Does Your Rule 12 Motion Based On Fair Use Have A Chance?

By **Amelia Brankov and Azita Iskandar** December 5, 2017, 5:54 PM EST

In July 2017, a New York federal court denied as premature artist Richard Prince's motion to dismiss photographer Donald Graham's copyright infringement lawsuit on fair use grounds.[1] In doing so, the court found that, due to the fact-sensitive nature of the inquiry, courts generally do not address the fair use defense until at least the summary judgment phase.[2] But two months later, another federal judge in New York had no problem granting a motion for judgment on the pleadings on the ground of fair use, finding that while discovery might yield additional information about the artist's intent in using the underlying work, such information was unnecessary to resolve the fair use issue.[3] In light of these disparate decisions, how are litigants to navigate these murky waters when deciding whether to file a motion to dismiss or a motion for judgment on the pleadings (so called Rule 12 motions) on fair use grounds? This article analyzes these and other recent fair use decisions and provides practice pointers for counsel considering whether to file such a motion.

Rule 12 Motions in the Context of Fair Use

The Copyright Act provides that the fair use of a copyrighted work is not an infringement of copyright and that reproduction or copying of a copyrighted work is permissible when undertaken "for purposes such as criticism, comment, news reporting, teaching ... scholarship, or research."[4] The Copyright Act sets forth four factors to consider in determining whether a defendant's use of a copyrighted work is a fair use: "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work."[5]

Courts analyze fair use as a mixed question of fact and law.[6] Because the resolution of a fair use defense often requires consideration of facts outside of the complaint, courts sometimes find that the issue is inappropriate for resolution through early motion practice.[7] Notwithstanding this fact, numerous courts have "resolved fair use determinations at the summary judgment stage where ... there are no genuine issues of material fact."[8] Further, courts have recognized that there are circumstances when "the only two pieces of evidence needed to decide the question of fair use" are the original work and the allegedly infringing work.[9] In these circumstances, resolution of the issue as a matter of law may be appropriate on a motion to dismiss. But as one New York district court noted, whatever the theoretical possibility of resolving fair use on a motion to dismiss, "there is a dearth of cases granting such a motion."[10]

To File or Not to File?

So what are the circumstances in which courts have granted Rule 12 motions on fair use grounds

without discovery?

A review of recent court opinions shows that courts have granted Rule 12 motions where no discovery is needed to determine that the defendant's use of the plaintiff's copyrighted material squarely falls within the uses set forth in the preamble of the Copyright Act, namely, "criticism, comment, news reporting, teaching ... scholarship, or research." Courts have found that these uses are to be favored under the Copyright Act, and are "deemed most appropriate for a purpose or character finding indicative of fair use."[11] Relatively speaking, works intended for criticism in particular lend themselves to an early disposition given that there is a lack of a protectable derivative market for criticism.[12] For example, in City of Inglewood v. Teixeira, a copyright dispute arose between a city and a citizen who used footage of city council meetings to create YouTube videos that criticized the city and its elected officials.[13] The court found that the defendant's videos, which were core First Amendment speech commenting on political affairs and matters of public concern, were fair use.[14]

For the same reasons, courts also appear willing to dismiss cases where the defendant reproduces the plaintiff's work for "news reporting."[15] A recent opinion, however, notes that courts may very well need discovery to determine whether a secondary use qualifies as "news reporting or commentary," as it may not be unequivocally apparent from a visual inspection that the use "serv[ed] the public by providing access to important … information."[16]

Along the same lines, courts have granted Rule 12 motions in cases involving parodies. In Lombardo v. Dr. Seuss Enterprises LP, a copyright dispute arose between Dr. Seuss Enterprises and a playwright who authored a comedic play using the characters, plot and setting of a Dr. Seuss book.[17] The court addressed fair use on a motion for judgment on the pleadings and, after conducting a side-by-side comparison of the two works at issue, found that the play was a parody and thus highly transformative and a fair use.[18] The court noted that "although discovery might yield additional information about plaintiffs' intent, such information is unnecessary to resolve the fair use issue; all that is needed is the parties' pleadings, copies of [the two works at issue], and the relevant case law."[19]

