Proskauer

Second Circuit Finds Use of "Who's on First" Routine Not Transformative and Not Fair Use

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Earlier this month, the U.S. Court of Appeals for the Second Circuit issued a consequential opinion on the meaning and scope of what has become the "transformative use" factor of the fair use defense to copyright infringement. *TCA Television Corp. v. McCollum*, No. 16-134-cv-, __ F.3d __, 2016 WL 5899174 (2d Cir. Oct. 11, 2016). While transformative use is one consideration within the first of four factors applied to determine whether a use of a copyrighted work is "fair" and thus not an act of infringement, it has become the predominant consideration in the Second Circuit. And while it is fair to say that the Second Circuit in recent decisions has stretched the scope of what had previously been considered a transformative use, *McCollum* appears to pull back on that expansion.

In a unanimous 3-0 ruling, the Second Circuit ruled that a Broadway play's verbatim performance of a full minute from the iconic Abbott and Costello routine, "Who's on First," in a scene between an introverted, small-town boy and his demonic sock puppet, was not transformative or otherwise fair use as a matter of law. In doing so, the court rejected Southern District of New York Judge George B. Daniels' dismissal (at the pleading stage) of the plaintiff ("TCA")'s copyright infringement action on the basis of fair use. (The Circuit affirmed on the separate ground that plaintiffs failed to plausibly allege a valid copyright interest.)[1]

The Parties and Play

In the late 1930s, the famous Vaudeville comedic duo comprised of William "Bud" Abbott and Lou Costello first performed their now-world famous routine known as "Who's on First."[2] The purported successors to rights in Who's on First (the "Routine") filed a lawsuit against the producers and author ("Producers") of a successful Broadway play, *Hand to God* (sometimes referred to below as the "Play"). As described in TCA's complaint, the Play is a "dark comedy about an introverted student in a religious, small-town Texas who finds a creative outlet and a means of communication through a hand puppet, wh[ich] turns into his evil or devilish persona."

In *Hand to God*'s first act, the lead character (Jason) tries to impress a girl (Jessica) by using his sock puppet (Tyrone) to perform just over a minute of the Routine. When Jessica asks Jason if he wrote the Routine, Jason says "yes," to which his sock-puppet alter ego "Tyrone" immediately, and seemingly of his own volition, calls Jason a liar. Tyrone then calls Jessica "stupid" for not recognizing the plagiarism, whereupon the dialogue shifts away from the Routine to various lurid subject matters expressed by Tyrone.

The District Court's Opinion

The Producers moved to dismiss TCA's copyright claim on three grounds: (1) lack of a valid copyright; (2) the Routine allegedly being in the public domain; and (3) fair use. The district court granted the motion on grounds of fair use, declining to rule on either of the other grounds.

With respect to fair use, the district court found the Play's use of the Routine was so "highly transformative" it constituted fair use as a matter of law. *Id*. at *1. In the court's view, "by having a single character perform the Routine, the Play's authors were able to contrast 'Jason's seemingly soft-spoken personality and the actual outrageousness of his inner nature,'" which acted as "a darkly comedic critique of the social norms governing a small town in the Bible Belt." *Id*. at *7 (quoting *TCA Television Corp. v. McCollum*, 151 F. Supp. 3d 419, 436 (S.D.N.Y. 2015)).

TCA appealed to the Second Circuit.

The Second Circuit Affirms the Dismissal on Different Grounds (Copyright Validity) but *Rejects* the Finding of "Transformative Use" as a Matter of Law

While ultimately dismissing plaintiffs' copyright claim on grounds of copyright validity, the Second Circuit found that the district court erred in dismissing the complaint based on fair use. In doing so, the court provided a detailed analysis of what is and is not likely to constitute a "transformative use."

The court considered the Play's potential "transformative use" under its analysis of the first fair use factor—i.e., "the purpose and character of the secondary use," which considers "whether the new work merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning or message."[3] *Id*. at *7 (quoting *Campbell v. Acuff Rose Music, Inc.*, 510 U.S. 569, 579 (1994)).

With respect to the proper focus of the "transformative use" inquiry, the panel stressed that:

[T]he focus of inquiry is not simply on the new work, i.e., on whether that work serves a purpose or conveys an overall expression, meaning or message different from the copyrighted material it appropriates. *Rather, the critical inquiry is whether the new work uses the copyrighted material itself for a purpose, or imbues it with a character, different from that for which it was created*.

With these principles in mind, the Second Circuit found the district court's "transformative use" analysis—in particular, its focus on the "general artistic and critical purpose *of the Play*"— flawed. *Id*. (emphasis in original). The panel observed that the district court did not explain (and the Second Circuit did not find) that the Play's use *of the Routine specifically*—as opposed to any other well-known comedy routine—was necessary to the Play's stated purpose of critiquing small-town social norms. *Id*. Moreover, the Play's use did not change ("transform") the character of the Routine itself; to the contrary, it used the Routine in the same manner as it was originally performed (i.e., as a comedic sketch).

