

No. 10-1743

**UNITED STATES COURT OF APPEALS
FOR THE EIGHTH CIRCUIT**

WARNER BROS. ENTERTAINMENT, INC., WARNER BROS.
CONSUMER PRODUCTS, INC., and TURNER ENTERTAINMENT CO.,

Plaintiffs-Appellees,

v.

X ONE X PRODUCTIONS d/b/a X ONE X MOVIE ARCHIVES, INC.
A.V.E.L.A., INC. d/b/a ART & VINTAGE ENTERTAINMENT
LICENSING AGENCY, and ART-NOSTALGIA.COM,

Defendants-Appellants.

Appeal from the United States District Court for the Eastern District of Missouri,
Eastern Division, Case No. 4:06-cv-00546
The Honorable Henry E. Autrey

APPELLEES' OPENING BRIEF

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SUMMARY OF THE CASE AND REQUEST FOR ORAL ARGUMENT

The Summary of the Case included in the opening brief of defendants-appellants (collectively, “AVELA”) is incorrect and incomplete. The District Court did not find that “[t]he publicity materials used by AVELA are in the public domain, and are not protected by copyright.” The District Court noted AVELA’s *contention* that the movie publicity materials are in the public domain, but found it unnecessary to decide that issue in order to find that AVELA’s actions infringe the copyrights of plaintiffs-appellees (collectively, “Warner Bros.”) in *The Wizard of Oz*, *Gone With the Wind* and multiple Tom and Jerry cartoons. In addition, the District Court was specific about why AVELA’s particular “use” of the publicity materials violates the film copyrights, finding that AVELA does not merely copy the movie artwork, but “pluck[s]” from it images of Warner Bros.’ copyrighted characters, such that the images “are no longer innocently copied publicity ads, but are *indeed* the characters themselves.” (Appellants’ Addendum (“Addendum”), Part 1 at 18-19 (emphasis in original).) The District Court correctly found that these actions violate Warner Bros.’ copyrights in the films and accordingly granted summary judgment in favor of Warner Bros. on its copyright claim. (*See id.*)

Warner Bros. agrees with AVELA that oral argument would be of assistance to the Court in dealing with the issues raised in this appeal, and also requests 20 minutes for oral argument.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Rule 26.1 of the Federal Rules of Appellate Procedure and 8th Circuit Rule 26.1A, Warner Bros. Entertainment Inc., Warner Bros. Consumer Products Inc. and Turner Entertainment Co. state as follows:

The parent company of Warner Bros. Entertainment Inc. is Time Warner Inc., a publicly-held corporation. Time Warner Inc. owns 100% of the stock of Warner Bros. Entertainment, Inc.

The parent company of Warner Bros. Consumer Products Inc. is Warner Bros. Entertainment Inc. There is no publicly-held corporation that owns ten percent or more of the stock of Warner Bros. Consumer Products Inc.

The parent company of Turner Entertainment Co. is WTTA Incorporated, which is a wholly-owned subsidiary of Warner Bros. Entertainment Inc. There is no publicly-held corporation that owns ten percent or more of the stock of Turner Entertainment Co.

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STATEMENT OF THE ISSUES PRESENTED FOR REVIEW

1. Whether the District Court correctly found as a matter of law that Warner Bros.' copyrights in *The Wizard of Oz*, *Gone With the Wind* and the Tom and Jerry cartoons extend to and include the characters as specifically depicted and expressed in those films.

Walt Disney Prods. v. Air Pirates, 581 F.2d 751 (9th Cir. 1978).

Warner Bros., Inc. v. American Broadcasting Co., 720 F.2d 231 (1982).

Anderson v. Stallone, No. 87-0592, 1989 WL 206431 (C.D. Cal. Apr. 25, 1989).

Ideal Toy Corp. v. Kenner Prods. Div. of Gen. Mills Fun Group, Inc., 443 F. Supp. 291 (S.D.N.Y. 1977).

Melville B. Nimmer and David Nimmer, *Nimmer on Copyright* (Matthew Bender, Rev. Ed. 2009).

2. Whether the District Court correctly found as a matter of law that AVELA's copying of images of the principal characters from the motion pictures *The Wizard of Oz* and *Gone With the Wind* as those characters are depicted in the motion pictures, and of Tom and Jerry as they appear in the Tom and Jerry cartoons, infringes Warner Bros.' copyrights in those films.

Anderson v. Stallone, No. 87-0592, 1989 WL 206431 (C.D. Cal. Apr. 25, 1989).

Stewart v. Abend, 495 U.S. 207 (1990).

Russell v. Price, 612 F.2d 1123 (9th Cir. 1980).

Silverman v. CBS Inc., 870 F.2d 40 (2d Cir. 1989).

3. Whether the District Court correctly found that Warner Bros. had established ownership of the copyrights in *The Wizard of Oz*, *Gone With the Wind* and the Tom and Jerry cartoons.

Bender v. Xcel Energy, Inc., Civil No. 04-3117, 2008 WL 2042521, (D. Minn. May 12, 2008).

General Elec. Co. v. Joiner, 522 U.S. 136, 141-43 (1997).

Simmons v. Cook, 154 F.3d 805 (8th Cir. 1998).

U.S. v. Shumway, 199 F.3d 1093 (9th Cir. 1999).

STATEMENT OF THE CASE

Warner Bros. accepts AVELA's Statement of the Case, with two exceptions. First, in addition to Warner Bros.' claims for copyright infringement, trademark infringement and state law claims for violation of rights of publicity and unfair competition, Warner Bros. asserts a claim for violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). (Appellants' Appendix ("Appls. App.") 80-82.) Second, although AVELA accurately summarizes the counterclaims that AVELA has asserted in response to Warner Bros.' Second Amended Complaint, AVELA cites to a previous pleading in which the only counterclaim AVELA asserted was for declaratory relief. (*Id.* 16, 61.)

