

January 1998

## An Analysis of the Fair Use Defense in *Dr. Seuss Enterprises v. Penguin*

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### Recommended Citation

Mary L. Shapiro, *An Analysis of the Fair Use Defense in Dr. Seuss Enterprises v. Penguin*, 28 Golden Gate U. L. Rev. (1998).  
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## COMMENT

# AN ANALYSIS OF THE FAIR USE DEFENSE IN *DR. SEUSS ENTERPRISES v. PENGUIN*

*"Then our mother came in  
And she said to us two,  
"Did you have any fun?  
Tell me. What did you do?"*

*And Sally and I did not know  
What to say.  
Should we tell her  
The things that went on there that day?"<sup>1</sup>*

## I. INTRODUCTION

In *Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc.*,<sup>2</sup> the Ninth Circuit considered whether a copyright infringer was entitled to the affirmative defense of fair use.<sup>3</sup> For a derivative use, such as a parody, fairness must be analyzed on a case-by-

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1. DR. SEUSS, *THE CAT IN THE HAT* 60 (Random House 1957).

2. 109 F.3d 1394 (9th Cir. 1997), *cert. denied*, 66 U.S.L.W. 3170 (U.S. Sept. 22, 1997) (No. 97-329) ("*Seuss II*").

3. *See Seuss II*, 109 F.3d at 1399. To establish a prima facie case of copyright infringement, the plaintiff must first show ownership of a valid copyright and, second, that there was copying of the original. *See Dr. Seuss Enter., L.P. v. Penguin Books USA, Inc.*, 924 F. Supp. 1559, 1563 (S.D. Cal. 1996) ("*Seuss I*"). Defendant may then assert the affirmative defense of fair use. *See Seuss II*, 109 F.3d at 1566. In claiming fair use, defendants admit the truth of plaintiff's claim of copyright infringement, but assert that their copying is exempt because of the application of the fair use defense. *See id.*

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case basis in light of the goals of copyright law.<sup>4</sup> The Ninth Circuit affirmed the district court's holding that Penguin could not claim the privilege of fair use of Dr. Seuss' copyrighted material.<sup>5</sup> The court reached its conclusion after an analysis of the four statutory fair use factors, which included findings that the work was a satire, rather than a parody, and the work was not transformative.<sup>6</sup>

Section II of this note sets forth the facts and procedural history of *Dr. Seuss Enterprises v. Penguin*, which is the most recent Ninth Circuit copyright decision presenting the affirmative fair use defense. Section III provides a brief background of copyright law and the fair use defense. Section III also presents a historical view of the fact-sensitive, case-by-case analysis of the four statutory fair use defense factors codified in 17 U.S.C. § 107. Section IV examines the Ninth Circuit's decision in *Dr. Seuss Enterprises v. Penguin*, focusing on Seuss En-

4. See *Campbell v. Acuff-Rose Music Inc.*, 510 U.S. 569, 581 (1994). The goal of copyright is to create public access to works of science and art by providing an economic monopoly for the work's author, thus allowing that author to secure financial remuneration for his/her efforts for a limited amount of time. See *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975).

5. See *Seuss II*, 109 F.3d at 1403. Fair use is considered the privilege to use someone else's copyrighted material in a reasonable manner without his/her consent, notwithstanding the monopoly granted by copyright ownership. See *Rosemont Enterprises, Inc. v. Random House, Inc.*, 366 F.2d 303, 306 (2nd Cir. 1966).

6. See 17 U.S.C. § 107 (1994); *Seuss II*, 109 F.3d at 1399-1403. Section 107 states:

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 in 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—(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.

17 U.S.C. § 107.

Parody is considered a form of satire, as are diatribe, narrative, and burlesque. See *Seuss II*, 109 F.3d at 1400 n.7; Michael C. Albin, Essay, *Beyond Fair Use: Putting Satire In Its Proper Place*, 33 UCLA L. REV. 518 (1985). A secondary work is considered transformative if it does not supersede the original and is itself original through the addition of new expression, meaning or message. See *Campbell*, 510 U.S. at 579.

terprises' copyright infringement claim.<sup>7</sup> Section V critically analyzes the Ninth Circuit's holding, focusing on the validity of the court's determination that the infringing work was not a parody, nor transformative. Section VI then briefly summarizes the court's decision and its implications.

## II. FACTS AND PROCEDURAL HISTORY

Dr. Seuss Enterprises, L.P. ("Seuss Enterprises") owns most of the copyright and trademark rights to the family of works created by Theodor Geisel, better known as Dr. Seuss.<sup>8</sup> Dr. Seuss wrote 47 books, which have collectively sold more than 35 million copies worldwide.<sup>9</sup> His books entertain children through the use of playful rhymes and illustrations of fanciful creatures.<sup>10</sup> *The Cat in the Hat* was originally published in 1957.<sup>11</sup>

In 1995, publishers Dove, Inc. announced the forthcoming book, *The Cat NOT in the Hat! A Parody* by Dr. Juice, written by Alan Katz and Chris Wrinn.<sup>12</sup> Penguin Books USA was the book's distributor.<sup>13</sup> *The Cat NOT in the Hat!* tells the story of the Orenthal J. Simpson ("O.J. Simpson") double-murder trial.<sup>14</sup> Dove promoted the book to the publishing industry as "rhyming verse and sketches as witty as Theodore [sic] Geisel's

7. See *infra* notes 17, 22 and accompanying text.

8. See *Dr. Seuss Enter., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1396 (9th Cir. 1997), *cert. denied*, 66 U.S.L.W. 3170 (U.S. Sept. 22, 1997) (No. 97-329) ("*Seuss II*").

9. See *Seuss II*, 109 F.3d at 1396.

10. See *Dr. Seuss Enter., L.P. v. Penguin Books USA, Inc.*, 924 F. Supp. 1559, 1561 (S.D. Cal. 1996) ("*Seuss I*").

11. See *Seuss II*, 109 F.3d at 1396.

12. See *id.* at 1396-97.

13. See *id.* at 1396. The named defendants are Penguin Books USA, the distributor of the book; Dove, Inc., Dove II, Inc., and Michael Viner ("Dove"), the book's publishers; and Alan Katz and Chris Wrinn, the book's authors. See *Seuss I*, 924 F. Supp. at 1561. The distributor, publisher, and authors will be referred to collectively as "Penguin."

14. See *Seuss II*, 109 F.3d at 1397.

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best."<sup>15</sup> The book featured illustrations that mimicked the distinctive style of Dr. Seuss' works.<sup>16</sup>

Seuss Enterprises filed a complaint for copyright infringement and trademark infringement and dilution against Penguin in the District Court for the Southern District California.<sup>17</sup> At the same time, Seuss Enterprises requested a temporary restraining order and filed a motion for a preliminary injunction to prevent publication of *The Cat NOT in the Hat!*<sup>18</sup> The district court denied the request for a temporary restraining order, but subsequently granted the preliminary injunction.<sup>19</sup> The district court's order indicated there was a strong likelihood that substantial protected expression from *The Cat in the Hat*, *Horton Hatches the Egg*, and *One Fish Two Fish Red Fish Blue Fish* had been taken and that Penguin's fair use defense would not prevail at trial.<sup>20</sup> At the time of the

15. *Id.* In *California v. Orenthal James Simpson*, the defendant, O.J. Simpson, was charged with the double-murder of Nicole Brown Simpson and Ron Goldman. See Christopher B. Mueller, *Introduction: O.J. Simpson and the Criminal Justice System on Trial*, 67 U. COL. R. 727 (1996). The trial lasted 252 days and was frequently referred to as the trial of the century because of the extensive media attention that surrounded every aspect of the proceedings. See *id.* O.J. Simpson was acquitted of both murders after only five hours of jury deliberation. See *id.*

16. See *Seuss I*, 924 F. Supp. at 1561. *The Cat NOT in the Hat!* appropriated the Cat's striped stovepipe hat, mischievous facial expression, and physical appearance. See *id.* at 1564. A caricature of O.J. Simpson, in the Cat's hat, with a recognizably similar expression, and posed like the Cat, appeared on the front and back covers as well as thirteen times in the text of the secondary work. See *Seuss II*, 109 F.3d at 1402; see also *infra* note 304.

17. See *Seuss I*, 924 F. Supp. at 1561-62. A claim for trademark infringement is concerned with a use of a mark that creates a likelihood of customer confusion over the source and origin of the goods or services. See *Seuss II*, 109 F.3d at 1404. Trade dilution provides statutory protection against two kinds of harm: the whittling away of the distinctiveness of a famous trademark, and the tarnishing of a trademark and its associated good will when the mark is used on inferior products or in unwholesome contexts. See Bruce P. Keller & David H. Bernstein, *As Satiric As They Wanna Be: Parody Lawsuits Under Copyright, Trademark, Dilution and Publicity Laws*, 416 PLIPat 1159, 1173 (1995).

18. See *Seuss II*, 109 F.3d at 1396.

19. See *id.* at 1397. A temporary restraining order is a short term emergency remedy which may be issued by the court without notice to the adverse party. See FED. R. CIV. P. 65. Due to the possibly drastic consequences, the court prefers to hear the adverse party and determine whether a preliminary injunction is appropriate on the basis of both parties' positions. See *id.*

20. See *Seuss I*, 924 F. Supp. at 1562. The Copyright Act of 1976 extends copyright protection to original works of authorship. 17 U.S.C. § 102(a) (1994). It does not provide protection to any idea, concept, or principle. 17 U.S.C. § 102(b) (1994). Here,

district court's order, Penguin had already printed 12,000 copies of *The Cat NOT in the Hat*.<sup>21</sup>

Penguin requested reconsideration of the district court's findings of facts and conclusions of law based on newly discovered evidence and arguments reasonably omitted at the preliminary injunction hearing.<sup>22</sup> Upon reconsideration, the district court maintained that the balance of hardships tipped markedly in the favor of Seuss Enterprises.<sup>23</sup> Penguin appealed the district court's decision to the Ninth Circuit.<sup>24</sup>

### III. BACKGROUND

Conceptualized by the framers of our Constitution, a copyright is a means of encouraging creative efforts in both the arts and science.<sup>25</sup> Copyright law's ultimate goal is to provide for

Penguin correctly claimed that the typeface, poetic meter, whimsical style or visual style were not protectable copyright subject matter. *See Seuss II*, 109 F.3d at 1399. The district court, however, based its preliminary injunction on the cover illustrations and the use of the Cat's Hat, and not unprotectable copyright subject matter. *See id.*

21. *See Seuss II*, 109 F.3d at 1397.

22. *See Seuss I*, 924 F. Supp. at 1562. Defendants provided an argument and evidence that material used from the book "One Fish Two Fish Red Fish Blue Fish" was not protectable expression. *See Defs.' Opening Br.*, at 7, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619). Additionally, material used from *Horton Hatches the Egg* was a fair use. *See id.* Further, defendants argued that new information suggested a substantial amount of the Seuss artwork created between 1925 and 1937 had either entered the public domain or was owned by third parties, and therefore could not support an infringement claim. *See id.*

23. *See Seuss I*, 924 F. Supp. at 1575. The district court found that there was a strong likelihood of copyright infringement of *The Cat in the Hat*, but not from *Horton Hatches an Egg* or from *One Fish Two Fish Blue Fish Red Fish*. *See Seuss II*, 109 F.3d at 1397. The court expected Seuss Enterprises to defeat Penguin's claim of fair use and found that the strong likelihood of success on the copyright claim established a presumption of irreparable harm. *See id.* Although the court saw a minimal likelihood of success on the dilution claim, it found there were serious questions for litigation regarding the claims for trademark infringement. *See id.*

24. *See Seuss II*, 109 F.3d at 1394.

25. *See U.S. CONST.* art. I, § 8, cl. 8. "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." *Id.* Copyright law is designed to "stimulate activity and progress in the arts for the intellectual enrichment of the public." Pierre N. Leval, Commentary, *Toward A Fair Use Standard*, 103 HARV. L. REV. 1105, 1107 (1990) [hereinafter *Toward A Fair Use Standard*].

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public access to the products of artists and scientists.<sup>26</sup> Copyright law's intent is to motivate the creative activity of authors and inventors by providing a personal economic incentive to produce.<sup>27</sup> As Justice Stewart recognized in *Twentieth Century Music v. Aiken*, "the immediate effect of our copyright law is to secure a fair return for an author's creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good."<sup>28</sup> These two ends are achieved by granting the author exclusive control over an original work for a limited time period, creating an economic monopoly.<sup>29</sup>

Copyright exists in original works of authorship fixed in any tangible medium of expression.<sup>30</sup> A copyright owner has exclusive control over five rights: to reproduce the work, to prepare derivative works, to distribute the work, to perform the work, and to display the work.<sup>31</sup> The limited time period for these exclusive rights is the term of the author's life plus fifty years.<sup>32</sup>

26. See *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975).

27. See *Mazer v. Stein*, 347 U.S. 201, 219 (1954).

28. *Twentieth Century*, 422 U.S. at 156.

29. See *Sony Corp. v. Universal City Studios, Inc.* 464 U.S. 417, 429 (1984).

30. See 17 U.S.C. § 102(a) (1994). "Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." *Id.*

31. See 17 U.S.C. § 106 (1994). Section 106 states:

[T]he owner of copyright under this title has the exclusive rights to do and to authorize any of the following: (1) to reproduce the copyrighted work in copies or phonorecords; (2) to prepare derivative works based upon the copyrighted work; (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease or lending; (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly.