The panel distinguished these facts from those in a notable, recent decision regarding transformative use, *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013). *Cariou* involved an artist who radically and crudely altered copyrighted photographs without intent to comment on the original, but *with* the intent to change the original "into something [] completely different." *Id*. at 707. There, the Second Circuit found the uses transformative (as to the majority of photographs) even if they did not comment on the original, on the grounds that the use gave the photographs "new expression" and made them "barely recognizable." *Id*. at 708-710.

Contrasting *Hand to God*'s use to that in *Cariou*, the panel found that "[f]ar from altering *Who's on First* to the point where it is 'barely recognizable' in the Play…defendants' use appears not to have altered the Routine at all. The Play may convey a dark critique of society, but it does not transform Abbott and Costello's Routine so that *it* conveys that message." 2016 WL 5899174 at *9 (emphasis in original). To the contrary, the Play appeared to have performed the Routine verbatim *so that* the audience would instantly recognize it.

The Producers argued that the Routine was transformative because it was used for a dramatic, rather than comedic, purpose. The Second Circuit disagreed, finding instead that any "dramatic" purpose served by the Routine appeared to be nothing more than a "theatrical device that sets up the plot, but is of little or no significance in itself." In other words, the *subject* of Jason's lie to Jessica—the Routine—was irrelevant to the dramatic purpose of establishing a dichotomy between Jason and his alter ego. *Id*.

Finally, the panel found that the district court erred in discounting the Play's commercial purpose, which, unlike nonprofit educational purposes (for example), tends to weigh against the first fair use factor. *Id*. at 10. In this regard, the court relied heavily on the fact that the Play "not only used an unaltered and appreciable excerpt of the Routine…but also featured the Routine in the Play's advertising." *Id*. at 11.

Based on these considerations, the Second Circuit concluded the Play's use of the Routine was "not transformative," and that, instead, it "duplicated to a significant degree the comedic purpose of the original work." *Id*. That conclusion drove the balance of the analysis.[4]

Implications for Future "Transformative Use" Analysis

The Second Circuit's opinion clarifies that simply placing an unaltered original copyrighted work "in a sharply different context from its original authors" does not warrant a protectable "transformative use." *Id*. at *10. As the court astutely noted, any contrary rule would mean that "any play that needed a character to sing a song, tell a joke, or recite a poem could use unaltered copyrighted material with impunity, so long as the purpose or message of the play [or song, joke, poem, etc.] was different from that of the appropriated material." *Id*. at *7.

Insofar as it signals the need for district courts to more carefully scrutinize an alleged infringer's secondary use, particularly with respect to "transformative use," the *McCollum* opinion may be a welcome relief for those who have criticized the Second Circuit's 2013 opinion in *Cariou*. *See, e.g.,* Nimmer § 13.05[B][6] at 13.224.20 (with respect to *Cariou*: "It would seem that the pendulum has swung too far in the direction of recognizing any alteration as transformative, such that this doctrine now threatens to swallow fair use. It is respectfully submitted that a correction is needed in the law."). Notably, the panel in *McCollum* recognized these criticisms of *Cariou*, though remarked it "need not defend [that case] here." 2016 WL 5899174 at *9.

The long-term impact of *McCollum* on the district courts' consideration and application of "transformative use" remains to be seen, but its suggestion that *Cariou* is at or close to the outer limit of fair use is likely to be influential nationwide given the high level of attention being paid to the Second Circuit's treatment of transformative use in *Cariou* and, most recently, the Google Books decision.[5] We will continue to closely monitor and keep our clients updated on these important judicial developments.

[1] This client alert does not discuss plaintiffs' copyright ownership, given its highly fact-specific nature.

[2] As countless generations will recall, the "Who's on First" routine "derives from misunderstandings that arise when Abbott announces the roster of a baseball team filled with such oddly named players as 'Who,' 'What,' and 'I Don't Know.'" 2016 WL 5899174 at *1.

[3] The fair use doctrine, codified in Section 107 of the Copyright Act, requires courts to weigh the following nonexclusive factors: (i) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (ii) the nature of the copyrighted work; (iii) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (iv) the effect on the use upon the potential market for or value of the copyrighted work.

[4] With respect to the remaining factors, the court found that (i) as a creative work and comedy sketch created for public entertainment, the Routine "lies at the heart of copyright's intended protection" and the Producers did not adequately explain why the Play needed to use the Routine as opposed to a public domain work (ii) the Producers used over a minute of verbatim parts of the Routine, including its most "instantly recognizable" parts; and (iii) the district court improperly disregarded the possibility of the Producers' use adversely affecting a derivative market for the Routine—namely, TCA's opportunities to license it to third parties.

[5] *Authors Guild, Inc. v. Google, Inc.*, 804 F.3d 202 (2d Cir. 2015).

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