



## ALERTS

### **SCOTUS Cert Recap: Copyright Act's Fair Use Defense, 'Dormant' Commerce Clause, And Independent And Adequate State Ground Doctrine**

April 4, 2022

#### **Highlights**

On March 28, the Supreme Court agreed to consider the following three questions:

Is a work of art that copies from a prior work but that conveys a different meaning than the prior work necessarily “transformative” for the purpose of the Copyright Act’s fair use defense?

Does California’s Proposition 12 – which requires all pork sold in California to come from pigs housed in compliance with the state’s animal-confinement rules, even pigs raised entirely in other states – violate the Constitution’s Commerce Clause?

Is Arizona Rule of Criminal Procedure 32.1(g), which requires a state prisoner seeking post-conviction relief to identify a “significant change in the law” that would probably have produced a different result in the prisoner’s case, an adequate and independent state-law ground to support a state-court judgment denying post-conviction relief?

On March 28, the U.S. Supreme Court added three cases to its docket for

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next term: one about when a work of art “transforms” a prior work for the purpose of the Copyright Act’s fair use defense, another involving a “dormant” Commerce Clause challenge to a California law that prohibits selling any pork in the state unless the pork comes from pigs housed in compliance with California’s animal-confinement rules, and a third concerning whether the independent and adequate state ground doctrine bars the Court from reviewing an Arizona state-court decision denying a request for post-conviction relief.

The copyright and Commerce Clause cases – which drew four and five cert-stage amicus briefs, respectively – will capture significant attention from businesses and civil litigators and could each produce landmark decisions in their respective areas of law. The case concerning the independent and adequate state ground doctrine will be of greater interest to those who practice in the post-conviction area – where such issues arise with some frequency – but all lawyers who practice before the Supreme Court should watch that case carefully as well, as the doctrine applies to all state-court decisions whatever the subject matter.

## **When Works Are ‘Transformative’ Under the Copyright Act’s Fair Use Defense**

In [\*Andy Warhol Foundation for the Visual Arts v. Goldsmith\*](#), the Court will return to a question it confronted last year in *Google v. Oracle*: When does copying a portion of a copyrighted work constitute protected “fair use” under the Copyright Act?

The notion of “fair use” in the copyright context initially developed as a common-law doctrine to allow borrowing in some situations in order to further the Copyright Act’s general purpose of fostering creativity and innovation. Congress codified that doctrine in 1976, and the Copyright Act now expressly recognizes fair use as a defense and lists four non-exclusive factors courts should consider in determining whether a use is “fair”: 1) the purpose and character of the use, 2) the nature of the copyrighted work, 3) the amount used in relation to the copyrighted work as a whole, and 4) the effect of the use upon the potential market for the copyrighted work.

As the Court explained in *Google*, the first of these factors – the purpose and character of the use – asks “whether the copier’s use adds something new ... altering the copyrighted work with new expression, meaning or message,” and the Court has “used the word ‘transformative’ to describe a copying use that adds something new and important.” This case offers the Court an opportunity to provide further detail on what it means for a work of art to be “transformative” in this sense. It concerns a series of silkscreen prints and pencil illustrations created by Andy Warhol – whose foundation is the petitioner here – based on a 1981 portrait photograph of Prince taken by the respondent, Lynn Goldsmith. The foundation argues that the works are necessarily transformative because they convey a new meaning: namely, that they portray Prince as an “iconic” figure rather than the “vulnerable human being” depicted in Goldsmith’s photograph.

In its decision below, however, the Second Circuit rejected the notion that imbuing a work with a new meaning is necessarily “transformative.” It observed that such a rule would seem to expand fair use to make copyright licensing unnecessary in the “paradigmatically derivative”

context of film adaptations – since many movies transform the message of the underlying literary work – and it noted that ascertaining the meaning of artistic works is a subjective endeavor to which judges are typically unsuited. Instead, it held that Warhol’s work is not transformative on the ground that it is “both recognizably deriving from, and retaining the essential elements of, its source material.”

The Supreme Court is now set to review this decision and thereby give litigants and lower courts further guidance on what makes a work that borrows from another sufficiently “transformative.” Copyright practitioners around the country will be closely following what the Court says.