STATEMENT OF FACTS

The Wizard of Oz

The motion picture *The Wizard of Oz* is one of the most popular and enduringly successful films of all time. (Appellees' Separate Appendix ("Sep. App.") 180, 209.) Originally released in 1939, the film features Judy Garland as Dorothy, Ray Bolger as the Scarecrow, Jack Haley as the Tin Man and Bert Lahr as the Cowardly Lion. (Appls. App 654; WB SJ Ex. VV.)¹ The film tells the

¹ Warner Bros. filed in support of its summary judgment motion DVDs of *The Wizard of Oz* (Exhibit VV in support of Plaintiffs' Motion for Summary Judgment), *Gone With the Wind* (Exhibit XX in support of Plaintiffs' Motion for Summary Judgment) and several compilations of Tom and Jerry cartoons (Exhibit YY in support of Plaintiffs' Motion for Summary Judgment). Warner Bros.'

story of Dorothy, who is blown by a “twister” from Kansas “over the rainbow” to the land of Oz, where she meets and befriends the Scarecrow, the Tin Man and the Cowardly Lion. (WB SJ Ex. VV.) At the end of the film Dorothy returns to Kansas by clicking together the heels of the magic ruby slippers that she wears and repeating the phrase, “There’s no place like home.” (*Id.*)

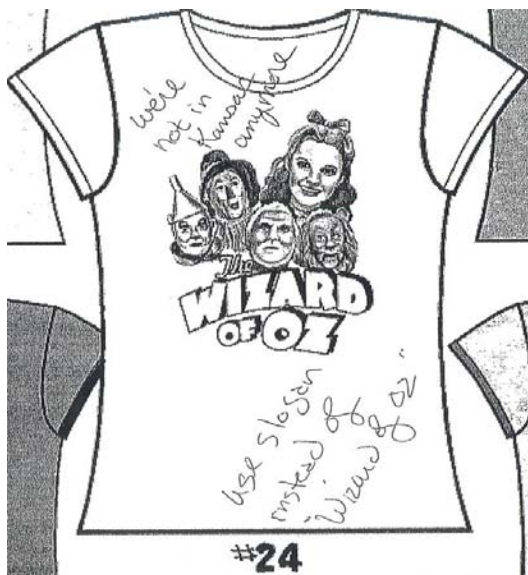
Plaintiff-appellee Turner Entertainment Co. (“TEC”) is the owner of the copyright in *The Wizard of Oz*. (Applts. App. 107-08, 111.)² TEC is a wholly-owned subsidiary of WTTA Incorporated, which is in turn a wholly-owned subsidiary of plaintiff-appellee Warner Bros. Entertainment Inc. (“WBEI”). (*Id.* 66.) TEC has conferred on WBEI, as its ultimate parent, the right to promote and enforce all rights in TEC’s intellectual property, including its copyright in *The Wizard of Oz*. (*Id.* 67.) WBEI has conferred on another wholly-owned subsidiary, plaintiff-appellee Warner Bros. Consumer Products Inc., the exclusive right to merchandise and license TEC’s intellectual property. (*Id.*)

AVELA does *not* own or hold any copyright in the motion picture *The Wizard of Oz*. Nevertheless, AVELA purports to license to third parties the right

counsel has arranged with the Clerk of the District Court for those DVDs to be deposited with the Eighth Circuit for its consideration in connection with this appeal. Those DVDs are cited herein as “WB SJ Ex. VV,” “WB SJ Ex. XX” and “WB SJ Ex. YY.”

² The chain of title of the copyrights at issue in this appeal is discussed *infra* at 17-19.

to manufacture and sell a variety of merchandise using images of Dorothy, the Scarecrow, the Tin Man, the Cowardly Lion and the Wicked Witch of the West as those characters are depicted in the film, sometimes in conjunction with phrases that are spoken (or sung) by those characters in the film. For example, AVELA purported to license a company called Trau & Loevner to manufacture and sell the t-shirts shown below:



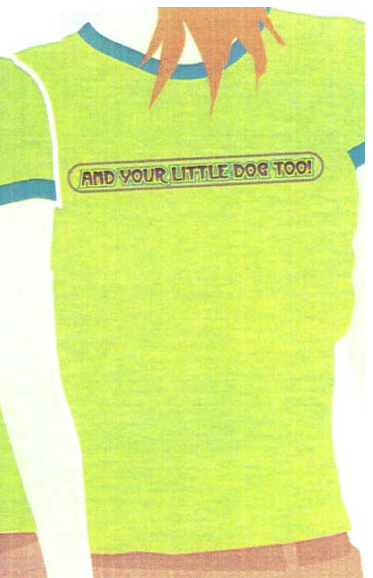
(Sep. App. 286-290, 304-06.)

The t-shirt identified as #22 shows an image of the Tin Man as portrayed in the film *The Wizard of Oz* by Jack Haley, along with the phrase “If I only had a heart,” a line that the Tin Man sings in the film. (*Id.* 286, 305, 724-25; WB SJ Ex. VV.) The t-shirt identified as #23 shows an image of Dorothy as portrayed in the film by Judy Garland, along with the phrase “There’s no place like home,” a line that Dorothy repeats several times in the film. (Sep. App. 306, 725-26; WB SJ Ex. VV.) The t-shirt identified as #24 shows an image of the characters of Dorothy, the Cowardly Lion, the Wizard, the Tin Man and the Scarecrow as portrayed in the film. (WB SJ Ex. VV.) AVELA’s licensing agent, Liza Acuna, noted on AVELA’s approval form that Trau & Loevner should replace the words “Wizard of Oz” on this t-shirt with the slogan “We’re not in Kansas anymore,” which is another line from the movie. (Sep. App. 286-90, 306; WB SJ Ex. VV.)³ The t-shirt identified as #25 shows an image of the Cowardly Lion as portrayed in the film by Bert Lahr, along with the words “Put ‘em up!” – a line that the Cowardly Lion says in the movie. (Sep. App. 286-88, 305, 724-25; WB SJ Ex. VV.)

AVELA has also deposited with the Copyright Office images of other t-shirts manufactured by its licensees that bear images of the characters as depicted

³ When Dorothy arrives in Oz, she looks around in wonder and then says, “Toto, I’ve got a feeling we’re not in Kansas anymore.” (WB SJ Ex. VV.)

in the film, along with lines spoken by those characters in the film and other images that are emblematic of the film (such as the Emerald City and a rainbow). (Sep. App. 209; WB SJ Ex. VV.) Some examples are shown below:



(Sep. App. 552-55, 558, 565.) The phrase “If I only had a brain,” which appears on two of the t-shirts along with an image of Ray Bolger as the Scarecrow, is a line that Bolger as the Scarecrow sings in the film. (*Id.* 724; WB SJ Ex. VV.) The phrase “I’ll get you my pretty . . . and your little dog, too!” is a line that Margaret Hamilton as the Wicked Witch of the West, whose image is shown on the t-shirt along with those words, says to Dorothy in the film. (Sep. App. 260-61, 726; WB SJ Ex. VV.)⁴

AVELA also purports to authorize its licensees to manufacture three-dimensional products using images of the characters as portrayed in the film *The Wizard of Oz*. For example, AVELA licensed the items shown on the following page:

⁴ AVELA also licensed and approved Trau & Loevner to manufacture and sell product using an image of the Wicked Witch of the West as portrayed in the film by Margaret Hamilton, along with the line “I’ll get you, my pretty.” (Sep. App. 291.)



(Sep. App. 614.11, 614.13, 614.14, 614.18.) David Socha of Beverly Hills Teddy Bear Company, which manufactured the bottom two items, testified that the figure

shown on the left is the Tin Man and the one on the right is the Cowardly Lion, both from the film *The Wizard of Oz*. (*Id.* 219-20, 238-41.)