*Id.*

32. See 17 U.S.C. § 302(a) (1994). "Copyright in a work created on or after January 1, 1978, subsists from its creation and, except as provided by the following subsections, endures for a term consisting of the life of the . . . author and fifty years after the author's death." *Id.* Prior to the enactment of the 1976 Act, the 1909 Act allowed for a term of 28 years, beginning with either publication or registration of an unpublished work. 17 U.S.C. § 24 (1970). An additional 28 year renewal period is allowed. See *id.*

Copyright registration provides a public record of ownership and is a prerequisite to any claim of copyright infringement.<sup>33</sup> An action for copyright infringement requires a plaintiff to show ownership of a valid copyright and copying of the protected work.<sup>34</sup> A court may find copying when substantial similarity exists between two works and the alleged infringer had some degree of access to the original.<sup>35</sup> Alternatively, if the commonalities resulted from independent creation, the court may conclude that no copying occurred.<sup>36</sup> An infringement will be recognized where the copying consists of the unlawful appropriation of protected expression.<sup>37</sup>

Notwithstanding the purpose of copyright, to stimulate creativity and dissemination of knowledge for the general public good, it has sometimes been necessary to provide an opportunity for limited fair use of copyrighted materials.<sup>38</sup> Fair use is the privilege to use an author's copyrighted material in a reasonable manner without the owner's consent.<sup>39</sup> If fair use were not permitted, "excessively broad protection would stifle, rather than advance," copyright objectives for two reasons.<sup>40</sup> First, there are no wholly original thoughts; virtually all intel-

33. See 17 U.S.C. § 411(a) (1994). Section 411(a) states:

Except for actions for infringement of copyright in Berne Convention works whose country of origin is not the United States and an action brought for a violation of the rights of an author under section 106A(a), and subject to the provisions of subsection (b), no action for infringement of the copyright in any work shall be instituted until registration of the copyright claim has been made in accordance with this title.

*Id.*

34. See *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991).

35. See *Dr. Seuss Enter., L.P. v. Penguin Books USA, Inc.*, 924 F. Supp. 1559, 1565 (S.D. Cal. 1996) ("*Seuss I*").

36. See *id.*

37. See *Sid & Marty Krofft Tel. Prods., Inc. v. McDonald's Corp.*, 562 F. 2d 1157, 1165 (9th Cir. 1977).

38. See *Toward A Fair Use Standard*, *supra* note 25, at 1109.

39. See *Rosemont Enter., Inc. v. Random House, Inc.*, 366 F.2d 303, 306 (2nd Cir. 1966).

40. *Toward A Fair Use Standard*, *supra* note 25, at 1109. Although copyright law grants an author exclusive rights to exploit an original work, there is also concern that such protection does not operate to inhibit the exchange of ideas, a primary purpose of copyright law. See Debra L. Quentel, "*Bad Artists Copy, Good Artists Steal*": *The Ugly Conflict Between Copyright Law and Appropriationism*, 4 UCLA ENT. L. REV. 39, 48-49 (1996).



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lectual creativity is in part derivative.<sup>41</sup> Second, important areas of intellectual activity, such as philosophy, criticism, and history, are explicitly referential and require continuous reexamination of previous expression.<sup>42</sup> The fair use doctrine effectuates the goals of copyright by protecting and legitimizing such "secondary" creativity.<sup>43</sup>

Until the Copyright Act of 1976, fair use was solely a judicially-created doctrine.<sup>44</sup> With that Act, Congress introduced fair use as a statutory limitation on an author's exclusive rights.<sup>45</sup> In enacting this limitation, Congress intended for the courts to continue their common law tradition of fair use adjudication.<sup>46</sup> Congress left interpretation of the Act's text to the courts, by providing only general guidance, and did not intend to change, narrow, or enlarge the then-existing, judicially-created doctrine.<sup>47</sup> Instead, Congress enabled the courts to avoid rigid application of the copyright statute where the Act "would stifle the very creativity the law is designed to foster."<sup>48</sup>

Thus, a determination of a fair use requires a case-by-case analysis of the statutory factors independently and, ultimately, weighed together.<sup>49</sup> The four factors enumerated in § 107 of

41. See *Toward A Fair Use Standard*, *supra* note 25, at 1109. As Justice Story explained, "[e]very book in literature, science, and art, borrows, and must necessarily borrow, and use much which was well known and used before." *Campbell*, 510 U.S. at 575 (citing *Emerson v. Davies*, 8 F. Cas. 615, 619 (C.C.D. Mass. 1845)).

42. See *Toward A Fair Use Standard*, *supra* note 25, at 1109. Every advance in knowledge or art builds on prior work and is therefore referential per se. See Pierre N. Leval, *Campbell v. Acuff-Rose: Justice Souter's Rescue of Fair Use*, 13 CARDOZO ARTS & ENT. L.J. 19, 22 (1994) [hereinafter *Justice Souter's Rescue of Fair Use*].

43. See *Toward A Fair Use Standard*, *supra* note 25, at 1110.

44. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 576 (1994). In *Folsom v. Marsh*, Justice Story delineated the inquiry for fair use as: "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." *Campbell*, 510 U.S. at 576 (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841)).

45. 17 U.S.C. § 107. See *supra* note 6 and accompanying text.

46. See *Campbell*, 510 U.S. at 577 (citing H.R. REP. NO. 94-1476, p. 66 (1976)).

47. See *id.* at 577-78. See *supra* note 6 and accompanying text.

48. *Stewart v. Abend*, 495 U.S. 207, 236 (1990) (quoting *Iowa State University Research Found., Inc. v. American Broad. Co.*, 621 F.2d 57, 60 (2nd Cir. 1980)).

49. See *Campbell*, 510 U.S. at 577-78.

the Act are: (1) the purpose and character of the secondary use; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in the secondary work in relation to the copyrighted work as a whole; and (4) the effect of the secondary use upon the potential value for, or the value of, the copyrighted work.<sup>50</sup> Prior case law illustrates how the courts have made determinations by relying on fact-sensitive considerations to achieve policy-based decisions consistent with the goals of copyright.<sup>51</sup>

#### A. FIRST FACTOR: PURPOSE AND CHARACTER OF USE

In determining whether there has been a fair use, courts initially focus on the purpose of the use.<sup>52</sup> The preamble to § 107 provides examples of purposes that may be entitled to a claim of fair use.<sup>53</sup> These examples include criticism, comment, news reporting, teaching, scholarship, or research.<sup>54</sup> The list of categories is neither exhaustive nor exclusive.<sup>55</sup> On the other hand, a claim to one of the named purposes does not establish a presumption of fair use.<sup>56</sup> Instead, a claim of fair use depends upon the analysis of all four factors, weighed together, in light of the goals of copyright.<sup>57</sup>

A category not explicitly listed in the preamble to § 107 is parody.<sup>58</sup> A parody is commonly defined as a “work that imi-

50. 17 U.S.C. § 107; *see supra* note 6 and accompanying text.

51. *See Seuss I*, 924 F. Supp. at 1566. Although case-by-case analysis allows for consideration of a particular situation, it also fosters uncertainty. *But see* Quentel, *supra* note 40, at 52.

52. *See* Dr. Seuss Enter., L.P. v. Penguin Books USA, 109 F.3d 1394, 1399 (9th Cir. 1997) (“*Seuss II*”).

53. 17 U.S.C. § 107; *see supra* note 6 and accompanying text.

54. *See* 17 U.S.C. § 107.

55. *See generally* *Seuss II*, 109 F.3d at 1399. The categories are merely examples of purposes entitled to fair use and provide only general guidance about the sorts of categories found to be fair use. *See Campbell*, 510 U.S. at 577-78.

56. *See generally* *Campbell*, 510 U.S. at 581.

57. *See id.* at 578.

58. *See generally* 17 U.S.C. § 107. Parody is a type of satire; satire includes diatribe, narrative, parody and burlesque. *See Seuss II*, 109 F.3d at 1400 n.7. Parodies are accorded protection as vehicles for facilitating political and social discourse. *See* Nels Jacobson, *Faith Hope & Parody: Campbell v. Acuff-Rose, ‘Oh Pretty Woman,’ and Parodists’ Rights*, 31 HOUS. L. REV. 955, 1017 (1994).

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tates the characteristic style of an author or work for comic effect or ridicule."<sup>59</sup> Recognized as a form of criticism, parody contributes to the public benefit by providing social comment while creating a new work.<sup>60</sup> Parody achieves its status as social commentary by disparaging the original work, however slightly, by "pointing out faults, revealing hidden affectations, emphasizing weaknesses, and diminishing strengths."<sup>61</sup>

Recently, in *Campbell v. Acuff-Rose Music, Inc.*, the Supreme Court recognized that an author may claim fair use for a parody, like other comment or criticism.<sup>62</sup> In *Campbell*, the Court held that the parodist must use elements of the prior work to create a new work that, at least in part, comments on the prior author's work.<sup>63</sup> Parody mimics an original to make its point and, thus, has some claim to use another's creative expression.<sup>64</sup> The Court differentiated satire from parody, indicating that a satire need not have any critical bearing on the substance or style of an original work.<sup>65</sup> Satire, therefore, stands "on its own two feet" and requires full justification for any borrowing from another author's work.<sup>66</sup>

Whether an infringing work comments on the style or substance of an original work is a subjective determination left to the broad discretion of the courts.<sup>67</sup> The court must first discern what an original work represents and then what comment an infringing work may be making about the original.<sup>68</sup> Whether a parody is in good taste or bad taste should not be

59. *Campbell*, 510 U.S. at 580 (quoting AMERICAN HERITAGE DICTIONARY 1317 (3d ed. 1992)).

60. *See Campbell*, 510 U.S. at 579.

61. Harriet K. Dorsen, *Satiric Appropriation and the Law of Libel, Trademark, and Copyright: Remedies Without Wrongs*, 65 B. U. L. REV. 923, 953 (1985).

62. *Campbell*, 510 U.S. at 579.

63. *See id.* at 580.

64. *See id.* at 580-81.

65. *See id.* A satire is a creative work that relies on humor, irony, derision or wit to comment on society at large. *See id.* at 581 n.15.

66. *Campbell*, 510 U.S. at 581.

67. *See Kathryn D. Piele, Three Years After Campbell v. Acuff-Rose Music, Inc.: What Is Fair Game for Parodists?*, 18 LOY. L.A. ENT. L.J. 75, 98 (1997).

68. *See id.*

relevant to a court's analysis of fair use.<sup>69</sup> As Justice Holmes explained in *Bleistein v. Donaldson Lithographing Co.*,<sup>70</sup> outside of the most narrow limits, it would be dangerous to have persons educated only in the law evaluate the worth of a creative work.<sup>71</sup>

Whether the infringer copied the original in good faith or for a commercial interest may contribute to the court's understanding of the context of the infringement.<sup>72</sup> Any aspect of the infringer's conduct, including whether the infringer acknowledged the copyright owner or whether the infringer sought permission, can be considered.<sup>73</sup> Acknowledgment of a source, however, does not excuse infringement when other § 107 factors are present.<sup>74</sup> Additionally when the second work is a parody, the parodist is neither expected to seek nor obtain the copyright holder's permission.<sup>75</sup> Understandably, few authors would grant permission to have their character or their work mocked.<sup>76</sup>

As part of its analysis under the first factor, a court considers whether the character of the use is of a commercial nature or is for a nonprofit educational purpose; whether the use was productive; and whether the alleged infringer's conduct was proper.<sup>77</sup> The character of the use is of considerable importance, specifically whether the user would profit from the use of the copyrighted material without paying the customary price for the use.<sup>78</sup> The fact that an infringement itself may be considered commercial, as opposed to nonprofit, weighs against

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69. See *Campbell*, 510 U.S. at 582.

70. 188 U.S. 239, 251 (1903).

71. See *id.* In *Campbell*, the Supreme Court provided only a few lines of dicta on the issue of cultural bias, simply reiterating the rule introduced in *Bleistein v. Donaldson Lithographing*. See Jacobson, *supra* note 58, at 1015.

72. See *Rogers v. Koons*, 960 F.2d 301, 309 (2nd Cir. 1992).

73. See *Marcus v. Rowley*, 695 F.2d 1171, 1175-76 (9th Cir. 1992).

74. See *id.* at 1176 n.8.

75. See *Fisher v. Dees*, 794 F.2d 432, 437 (9th Cir. 1986).

76. See *id.*

77. See *Rubin v. Brooks/Cole Publ'g Co.*, 836 F. Supp. 909, 916 (D. Mass. 1993).

78. See *Harper & Row Publ'g, Inc. v. Nation Enter.*, 471 U.S. 539, 562 (1985).

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fair use.<sup>79</sup> In *Sony Corp. v. Universal Studios*,<sup>80</sup> the Supreme Court recognized a presumption against fair use when the infringing use was based on commercial objectives.<sup>81</sup> Several years later, in *Campbell*, the Court held that the commercial character of a use does not, by itself, bar a finding of fair use.<sup>82</sup>

Under the first factor, courts also consider whether the infringing use is transformative.<sup>83</sup> In *Folsom v. Marsh*, Justice Story defined a new work as transformative if it did not supersede or serve as a market substitute for the original work.<sup>84</sup> In *Campbell*, the Supreme Court expanded on Justice Story's definition of "transformative," adopting Justice Leval's interpretation, and indicated that a work would be considered transformative if the secondary work added "something new, with a further purpose or different character, altering the first with new expression, meaning, or message."<sup>85</sup> When considering whether a work is transformative, the Ninth Circuit has assessed whether the purpose for the infringer's use of the copied material is the same as the intrinsic purpose intended by the copyright owner.<sup>86</sup> When an infringing use is not transformative, it would more than likely supersede the original and market substitution would be more certain.<sup>87</sup> A transformative use is neither necessary for a finding of fair use, nor is it dispositive in a fair use determination.<sup>88</sup> Instead, courts will consider the degree to which a secondary work is transformed, and the more

79. *See id.*

80. 464 U.S. 417 (1984).

