, as such, the bearing which the ruling in this case may have on fair use issues in subsequent litigation concerning the internet should not be overstated. For the same reason, the ruling does not provide carte blanche for competitors seeking to enter the book-scanning market, who may themselves become embroiled in expensive litigation regarding fair use if they do so."). Yahoo!, MSN, and Amazon.com all have digital book search engines, as well. For a comparison see Ari Okano, *Digitized Book Search Engines and Copyright Concerns*, 3 SHIDLER J. L. COM.

give leeway on the commerciality factor if transformativeness is present. As a result, there may be an increase in fair use findings for Internet businesses that borrow copyrighted works and put them to use on their sites.

B. *Public Benefit—Productive Use*

As discussed in Part IV, the public benefits associated with a challenged use of copyrighted material have been in the fair use consideration since before promulgation of the 1976 Copyright Act.[191] In 1974, the court in *Meredith Corp. v. Harper & Row, Publishers, Inc.*[192] explained that the fair use doctrine has developed "to permit more than insignificant [sic] copying of protected material where such copying was clearly in the public interest."[193] Several other decisions during the 1960s and 70s cited public utility as a significant factor,[194] and many other opinions

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& TECH. 13, *4–9 (Apr. 6, 2007), *available at* https://digital.law.washington.edu/dspace-law/bitstream/handle/1773.1/397/ vol3_no4_art13.pdf?sequence=1.

[191] Lape, *supra* note 55, at 694 ("Beginning in the mid-1960s, many cases decided under the 1909 Act stressed the nature of the defendant's use. Further, courts during this period considered the significant aspect of defendant's use to be the extent to which that use served the public interest.").

[192] 378 F. Supp. 686 (S.D.N.Y.), *aff'd*, 500 F.2d 1221 (2d Cir. 1974).

[193] *Id.* at 689.

[194] *See, e.g.*, Williams & Wilkins Co. v. United States, 487 F.2d 1345 (Cl. Ct. 1973), *aff'd per curiam*, 420 U.S. 376 (1975). The plaintiff, publisher of medical journals, sought to stop a government medical research organization and its library from making photocopies of articles. *Id.* at 1347–49. The Court found that the photocopies aided in advancing and disseminating medical knowledge, and that medical science would be harmed if the photocopying was stopped. *Id.* at 1356. *See also* Rosemont Enters., Inc. v. Random House, Inc., 366 F.2d 303 (2d Cir. 1966). The owner of the copyright on a magazine featuring articles concerning a particular celebrity sued the publisher of a biography concerning the celebrity. *Id.* at 304–05. The court determined that the public interest in the life of a person who made great contributions to society outweighed the interests of the copyright holder. *Id.* at 309. *See also* Meeropol v. Nizer, 361 F. Supp. 1063, 1067 (S.D.N.Y. 1973) ("Courts in passing upon particular claims of infringement must occasionally subordinate the copyright holder's interest in a maximum financial return to the greater public interest in the development of art, science and industry." (internal quotations omitted)); Time Incorporated v. Bernard Geis Associates, 293 F. Supp. 130 (S.D.N.Y. 1968). In a book, the

during that time period characterized such fair use findings as "a subordination of the copyright owner's interest in financial gain to social utility, often expressed as the greater public interest in the development of art, science and industry."[195] Although the Copyright Act of 1976 did not expressly include "productive use,"[196] the Act's legislative history makes it clear that the statute was a continuation of judicial doctrine at the time.[197] Since then, the productive use factor has not been applied uniformly, or even frequently.[198] However, along with transformativeness, productive use and a significant consideration of public interest may be reemerging.

Judge Chin's opinion in *Authors Guild* made a point to discuss the public benefits of the Google Books project.[199] He chose to engage in this discussion at the end of his analysis, incorporating it into his overall assessment of the case.[200] While transformativeness and commerciality clearly fall under the "nature and purpose" category,[201] public benefit is more of an overarching concept tied to the values set forth by copyright law.[202] As such, most fair use determinations involve an analysis of each statutory factor, weighed in light of the objectives of copyright law.[203]

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defendant used still frame photos taken from plaintiff's motion picture about the assassination of President Kennedy. *Time Incorporated*, 293 F. Supp. at 131–32. The court held the use to be fair, citing the public's interest in having the fullest information available about the event. *Id.* at 146.

[195] Lape, *supra* note 55, at 695 (internal quotations omitted).

[196] *See* 17 U.S.C. § 107 (2012).

[197] Lape, *supra* note 55, at 701 (internal citations omitted).

[198] *Id.* at 704–05.

[199] Authors Guild, Inc. v. Google, Inc., 954 F. Supp. 2d 282, 293 (S.D.N.Y. 2013).

[200] *Id.*; *see also supra* Part IV.

[201] *See* 17 U.S.C. § 107(1).

[202] *But see supra* Part IV (discussing productive use as a sub-factor of the nature and purpose inquiry).