AVELA has also deposited with the Copyright Office images of various three-dimensional objects manufactured by its licensees that depict the characters as portrayed in the film, including those shown below:



(*Id.* 549-51.) These figures are, of course, instantly recognizable as Dorothy, the Cowardly Lion and the Scarecrow from the film *The Wizard of Oz*.

Gone With The Wind

The motion picture *Gone With the Wind* was also released in 1939. (Appls. Br. at 5.) The film stars Vivien Leigh as the beautiful, spoiled, passionate and conniving but indomitable Southern belle Scarlett O’Hara, and Clark Gable as the dashing and dangerous war profiteer, Rhett Butler, who falls for Scarlett against

the backdrop of the Civil War. (WB SJ Ex. XX.) *Gone With the Wind* won eight Oscars, including best picture, and is found on nearly all top motion picture lists. (Sep. App. 180.) For example, the American Film Institute in its 1998 Top 100 list placed *Gone With the Wind* at number 4. (*Id.*)

TEC is the owner of the copyright in *Gone With the Wind*. (Applts. App. 108-09, 111.) TEC has conferred on WBEI, as its ultimate parent, the right to promote and enforce all rights in TEC's intellectual property, including its copyright in *Gone With the Wind*. (*Id.* 67.)

AVELA does not own or hold any copyright in the motion picture *Gone With the Wind*. Nevertheless, AVELA purports to license to third parties the right to manufacture and sell a variety of merchandise using images from and associated with the film, including images of Scarlett O'Hara and Rhett Butler as those characters are depicted in the film by Vivian Leigh and Clark Gable. For example, AVELA licensed the items shown on the following page:



(Sep. App. 604, 606, 608; *see also id.* 384.)

The first of these figurines depicts Vivien Leigh as Scarlett O’Hara in a scene in which she is trying to escape a panicked mob in the streets of Atlanta as Sherman’s army approaches. (*Id.* 329-30, 384; WB SJ Ex. XX.) The figure is depicted wearing the same dress that Vivien Leigh wears and carrying the same bag that Vivien Leigh carries in the film scene. (Sep. App. 329-30; WB SJ Ex. XX.) The second figurine also depicts a scene from the film, in which Vivien Leigh in the character of Scarlett scandalizes Atlanta society by dancing with Clark Gable in the character of Rhett Butler (who has bid \$150 for the privilege) while she is in mourning for her first (unloved) husband, Charles Hamilton. (WB SJ Ex. XX.) The third figurine depicts Clark Gable as Rhett Butler carrying Vivien Leigh as Scarlett O’Hara, with Scarlett dressed in a stylized version of what is perhaps

the most iconic dress of the film – a scandalously inappropriate red gown that Scarlett wears, at Rhett Butler’s insistence, to a party at Melanie Wilkes’ home. (*Id.*)

Tom and Jerry

Tom and Jerry is a successful and long-running series of animated, theatrical short subjects created by William Hanna (“Hanna”) and Joseph Barbera (“Barbera”) for Metro-Goldwyn-Mayer, Inc. (“MGM”) and its parent company, Loew’s Incorporated (“Loew’s”). (Sep. App. 441-42.) These cartoons feature the rivalry between a cat, “Tom,” and a mouse, “Jerry.” (*Id.* 442.) Hanna and Barbera wrote and directed over 100 Tom and Jerry cartoons at the MGM cartoon studio between 1940 and 1957. (*Id.*) The original series won the Academy Award for Best Short Subject (Cartoons) seven times; only one other animated series has won as many Academy Awards. (*Id.*)

Several other producers and artists produced Tom and Jerry cartoons after 1957, most notably Chuck Jones’ Sib-Tower 12 Productions from 1963 to 1967. (*Id.*) During the 1970s, 1980s and 1990s, Tom and Jerry cartoons were produced by Hanna-Barbera and Filmation Studios. (*Id.*) Tom and Jerry cartoons have appeared on Turner-run television stations, such as TBS, TNT, Cartoon Network, Boomerang and Turner Classic Movies, and to this day are seen by millions of people weekly via television and direct video sales. (*Id.*)

All told, Tom and Jerry have appeared in at least 255 animated shorts and motion pictures. (*Id.* 443; Appls. App. 91-98.) In these cartoons, the characters of Tom and Jerry have been delineated with an identifiable set of characteristics, including:

- Tom is depicted in gray or blue-gray;
- Jerry is depicted in brown;
- Tom and Jerry are always fighting or chasing each other;
- Tom's paws and the tip of his tail are white;
- they both have bellies that are light in color – Tom's is light gray, Jerry's is tan;
- they have recognizable poses and postures; and
- they have distinctive physical features – *i.e.*, eyes, mouths, ears – and expressions.

(WB SJ Ex. YY.)⁵ Tom and Jerry and all rights thereto, including the copyrights in the Tom and Jerry cartoons, are owned by TEC. (Appls. App. 110-11 and *infra* at 17-19.)

AVELA does not own or hold any copyright in any of the Tom and Jerry cartoons. Nevertheless, AVELA purports to license images of Tom and Jerry to

⁵ In the proceedings below AVELA identified posters for the following fifteen Tom and Jerry cartoons as the sources of images it has licensed or offered for license: Baby Puss, Casanova Cat, Flirty Birdy, His Mouse Friday, The Little Orphan, The Milky Waif, The Million Dollar Cat, Mouse Cleaning, Mouse Comes to Dinner, The Night Before Christmas, Slicked-Up Pup, Solid Serenade, Tee for Two, That's My Pup, and Tom and Jerry in the Hollywood Bowl.

third parties for the manufacture and sale of merchandise bearing images of or embodying those characters. For example, AVELA licensed the items shown below:



(Sep. App. 593-96, 769-71, 779-80.) AVELA has also deposited with the Copyright Office images of the three-dimensional objects manufactured by its licensees that depict Tom and Jerry shown below:



(*Id.* 585-86.)

AVELA also licenses images of advertising posters featuring Tom and Jerry for its licensees to affix to products such as the t-shirts shown below:



(*Id.* 597, 599.)

Ownership of the Copyrights

On August 7, 1939, Loew's registered the copyright in the motion picture *The Wizard of Oz* with the Copyright Office, as original registration number L9039. (Applts. App. 107.)