81. *See Sony Corp.*, 464 U.S. at 449. In *Sony*, the infringing use involved non-commercial reproduction of television shows for re-broadcasting at a later time. *See id.* at 417.

82. *See Campbell*, 510 U.S. at 584.

83. *See id.* at 579.

84. *See id.* (citing *Folsom v. Marsh*, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841)).

85. *See Campbell*, 510 U.S. at 579 (citing Pierre Leval, *Toward a Standard of Fair Use*, *supra* note 25, at 1111).

86. *See Marcus*, 695 F.2d at 1175.

87. *See Campbell*, 510 U.S. at 590. Market substitution occurs when the infringing use would be considered a replacement for the original copyrighted work. *See id.* A finding that an infringing use superseded the original would impact the court's analysis under the fourth factor, where an effect on the market could be presumed because a superseding use equates with market substitution. *See Seuss II*, 109 F.3d at 1403.

88. *See Campbell*, 510 U.S. at 579.

transformative it is, the less other factors, such as commercialism, will weigh into the fair use analysis.<sup>89</sup>

## B. SECOND FACTOR: NATURE OF COPYRIGHTED WORK

In considering the nature of the work, the court recognizes that some works are closer to the core of intended copyright protection than others.<sup>90</sup> To be copyrightable under § 102, a work must be an original work of authorship.<sup>91</sup> In *Feist v. Rural Telephone*, the Supreme Court recognized a constitutional requirement for minimal creativity in addition to independent creation.<sup>92</sup> Originality is, therefore, a threshold requirement for copyright protection.<sup>93</sup> As compared to factual works, creative expression falls closer to the core of copyright protection.<sup>94</sup> Typically, a finding of fair use is more likely when the nature of the copyrighted work is factual rather than fictional or creative.<sup>95</sup> In general, this second factor is much more important when analyzing a work that does not claim to be social commentary, such as parody.<sup>96</sup> Specifically, when considering a parodic infringement, this factor is less important because parodies invariably copy publicly-known, expressive works.<sup>97</sup>

## C. THIRD FACTOR: AMOUNT AND SUBSTANTIALITY

Under the third factor, courts analyze the quantity and the substantiality of the original work used in the infringing work.<sup>98</sup> The first relevant consideration is whether a significant portion of the infringing work was copied from a protected work.<sup>99</sup> Although a significant amount of copying weighs

89. *See id.*

90. *See id.* at 586. *See supra* note 30 and accompanying text.

91. 17 U.S.C. § 102(a). *See supra* note 30 and accompanying text.

92. *See Feist*, 499 U.S. at 362.

93. *See id.* at 351.

94. *See Campbell*, 510 U.S. at 586 (citing *Stewart v. Abend*, 495 U. S. 207, 237-38 (1990)).

95. *See Stewart v. Abend*, 495 U.S. 207, 237 (1990).

96. *See Jacobson*, *supra* note 58, at 1006.

97. *See Campbell*, 510 U.S. at 586.

98. *See Harper & Row*, 471 U.S. at 564.

99. *See id.*

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against a finding of fair use, taking a lesser portion of the copyrighted work will not necessarily be excused.<sup>100</sup> Generally, the inquiry under this factor is intertwined with that of the first factor because courts recognize that the extent of permissible copying will vary with the purpose and character of the use.<sup>101</sup>

Next, courts consider the substantiality of the copying.<sup>102</sup> The concern is whether the infringer took the "heart" of the original work.<sup>103</sup> In *Harper & Row Publishers v. Nation Enterprises*, the infringer copied passages from President Gerald Ford's manuscript for his forthcoming book, *A Time To Heal*.<sup>104</sup> The Supreme Court held that even though the number of words quoted did not represent a large portion of the original work, the copied passages "qualitatively embodied [the] distinctive expression" of the work.<sup>105</sup>

Courts also examine whether a substantial portion of a copyrighted work was copied *verbatim*.<sup>106</sup> Exact copying demonstrates the quality of the copied material, both to the original author and to the infringer, who seeks to profit from the original author's copyrighted expression.<sup>107</sup> Verbatim copying may make a quantitatively small infringing use qualitatively great.<sup>108</sup>

Use of some characteristic features of the original work in a parody cannot be avoided because both parody's humor and social comment derive from the public's recognition of the

100. *See id.* at 565.

101. *See Campbell*, 510 U.S. at 586-87. In *Campbell*, the Supreme Court remanded the case, in part, to determine whether appropriation of the original song's classic bass line was excessive copying. *See id.* at 589.

102. *See id.* at 587.

103. *See id.* In *Harper & Row*, the Supreme Court considered the infringement of the "most powerful passages" as essentially taking the "heart" of the original work. *Harper & Row v. Nation Enter.*, 471 U.S. 539 (1985).

104. *See Harper & Row*, 471 U.S. at 542.

105. *Id.* at 564-65.

106. *See id.* at 565.

107. *See id.*

108. *See Roy Export Co. v. Columbia Broad. Sys., Inc.*, 503 F. Supp. 1137, 1145 (S.D.N.Y. 1980).

original's most distinctive or memorable features.<sup>109</sup> When a parody targets a particular work, the parody must be able to "conjure up" at least enough of the original so the parodist can be certain the audience will recognize it.<sup>110</sup> Courts have afforded parodists substantial latitude in the amount of copying allowed.<sup>111</sup> Although an infringer must take enough to assure identification of the copyrighted work, how much more the infringer can reasonably take will depend on the degree to which the new work's overriding purpose is to parody the original.<sup>112</sup> To be sure, if an infringer borrows so much that it becomes likely the parody will serve as a market substitute for the original, the quantity of the use is unreasonable.<sup>113</sup>

Thus, the facts bearing upon the third factor, amount and substantiality, are also relevant to the analysis of the fourth factor.<sup>114</sup> They assist in determining the extent to which the parody serves as a market substitute for the original or its derivatives.<sup>115</sup> A finding of market substitution may establish an inference of market harm.<sup>116</sup>

#### D. FOURTH FACTOR: EFFECT ON THE MARKET

An analysis of the fourth factor examines the extent of the market harm caused by the infringement.<sup>117</sup> As the essence of copyright protection provides an economic incentive to the author, it is critical that the market for the original not be diminished.<sup>118</sup> Many courts have indicated that the fourth factor is "undoubtedly the single most important element of fair

109. See *Campbell*, 510 U.S. at 588.

110. See *id.*

111. See generally *Koons*, 960 F.2d at 311.

112. See *Campbell*, 510 U.S. at 588. The Court indicates that the lower limit of what is considered reasonable is established by an audience's recognition of the original and recognizes that use of characteristic features is required to accomplish that goal. See *id.*

113. See *id.*

114. See *id.* at 587.

115. See *id.*

116. See *Seuss II*, 109 F.3d at 1403.

117. See 17 U.S.C. § 107; *supra* note 6 and accompanying text.

118. See *Mazer*, 347 U.S. at 219.



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use.”<sup>119</sup> Courts reach this conclusion despite the lack of statutory direction on the matter.<sup>120</sup> The absence of any language to the contrary may suggest the factors should be balanced equally, but courts have, in fact, placed a greater weight on this factor.<sup>121</sup>

Market harm may be found when unrestricted and widespread conduct, of the same sort as the infringement under consideration, would have an adverse impact on the potential market for the original.<sup>122</sup> In deciding whether the original work has been harmed, courts focus on whether the infringing use diminishes the potential sale of the original work, whether it fulfills the demand for the original work by acting as a market substitute, or whether it interferes with the marketability of the original work.<sup>123</sup>

Fair use, an affirmative defense, requires that the infringer carry the burden of demonstrating evidence about the relevant markets, including the market for derivatives.<sup>124</sup> Market harm may be found upon a showing by a preponderance of the evi-

119. *Harper & Row*, 471 U.S. at 566.

120. See *supra* note 6 and accompanying text. See generally 17 U.S.C. § 107. The statutory language of § 107 does not indicate how each of the four factors should be weighted. *Id.* The observation that the fourth statutory factor “is undoubtedly the single most important factor” was only dicta in the *Harper & Row* opinion. See Pierre Leval, Essay, *Nimmer Lecture: Fair Use Rescued*, 44 U.C.L.A. L. REV. 1449, 1459 (1997). Leval recognizes the fourth factor as significant, but indicates that even where a secondary use does not harm the market, that infringing use may still not be justified as a fair use. See *Toward A Fair Use Standard*, *supra* note 25, at 1124. The fourth factor does not overshadow the requirement of justification under the first factor. See *id.*

121. See generally 17 U.S.C. § 107; *supra* text accompanying note 6. Each factor directs the court to deliberate on a different facet of the issue. See *Toward A Fair Use Standard*, *supra* note 25, at 1110. Justice Leval indicates that “the factors do not represent a score card that promises victory to the winner of the majority.” *Id.* Instead, § 107 directs the court to examine all of the facts and to consider whether a finding of fair use would serve the goals of copyright. See *id.*

122. See *Campbell*, 510 U.S. at 590.

123. See *Hustler Magazine, Inc. v. Moral Majority, Inc.*, 796 F.2d 1148, 1155-56 (9th Cir. 1986).

124. See *Campbell*, 510 U.S. at 590. In *Campbell*, the Supreme Court remanded the case, in part, to provide the parties an opportunity to produce evidence concerning the effect on the market for a non-parodic rap version of ‘Oh, Pretty Woman.’ See *id.* at 593.

dence that some meaningful likelihood of future harm exists, which would tend to diminish or prejudice the sales of the original or derivative works.<sup>125</sup> To successfully challenge a fair use defense, a plaintiff need only show that if the infringing use became widespread, it would adversely affect the potential market for the copyrighted work.<sup>126</sup> In *Sony Corp. v. Universal Studios*, the Supreme Court held that non-commercial reproduction of television shows by use of home video cassette taping did not have a demonstrable effect upon the potential market for, or the value of, the copyrighted shows.<sup>127</sup> The Court's decision turned on the fact that the infringing use had been for a personal purpose, time shifting to enable the home viewer to watch a show at a later time, rather than for a commercial purpose.<sup>128</sup> In addition, because the use was non-commercial and personal, the Court recognized that prohibition of such reproduction would not protect the author's incentive to create.<sup>129</sup> Thus, when the copy does not compete with the original, the courts are not concerned about undercutting the demand and discouraging creativity.<sup>130</sup>

Courts have acknowledged that, realistically, parodists will seldom receive permission from the owners of an original work to create a critical review or to caricature the work.<sup>131</sup> In the context of fair use, the inability to secure permission to use copyrighted material in exchange for consideration, financial or otherwise, constitutes market failure.<sup>132</sup> Market failure commonly occurs where an author attempts or proposes to ridicule

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125. See *Sony Corp.*, 464 U.S. at 451. Actual harm need not be shown, nor must there even be a showing that future harm will result with certainty. See *id.*

126. See *id.*

127. See *Sony*, 464 U.S. at 450.

128. See *id.* at 450-53.

129. See *id.*

130. See *Hustler*, 796 F.2d at 1156.

131. See *Leibowitz v. Paramount*, 948 F. Supp. 1214, 1226 (S.D.N.Y. 1996). Accord *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 592 (1994); *Fisher v. Dees*, 794 F.2d 432, 437 (9th Cir. 1986).

132. See Wendy J. Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and Its Predecessors*, 82 COLUM. L. REV. 1600, 1602 (1982). Market failure is impliedly different from market harm, which involves an adverse impact on the market for the original. See generally *Campbell*, 510 U.S. at 591-92.

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another author because the original author's "[s]elf-esteem is seldom strong enough to permit the granting of permission even in exchange for a reasonable fee."<sup>133</sup> The fair use defense exists to allow certain uses, such as parody, which likely cannot be purchased.<sup>134</sup> In part, the fair use privilege, including its application to a parodic infringement, exists to advance and disseminate culture and knowledge.<sup>135</sup>

A finding of a commercial purpose, under the first factor, is indicative of, although not dispositive of, market harm.<sup>136</sup> In *Sony*, the Supreme Court held that a commercial purpose under the first factor created a presumption against a finding of fair use.<sup>137</sup> The *Campbell* Court then narrowly construed the *Sony* holding, finding no presumption in a situation involving something beyond mere duplication for commercial purposes.<sup>138</sup> The Court reasoned that verbatim copying for a commercial use clearly serves as a market substitute for the original.<sup>139</sup> Consequently, in evaluating the impact of the commercial purpose, a court must consider whether such a purpose interferes with the author's incentive to create, thus compromising the goals of copyright law.<sup>140</sup>

In contrast, when the infringing use is transformative, "market substitution is . . . less certain and market harm may not be so readily inferred."<sup>141</sup> As a parody, the new work will not likely affect the value of the original in a cognizable manner, by acting as a substitute for it, simply because the parody and the original rarely serve the same market functions.<sup>142</sup> An

133. *Fisher*, 794 F.2d at 437.