On the other hand, many cases do not lend themselves to resolution solely based on a side-by-side comparison of the works. The Second Circuit's decision in Cariou v. Prince may have put wind in the sails of those seeking early case dismissal by ruling that 25 of 30 works by artist Richard Prince, as a matter of law, made fair use of plaintiff Patrick Cariou's photographic portraits of Rastafarians.[20] While Cariou was decided on a motion for summary judgment, not a motion to dismiss, its reasoning that these determinations may be made based on a visual inspection of works may embolden defendants to file dispositive motions before discovery. However, recent decisions suggest that in cases where the transformative purpose is not obvious or the lack of potential market harm is not readily determinable such a motion may be unripe. In TCA Television Corp. v. McCollum, the Second Circuit disagreed with the district court's grant of a motion to dismiss on fair use grounds, noting that nothing in the record showed that the play was transformative.[21][22][23] The court distinguished Cariou on the ground that the 25 works that were deemed transformative as a matter of law in that case altered Cariou's original photographs such that they were "barely recognizable" within the new work, while, in TCA Television Corp., the defendant's use of Abbott and Costello's "Who's on First?" routine

performed by a sock puppet was "almost verbatim" and "without alteration."[24] As to market harm, the Second Circuit ruled that the district court "disregarded the possibility of defendants' use adversely affecting the licensing market for the Routine," which was pled by the plaintiffs and must be accepted as true for purposes of a Rule 12 motion.[25]

In Graham v. Prince a professional photographer sued Richard Prince for unauthorized use of his photo in an exhibition, a catalog, a billboard and a social media post. The court denied Prince's motion to dismiss because his work did not make "any substantial aesthetic alterations" to the plaintiff's photograph, and a side-by-side comparison of the works was an insufficient record upon which to rule.[26] Thus, "discovery [would] be necessary to uncover evidence about the purposes and circumstances under which each of the allegedly infringing works were created, to ascertain whether certain of the works were commercial in nature, and to identify the markets for [the photographer] and [the artist's] works."[27]

In Dr. Seuss Enterprises LP v. ComicMix LLC, a copyright dispute arose between the rights owner to the Dr. Seuss book "Oh the Places You'll Go!" and the author of a Star Trek-themed mashup book entitled "Oh the Places You'll Boldly Go!"[28] The defendants moved to dismiss on fair use grounds. The court analyzed the fair use factors but found that they were almost evenly split. Ultimately the court denied the motion to dismiss because discovery was required to develop relevant evidence regarding the fourth fair use factor (market harm).[29]

Takeaway Points

When it comes to fair use cases, counsel may find it tempting to bring Rule 12 motions with the goal of achieving an early victory for their clients. But when we look at the recent cases in which courts have granted such motions on fair use grounds, we see that they generally are limited to the clearest cases of uses falling within the specifically enumerated purposes set forth in the preamble of the fair use statute, and cases involving expressive works where no discovery is needed to determine that the secondary use is transformative and would not usurp the market for the original work.

Thus, before bringing a Rule 12 motion based on a fair use argument, one must frankly assess the facts of the case and determine whether at this early juncture a court will have the information it needs to make a finding of fair use. If the case does not involve an obviously transformative work, pursuing a premature Rule 12 motion may be futile (and it could result in a denial with unfavorable language). Although the merits of some cases may warrant taking these risks to avoid the expense of further litigation, given the "dearth" of fair use defenses prevailing on pre-discovery Rule 12 motions, in many instances counsel may be better off saving the time and expense of a Rule 12 motion, conducting discovery to obtain information that speaks to the four fair use factors and then filing a summary judgment motion instead.

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advice.

[1] See Graham v. Prince, No. 15 Civ.10160 (SHS), 2017 WL 3037535, at *14 (S.D.N.Y. July 18, 2017).

[2] Id. at *6.

[3] See Lombardo v. Dr. Seuss Enterprises, L.P., No. 16 Civ. 9974 (AKH), 2017 WL 4129643, at *3 (S.D.N.Y. Sept. 15, 2017).

[4] 17 U.S.C. § 107.

[5] Id.

[6] See, e.g., Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 560 (1985).