On December 31, 1939, Selznick International Pictures ("Selznick") registered the copyright for the motion picture *Gone With the Wind* with the Copyright Office, as original registration number L9390. (*Id.* 109.) On January 31, 1940, pursuant to an August 25, 1938 agreement between Selznick and Loew's, Selznick assigned the copyright in *Gone With the Wind* to itself and Loew's, jointly. (*Id.*)

Prior to 1960, Loew's registered copyrights in more than 100 Tom and Jerry animated shorts and motion pictures, including: *Baby Puss*, *Casanova Cat*, *Flirty Birdy*, *His Mouse Friday*, *The Little Orphan*, *The Milky Waif*, *The Million Dollar Cat*, *Mouse Cleaning*, *Mouse Comes to Dinner*, *The Midnight Snack*, *The Night Before Christmas*, *Puss Gets the Boot*, *Slicked-Up Pup*, *Solid Serenade*, *Tee for Two*, *That's My Pup*, and *Tom and Jerry in the Hollywood Bowl*. (Applts. App. 69, 91-98, 110-11; *see also supra* at 14 n. 5.) *The Midnight Snack* and *Puss Gets the Boot* were released on July 23, 1941 and February 14, 1940, respectively. (Applts. App. 95-96.) *The Night Before Christmas* was released on November 26,

1941. (*Id.* 95.) The other cartoons listed above were released at various later dates. (*Id.* 91-98.)

On February 25, 1960, Loew's changed its name to MGM. (*Id.* 111; Sep. App. 27-31.) On August 8, 1966, MGM renewed the copyright in *The Wizard of Oz* as renewal registration R390474. (Applts. App. 108.) On January 3, 1967, MGM renewed the copyright in *Gone With the Wind* as renewal registration R399224. (*Id.* 109.) MGM or its successors (discussed further below) also timely renewed the copyrights in the Tom and Jerry cartoons that were originally registered under the 1909 Copyright Act. (*Id.* 91-98.)

On February 29, 1980, MGM assigned all of its right, title and interest in its motion picture copyrights, including *The Wizard of Oz*, *Gone With the Wind* and the entire Tom and Jerry animated motion picture series, to Metro-Goldwyn-Mayer Film Co. ("Filmco"). (*Id.* 111; Sep. App. 34-50.) On April 12, 1982, Filmco changed its name to MGM/UA Entertainment Co. ("MGM/UA"). (Applts. App. 111; Sep. App. 51-52.) On March 25, 1986, MGM/UA changed its name to MGM Entertainment Co. ("MGM Entertainment"). (Applts. App. 111; Sep. App. 66.) On August 4, 1986, MGM Entertainment merged into TBS Entertainment Co. ("TBS Entertainment"). (Applts. App. 111; Sep. App. 67-76.) On August 8, 1986, TBS Entertainment changed its name to TEC. (Applts. App. 111; Sep. App. 77-87.) As a result of these transactions, TEC is the current owner of all right, title

and interest in the copyrights for *The Wizard of Oz*, *Gone With the Wind*, and the Tom and Jerry cartoons.

AVELA's Business

AVELA claims that it is in the business of “finding, buying, restoring, licensing and selling” public domain publicity works, such as vintage movie and theater posters and lobby display cards used in the past to advertise plays, theatrical productions and motion pictures.⁶ (Applts. Br. at 7.) AVELA does not, however, license posters as posters (or lobby cards as lobby cards). Instead, AVELA licenses the posters and lobby cards as sources of images to be placed on consumer products (such as the t-shirts shown on pages 5, 7 and 15-16) or used as models to create three-dimensional objects (such as the figurines shown on pages 9

⁶ In fact, there is no evidence that AVELA, or any of Valencia's other companies, has ever “restored” any posters or other publicity materials for any of the films at issue in this case. With respect to *The Wizard of Oz* and *Gone With the Wind*, the evidence is that Leo Valencia purchased transparencies of materials relating to those films that had already been restored. (Sep. App. 645-50, 697-99.) There is no evidence as to Tom and Jerry because Valencia refused to answer questions about Tom and Jerry in his deposition. (*Id.* 785.) The Court should also be aware that Warner Bros. has challenged in this case the validity of AVELA's purported copyrights in “any work that consists of or includes copies or derivative works of” the motion pictures *The Wizard of Oz* or *Gone With the Wind* or the Tom and Jerry cartoons. (Applts. App. 87.)

and 12 or the toys shown on pages 5, 9 and 15).⁷ (*See* Sep. App. 217-20, 236-41, 286-91, 302-06, 446-537, 539-46, 548-70, 571-83, 604-08, 614.2-614.24.)

AVELA’s agreements with its licensees explicitly state that this is the purpose of the license, and specify the classes of goods for which the images have been approved. (*See, e.g., id.* 795-97, 819-21, 843-45, 867-69, 891, 910-11.) For example, AVELA’s license agreement with Salamander Graphix lists the “Licensed Products” as:

Night lights, Clocks (neon, non neon, mini and lunchbox)
Totes, (cosmetic bags, purses, wallets and eye cases)
Magnets, Umbrellas

(*Id.* 869) Not one of the license agreements is for the manufacture and sale of posters or other publicity materials as such. (*Id.* 206; *see, e.g., id.* 797, 821, 845, 869, 910-11.) In addition, AVELA’s license agreements identify the “artwork” being licensed by movie title. For example, the “List and Description of Artwork” in AVELA’s license agreement with Mill Street Design reads, in part, as follows:

1. Gone with the Wind.
2. Tom & Jerry Silver screen releases
3. Mary’s Little Lamb, Humpty Dumpty, Sinbad Sailor
4. King Kong.
5. Betty Boop silver screen releases
6. Charlie Chaplin The Kid 6 reels

⁷ There is no evidence that AVELA offers for license any other types of publicity works, such as pre-written press stories, newspaper and magazine advertisements with photographs of the actors or scenes, press books, souvenirs or news bulletins.

7. Legends of the West
8. Oswald the Rabbit
9. The Wizard of Oz
10. Casablanca

(*Id.* 846.)

AVELA also provides its licensees and prospective licensees with catalogs showing uses of the images it purports to license on products. (*Id.* 446-537, 539-46.) Those catalogs show a broad range of products including dinner plates, hats, lunch boxes, pencil cups, purses, pillows, t-shirts and throws. (*Id.*)

Moreover, AVELA does not merely – or even generally – license third parties to manufacture and sell products that bear images *of the movie posters themselves*. (*See id.* 217-20, 236-41, 286-91, 302-06, 446-537, 539-46, 548-70, 571-83, 604-08, 614.2-614.24.) Rather, AVELA purports to authorize its licensees to – in the words of the District Court – “pluck” from those materials images of the characters as depicted in the movies and use those characters on products, alone or in combination with lines from the movies that do not even appear on the posters. (*See supra* at 4-16.) Both AVELA’s principal, Leo Valencia, and its licensees testified that the images AVELA licenses are instantly recognizable – and are *meant* to be instantly recognizable – as the characters from the films. (Sep. App. 217-21, 245-46, 260-65, 285-97, 652-54, 658, 660-61.)

The movie posters and lobby cards from which AVELA appropriates the images that it licenses were not distributed to the general public. They were

distributed to theater owners in accordance with an agreement between Loew's and National Screen Accessories Inc. ("National Screen"), whereby Loew's authorized National Screen to distribute accessories intended to advertise or exploit motion pictures produced between July 8, 1937 and December 31, 1939. (*Id.* 927-42.) The National Screen agreement provided that the accessories were to be used solely for the purpose of supplying them to theater owners in order to promote the films, and further provided that the accessories for each film had to either be returned or destroyed after distribution of the film was discontinued. (*Id.* 929-30; *see also* Appls. App. 178-80.)