134. *See id.*

135. *See Gordon, supra* note 132, at 1602. The fair use affirmative defense grants the privilege to use a creator's copyrighted material in a reasonable manner without the author's consent. *See Rosemont Enter., Inc. v. Random House, Inc.*, 366 F.2d 303, 306 (2<sup>nd</sup> Cir. 1966).

136. *See Campbell*, 510 U.S. at 590-91.

137. *See Sony Corp.*, 464 U.S. at 451.

138. *See Campbell*, 510 U.S. at 591.

139. *See id.*

140. *See generally Twentieth Century*, 422 U.S. at 156.

141. *Campbell*, 510 U.S. at 591.

142. *See id.*

illustrative case is *Hustler Magazine, Inc. v. Moral Majority, Inc.*, in which Jerry Falwell mass reproduced a parody piece about him, which was originally published in *Hustler*, a well-known pornographic magazine.<sup>143</sup> Falwell's purpose was three-fold: to rebut *Hustler's* personal attack; to make a political comment on pornography; and to solicit funds for his ministry.<sup>144</sup> Clearly Falwell's audience was different from *Hustler's* audience.<sup>145</sup> In addition, the "commercial" purposes of each use differed: *Hustler* used the parody in a for-profit context, while Falwell's use served a non-profit purpose.<sup>146</sup> As a result, the Ninth Circuit found Falwell's reproduction a fair use.<sup>147</sup>

It is conceivable that a parody may harm the original work's market, just as a scathing review may suppress demand for a book, movie, or theatrical production.<sup>148</sup> Courts differentiate, however, between *remediable displacement*, copyright infringement that usurps the original, and *unremediable disparagement*, biting criticism that merely suppresses demand for the original.<sup>149</sup> Market substitution is indicative of market harm and suggests remediable displacement, such that the copyright holder should be afforded a legal remedy.<sup>150</sup>

Courts recognize, however, that a parody may simply be a form of unremediable disparagement, making its parodic point by criticizing or commenting on another work.<sup>151</sup> Courts reason that, by employing distortion and exaggeration and evoking amusement, derision, or scorn, a parody results in a form of disparagement that does not necessarily entitle an author to a remedy.<sup>152</sup> It is not relevant under copyright law that a parody

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143. See *Hustler*, 796 F. 2d at 1149-50.

144. See *id.* at 1153.

145. See *id.* at 1150, 1156.

146. See *id.* at 1156.

147. See *id.*

148. See *Campbell*, 510 U.S. at 591-92.

149. See *id.* at 592.

150. See *id.*

151. Dorsen, *supra* note 61, at 952.

152. See *id.* at 952-53.

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may impair the market for the original or its derivative works through the effect of its critical commentary.<sup>153</sup> Such impairment is not market harm, but merely constitutes unremediable disparagement.<sup>154</sup>

## IV. COURT'S ANALYSIS

Penguin appealed the district court's grant of a preliminary injunction prohibiting the publication of *The Cat NOT in the Hat!*<sup>155</sup> The Ninth Circuit then reviewed whether Seuss Enterprises had made a sufficient showing of copyright infringement, and if so, whether that infringement constituted a fair use.<sup>156</sup>

## A. PURPOSE AND CHARACTER OF USE

The court first evaluated whether *The Cat NOT in the Hat!* had a purpose and character that satisfied the meaning of § 107.<sup>157</sup> In accordance with *Campbell*, the Ninth Circuit began by thoroughly deliberating the purpose of the infringement and considering whether the work was a parody.<sup>158</sup> The court recognized that, under *Campbell*, in order to be considered a fair use, *The Cat NOT in the Hat!* must be a parody rather than a

153. See *Campbell*, 510 U.S. at 593.

154. See *id.* at 592-93. If, however, there is substantial goodwill associated with a famous trademark, disparagement may be remediable under a claim of dilution if the parody tarnishes the trademark by portraying it in an unwholesome or unsavory way. See Leslie J. Lott and Brett M. Hutton, *Trademark Parody*, 489 PLI/Pat 517, 528 (1997).

155. See *Dr. Seuss Enter., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1396 (9th Cir. 1997), *cert. denied*, 66 U.S.L.W. 3170 (U.S. Sept. 22, 1997) (No. 97-329) ("*Seuss II*") The district court granted the preliminary injunction on the basis that Seuss Enterprises demonstrated a likelihood of success on the merits of its copyright infringement claim and that the balance of the hardships weighed in favor of Seuss Enterprises. See *Dr. Seuss Enter., L.P. v. Penguin Books USA, Inc.*, 924 F. Supp. 1559, 1575 (S.D. Cal. 1996). ("*Seuss I*")

156. See *Seuss II*, 109 F.3d at 1397. Penguin's request for reconsideration presented the Ninth Circuit with a number of questions about the lower court's decision. See Defs.' Opening Br., at 2, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619). First, Penguin contended the district court erred by preliminarily enjoining publication of the book. See *id.* Second, Penguin asserted the scope of the district court's preliminary injunction was overbroad in that it enjoined non-infringing material. See *id.*

157. 17 U.S.C. § 107(1). See *supra* note 6 and accompanying text.

158. See generally *Seuss II*, 109 F.3d at 1399-1400.

satire.<sup>159</sup> To be recognized as a parody, the new work must at least, *in part*, comment on the original author's work.<sup>160</sup> The court discussed *Rogers v. Koons*, in which the Second Circuit emphasized that the original work must be the target, *in part*, of the parody, otherwise the new work is only a satire.<sup>161</sup> The Ninth Circuit, however, found the standard expressed in Justice Kennedy's *Campbell* concurrence more persuasive.<sup>162</sup> Justice Kennedy stated that "*the parody must target the original, and not just its general style*, the genre of art to which it belongs, or society as a whole (although if it targets the original, it may target those features as well)."<sup>163</sup> This more restrictive standard requires that a parody target both the style and the substance of an original.<sup>164</sup>

The Ninth Circuit found that neither the substance nor the content of *The Cat in the Hat* was conjured up by the infringing work's focus on the Brown and Goldman murders and the O.J. Simpson trial.<sup>165</sup> The Ninth Circuit examined various portions

159. See *id.* at 1400-01.

160. See *id.* In parody, the copyrighted work is the target, whereas in satire, the copyrighted work is merely a vehicle to poke fun at another target. See *id.* at 1400. Courts do not recognize the fair use defense for a satire. See *Seuss II*, 109 F.3d 1394 (9th Cir. 1997) (infringing book was only satire and may not be afforded latitude in fair use defense); *Rogers v. Koons*, 960 F.2d 301, 310, 312 (2d Cir. 1992) (infringing sculpture not entitled to fair use defense because only commented on materialistic society and not the original photograph); *Benny v. Loew's Inc.*, 239 F.2d 532 (1956), *aff'd* *Columbia Broad. Sys., Inc. v. Loew's Inc.*, 356 U.S. 43 (1958) (holding burlesque, a form of satire, not defensible on grounds of fair use).

161. See *Seuss II*, 109 F.3d at 1400-01. For a parody to be recognized as such, the Second Circuit required that the audience must recognize an original and separate expression attributable to a different author. See *Koons*, 960 F.2d at 310.

162. See generally *Seuss II*, 109 F.3d at 1400. Justice Kennedy's concurrence provides that a secondary work made for profit, no matter how transformative, is not a fair use unless it displays a parodic character. See Roxana Badin, *An Appropriate(d) Place in Transformative Value: Appropriation Art's Exclusion from Campbell v. Acuff-Rose Music, Inc.*, 60 BROOK. L. REV. 1653, 1654 (1995).

163. *Seuss II*, 109 F.3d at 1400 (citing *Campbell*, 510 U.S. at 597). (emphasis added). Besides requiring that a parody target the original work's style and substance, Justice Kennedy also "cautioned against allowing copiers to claim parody status as an afterthought." See Jacobson, *supra* note 58, at 992.

164. See generally *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 597 (1994).

165. See *Seuss II*, 109 F.3d at 1401.

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of *The Cat NOT in the Hat!* and concluded that it was not a parody, but simply a retelling of the Simpson tale.<sup>166</sup>

The first two pages focus on Los Angeles, California, specifically Brentwood, the site of the two brutal murders.<sup>167</sup> The following section mimics Dr. Seuss' poem "One Fish Two Fish Red Fish Blue Fish" with the stanza "One Knife? Two Knife? Red Knife Dead Wife."<sup>168</sup> The next eighteen pages detail Simpson's trip to Chicago, the noise outside Kato Kaelin's room, the bloody glove found by detective Mark Fuhrman, the Bronco automobile chase, the Dream Team of lawyers, the jury selection, the DNA evidence and more.<sup>169</sup>

The court concluded that the infringing work broadly *mimicked* Dr. Seuss' characteristic style, but it did not *ridicule* that style.<sup>170</sup> The court noted that Penguin's use of the Cat's stovepipe hat, Dr. Juice as a narrator, and a title similar to the original's title were all means of drawing attention to the new work, perhaps "to avoid the drudgery in working up something fresh."<sup>171</sup>

Finally, with regard to the purpose and character of use, the Ninth Circuit considered whether *The Cat NOT in the Hat!* merely superseded the Dr. Seuss originals or whether it "transformed" those works.<sup>172</sup> The court did not recognize any effort to create a transformative work.<sup>173</sup> As a result, under the first factor, the court concluded the scale tipped against fair use be-

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166. *See id.*

167. *See id.*

168. *See id.*

169. *See id.*

170. *See Seuss II*, 109 F.3d at 1401.

171. *Id.* (quoting *Campbell*, 510 U.S. at 580).

172. *See Seuss II*, 109 F.3d at 1400. A work is "transformative" if it adds new expression, meaning or message. *See id.*

173. *See id.* at 1401.

cause the infringing work was neither a parody nor transformative.<sup>174</sup>

## B. NATURE OF COPYRIGHTED WORK

The second factor requires that the court consider the nature of the original copyrighted work.<sup>175</sup> Creative works are generally afforded the highest level of protection in a claim of copyright infringement.<sup>176</sup> The Ninth Circuit recognized that the original work, *The Cat in the Hat*, embodied significant creativity, imagination, and originality.<sup>177</sup> Consistent with prior case analysis on this factor, the court did not find this factor to be significant in the fair use determination.<sup>178</sup> Nevertheless, the court concluded that the second factor also tilted the scale against fair use.<sup>179</sup>

## C. AMOUNT AND SUBSTANTIALITY

Under the third factor, the Ninth Circuit questioned whether the amount and substantiality of the portion of the original used, in relation to the copyrighted work as a whole, was reasonable in light of the purpose for the copying.<sup>180</sup> First, when considering the quality of the appropriation, the Ninth Circuit indicated that this factor raised the question of substantial similarity rather than fair use.<sup>181</sup> The court had previously discussed substantial similarity when it considered whether there was an infringement of Seuss Enterprises' copyright.<sup>182</sup> The Ninth Circuit emphasized Penguin's appropria-

174. *See id.* The district court considered both parody and satire as transformative and indicated that neither posed a threat of displacing the demand for the original work. *See Seuss I*, 924 F. Supp. at 1568.

175. *See* 17 U.S.C. § 107 (2); *supra* note 6 and accompanying text.

176. *See Seuss II*, 109 F.3d at 1402 (citing *Campbell*, 510 U.S. at 586).

177. *See Seuss II*, 109 F.3d at 1402.

178. *See id.*

179. *See id.*

180. *See id.*

181. *See id.*

182. *See Seuss II*, 109 F.3d at 1402. In considering whether there was a copyright infringement, the Ninth Circuit evaluated whether Seuss Enterprises had demonstrated substantial similarity. *See Seuss II*, 109 F.3d at 1398. The court applied a version of the two part test presented in *Sid & Marty Krofft Television Prods., Inc. v.*



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tion of the Cat's image, the copying of the Cat's hat, and the multiple uses of the image on the front and back covers and in the text as evidence of infringement.<sup>183</sup> Reflecting on the qualitative nature of the copying, the court concluded that the Cat's image represented the "highly expressive core" of Dr. Seuss' work.<sup>184</sup>

Second, in examining the quantity of the appropriation, the Ninth Circuit considered the extent of permissible copying relative to the purpose and character of the use.<sup>185</sup> When courts recognize an infringing work as a parody, there is substantial latitude in the amount of copying allowed.<sup>186</sup> Despite its previous determination that *The Cat NOT in the Hat!* was not a parody, the Ninth Circuit reexamined the issue.<sup>187</sup>

Katz and Wrinn, the authors of *The Cat NOT in the Hat!*, argued that they selected *The Cat in the Hat* as the vehicle for their parody because the two stories were similar.<sup>188</sup> Specifically, the authors pointed out that the main characters of each tale, the Cat and O.J. Simpson, each committed acts contrary to moral authority and both stories end with a significant moral dilemma.<sup>189</sup> In *The Cat in the Hat*, the children must decide whether to tell their mother about the Cat's visit.<sup>190</sup> In *The Cat NOT in the Hat!*, Penguin maintained that a similar

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*McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977). *See id.* at 1398. The test inquires first whether the works are substantially similar in both idea and expression, and second whether an audience of reasonable persons would perceive substantial similarities between the infringing work and the protected expression of the original work. *See id.*

183. *See Seuss II*, 109 F.3d at 1402. The image was used thirteen separate times. *See id.*

184. *Id.*

185. *See id.* The extent of permissible copying is evaluated based on the persuasiveness of the parodist's justification for the copying. *See Campbell*, 510 U.S. at 586.