[7] See, e.g., Hirsch v. CBS Broadcasting Inc., No. 17 Civ. 1860, 2017 WL 3393845, at *7 (S.D.N.Y. Aug. 4, 2017).

[8] Cariou v. Prince, 714 F.3d 694, 704 (2d Cir. 2013) (citing Blanch v. Koons, 467 F.3d 244, 250 (2d Cir. 2006)).

[9] Cariou, 714 F.3d at 707-08 (quoting Brownmark Films, LLC v. Comedy Partners, 682 F.3d 687, 690 (7th Cir. 2012)).

[10] BWP Media USA, Inc. v. Gossip Cop Media, LLC, 87 F. Supp. 3d 499, 505 (S.D.N.Y. 2015).

[11] TCA Television Corp v. McCollum, 839 F.3d 168, 179 (2d Cir. 2016) (internal quotations omitted).

[12] See, e.g., Campbell v. Acuff Rose, 510 U.S. 569, 579, 592 (1994).

[13] No. 15 Civ. 01815, 2015 WL 5025839 (C.D. Cal. Aug. 20, 2015).

[14] Id. at *8, *12; See also Caner v. Smathers, No. 4:13 Civ. 494 (Y), 2014 WL 12580461, at *4 (N.D. Tex. Apr. 17, 2014) (granting a Rule 12(b) motion to dismiss based on fair use where defendant posted online videos of plaintiff as a religiously based criticism of a public figure); Sedgwick Claims Mgmt. Servs., Inc. v. Delsman, No. 09 Civ.1468 (SBA), 2009 WL 2157573, at *5 (N.D. Cal. 2009) (granting a Rule 12(b) motion to dismiss based on fair use where defendant mailed postcards styled as “WANTED” posters bearing photographs of plaintiff’s executives with critical commentary about plaintiff’s business practices); Savage v. Council on Am.-Islamic Relations, Inc., No. 07 Civ. 6076 (SI), 2008 WL 2951281, at *4-*9 (N.D. Cal. Jul. 25, 2008) (granting Rule 12(c) motion for judgment on the pleadings based on fair use where defendants used a clip from plaintiff’s radio program to criticize and comment on plaintiff’s statements and views).

[15] See, e.g., Konangataa v. Am. Broadcasting Cos., Inc., No. 16 Civ. 7382, 2017 WL 2684067, at *2 (S.D.N.Y. June 21, 2017) (media's use, for the purpose of social commentary, of plaintiff's publicly live-streamed video of his partner delivering baby was fair use).

[16] See Hirsch, 2017 WL 3393845, at *7 (denying motion to dismiss photojournalist's suit against television studio for using his photograph of an accused stalker, which the television studio used in a show about stalkers) ("further development of the record is warranted, to clarify what, if any, new insights and understandings were created by CBS's use of the Photo here. Newsworthiness of the subject matter is not enough") (internal quotations omitted).

[17] 2017 WL 4129643, at *1.

[18] Id. at *2-*4.

[19] Id.; see also Adjmi v. DLT Entm't Ltd., 97 F. Supp. 3d 512, 531 (S.D.N.Y. 2015) (granting a Rule 12(c) motion for judgment on the pleadings based on fair use where a playwright created a play that parodied the popular television show Three's Company, criticizing the show and commenting on its treatment of topics such as homosexuality and drug use); see also Brownmark Films, LLC, 682 F.3d at 692 (granting a Rule 12(b) motion to dismiss based on fair use where the rights holder of a viral internet video sued the producers of a South Park episode that parodied the original viral internet video) ("When a defendant raises a fair use defense claiming his or her work is a parody, a court can often decide the merits of the claim without discovery or a trial.").

[20] Cariou, 714 F.3d at 712.

[21] 839 F.3d at 168.

[22] The Second Circuit ultimately affirmed the trial court's dismissal of the case due to the plaintiffs' failure to plausibly plead ownership of a valid copyright. Id. at 192.

[23] Id. at 182-183.

[24] Id. at 181.

[25] Id. at 186-87.

[26] 2017 WL 3037535, at *9-*10.

[27] Id. at *14.

[28] 256 F. Supp. 3d 1099 (S.D. Cal. 2017).

[29] Id. at 1109.