

**Zomba Enters., Inc. v. Panorama Records, Inc.,
491 F.3d 574 (6th Cir. 2007)**

Year	2007
Court	United States Court of Appeals for the Sixth Circuit
Key Facts	Defendant Panorama Records, Inc. manufactured and sold karaoke compact discs. Plaintiff Zomba Enterprises, Inc. alleged that defendant infringed thirty of its musical compositions by including them on karaoke compact discs without prior authorization. Defendant appealed the district court's ruling in plaintiff's favor.
Issue	Whether defendant's unauthorized use of plaintiff's musical compositions on its karaoke discs constituted fair use.
Holding	The court held that defendant's unauthorized use of plaintiff's musical compositions to create karaoke discs was not fair. The court found that defendant's use of the compositions was minimally transformative. The court rejected defendant's arguments that its use was transformative because the karaoke materials were used for "teaching" and encouraged an "interactive and educational" experience. Instead, the court found that karaoke was a form of entertainment and that defendant had not sought to market its product to schools or advertised it as an educational tool. Further, the court found that the activity at issue was not the karaoke singer's use of the product, but the copying activity employed by defendant to create the product. The court also found that defendant's activity was commercial in nature and the musical compositions at issue fell within the core of copyright's protective purposes. The court noted that defendant acknowledged that it copied entire compositions and hired studio musicians to closely recreate the songs, weighing against a finding of fair use. Finally, the court found that, because plaintiff had previously licensed its musical works for karaoke uses, defendant's practices had an adverse effect on this existing market.
Tags	Sixth Circuit; Music
Outcome	Fair use not found

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