186. *See generally Campbell*, 510 U.S. at 586-87.

187. *See Seuss II*, 109 F.3d at 1402-03.

188. *See id.* at 1402.

189. *See id.*

190. *See id.*

moral dilemma existed, concerning the revelation of the actual murderer's identity.<sup>191</sup>

Penguin argued that its work was a commentary on the events surrounding the Brown and Goldman murders.<sup>192</sup> By evoking the world of *The Cat in the Hat*, the authors felt they could "comment on the mix of frivolousness and moral gravity [juxtaposed by] the culture's reaction to the events surrounding the . . . murders."<sup>193</sup> Moreover, the authors relied on Dr. Seuss' combination of whimsy and moral dilemma to recall *The Cat in the Hat*, where a trickster Cat created "mayhem along with his friends, Thing One and Thing Two, and then magically clean[ed] it up . . . leaving a moral dilemma in his wake."<sup>194</sup> Similarly, *The Cat NOT in the Hat!* presented a scenario in which the trickster O.J. Simpson created mayhem that his friends, Kato Kaelin and Simpson's Dream Team of lawyers magically cleaned up, leaving a moral dilemma about the identity of the murderer.<sup>195</sup> The Ninth Circuit, however, agreed with the lower court's characterization of Penguin's claim to fair use as "purely schtick," stating Penguin's post-hoc characterization of the work as a parody was "completely unconvincing."<sup>196</sup> Thus, the court's finding under the third factor also weighed against fair use.<sup>197</sup>

#### D. EFFECT ON THE MARKET

Finally, the Ninth Circuit turned its attention to the fourth factor, and evaluated the extent of market harm that publica-

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191. *See id.*

192. *See Seuss II*, 109 F.3d at 1402.

193. *Id.*

194. *Id.* at 1402-03.

195. *See id.*

196. *Id.* at 1403. The lower court compared the parodic nature of *The Cat NOT in the Hat!* to the parodic nature of the secondary use in *Campbell v. Acuff-Rose*, 510 U.S. 569 (1994), *Fisher v. Dees*, 794 F.2d 432 (9th Cir. 1986), and *Elsmere Music v. National Broadcasting Co.*, 623 F.2d 252 (2nd Cir. 1980). *See Seuss I*, 924 F. Supp. at 1569. The district court found no similar attempt to comment on the text or themes of *The Cat in the Hat*. *See id.* The court found Penguin's assertion that *The Cat NOT in the Hat!* achieved its status as parody by "suggesting limits to the Seussian imagination" to be inadequate and unconvincing. *Id.*

197. *See Seuss II*, 109 F.3d at 1403.

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tion and distribution of *The Cat NOT in the Hat!* would cause.<sup>198</sup> The court first considered whether unrestricted and widespread dissemination of the infringing work would harm the potential market for the original and its derivatives.<sup>199</sup>

The Ninth Circuit recognized that substantial good will and reputation is associated with Dr. Seuss' works.<sup>200</sup> Based on its prior conclusion that *The Cat NOT in the Hat!* was non-transformative and commercial, the court inferred market harm because market substitution was more certain.<sup>201</sup>

In addition, Penguin failed to demonstrate any evidence regarding the relevant markets.<sup>202</sup> Relying on *Campbell*, the Ninth Circuit concluded that it could not analyze the fourth factor, but could only recognize that a silent record on a such an important fair use factor "disentitle[s] the proponent to the defense."<sup>203</sup>

In light of its fair use analysis, the Ninth Circuit held that this fourth factor, along with factors one, two and three, weighed against a finding of fair use.<sup>204</sup> Consequently, the Ninth Circuit affirmed the district court's preliminary injunc-

198. *See id.*

199. *See id.*

200. *See id.*

201. *See id.* The district court was less willing to infer market harm. *See Seuss I*, 924 F.Supp. at 1568. The district court found that *The Cat NOT in the Hat!* was only satire, but indicated that both parody and satire were transformative works. *See id.* As a transformative work, the court stated it did not seem likely that the new work would displace demand for the original. *See id.* The district court also discussed an original author's likely reluctance to license parodies, relying on *Fisher v. Dees*. *See id.* The court concluded that since a parodist seldom gets permission, a parodist is "presumed to operate within a market imperfection." *Id.*

202. *See Seuss II*, 109 F.3d at 1403.

203. *Id.* at 1403 (quoting *Campbell*, 510 U.S. at 590-94). In *Campbell*, the defendants submitted uncontroverted evidence that there was no likely effect on the market for the original. *See Campbell*, 510 U.S. at 590. The defendants failed, however, to address the market for derivatives. *See id.* The Supreme Court recognized that the defendants' lack of evidence on the market effect on derivatives did not necessitate a conclusion of market effect. *See id.* The Court remanded the case for further proceedings with an expectation that "the evidentiary hole will doubtless be plugged upon remand." *Id.* at 594.

204. *See Seuss II*, 109 F.3d at 1403.

tion, thus prohibiting Penguin from distributing or marketing *The Cat NOT in the Hat!*<sup>205</sup>

## V. CRITIQUE

In *Seuss Enterprises*, the Ninth Circuit narrowly interpreted *Campbell v. Acuff-Rose Music*<sup>206</sup> and produced a result that is inconsistent with that decision, as well as prior Ninth Circuit jurisprudence.<sup>207</sup> First, while examining the purpose and character of the infringing use, the Ninth Circuit found that parody was not the purpose of *The Cat NOT in the Hat!*<sup>208</sup> The court found that the work only targeted society in general, rather than *The Cat in the Hat* specifically, and concluded *The Cat NOT in the Hat!* was a satire.<sup>209</sup>

In determining whether Penguin was entitled to the fair use defense, the Ninth Circuit relied on the *Campbell* decision.<sup>210</sup> In *Campbell*, the Supreme Court considered whether a rap group's use of a famous pop song was a fair one.<sup>211</sup> The Court methodically explored each of the four factors set forth in § 107 in light of the goals of copyright.<sup>212</sup> The *Campbell* opinion provides the lower courts with guidance in determining whether a derivative work is a parody and whether it is entitled to the fair use defense.<sup>213</sup>

205. *See id.* at 1406.

206. 510 U.S. 569 (1994). *Campbell v. Acuff-Rose Music* is the most recent precedent for copyright infringement by an alleged parody. *See id.*

207. *See* Defs.' Pet. for Reh'g, at 3, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 580-83 (1994) (perceiving parody where secondary work targets original work, at least in part); *Fisher v. Dees*, 794 F.2d 432, 436 (9th Cir. 1986) (perceiving parody where comedic objective of infringement was related to the original work).

208. *See* *Dr. Seuss Enter., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1401 (9th Cir. 1997) ("*Seuss II*").

209. *See id.*

210. *See id.* at 1400.

211. *See generally* *Campbell*, 510 U.S. at 569.

212. *See generally* *id.* at 575-94. The Court did not actually conclude there had been fair use; instead, the case was remanded for further proceedings. *See id.* at 593-94.

213. *See generally* *id.* at 578-84.

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By declaring *The Cat NOT in the Hat!* not a parody, the Ninth Circuit unnecessarily narrowed the *Campbell* holding.<sup>214</sup> In *Campbell*, the Supreme Court was willing to recognize that a work that more loosely targets the original may be sufficiently aimed at the original to be a parody.<sup>215</sup> The Ninth Circuit's interpretation of *Campbell* set a precedent that is likely to have a chilling effect on the creation of social and political criticism.<sup>216</sup>

In addition, under the first factor, the Ninth Circuit found no effort to create a transformative work.<sup>217</sup> Although, the court examined this subfactor, its analysis suggests that a determination of whether the new work was transformative was dependent on whether the new work was a parody.<sup>218</sup> As parody is not the only category of work that may be considered transformative, the court should have clarified under what circumstances a new work will be sufficiently changed with new message, meaning or expression to constitute a transformative work.<sup>219</sup> The court should also have presented an analysis regarding whether *The Cat NOT in the Hat!* superseded the original work.<sup>220</sup>

After finding that the first factor weighed against a finding of fair use, the court went on to evaluate the remaining factors.<sup>221</sup> While considering the second factor, the nature of the original copyrighted work, the court recognized that creative works, rather than factual works, are closer to the core of copyright protection.<sup>222</sup> Accordingly, the Ninth Circuit did not afford *The Cat NOT in the Hat!* any protection under this fac-

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214. See *Seuss II*, 109 F.3d at 1401. See generally *Campbell*, 510 U.S. at 580-82.

215. See *Campbell*, 510 U.S. at 580-81, n.14.

216. See Defs.' Pet. for Reh'g, at 3, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619).

217. See *Seuss II*, 109 F.3d at 1401.

218. See *id.* at 1400-01.

219. See generally *Campbell*, 510 U.S. at 579.

220. See generally *Seuss II*, 109 F.3d at 1399-1401.

221. See *id.* at 1401-03.

222. See *Campbell*, 510 U.S. at 586; *supra* note 30, 91 and accompanying text.

tor because the original work embodied significant creativity, imagination and originality.<sup>223</sup>

In examining the third factor, whether the quantity or quality of the appropriated material was reasonable, the court considered that the extent of copying allowed under fair use depends upon the derivative work's purpose.<sup>224</sup> The court found that the heart, "the highly expressive core" of the original, was taken and that this factor also weighed against a finding of fair use.<sup>225</sup> The court's analysis, however, was influenced by its earlier conclusion that the secondary use was not parody.<sup>226</sup>

In considering the fourth factor, whether there was an adverse effect on the market, the court inferred market harm because the secondary use was both non-transformative and commercial.<sup>227</sup> The court, however, failed to analyze the subfactors typically evaluated under an inquiry into the market effect.<sup>228</sup> A proper inquiry examines: (1) the likelihood of substitution for the original; (2) the harm to derivatives unexcused by market failure; and (3) the harm to the original other than unremediable disparagement.<sup>229</sup> The fair use doctrine strives to allow use of original material for the public's benefit, so long as that use does not interfere with the economic interests of the author.<sup>230</sup> Had the court fully considered each of these subfactors, it should have found that *The Cat NOT in the Hat!* was protected by fair use.<sup>231</sup>

#### A. PERCEIVING A PARODY

When considering a parodist's claim to fair use, a court must first determine if an infringer's work meets the threshold

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223. See *Seuss II*, 109 F.3d at 1402.

224. See *id.* at 1402-03.

225. *Id.*

226. See generally *id.* at 1401.

227. See *id.* at 1403.

228. See generally *Seuss II*, 109 F.3d at 1403.

229. See *Campbell*, 510 U.S. at 590-92.

230. See Dorsen, *supra* note 61, at 961.

231. See generally *Campbell*, 510 U.S. at 590-94.

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requirement for the defense: "whether a parodic character may reasonably be perceived."<sup>232</sup> Courts have recognized parody as a work containing a discernible direct comment on the original.<sup>233</sup> Although the Ninth Circuit conceded Penguin's work did broadly mimic Dr. Seuss' style, it concluded that the work was not a parody because *The Cat NOT in the Hat!* did not target the "substance" of the original work.<sup>234</sup>

In analyzing whether *The Cat NOT in the Hat!* was a parody, the Ninth Circuit presented the *Campbell* threshold test as if it intended to follow it.<sup>235</sup> The *Campbell* Court would discern a parody when a new work could *reasonably be perceived* as having a parodic character *and, at least, in part*, comments on the prior author's works.<sup>236</sup> The Ninth Circuit, however, elected to follow a stricter test outlined in Justice Kennedy's concurrence, which requires a parody to *target the substance of the original as well as its general style*.<sup>237</sup> The Ninth Circuit considered *The Cat NOT in the Hat!* to be merely a retelling of the O.J. Simpson saga with no direct comment on *The Cat in the Hat*.<sup>238</sup> On the basis that the infringing work did not mimic both the original's style and substance, the court found *The Cat NOT in the Hat!* to be merely a satire.<sup>239</sup> Thus, *The Cat NOT in the Hat!* required justification for any borrowing because

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232. *Seuss II*, 109 F.3d at 1400 (citing *Campbell*, 510 U.S. at 582).

233. See *Seuss I*, 924 F. Supp. at 1569. *Campbell*, 510 U.S. at 583 (finding rap version of "Oh Pretty Woman" commented on the naiveté of the original, which ignored the ugliness of street life); *Fisher*, 794 F.2d at 436. (finding parody in infringing song, "When Sonny Sniffs Glue," which mocked both the lyrics of "When Sunny Gets Blue," and the original singer's vocal range); *Leibowitz v. Paramount Pictures Corp.*, 948 F. Supp. 1214, 1215 (S.D.N.Y. 1996) (finding parodic effect achieved by contrasting majestic pregnant woman and absurd-looking pregnant man); *Elsmere Music, Inc. v. Nat'l Broad. Co.* 482 F. Supp. 741, 743 (S.D.N.Y. 1980), *aff'd* 623 F.2d 252 (2nd Cir. 1980) (finding parody in song, "I Love Sodom," that mocked original song, "I Love New York," and city's advertising campaign).

234. *Seuss II*, 109 F.3d at 1401.