## **Commerce Clause Limits on States’ Authority to Regulate Commerce**

In [\*National Pork Producers Council v. Ross\*](#), the Court will consider a challenge to California’s Proposition 12, a law that sets minimum size requirements for pig pens – and that extends those requirements to farmers across the country by making compliance with them a condition of selling pork in California.

The challengers contend that the out-of-state application of these pen-size rules violates the Commerce Clause. They note that, while the Commerce Clause is expressly framed as a grant of authority to Congress, the Supreme Court has long read the Commerce Clause to also implicitly limit states’ regulatory authority. This doctrine, often called the “dormant” Commerce Clause, has a handful of different components, and two are at issue in this case.

The first, known as the extraterritoriality doctrine, has been invoked in a number of Supreme Court decisions but is most prominently associated with the 1980s decisions *Brown-Foreman Distillers Corp. v. New York State Liquor Authority* and *Healy v. Beer Institute*. The challengers here argue that under these decisions, a state law per se violates the Commerce Clause if its practical effect is to control conduct beyond the state’s boundaries, and they contend Proposition 12 does so by effectively requiring out-of-state farmers to follow California’s pen-size rules on pain of exclusion from the California market. And California responds that Proposition 12 merely regulates in-state sales, and that any indirect, upstream effects it has on farmers is insufficient to run afoul of the extraterritoriality doctrine.

The second issue concerns the balancing test the Supreme Court articulated in *Pike v. Bruce Church*, which bars state laws that impose a burden on interstate commerce that “is clearly excessive in relation to the putative local benefits.” Here the parties dispute the significance of Proposition 12’s economic effects and the strength of the interests underlying the law – issues that could become complicated by the motion-to-dismiss posture of the case.

The Court has now agreed to address both of these issues, and whatever the Court decides, its decision will carry implications for the validity of state commercial regulations in a wide variety of industries across the country.

## **The Scope of the Independent and Adequate State Ground Doctrine**

In [Cruz v. Arizona](#), the Court will take up a criminal-law case that presents a recurring issue that arises in both criminal and civil cases alike: When does a state-court decision rest on an independent and adequate state ground such that the U.S. Supreme Court lacks jurisdiction to review the decision?

The case arises from the Supreme Court's 1994 decision in *Simmons v. South Carolina*, which held that where a capital defendant's "future dangerousness is at issue, and state law prohibits the defendant's release on parole, due process requires that the sentencing jury be informed that the defendant is parole ineligible." The Arizona Supreme Court later concluded that *Simmons* was inapplicable in Arizona – on the theory that Arizona law did not universally prohibit capital defendants' release on parole – but the U.S. Supreme Court overturned that conclusion in *Lynch v. Arizona*.

Shortly thereafter, Cruz – a capital defendant whose trial and sentencing occurred after *Simmons* but before *Lynch* – filed a petition for post-conviction relief in Arizona state court. Because this was not Cruz's first petition, he sought relief under Arizona Rule of Criminal Procedure 32.1(g), which at the time provided that relief would be available even for successive petitions where there "has been a significant change in the law that if determined to apply to defendant's case would probably overturn the defendant's conviction or sentence."

Cruz argued that *Lynch* constituted a significant change in the law and that it applied retroactively to render his sentence unlawful. And after the Arizona Supreme Court rejected his claim, he filed a cert. petition arguing that federal law requires applying *Lynch* retroactively in state post-conviction proceedings. Arizona, meanwhile, countered that the Court would lack jurisdiction under the independent and adequate state ground doctrine: The Arizona Supreme Court's decision, the state argued, simply concluded that Cruz failed to meet the state-law requirements of Rule 32.1(g).

While the U.S. Supreme Court granted Cruz's cert. petition, it has limited its consideration to only the question concerning the independent and adequate state ground doctrine. And because its answer to that question could affect jurisdictional rulings in all manner of cases, the case will be of interest to anyone who practices before the Court.

To obtain more information, please contact the Barnes & Thornburg attorney with whom you work or Kian Hudson at 317-229-3111 or [kian.hudson@btlaw.com](mailto:kian.hudson@btlaw.com).

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