Proceedings In The District Court

Warner Bros. initiated this action on March 31, 2006, asserting that AVELA's licensing activities infringe its copyrights in *The Wizard of Oz*, *Gone With the Wind* and the Tom and Jerry cartoons. In addition to its copyright claim, Warner Bros. asserts claims for trademark infringement, violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), and state law claims for violation of rights of publicity and unfair competition. (Appls. App. 64-98.)

In March of 2008, Warner Bros. and AVELA filed cross motions for summary judgment on all of Warner Bros.' claims. (*Id.* 99-106; 115-18.) On March 20, 2009, the District Court issued an opinion, memorandum and order

granting Warner Bros.’ motion for summary judgment as to its copyright claim.

(Addendum, Part I.)⁸

In its opinion, the District Court described AVELA’s business as follows:

Defendants operate a multimedia licensing and merchandising agency. Defendants derive their images, which they subsequently license to others, from publicity materials they contend have fallen into the public domain. They have filed copyright registrations in the restored movie publicity artwork, although there is no evidence that any Defendant is aware of what restorations have taken place. Defendants sell license rights in their restored publicity artwork which permits the licensees to use all or part of the artwork. Included within this license are the rights to produce merchandise, such as figurines, t-shirts, banks, and the like.

(Addendum, Part 1 at 8-9.)

The District Court recognized that “the characters contained within the publicity artwork and the characters in the subject films *are the same*. Thus, the question of substantial similarity is not at issue; the actors and cartoon characters from the films are indeed the very same actors and cartoon characters as those featured in the publicity materials.” (*Id.* at 14 (emphasis added).)

The District Court then found as a matter of law that those characters are protected by Warner Bros.’ copyrights in the films. (*Id.* at 17-18.) With respect to Tom and Jerry, the District Court found that, as cartoon characters with “physical as well as conceptual qualities” and “unique elements of expression,” Tom and

⁸ The District Court denied both parties’ motions as to Warner Bros.’ other claims, which remain pending. (*Id.*)

Jerry are entitled to copyright protection. (*Id.* at 17.) The District Court similarly found that the remaining characters – “*i.e.* Judy Garland as Dorothy Gale, Ray Bolger as Scarecrow, Jack Haley as Tin Man, . . . Bert Lahr as Cowardly Lion . . . , Vivian Leigh as Scarlett O’Hara and Clark Gable as Rhett Butler” – are protected by the copyrights in *The Wizard of Oz* and *Gone With the Wind* because they “can be seen as more akin to a comic book character than a literary character based on their distinct characteristics and idiosyncrasies in their portrayal of the character.” (*Id.*)

Finally, the District Court rejected AVELA’s argument that, even if the characters would be entitled to copyright protection, AVELA is entitled to license their images because, according to AVELA, the publication of the publicity materials caused *the characters themselves* to become public domain material. (*Id.* at 18.) As the District Court explained:

The publicity materials with pictures of the actors in costume are just that – pictures of actors. It is necessarily through the films that the characters became copyrightable. But for the films, these characters would remain literary figures without the particular idiosyncrasies that have established each character as a unique icon in American culture.

(*Id.*)

The District Court therefore held that AVELA’s licensing activities infringe Warner Bros.’ copyrights in *The Wizard of Oz*, *Gone With the Wind* and the Tom and Jerry cartoons. The District Court summarized its reasons as follows:

Defendants do not merely copy the movie artwork, rather, they pluck from these pages images of Plaintiffs' copyrighted characters such that Defendants' images are no longer innocently copied publicity ads, but are *indeed* the characters themselves, to be embossed onto any number of trinkets, clothing and other collectibles, within Defendants' catalogs. Notwithstanding Defendants have copied only the publicity materials, such actions violate the component parts of Plaintiffs' copyrights in the films.

(*Id.* at 18-19 (emphasis in original).)

Following the District Court's grant of summary judgment in favor of Warner Bros. on its copyright claim, Warner Bros. moved for entry of a permanent injunction based on the summary judgment order. On March, 4, 2010, the District Court granted that motion and issued an order permanently enjoining AVELA "from licensing, attempting to license, or otherwise using for commercial gain" images from the Tom and Jerry films as well as images of the characters of Tom and Jerry; images from the film *The Wizard of Oz* as well as images of Judy Garland as Dorothy, Ray Bolger as the Scarecrow, Jack Haley as the Tin Man, and Burt Lahr as the Cowardly Lion; and images from the film *Gone With the Wind* as well as images of Vivian Leigh as Scarlett O'Hara and Clark Gable as Rhett Butler. (Addendum, Part 2 at 6.) The injunction order specifically excepted the licensing of "reproductions of public domain movie publicity materials, in their entirety and without alteration or modification." (*Id.*) This appeal followed.

SUMMARY OF THE ARGUMENT

The District Court properly entered summary judgment in favor of Warner Bros. on its claim for copyright infringement. The District Court correctly held that, as a matter of law, Warner Bros.’ copyrights in *The Wizard of Oz*, *Gone With the Wind* and the Tom and Jerry cartoons extend to and include the characters as depicted and expressed in those films. The District Court also correctly held that, as a matter of law, AVELA’s licensing of images of those characters as depicted in the films for placement on products or as models for the creation of three-dimensional objects infringes Warner Bros.’ copyrights in the films, regardless of AVELA’s contention that the publicity materials from which it purports to source the images are in the public domain. (Contrary to the assertions made by AVELA in its opening brief (Appls. Br. at 15), the District Court made no finding that the movie publicity materials from which AVELA appropriates the images that it licenses are “public domain materials.”) Finally, the District Court properly exercised its discretion in admitting the affidavit of Kate Chilton, Vice President and Senior Litigation Counsel for WBEI, as evidence of Warner Bros.’ ownership of the copyrights in the films.

AVELA does not dispute that if the District Court’s summary judgment ruling was proper, then its entry of a permanent injunction against AVELA was also proper. Accordingly, the District Court’s injunction order should be affirmed.

STANDARD OF REVIEW

Warner Bros. agrees with AVELA's statement of the standard of review, except that AVELA omitted the standard that governs review of rulings as to the admissibility of evidence. The standard of review applicable to the District Court's admission (or exclusion) of evidence in ruling on a motion for summary judgment is abuse of discretion. *See General Elec. Co. v. Joiner*, 522 U.S. 136, 141-43 (1997).