235. See *id.* at 1400.

236. See *Campbell*, 510 U.S. at 580, 582.

237. See *Seuss II*, 109 F.3d at 1400 (citing *Campbell*, 510 U.S. at 597).

238. See *Seuss II*, 510 U.S. at 1401.

239. See *id.*

satire does not share parody's protection under the fair use doctrine.<sup>240</sup>

The Ninth Circuit's holding in *Seuss Enterprises* is not consistent with the *Campbell* decision.<sup>241</sup> In *Campbell*, a rap group substituted shocking lyrics for the original, "Oh, Pretty Woman," to show the banality of the Roy Orbison and William Dees song.<sup>242</sup> The Supreme Court found that the rap song "juxtapose[d] the romantic musings of a man whose fantasy comes true, with degrading taunts, [and] a bawdy demand for sex."<sup>243</sup> The Court accepted these taunts as commentary on the naiveté of the original, which ignored the realities and ugliness of street life.<sup>244</sup> Although the Supreme Court was unwilling to assign a high rank of parodic element to the rap song, it nevertheless recognized the song could reasonably be perceived as commenting to some degree on the original.<sup>245</sup>

Similarities exist between the secondary works in *Campbell* and *Seuss Enterprises*.<sup>246</sup> In both cases, the new works share a significant main character with the infringing work; the intruder in *Seuss Enterprises* and the "pretty woman" in *Campbell*.<sup>247</sup> In both instances, the copier took highly recognizable material to "conjure up" the target of their parody.<sup>248</sup> The secondary works both commented on society and the naiveté of the original work.<sup>249</sup> Although *The Cat in the Hat* characterized

240. See *Campbell*, 510 U.S. at 580-81.

241. See Defs.' Pet. for Reh'g, at 3, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619). See generally *Campbell*, 510 U.S. 569; *Seuss II*, 109 F.3d 1394.

242. See *Acuff-Rose Music, Inc. v. Campbell*, 754 F. Supp. 1150, 1155 (M.D. Tenn. 1991) ("*Acuff-Rose*").

243. *Campbell*, 510 U.S. at 583.

244. See *id.*

245. See *id.*

246. See generally *Campbell*, 510 U.S. 569; *Seuss II*, 109 F.3d 1394.

247. See *Seuss II*, 109 F.3d at 1402; *Acuff-Rose*, 754 F. Supp. at 1155.

248. See *Campbell*, 510 U.S. at 573; *Seuss II*, 109 F.3d at 1401.

249. See generally *Campbell*, 510 U.S. at 583; *Seuss II*, 109 F.3d at 1402. The authors of *The Cat NOT in the Hat!* suggest they relied on the original Seuss work in a way to expose the real trickster "cat", a.k.a. O.J. Simpson, who creates chaos and miraculously cleans it up, "leaving a moral dilemma in its wake." See *Seuss II*, 109 F.3d at 1402-1403. In contrast, in *Campbell*, the Supreme Court recognized parody in the mockery of the simplicity of "Oh, Pretty Woman." See Jacobson, *supra* note 58, at 960.



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the gullibility of the children and their mother and *The Cat NOT in the Hat!* characterized the dupability prevalent within the justice system, the Ninth Circuit rejected the idea that *The Cat NOT in the Hat!* commented on the naiveté of the original.<sup>250</sup>

In both secondary works, there was a significant departure from the original in the content and storyline.<sup>251</sup> For example, in *Campbell*, the emphasis was no longer on a “pretty woman,” but instead on a “hairy woman,” a “bald headed woman,” and a “two timin’ woman.”<sup>252</sup> Similarly, in *Seuss Enterprises*, the story diverged from mischief and general mayhem to murder and legal tricks.<sup>253</sup> Just as the Supreme Court reasonably perceived a parodic character for “Oh Pretty Woman” in *Campbell*, so could the Ninth Circuit have perceived such a character for *The Cat NOT in the Hat!* in *Seuss Enterprises*.<sup>254</sup>

Despite Penguin’s claim that its work was a commentary on the events surrounding the Brown/Goldman murders, the court found the infringing work was not a parody.<sup>255</sup> Concededly, it

250. See *Seuss II*, 109 F.3d at 1402. Both books end with a dilemma about whether the truth shall be known. See *id.* For the ending of *The Cat in the Hat*, see *supra* note 1 and accompanying text. *The Cat NOT in the Hat!* ends with the refrain:

Hmm . . . take the word JUICE.

Then add ST.

Between the U and I, you see.

And then you have JUSTICE.

Or maybe you don’t.

Maybe we will.

And maybe we won’t.

Cause if the cat didn’t do it?

Then who? Then who?

Was it him?

Was it her?

Was it me?

Was it you?

Oh me! Oh my!

Oh my! Oh me!

The murderer is running free.

*Seuss II*, 109 F.3d at 1402.

251. See generally *Seuss II*, 109 F.3d at 1401; *Campbell*, 510 U.S. at Appendix A, B.

252. *Acuff-Rose*, 754 F. Supp. at 1155.

253. See generally *Seuss II*, 109 F.3d at 1402.

254. See generally *Campbell*, 510 U.S. at 583.

255. See *Seuss II*, 109 F.3d at 1402-03.

is not sufficient to conclude a work is a parody based solely on the author's claim. An author's intent, however, should be taken into account.<sup>256</sup> Here, the Ninth Circuit did not accept the authors' assertion that they selected *The Cat in the Hat* as the vehicle for their parody because of the similarities between the two stories.<sup>257</sup> The authors argued that the two murder victims were surprised by O.J. Simpson, who committed acts contrary to moral authority.<sup>258</sup> The authors pointed out the similarity to *The Cat in the Hat*'s storyline, where the two children were surprised by the Cat, who also committed acts contrary to moral authority.<sup>259</sup> This connection could reasonably be perceived as targeting the substance of the original.<sup>260</sup>

In addition, according to the authors, in *The Cat NOT in the Hat!*, a defense team of lawyers seemed to impose "tricks" on a largely unwilling public, much like Things One and Two imposed tricks on the unwilling children in *The Cat in the Hat*.<sup>261</sup> The resulting verdict, acquitting O.J. Simpson, astonished a substantial segment of the public, just as *The Cat in the Hat*'s readers are astonished after the children and the Cat get away with the mischief of the afternoon.<sup>262</sup> This similarity could be reasonably perceived as targeting the substance, in addition to the style, of the original.<sup>263</sup> Finally, the authors contended both books ended with a moral dilemma: whether the public would be told about the identity of the victims' visitor(s) and whether the mother would ever learn about the children's visitors.<sup>264</sup> Although the horror of what transpired in the Brown/Goldman murders is incomparable to the simple mischief that occurred in *The Cat in the Hat*, the court should have balanced the authors' intent, along with their success or lack thereof in

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256. See *Campbell*, 510 U.S. at 586.

257. See *Seuss II*, 109 F.3d at 1403.

258. See *id.* at 1402.

259. See *id.*

260. See generally *Campbell*, 510 U.S. at 580.

261. See *Seuss II*, 109 F.3d at 1402. Public opinion on the verdict in the Simpson trial was sharply divided, often along racial and gender lines. See Mueller, *supra* note 15, at 741.

262. See Henry J. Reske, *Verdict On Simpson Trial*, 81 A.B.A. J. 48 (Nov. 1995).

263. See generally *Campbell*, 510 U.S. at 580-83.

264. See *Seuss II*, 109 F.3d at 1402.

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creating a parody, and reasonably perceived a parodic character.<sup>265</sup>

Whether a parody is in good or bad taste should not affect the court's analysis.<sup>266</sup> In reality, however, it may be a factor in reaching a decision on fair use. Frequently, when a parody attacks a time-honored pop icon, or where an attack is sexually explicit, courts have found no fair use.<sup>267</sup> Thus, a determination of no fair use is more likely when the parody is offensive and transgresses the accepted norms of taste and decency.<sup>268</sup> A parody is often considered offensive "when there is a cultural gulf separating the maker and the object of the parody."<sup>269</sup> In *Campbell*, the Court did not deny a finding of fair use despite the parody's explicit sexual language.<sup>270</sup> The distinction may be that the pop song, "Oh, Pretty Woman," is not as venerated, in the court's eyes, as classical children's characters, such as those found in the Disney and Seuss works.<sup>271</sup>

In *Walt Disney Productions v. Air Pirates*, the defendants also targeted an adult audience by featuring well-known chil-

265. See generally *Campbell*, 510 U.S. at 586.

266. See *id.* at 582.

267. See generally *Campbell*, 510 U.S. 569 (finding raucous rap group's song taking off from romantic pop song is candidate for fair use defense because it may reasonably be perceived as a parody and at least, in part, comments on the original work); *Seuss II*, 109 F.3d 1394 (rejecting as social commentary on "trial of the century" for two brutal and vicious murders using classic children's book character and not considering work a parody); *Fisher*, 794 F.2d 432 (finding raucous song relying on romantic pop song a parody); *MCA v. Wilson*, 677 F.2d 180 (2nd Cir. 1981) (rejecting sexually explicit song based on pop song as parody); *Elsmere Music Inc.*, 623 F.2d 252 (finding satiric skit performed to tune of public relation campaign parody); *Walt Disney Productions v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978) (finding sexually explicit portrayals of classic children's cartoon characters in counter culture comic book not fair use where copying was more exact than necessary for parodist's purposes).

268. See *supra* note 267.

269. Jacobson, *supra* note 58, at 1017. In making any subjective interpretation, such as whether a work constitutes a parody, the court is susceptible to making an aesthetic judgment, rather than a legal one, due to the "cultural gulf" in the relative perspectives of the court and the infringer. See generally *id.* at 1017-20.

270. See *Campbell*, 510 U.S. at 582.

271. See generally *Campbell*, 510 U.S. 569; *Seuss II*, 109 F.3d 1394; *Air Pirates*, 581 F.2d at 753. In *Air Pirates*, the classic Disney characters were portrayed as promiscuous, drug ingesting members of the counter culture. See *Air Pirates*, 581 F.2d at 752-53. In *Seuss Enterprises*, the classic Cat was portrayed as a murderer. See *Seuss I*, 924 F. Supp. at 1561.

dren's characters.<sup>272</sup> The court concluded that the Disney copyrights were infringed; however, the court based its legal conclusion solely on the rule that excessive copying precludes fair use, and not on a consideration of whether there was market harm.<sup>273</sup> Theoretically, the new work created a potential negative market effect for the original by skewing the adult public's view.<sup>274</sup> Although the Ninth Circuit had an opportunity in both *Seuss Enterprises* and *Air Pirates* to comment on the impact of such unremediable disparagement, neither opinion reflected such consideration.<sup>275</sup> In either case, criticism would not be recognized as a cognizable harm under copyright law.<sup>276</sup>

## B. PARODY VERSUS SATIRE

In contrast to satire, the fair use doctrine affords a parody greater latitude throughout the fair use analysis.<sup>277</sup> For example, the nature of the original copyrighted work would be considered less important because parody inevitably copies well-known expressive works.<sup>278</sup> The quantity and quality of an infringer's appropriation would be evaluated on a sliding scale, depending on the degree to which the infringer's overriding purpose was to parody the original.<sup>279</sup> Moreover, if the court recognized the infringing work as a parody, market harm would be unlikely since few authors grant permission to have their work ridiculed, even with financial consideration.<sup>280</sup> Finally, given the transformative nature of a parody, a court would be less likely to infer market substitution and, therefore, less likely to conclude market harm had occurred.<sup>281</sup> Thus, a finding of a parodic character under the first factor carries with

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272. See *Air Pirates*, 581 F.2d at 752-53.

273. See *id.* at 751.

274. See *id.* at 758.

275. See generally *Seuss II*, 109 F.3d 1394; *Air Pirates*, 581 F.2d 751.

276. See *Campbell*, 510 U.S. at 591-92.

277. See *id.* at 579-81.

278. See *id.* at 586.

279. See *id.* at 588.

280. See *Fisher*, 794 F.2d at 437-38.

281. See *Campbell*, 510 U.S. at 591.

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it a certain amount of breathing space in a court's deliberations on the remaining factors.<sup>282</sup>

Here, the Ninth Circuit's conclusion that the purpose of *The Cat NOT in the Hat!* was not parody, but satire, impacted the court's analysis under each of the remaining fair use factors.<sup>283</sup> Although the nature of the copyrighted work is typically not given much weight in a fair use analysis, it is even less important in cases of parodic infringement, because "parodies almost invariably copy publicly known expressive works."<sup>284</sup> Any protection a parody may have gained under the second factor was lost in *Seuss Enterprises*, even though the Ninth Circuit indicated this factor would not be significant in the court's overall fair use analysis.<sup>285</sup>

Despite considering this factor less significant in the fair use balancing, the court found that the degree of creativity and imagination embodied in *The Cat in the Hat* weighed against a finding of fair use.<sup>286</sup> In *Campbell*, the Supreme Court concluded that parody depends upon a recognition of the original's most distinctive or memorable features, which, more often than not, are the original's most creative expression.<sup>287</sup> Thus, this factor becomes less important when considering the fair use defense in connection with a parody.<sup>288</sup> Had the Ninth Circuit concluded under the first factor that the new work was a parody, rather than a satire, then it may not have concluded that the second factor weighed against a finding of fair use.<sup>289</sup>

Similarly, the Ninth Circuit's analysis under the third factor depended upon its conclusion under the first.<sup>290</sup> Under the

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282. See *id.* at 578-94.