[203] *See, e.g.*, Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146, 1163 (9th Cir. 2007) ("We must be flexible in applying a fair use analysis; 'it is not to be simplified with bright-line rules, for the statute, like the doctrine it recognizes, calls for case-by-case analysis. . . . Nor may the four statutory factors be treated in isolation, one from another. All are to be explored, and the results weighed

Copyright law, at its core, is a balancing of interests. It grants to the copyright holders "nearly exclusive rights of exploitation of [their] work"[204] in exchange for the enrichment of the public domain.[205] Judge Leval wrote:

> The copyright law embodies a recognition that creative intellectual activity is vital to the well-being of society. It is a pragmatic measure by which society confers monopoly-exploitation benefits for a limited duration on authors and artists (as it does for inventors), in order to obtain for itself the intellectual and practical enrichment that results from creative endeavors.[206]

In line with the theory behind copyright, the fair use doctrine advances creativity and authorship.[207]

The presence of societal benefit was also recognized in *Perfect 10*.[208] Notably, and unlike Judge Chin's analysis in *Authors Guild*, the *Perfect 10* court initially weighed the utility and societal benefit of Google's use against its commerciality and the extent to which the use superseded the original work.[209] In doing so, the court emphasized that the four fair use factors must be weighed in light of the purposes of copyright, which value the interests of the public in advancing science and art.[210] However, the court found that the superseding use and commercial benefits derived from

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together, in light of the purposes of copyright.' " (alteration in original) (citing Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 577–78)); Kelly v. Arriba Soft Corp., 336 F.3d 811, 818 (9th Cir. 2003) ("We must balance these factors in light of the objectives of copyright law, rather than view them as definitive or determinative tests.").

[204] Tuchman, *supra* note 20, at 105.

[205] *Id.*

[206] Leval, *supra* note 20, at 1109.

[207] *Id.*

[208] *Perfect 10*, 508 F.3d at 1166 ("We conclude 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."). Notably, *Perfect 10*, like *Authors Guild*, involved programs run by Google. While this fact may skew the data on the public benefit consideration, it will be interesting to see if a similar analysis is made in any suits that may be brought against Yahoo! or Bing.

[209] *Id.*

[210] *Id.*

such use were insignificant when compared to the interests of the public.[211] As such, the court weighed the public benefit together with the fact that the use was highly transformative, and, after a brief discussion of the other statutory factors, concluded that the challenged use was fair.[212]

Although this Recent Development contends that transformativeness is emerging as the controlling inquiry in evaluations of fair use, there is an argument to be made that a consideration of public benefit—or the secondary work's productive use—might be a deciding feature when consideration of all other factors does not yield a definitive result. If this is true, a finding that the infringing use is also beneficial to society at large may introduce an additional barrier to copyright holders arguing that the secondary use is harmful to the market for their original works. As evidenced in *Perfect 10*, an evaluation of public benefit serves to balance the fair use doctrine[213] against the purposes of copyright protection. And because copyright trades an author the exclusive rights to exploitation of his or her work in exchange for public disclosure of knowledge in order to better society as a whole, future cases may sacrifice the individual for the greater good.

C. *Commerciality vs. Public Interest*

Copyright holders have reason for concern. The current legal trend suggests that commercial gain resulting from an infringing use of copyrighted material will be deemed fair if the secondary use is sufficiently transformative.[214] A finding of fair use is even more likely if the secondary use serves a public utility.[215] This is problematic. While the goals of copyright are supposedly best served when the desires of the individual are subverted in favor of the public interest, the rights of the copyright holder cannot be

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[211] *Perfect 10*, 508 F.3d at 1166.
[212] *Id.* at 1166–68.
[213] 17 U.S.C. § 107 (2012).
[214] *See supra* Part V.
[215] *See supra* Part VI.B.

ignored or simply forgotten because the new work benefits society. Certainly, if that were true, secondary use of copyrighted works would probably stop short of blatant copyright infringement with no attempt at transformativeness or productive use. However, authors and artists would find it difficult to assert their rights as copyright holders in the face of an existing presumption of fair use.

An emphasis on transformativeness and public utility is not without merit. Nevertheless, a substantial consideration of any commercial benefit to the secondary user should still be present. Currently, it appears that any discussion of commerciality is merely nominal. Such casual dismissal of profit-seeking motives on the part of the secondary user fails to adequately protect the rights of copyright holders, and should be reevaluated in the future.

VII. CONCLUSION

Authors Guild marks a changing fair use doctrine. Recent cases point to a trend in judicial application of the fair use doctrine favoring transformative use above all other considerations. This trend minimizes the commerciality factor, which until a decade ago had been controlling in determining the purpose and character of the defendant's infringing use. Such a monumental change could have long-standing ramifications, including allowing Internet search engines and large electronic business to engage in copyright infringement with fewer restrictions. Such businesses may even turn a profit from their activities. As the world moves further into the digital era, copyright law continues to redefine itself in order to keep pace with changing technologies.

Copyright law is also a balancing of interests. It seeks to protect the private rights of copyright holders, while simultaneously making new information available to the public in order to advance the progression of science and art within the United States. This balancing often disregards the financial and proprietary interests of the individual in favor of the benefits that dissemination of the copyrighted material would provide to society. However, it appears that recent cases dismissing commerciality in favor of transformativeness and social utility may have skewed the balance. Much like in the 1980s—when a finding

of commercial benefit created a presumption of unfairness—a finding of transformativeness today almost creates a presumption of fair use, especially when the secondary use benefits the public. The law of copyright seems to have shifted away from vigorously protecting the interests of the copyright holders, instead now giving potential infringers the benefit of a doubt. This is could be a problematic outcome unless both sides are placed on level ground.

While there is an increasing likelihood that courts will continue to make decisions similar to *Authors Guild*, *Perfect 10*, and *Arriba*, hopefully the commerciality inquiry reemerges in the future. Transformativeness and public benefit are both positive factors for the consideration of the fair use defense in that they do comply with the overall goals of copyright. However, on the other side of the scales, copyright holders may need the protection guaranteed to them by the commerciality inquiry, which will prevent infringing use that substantially benefits the secondary user to the detriment of the copyright holder.