ARGUMENT

I. WARNER BROS.' COPYRIGHTS IN THE FILMS INCLUDE THE CHARACTERS AS EXPRESSED IN THE FILMS.

AVELA acknowledges (as it must) that “[c]haracters in a particular work may be entitled to copyright protection.” (Appls. Br. at 26.) Cartoon characters, which have “physical as well as conceptual qualities,” are most readily protected. *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978); *see also Gaiman v. McFarlane*, 360 F.3d 644, 660-61 (7th Cir. 2004) (finding comic book characters entitled to copyright protection); *Warner Bros., Inc. v. American Broadcasting Co.*, 720 F.2d 231, 240 (2d Cir. 1983) (stating “there has been no doubt that copyright protection is available for characters portrayed in cartoons” and collecting cases).

Copyright protection may also be afforded, for similar reasons, to characters that are visually depicted in a television series or in a movie. *Olson v. National*

Broadcasting Co., 855 F.2d 1446, 1452 (9th Cir. 1988); *see also Halicki Films, LLC v. Sanderson Sales and Mktg.*, 547 F.3d 1213, 1224 (9th Cir. 2008) (citing *Olson* and recognizing that “Eleanor,” a yellow 1971 Fastback Ford Mustang featured in the film *Gone In Sixty Seconds* could be entitled to copyright protection); *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co. Inc.*, 900 F. Supp. 1287, 1296-97 (C.D. Cal. 1995) (recognizing copyright protection for character of James Bond as portrayed in films); *Anderson v. Stallone*, No. 87-0592, 1989 WL 206431, at *7-*8 (C.D. Cal. Apr. 25, 1989) (recognizing copyright protection for character of Rocky Balboa); *Ideal Toy Corp. v. Kenner Products Div. of Gen. Mills Fun Group, Inc.*, 443 F. Supp. 291, 301-02 (S.D.N.Y. 1977) (recognizing copyright protection for *Star Wars* characters); 1 Melville B. and David Nimmer, *Nimmer on Copyright* § 2.12 at 2-178.29 (Matthew Bender Rev. Ed. 2009) (hereafter, “Nimmer”) (“A character is most readily protectable where both the original work and the copied work consist of cartoons or other graphic representations rather than ‘word portraits.’”).

A visual or graphic depiction alone, however, is generally not sufficient to delineate a copyrightable “character.” *See, e.g. Gaiman*, 360 F.3d at 661 (observing that without the expressive contribution of Gaiman – who described, named and wrote the dialogue for Cogliostro – Cogliostro “wouldn’t have been a character at all, but merely a drawing”); *Walker v. Viacom Int’l, Inc.*, No. C 06-

4931, 2008 WL 2050964, at *5-*6 (N.D. Cal. May 13, 2008) (holding that “Mr. Bob Spongee” as depicted in comic strip consisting “of four small and largely uninformative black and white panels” that conveyed “little to no information” about his “personality or character traits” was not entitled to copyright protection).

As the District Court observed – and AVELA does not dispute – “[w]ith respect to the cartoon characters Tom and Jerry, the above analysis ends the inquiry. Tom and Jerry have physical as well as conceptual qualities, and contain unique elements of expression such that they are entitled to copyright protection.” (Addendum, Part 1 at 17.)

The District Court also correctly found that the principal characters depicted in the motion pictures *The Wizard of Oz* and *Gone With the Wind* – Judy Garland as Dorothy, Ray Bolger as the Scarecrow, Jack Haley as the Tin Man, Bert Lahr as the Cowardly Lion, Vivian Leigh as Scarlett O’Hara and Clark Gable as Rhett Butler – are likewise entitled to copyright protection. Each of these characters *as portrayed in the films* has not only an immediately recognizable visual appearance, but also other unique expressive elements – their voices, their facial expressions, the things they say, the way they move – that together delineate a specific character that is entitled to copyright protection.⁹ *See, e.g., Anderson*, 1989 WL 206431 at

⁹ One thinks, for example, of Judy Garland’s wistful singing of “Over the Rainbow”; Ray Bolger’s loose-limbed, comic dance as the Scarecrow singing “If I Only Had A Brain”; Jack Haley’s gentle, soft-voiced Tin Man singing “If I Only

*7 (noting that Rocky Balboa’s character “has become identified with specific character traits from his speaking mannerisms to his physical characteristics”); *Ideal Toy Corp.*, 443 F. Supp. at 302 (noting that physical appearance is only one aspect of *Star Wars* movie characters); *Gaiman*, 360 F.3d at 660-61 (finding that “Cogilostro’s age, obviously phony title (‘Count’), what he knows and says, his name, and his faintly Mosaic facial features combine to create a distinctive character” and further noting that it was only once Cogliostro “was drawn and named *and given speech*” that “he became sufficiently distinctive to be copyrightable”) (emphasis added).

It is through the films that the attributes and personalities of Dorothy, the Scarecrow and the others were developed, so that the characters as portrayed in the films became copyrightable, and the visual images of those characters – which prior to the release of the films were merely “pictures of actors” (Addendum at A-18) – became imbued with the attributes and personalities of those copyrighted characters. *See Siegel v. Warner Bros. Entm’t Inc.* 542 F. Supp. 2d 1098, 1126 (C.D. Cal. 2008) (defendants’ copyright in promotional advertisement that included graphic depiction of Superman, published before the first Superman story,

Had A Heart”; Bert Lahr’s anthropomorphic, Brooklyn-accented Cowardly Lion with his false bravado (“Put ‘em up!”) who twists his tail when scared; Vivien Leigh’s flirtatious, pouting, sexy portrayal of Scarlett; and Clark Gable’s swaggering, sarcastic, unflappable and wryly amused turn as Rhett Butler.

did not give defendants a copyright in the Superman character – including his “name, his alter ego, his compatriots, his origins, his mission to serve as a champion of the oppressed, or his heroic abilities in general” – but only the limited right to exploit “the image of a person with extraordinary strength who wears a black and white leotard and cape”).

The films, by their very nature, delineate the characters more completely, and with far greater specificity and detail, than do the books on which they are based. We know *exactly* what the voice of Dorothy in *The Wizard of Oz* sounds like because we have heard it; we know *exactly* how the Scarecrow in *The Wizard of Oz* moves because we have seen him do so; we know *exactly* how Scarlett O’Hara uses her feminine wiles to wrap weak-willed men around her finger because we have watched her do it. As the District Court put it: “But for the films, these characters would remain literary figures without the particular idiosyncrasies that have established each character as a unique icon in American culture.” (Addendum, Part 1 at 18.) And it is those specific, idiosyncratic, copyrighted characters as portrayed in the films – not some generic version of them derived from the “word portraits” in the books – that AVELA copies and purports to license to third parties to put on everything from dinnerware to t-shirts.