283. See generally *Seuss II*, 109 F.3d at 1399-1403. The court reached this conclusion because the infringer only targeted the style, and not the substance, of the original work. See *id.* at 1401.

284. *Campbell*, 510 U.S. at 586.

285. See generally *Seuss II*, 109 F.3d at 1402.

286. See *id.*

287. See *Campbell*, 510 U.S. at 586-88.

288. See *id.* at 586.

289. See generally *id.*

290. See generally *Seuss II*, 109 F.3d at 1402.

third factor, the inquiry is whether the amount and substantiality of the portion used, in relation to the copyrighted work as a whole, are reasonable in relation to the purpose of the copying.<sup>291</sup> The Ninth Circuit noted that Penguin appropriated the Cat's image multiple times, copying the Cat's hat and using the image on the front and back covers and thirteen times in the text.<sup>292</sup> Regarding the qualitative nature of the infringement, the court found there was no doubt that the Cat's image represented the highly expressive core of Dr. Seuss' work.<sup>293</sup>

When parody takes aim at a particular work, the parody must be able to "conjure up" enough of the original so the parodist can be certain the audience will recognize it.<sup>294</sup> Once enough has been appropriated to insure recognition, how much can be reasonably taken will depend on the degree to which the overriding purpose is to parody the original or to create a substitute for it.<sup>295</sup>

Although there is no bright line rule for determining the amount necessary to conjure up an original, prior decisions provide guidance. In *Leibowitz v. Paramount*,<sup>296</sup> the lower court found a parodic work that featured a smirking man's head atop a pregnant women's body constituted fair use.<sup>297</sup> The "heart" of the original photograph featured a well-known actress, Demi Moore, pregnant, with an expression of fulfillment, serenity, and pride.<sup>298</sup> When considering parody, the inquiry is not solely whether the "heart" of the original is taken, since it is the "heart" that ensures an audience will recognize an original.<sup>299</sup> Although, in this case, the infringing work copied the "heart" of the original, incorporating Leibowitz's lighting and

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291. See generally 17 U.S.C. § 107(3).

292. See *Seuss II*, 109 F.3d at 1402.

293. See *id.*

294. See *Campbell*, 510 U.S. at 588.

295. See *id.*

296. 948 F. Supp. 1214 (S.D.N.Y. 1996).

297. See generally *id.* at 1215.

298. See *id.* at 1222-24.

299. See *Campbell*, 510 U.S. at 588-89.

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backdrop, the court found the amount of copying was reasonable because the overriding purpose was to parody the original.<sup>300</sup>

In *The Cat NOT in the Hat!*, the court emphasized that Penguin appropriated the Cat's stovepipe hat with five alternating dark and light stripes.<sup>301</sup> The characters, the Cat in the Hat and the caricature of O.J. Simpson, wear the striped hat and share similar expressions.<sup>302</sup> Each character has a long neck, narrow shoulders, and a facial expression with upraised eyebrows and a closed lip smile.<sup>303</sup> Penguin elected to use a caricature of O.J. Simpson wearing the striped, stovepipe hat, only as frequently as necessary to insure identification of the prankish cat.<sup>304</sup> The appropriation of the original in both *Leibowitz* and *Seuss Enterprises* was merely sufficient to fulfill the parodic requirement of recognition.<sup>305</sup>

In *Walt Disney Productions v. Air Pirates*, the Ninth Circuit considered an infringement that asserted fair use of several Disney characters.<sup>306</sup> The *Air Pirates* comic book featured well-known Disney characters as free-thinking, promiscuous, drug-ingesting members of a counter culture.<sup>307</sup> The Ninth Circuit identified three factors for determining whether the appropriation was excessive: (1) the degree of public recognition of the original work, (2) the focus of the parody, and (3) the ease of conjuring up the original work.<sup>308</sup> The first two factors taken

300. See *Leibowitz*, 948 F. Supp. at 1225.

301. See *Seuss I*, 924 F. Supp. at 1564.

302. See *id.*; Defs.' Opening Br., at 14, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619).

303. See *Seuss I*, 924 F. Supp. at 1564.

304. See Defs.' Opening Brief, at 14, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619); *Seuss II*, 109 F.3d at 1407-08, Attachments 1, 2.

305. See generally *Leibowitz*, 948 F. Supp. 1225; *Seuss II*, 109 F.3d 1394. In *Leibowitz*, there was a single image parodied with another single image. See *Leibowitz*, 948 F. Supp. 1225. In *Seuss Enterprises*, Penguin appropriated the Cat's image thirteen times in the text, though not on every page, whereas the Cat appeared in nearly every illustration in *The Cat in the Hat*. See *Seuss II*, 109 F.3d at 1402.

306. See generally *Air Pirates*, 581 F.2d at 753.

307. See *id.*

308. See *Fisher*, 794 F.3d at 439 (citing *Air Pirates*, 581 F.2d at 757-58.)

together indicate that how much more copying is necessary for a successful claim of fair use depends on the degree to which the parody targets the original.<sup>309</sup> In *Air Pirates*, the Ninth Circuit found no fair use, but solely because the copying had been more exact than necessary for the parodist's purpose.<sup>310</sup> The Ninth Circuit specifically commented that the Disney characters are well known to the public and a viable alternative to exact copying existed because a recognizable caricature would be relatively easy to draw.<sup>311</sup>

Although the Ninth Circuit did not distinguish *Air Pirates* in its *Seuss Enterprises* opinion, the copying of the hat in *Seuss Enterprises* was not exact and more importantly, the stovepipe hat rests upon a caricature of O.J. Simpson, rather than atop a caricature of the Cat.<sup>312</sup> Whereas the Ninth Circuit deemed the copying of the Disney characters to have no other purpose than to track Disney's work as closely as possible, in *Seuss Enterprises*, the illustrator made a bona-fide attempt to use only as much as was necessary to conjure up the original.<sup>313</sup> The relevant illustration in *The Cat NOT in the Hat!* is based on the original, but it is a caricature of O.J. Simpson.<sup>314</sup> In balancing the scope of the copying with the degree of targeting the original work, the court should have concluded that *The Cat NOT in the Hat!* was entitled to the fair use defense because it only appropriated as much as necessary to ensure identification.<sup>315</sup>

Another inquiry under the quality and quantity analysis is the persuasiveness of the parodist's justification for the taking.<sup>316</sup> In accordance with *Campbell*, the Ninth Circuit "recognize[d] the extent of the permissible copying varies with the purpose and character of the use."<sup>317</sup> In *Campbell*, both the

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309. See generally *Campbell*, 510 U.S. at 588.

310. See *Air Pirates*, 581 F.2d at 758.

311. See *id.* at 757-58.

312. See *supra* note 304.

313. See generally *Air Pirates*, 581 F.2d at 757-58; *Seuss II*, 109 F.3d at 1397.

314. See *supra* note 304.

315. See generally *Campbell*, 510 U.S. at 588-89.

316. See *id.* at 586.

317. *Seuss II*, 109 F.3d at 1402 (citing *Campbell*, 510 U.S. at 586).



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original song and the infringing work focused on the physical attributes of their female main character.<sup>318</sup> The new song copied the opening lyrics and repeated one of its bass riffs.<sup>319</sup> Then, it departed markedly from the song's lyrics for its own purpose and included distinctive sounds, various noises, overlaid solos in different keys, and a different drum beat.<sup>320</sup> Similarly, in *Seuss Enterprises*, the new book copied the Cat's stovepipe hat, pose, and facial expression, and some of its poetic rhythm, but then departed markedly with the new content, retelling the story of an infamous double murder and the ensuing trial.<sup>321</sup> The Ninth Circuit could have found that the quantity and quality of the appropriated material were consistent with the infringer's parodic intent.<sup>322</sup>

## C. TRANSFORMATIVE USE AS FAIR USE

The Ninth Circuit also found Penguin's use of *The Cat in the Hat* non-transformative based on its conclusion that Penguin made no effort to incorporate "new expression, meaning, or message" into the secondary work.<sup>323</sup> As a result, because market substitution was more certain, the court was willing to infer market harm under the fourth factor.<sup>324</sup> The Ninth Circuit, in its failure to analyze what would constitute "new expression, meaning, or message," at the very least, missed an opportunity to clarify the nature of a transformative work. This consideration was important because if *The Cat NOT in the Hat!* was transformative, the first factor may not have weighed against fair use, despite the commercial character of the infringing work.<sup>325</sup> Additionally, market substitution would be less certain and market harm might have been less readily inferred.<sup>326</sup> Consequently, had the Ninth Circuit con-

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318. See generally *Acuff-Rose*, 754 F. Supp. at 1155.

319. See *Campbell*, 510 U.S. at 589.

320. See *id.*

321. See generally *Seuss II*, 109 F.3d at 1402; *Seuss I*, 924 F. Supp. at 1564.

322. See generally *Campbell*, 510 U.S. at 566-89.

323. See *Seuss II*, 109 F.3d at 1401.

324. See *id.*

325. See generally *Campbell*, 510 U.S. at 579.

326. See generally *Seuss II*, 109 F.3d at 1403.

cluded the new work was transformative, in a separate analysis, it might not have concluded that the purpose, under the first factor, and the effect on the market, under the fourth factor, weighed against a finding of fair use.<sup>327</sup>

The creation of transformative works furthers the goals of copyright.<sup>328</sup> Some courts have required that a transformative use be productive and employ the original material in a different manner or for a different purpose than the original.<sup>329</sup> A new work may not supersede the function, and therefore the economic value, of the original.<sup>330</sup> The majority of courts recognize a secondary work as a transformative work when sufficient new expression, meaning, or message has been added to the original.<sup>331</sup> Transformative works may quote the original in a criticism of that work, expose a character from the original, or summarize an idea in order to either defend or rebut that notion.<sup>332</sup> In the instant case, Penguin may have exposed the Cat.<sup>333</sup>

Although a transformative use is not a prerequisite to the fair use defense, transformative works lie at the heart of the doctrine's guarantee of protection for secondary works.<sup>334</sup> New works enrich society by adding value to the original work through "new aesthetics, insights, and understandings."<sup>335</sup>

327. See generally *Campbell*, 510 U.S. at 578. The four statutory factors may not be treated in isolation and each factor is to be analyzed independently, although the results must be weighed together in light of the goals of copyright. See *id.*

328. See *id.* at 579.

329. See *Toward A Fair Use Standard*, *supra* note 25, at 1111. This approach was adopted by the dissenters in *Sony v. Universal*, but rejected by the majority of the Supreme Court. See *id.* at 1111 n.29.

330. See *id.* at 1111.

331. See *Seuss II*, 109 F.3d at 1400. See generally *Campbell*, 510 U.S. 569.

332. See *Toward A Fair Use Standard*, *supra* note 25, at 1111. Transformative uses may also include "parody, symbolism, aesthetic declarations, and innumerable other uses." *Id.*

333. See generally *Seuss II*, 109 F.3d at 1402.

334. See generally *Campbell*, 510 U.S. at 579. The doctrine of fair use provides for copying without permission under certain circumstances, as when the work was copied to create a new work that performs a substantially different function than the original. See Jacobson, *supra* note 58, at 962-63.

335. Jacobson, *supra* note 58, at 1001.

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Originality, however, is a prerequisite to copyrightability.<sup>336</sup> Therefore, an important inquiry under the first factor is whether the new work is transformative, an original creation.<sup>337</sup> On a sliding scale, the more transformative the secondary work, the less significant are other subfactors, like a commercial nature, under a purpose and character analysis.<sup>338</sup> Generally, a parody is considered transformative, although a transformative work need not be a parody.<sup>339</sup>

When considering whether an infringing work is transformative, it is helpful to look to the issues presented in claims of copyrightability for derivative works.<sup>340</sup> The threshold for copyrightability of a derivative work incorporates an originality requirement.<sup>341</sup> The Copyright Act affords limited copyright protection to derivative works, specifically by only recognizing the contribution distinguishable from the original work.<sup>342</sup> To support an application for a copyright to a derivative work, the originality within a derivative work must be more than trivial.<sup>343</sup> Analogous to the fair use analysis of effect on the market, the derivative work cannot affect the scope of the copyright protection afforded to the preexisting material.<sup>344</sup>

336. See 17 U.S.C. § 102(a). See *supra* note 30 and accompanying text.

337. See *Campbell*, 510 U.S. at 579.

338. See *id.*

339. See *generally id.*

340. See 17 U.S.C. § 103(b) (1996). Section 103(b) states:

The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such a work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

*Id.*

341. See 17 U.S.C. § 101 (1996). "A 'derivative work' is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which the work may be recast, transformed, or adapted." *Id.*

342. See 17 U.S.C. § 103(b); *supra* note 341 and accompanying text.

343. See *Durham Ind., Inc. v. Tomy Corp.*, 630 F.2d 905, 909 (2nd Cir. 1980). See *generally* *Entertainment Research Group, Inc. v. Genesis Creative Group, Inc.*, 122 F.3d 1211, 1220 (9th Cir. 1997).

344. See *Durham*, 630 F.2d at 909.

The Ninth Circuit considered whether the original aspects of the secondary work were sufficient in *Doran v. Sunset House Distributing Corp.*<sup>345</sup> In *Doran*, the court noted that a copyrightable derivative work may be created by the original author's own skill, labor, and judgment, resulting in a contribution recognizably original to the prior treatment.<sup>346</sup> Originality means both that the particular work owes its origin to the author and a modicum of creativity is embodied in the new work.<sup>347</sup> In *Seuss Enterprises*, the additions and modifications made by the authors of *The Cat NOT in the Hat!* were creative and anything but trivial.<sup>348</sup> Although the authors were inspired by *The Cat in the Hat*, they added new meaning to the story of the mischievous Cat by recasting him in the role of the "murderous" O.J. Simpson.<sup>349</sup> On its face, *The Cat NOT in the Hat!* has sufficient originality to satisfy this threshold prerequisite for copyrightability of a derivative work.<sup>350</sup>

The Ninth Circuit cut short its analysis, or at least any presentation of its deliberations, regarding whether *The Cat NOT in the Hat!* was transformative.<sup>351</sup> The court did not explain how the new work failed to incorporate original expression, meaning, or message.<sup>352</sup> The court also failed to indicate how this new work would have superseded the original work.<sup>353</sup> A full consideration of these subfactors under the analysis of purpose would have led the court to recognize the new work as transformative.<sup>354</sup> As a transformative work, *The Cat NOT in*

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345. 197 F.Supp. 940, 943-44 (S.D. Cal. 1961), *aff'd* *Sunset House Distributing Corp. v. Doran*, 304 F.2d 251 (9th Cir. 1962).

346. *See Doran*, 197 F. Supp. at 944-45.

347. *See Feist Publications, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 362-63 (1991).

348. *See generally Seuss II*, 109 F.3d at 1401.

349. *See id.*

350. *See id.*

351. *See generally id.* at 1399-1401.

352. *See id.*

353. *See generally Seuss II*, 109 F.3d at 1399-1401.

354. *See generally Campbell*, 510 U.S. at 578-82.

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*the Hat!* could have been considered a fair use, after a full examination of the other statutory factors.<sup>355</sup>

## D. THE IMPORTANT FOURTH FACTOR: EFFECT ON THE MARKET

The Ninth Circuit's decision contains a surprisingly brief analysis of the important fourth factor: effect on the market.<sup>356</sup> Based on the facts presented, the court is required to consider each of the enumerated factors, weighed together, in light of the goals of copyright.<sup>357</sup> In addressing the fourth factor specifically, it is critical that the court's deliberation include an examination of the economic consequences of the copying, such as the failure to pay the customary price, market substitution, and unremediable disparagement.<sup>358</sup>

With regard to failure to pay the customary price, the Ninth Circuit failed to address the issue of market failure.<sup>359</sup> Market failure occurs when the infringer, specifically a parodist, can not appropriately purchase its desired use through the market.<sup>360</sup> It is unlikely that an author will license a derivative work that ridicules the original work or its style.<sup>361</sup> Without a chance that such a derivative work would be licensed, potentially-beneficial works would not reach the public, thus frustrating the goals of copyright and fair use.<sup>362</sup> In this case, Seuss Enterprises would have denied Penguin's use, thus triggering market failure.<sup>363</sup>

355. See generally *id.* at 578-79.

356. See *Seuss II*, 109 F.3d at 1403. Compare *Campbell*, 510 U.S. at 590-94.

357. See *Campbell*, 510 U.S. at 578 (citing *Toward A Fair Use*, *supra* note 25, at 1110-11).

358. See *Campbell*, 510 U.S. at 590-94.

359. See generally *Seuss II*, 109 F.3d at 1403; *supra* note 201 and accompanying text.

360. See Gordon, *supra* note 132, at 1632-34. An infringer is not required to inquire about a license from the author of the original work, but the court does not discourage such requests. See *Fisher*, 794 F.2d at 437.

361. See *Fisher*, 794 F.2d at 437.

362. See Jacobson, *supra* note 58, at 1012-13.

363. See Defs.' Pet. for Reh'g, at 12, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619). Seuss Enterprises was on record as unwilling to license a parodic use for *The Cat NOT in the Hat!* See *id.* In *Fisher*, defendant requested permission and was denied. See *Fisher*, 794 F.2d at 437. In *Camp-*

Even though the court found *The Cat NOT in the Hat!* non-transformative, the court should have independently inquired into whether market substitution was likely.<sup>364</sup> In *Leibowitz v. Paramount*,<sup>365</sup> where the infringing work was recognized as a parody, the court noted the unlikelihood that a consumer in the market for a serious photograph commenting on the beauty of pregnancy would satisfy her demand with a slapstick photograph of a smirking man's head atop a pregnant woman's body.<sup>366</sup>

In *Fisher v. Dees*, the Ninth Circuit compared two equally incongruous works, the original romantic, nostalgic ballad and the 29-second new recording, about a glue-sniffing woman, that ends in noise and laughter.<sup>367</sup> The court did not believe that consumers would be equally satisfied by a purchase of either one or the other.<sup>368</sup> Instead, it concluded that the works did not fulfill the same demand and therefore the new work had no cognizable effect on the original.<sup>369</sup>

In *Seuss Enterprises*, the Ninth Circuit did not distinguish its earlier *Fisher* decision.<sup>370</sup> Even a superficial analysis shows that market substitution in *Seuss Enterprises* was virtually non-existent given the market segment the infringers targeted.<sup>371</sup> Penguin's market consisted of adults with a macabre sense of humor, whereas Dr. Seuss' target market consists of children and parents who cherish the classic tale of *The Cat in the Hat*.<sup>372</sup> The books would be displayed in different sections in bookstores, *The Cat NOT in the Hat!* in the humor section and *The Cat in the Hat* in the children's early reader sec-

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*bell*, the defendants requested permission and were denied. See *Campbell*, 510 U.S. at 572-73.

364. See generally *Campbell*, 510 U.S. at 578.

365. 948 F. Supp. 1214 (S.D.N.Y. 1996).

366. See *Leibowitz*, 948 F. Supp. at 1226.

367. See *Fisher*, 794 F.2d at 438.

368. See *id.*

369. See *id.*

370. See generally *Seuss II*, 109 F.3d at 1403.

371. See generally *Fisher*, 794 F.2d at 438; *Leibowitz*, 948 F. Supp. at 1226.

372. See generally *Seuss II*, 109 F.3d at 1396-97; Defs.' Pet. for Reh'g, at 13, Dr. Seuss Enter., L.P. v. Penguin Books USA, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619).

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tion, thereby minimizing any competition.<sup>373</sup> *The Cat NOT in the Hat!*, like "When Sonny Sniffs Glue," could not be a market substitute for the original.<sup>374</sup>

In *Seuss Enterprises*, the court failed to consider that Penguin's work was adult-oriented humor replete with new expression, meaning and message, entirely different from the original work.<sup>375</sup> One could hardly imagine a transformation more distinguishable from the original, aimed at an entirely different audience.<sup>376</sup> The subject matter of the original deals with the ordinary pranks of childhood.<sup>377</sup> In contrast, *The Cat NOT in the Hat!* deals with the sophisticated nuances of our justice system through the retelling of a horrific double murder and the ensuing public trial.<sup>378</sup> Although the new work borrows from the original to establish its main character as a trickster "Cat," it moves on to new ground and arguably transforms the original.<sup>379</sup> As in *Leibowitz*, it is equally unlikely that a consumer in search of bedtime reading for a young child would fulfill that demand with a dark, comedic retelling of a double murder.<sup>380</sup> In *Seuss Enterprises*, the Ninth Circuit should have analyzed the issue of consumer substitution and found that *The Cat NOT in the Hat!* is not a suitable market substitute for the original.<sup>381</sup>

Market substitution may also be avoided by a minimal distribution of the new work in the market or if the infringer only

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373. See Defs.' Pet. For Reh'g, at 13, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619).

374. See *Fisher*, 794 F.2d at 438.

375. See Defs.' Pet. for Reh'g, at 10, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619). See generally *Seuss II*, 109 F.3d at 1399-1401.

376. See generally *Fisher*, 794 F.2d 432; *Leibowitz*, 948 F. Supp. 1225.

377. See generally *DR. SEUSS, THE CAT IN THE HAT* (Random House 1957).

378. See generally *Seuss II*, 109 F.3d at 1402-03.

379. See *id.*

380. See generally *Leibowitz*, 948 F. Supp. at 1226.

381. See generally *Fisher*, 794 F.2d 432; *Leibowitz*, 948 F. Supp. 1225. The Ninth Circuit simply concluded market substitution on the basis of the former conclusion that *The Cat NOT in the Hat!* was both non-transformative and commercial. See *Seuss II*, 109 F.3d at 1403.

borrowed a small amount from the original.<sup>382</sup> The planned distribution of the new work was only 12,000 copies, a minimal

distribution in the book publishing industry and a fraction of Dr. Seuss' worldwide sales of 35 million books.<sup>383</sup> When considering the amount borrowed, after the parodist conjures up the original, how much more can be taken depends on whether and to what degree the purpose of the new work is to parody the original.<sup>384</sup> Consequently, the issue of whether the parodist could have taken less and still accomplished the parody becomes a relative consideration under this inquiry.<sup>385</sup> In *The Cat NOT in the Hat!*, the illustrator's choice to caricature O.J. Simpson in the Cat's hat, expression, and pose, rather than copy the Cat itself, suggests that the new work borrowed a small amount from the original, just enough to conjure it up.<sup>386</sup>

The Ninth Circuit also looked to the Second Circuit's holding in *MCA, Inc. v. Wilson*<sup>387</sup> for guidance in balancing the benefit to the public if the infringing use were permitted, and the projected personal gain of the copyright owner if the use was denied.<sup>388</sup> In *MCA*, the Second Circuit pointed out that the less adverse the effect on the copyright owner's expected gain, the lower the need to show public benefit to justify the use.<sup>389</sup> As the Ninth Circuit was willing to infer market harm because Penguin's use of the original was non-transformative and commercial, it was presumably more concerned about the potential gain to the copyright holder if the use was denied.<sup>390</sup> There was effectively no adverse effect for the court to consider, however, since the copyright holders had gone on record as unwilling to license a parodic use, such as Penguin intended.<sup>391</sup>

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382. See *Campbell*, 510 U.S. at 580-81 n.14.

383. See *Seuss II*, 109 F.3d at 1396-97.

384. See generally *Campbell*, 510 U.S. at 588-89.

385. See *id.*

386. See *supra* note 304. See generally *Campbell*, 510 U.S. at 588-89.

387. 677 F.2d 180 (2nd Cir. 1981).

388. See *Seuss II*, 109 F.3d at 1403 (citing *MCA*, 677 F.2d at 183).

389. See *MCA*, 677 F.2d at 183.

390. See generally *Seuss II*, 109 F.3d at 1403.

391. See Defs.' Pet. for Reh'g, at 12, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619).



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Although the court considered the effect on Seuss' substantial good will and reputation, such harm may fall under the category of unremediable disparagement, a non-cognizable harm under copyright law.<sup>392</sup> While it is arguable that a parodic treatment of the O.J. Simpson trial would produce a public benefit, that issue should not have been dispositive in this case.<sup>393</sup>

## VI. CONCLUSION

Parody, one of the oldest forms of literature, has proven to be a potent form of social commentary and thus a powerful force in society.<sup>394</sup> In keeping with the goals of copyright, parody enriches society by its very nature.<sup>395</sup> Having exhausted its legal avenues, Penguin's parody, *The Cat NOT in the Hat!*, was banned from publication.<sup>396</sup> In addition to depriving the public of *The Cat NOT in the Hat!*, the court's prohibition of the book's publication sets a precedent that negatively impacts the efforts of future parodists.<sup>397</sup> Where the court's application of fair use is not well understood and predictable, those that invest capital in distributing creative works become extremely wary.<sup>398</sup> In fear of a similar disposition, conservative publishers may rely on the Ninth Circuit's more restrictive reasoning.<sup>399</sup> As a result

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392. See *Seuss II*, 109 F.3d at 1403; *Campbell*, 510 U.S. at 592. The associated goodwill of a trademark is relevant under a trade dilution claim when considering whether a trademark used in an unwholesome context has been tarnished. Keller & Bernstein, *supra* note 17, at 1173. In *Seuss Enterprises*, the lower court had already determined there was minimal likelihood of success on a federal dilution claim. See *Seuss II*, 109 F.3d at 1397.

393. See generally *Bleistein*, 188 U.S. at 251-52; Piele, *supra* note 67, at 98.

394. See Jacobson, *supra* note 58, at 960-62.

395. See *id.*

396. See *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394, 1406 (9th Cir. 1997) ("*Seuss II*"). Penguin's petition for rehearing, filed on April 17, 1997, was denied by the Ninth Circuit. See Defs.' Pet. For Reh'g, *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997) (No. 96-55619). Subsequently, Penguin's petition for certiorari to the Supreme Court was also denied. See *Dr. Seuss Enter., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997), *cert. denied*, 66 U.S.L.W. 3170 (U.S. Sept. 22, 1997) (No. 97-329).

397. See generally *Justice Souter's Rescue of Fair Use*, *supra* note 42, at 19-23; Piele, *supra* note 67, at 100.

398. See generally *Justice Souter's Rescue of Fair Use*, *supra* note 42, at 21-22.

399. See *id.*

of the chilling effect of uncertainty, a publisher may elect not to publish what it believes to be a parodic work, out of fear that the reviewing court will find the work a satire, rather than a parody.<sup>400</sup> Such an effect deprives the public of social commentary and defies the goals of copyright; to encourage authors to create works that ultimately benefit society.<sup>401</sup>

*Mary L. Shapiro\**

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400. *See id.*

401. *See id.*

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