II. AVELA'S LICENSING ACTIVITIES INFRINGE WARNER BROS.' COPYRIGHTS.

The District Court correctly found, as a matter of law, that AVELA's licensing activities infringe Warner Bros.' copyrights in the films. As the District Court explained, "Defendants do not merely copy the movie artwork" from the publicity materials. (*Id.* at 18.) Rather,

they pluck from these pages images of Plaintiffs' copyrighted characters such that Defendants' images are no longer innocently copied publicity ads, but are *indeed* the characters themselves, to be embossed onto any number of trinkets, clothing and other collectibles, within Defendants' catalogs. Notwithstanding Defendants have copied only the publicity materials, such actions violate the component parts of Plaintiffs' copyrights in the films.

(*Id.* at 18-19 (emphasis in original).)

There is no question that a two-dimensional image (such as a picture on a t-shirt) or a three-dimensional object (such as a figurine) can infringe the copyright in a film character, even though the image or object copies only one attribute – the physical appearance – of the character. *See, e.g., Ideal Toy Corp.*, 443 F. Supp. at 301-03 (recognizing that a toy could infringe copyright in characters from *Star Wars* movie, although finding that particular toys at issue were not substantially similar); *Universal City Studios, Inc. v. J.A.R. Sales, Inc.*, No. 82-4892-AAH, 1982 WL 1279 (C.D. Cal. Oct. 20, 1982) (finding that defendants' dolls infringed plaintiffs' copyright in the movie character E.T.). As the Second Circuit has explained:

What the character thinks, feels, says, and does and the descriptions conveyed by the author through the comments of other characters in the work episodically fill out a viewer's understanding of the character. At the same time, the visual perception of the character tends to create a dominant impression against which the similarity of a defendant's character may be readily compared, and significant differences readily noted.

Warner Bros. Inc., 720 F.2d at 241-42.

Copying may be established by (1) direct evidence or (2) by showing that the defendants had access to the copyrighted materials and that substantial similarity of ideas and expression existed between the alleged infringing materials and the copyrighted materials. *The Rottlund Co., Inc. v. Pinnacle Corp.*, 452 F.3d 726, 731 (8th Cir. 2006). In this case, the undisputed evidence establishes by *both* methods that AVELA has copied Warner Bros.' copyrighted characters.

It is undisputed that AVELA directly copies images of characters from *The Wizard of Oz* and *Gone With the Wind* as those characters are depicted in the films, as well as images of Tom and Jerry as those characters are depicted in over 200 animated films. Indeed, AVELA's *business* is copying images of those characters from publicity materials featuring the actors in costume, or illustrations of Tom and Jerry, that were created by the studios for the purpose of promoting the films. (*See supra* at 19-21.)

It is also undisputed that AVELA has had access to the copyrighted films, based not only on the universal availability of the works, but also on the pleadings

themselves. (See, e.g., Sep. App. 112 (discussing both the book *The Wonderful Wizard of Oz* and the film *The Wizard of Oz*) and 119 (noting that *Gone With the Wind* is “arguably one of cinema’s greatest historical epic films” and citing differences between the book and the film).

Likewise, there is no genuine issue as to the substantial similarity of the works that AVELA licenses to the characters as depicted in the copyrighted films. AVELA has “bodily appropriated” the visual depictions of the characters as they appear in the films, using actual photographs of the actors in costume (or publicity posters based on those photographs) or, in the case of Tom and Jerry, drawings of those characters created by the studio to advertise the films. The record is replete with testimony by AVELA and its licensees that the images AVELA licenses are instantly recognizable *and are meant to be instantly recognizable* as the characters from the films. (See *supra* at 21.) The images of Dorothy, Scarecrow, Scarlett O’Hara, Tom and the others that AVELA licenses are not merely “similar” to those characters as they are depicted in the films; they *are* those characters. Indeed, that is the very point of the license. Where there is such “literal similarity,” no further analysis is required. 3 Nimmer § 13.03[A][2]; *see also Air Pirates*, 581 F.2d at 756 (“[I]t is plain that copying a comic book character’s graphic image constitutes copying to an extent sufficient to justify an infringement.”); *Anderson*, 1989 WL 206431, at *8 (court was not required “to undertake extensive comparisons under .

. . . substantial similarity test” where defendant had “bodily appropriated” characters from the “Rocky” films). Thus, as the District Court observed, “[t]he question of substantial similarity is not at issue” here. (Addendum, Part I at 14.) “[T]he actors and cartoon characters from the films are indeed the very same actors and cartoon characters as those featured in the publicity materials.” (*Id.*)

III. AVELA’S CLAIM THAT IT DOES NOT INFRINGE WARNER BROS.’ COPYRIGHTS BECAUSE IT ONLY COPIES PUBLIC DOMAIN PUBLICITY MATERIAL IS WITHOUT MERIT.

AVELA argues that it does not infringe Warner Bros. copyrights because it copies only images from movie publicity material, which AVELA contends is in the public domain, rather than from the films themselves. (Appls. Br. at 19-29.) AVELA is wrong. Whether or not the movie posters and lobby cards from which AVELA appropriates the images that it licenses are in the public domain, the law prohibits AVELA from using those materials in a way that infringes Warner Bros.’ copyrights in the films, including the characters as portrayed in the films.¹⁰ Furthermore, the movie posters and lobby cards are not in the public domain because there was no general publication of those materials.

¹⁰ AVELA’s claim that the posters and lobby cards it licenses are in the public domain is discussed *infra* at 41-45.

A. AVELA May Not Use The Publicity Materials In A Way That Infringes Warner Bros.' Copyrights In The Films.

The law is clear that works in the public domain may not be used in a way that infringes existing copyrights in other, related works. *Silverman v. CBS, Inc.*, 870 F.2d 40 (2d Cir. 1989); *Russell v Price*, 612 F.2d 1123 (9th Cir. 1980); *see also Stewart v. Abend*, 495 U.S. 207 (1990) (holding that owners of valid copyright in derivative work could not distribute the work because to do so would infringe the original, copyrighted work). This principle defeats AVELA's claim that it is entitled to license images of the characters as portrayed in Warner Bros.' films, regardless of whether the movie posters and lobby cards from which AVELA lifts those images are in the public domain.

In the *Russell* case, the defendants had rented out prints of the film *Pygmalion*, the copyright for which had expired. 612 F.2d at 1125. The plaintiffs, who owned the renewal copyright in the George Bernard Shaw play upon which the film was based, sued the defendants for infringing the copyright in the play. *Id.* The Ninth Circuit, affirming the district court's entry of judgment in favor of the plaintiffs, rejected defendants' argument that because the film had fallen into the public domain, prints of the film could "be used freely by anyone." *Id.* at 1126-28.

As the court there stated:

The established doctrine prevents unauthorized copying or other infringing use of the underlying work or any part of that work contained in the derivative product so long as the underlying work

itself remains copyrighted. Therefore, since exhibition of the film “Pygmalion” necessarily involves exhibition of parts of Shaw’s play, which is still copyrighted, plaintiffs here may prevent defendants from renting the film for exhibition without their authorization.

Id. at 1128.

In *Stewart*, the Supreme Court held that this principle applies even where the derivative work is itself the subject of a valid and existing copyright. *Stewart* involved the competing rights of the owners of the copyright in the motion picture *Rear Window* – actor Jimmy Stewart and the heirs of Alfred Hitchcock – and the owner of the copyright in the original story, “It Had to Be Murder,” on which the motion picture was based. Although Stewart and Hitchcock had produced and released *Rear Window* pursuant to an assignment from the author of “It Had to Be Murder,” they did not own the motion pictures rights to the renewal term of the story’s copyright. The Supreme Court held that, despite Stewart’s and Hitchcock’s ownership of the copyright in *Rear Window*, they could not continue to distribute the film without the permission of the owner of the renewal copyright in the story because doing so would infringe the renewal copyright. Thus, the rights of Stewart and Hitchcock to exploit *Rear Window*, in which they owned the copyright, were limited by the continuing, valid copyright in “It Had to Be Murder,” which they were not entitled to infringe.

The *Silverman* case involved the scope of permissible use of pre-1948 scripts of the “Amos ‘n’ Andy” radio program, which were in the public domain,

in view of CBS Inc.'s ownership of valid copyrights in post-1948 "Amos 'n' Andy" television programs. The Second Circuit in its opinion described the "fundamental copyright principle" applicable to the case as follows:

The fundamental copyright principle applicable to this case is that a copyright affords protection only for original works of authorship and, consequently, copyrights in derivative works secure protection only for the incremental additions of originality contributed by the authors of the derivative works. . . . This principle is fully applicable to works that provide further delineation of characters already sufficiently delineated to warrant copyright protection.

870 F.2d at 49-50. Applying this principle to the facts before it, the Second Circuit observed that, "[f]or Silverman, this basic copyright principle means that he is entitled to use the public domain materials from the pre-1948 scripts and may do so *up to the point* at which he copies original expression added to the pre-1948 radio scripts and protected by valid CBS copyrights." *Id.* at 50 (emphasis added). The Second Circuit further held that the "Amos 'n' Andy" characters had been "sufficiently delineated" in twenty years of radio broadcasts (from 1928 through 1948) "to have been placed in the public domain when the scripts entered the public domain." *Id.*

In this case, as previously discussed, the delineation of the *Gone With the Wind* and *The Wizard of Oz* characters *in the films* is of necessity more detailed, specific and multifaceted than the "word portraits" in the books on which the films are based, and it is those very detailed, particularized characters whose images

AVELA copies. Furthermore, because it was only in the films themselves that the characters were sufficiently delineated to be protected by copyright, the pre-release publicity material, assuming that it entered the public domain, did *not* place the characters in the public domain. *See Gaiman*, 360 F.3d at 661 (observing that without the expressive contribution of Gaiman – who described, named and wrote the dialogue for Cogliostro – Cogliostro “wouldn’t have been a character at all, but merely a drawing”); *Walker*, 2008 WL 2050964, at *5-*6 (comic strip that conveyed “little to no information” about character’s “personality or character traits” did not create copyrightable character); *Siegel*, 542 F. Supp. 2d at 1126 (defendants’ copyright in promotional advertisement that included graphic depiction of Superman, published before the first Superman story, did not give defendants a copyright in the Superman character as subsequently developed).

As for Tom and Jerry, even assuming that the posters depicting those characters that AVELA purports to license at some point entered the public domain, the characters were already protected by the copyrights in the existing Tom and Jerry cartoons. For example, the earliest Tom and Jerry poster that AVELA has offered for license is the poster for the film *The Night Before Christmas*, which was released November 26, 1941. (Appls. App. 95.) Even if that poster were in the public domain (which AVELA has not established), the Tom and Jerry characters were already protected by the copyrights in two earlier

films, *The Midnight Snack* and *Puss Gets the Boot*. (*Id.* 95-96; WB SJ Ex. YY.) The Tom and Jerry posters add nothing to the expression of the characters as they are depicted in the copyrighted films, and consequently as to Tom and Jerry *any* use of the posters – including affixing an image of the poster itself to a t-shirt or sleepwear – infringes the copyrights in the films.

Pannonia Farms, Inc. v. USA Cable, No. 03 Civ. 7841, 2004 WL 1276842 (S.D.N.Y. June 8, 2004), on which AVELA attempts to rely, does not support AVELA's position that it is entitled to license images of Warner Bros.' copyrighted characters taken from the movie posters and lobby cards. The issue in *Pannonia* was whether defendant's broadcast of a motion picture featuring Sherlock Holmes and Dr. Watson infringed plaintiff's claimed copyrights in the only nine Holmes stories that had not yet fallen into the public domain. The court found that the Holmes and Watson characters had been sufficiently delineated in over fifty public domain stories that the characters themselves had fallen into the public domain. *Id.* at *9. Even so, the court recognized that any increments of expression added by the nine stories that were not in the public domain would be protectable. *Id.* In this case, as already noted, AVELA exactly copies Tom and Jerry and the characters from *The Wizard of Oz* and *Gone With the Wind* as they

are depicted in those copyrighted films – depictions that are *not* in the public domain.¹¹

The foregoing cases establish that, even if the publicity materials from which AVELA purports to source the images that it licenses are in the public domain, AVELA cannot use those materials in a way that infringes Warner Bros.’ copyrights in the films, including the characters as specifically expressed in those films. Yet, as discussed above, that is exactly what AVELA does. The District Court’s holding that AVELA’s “plucking” of the copyrighted characters out of the publicity materials infringes Warner Bros.’ copyrights in the films is correct, and its entry of summary judgment in favor of Warner Bros. should be affirmed.

B. The Movie Posters And Lobby Cards Are Not In The Public Domain.

Under the 1909 Copyright Act, an unpublished work was protected by state common law copyright from the moment of its creation until it was either published or registered with the Copyright Office. *Twin Books Corp. v. Walt Disney Co.*, 83 F.3d 1162, 1165 (9th Cir. 1996). When a work was published, it lost its state common law protection, and could only be protected thereafter if the

¹¹ AVELA’s reliance on *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), in which the Supreme Court specifically *declined to address* the question whether the petitioner’s repackaging of a television series that had fallen into the public domain would infringe a valid copyright on the book on which the television series was based, is similarly misplaced. *See id.* at 28 n. 2 and 38.

owner obtained statutory protection by complying with the requirements of the 1909 Copyright Act, unless the publication was a limited, rather than a general, publication. *Id.*; *Burke v. Nat'l Broadcasting Co., Inc.*, 598 F.2d 688, 691(1st Cir. 1979).

Limited publication occurs “when tangible copies of the work are distributed to a limited class of persons for a limited purpose.” *Burke*, 598 F.2d at 692. In limited publications, prohibitions against copying can be implied or “tacitly understood.” *Id.* at 691. In *Academy of Motion Picture Arts and Sci. v. Creative House Promotions*, 944 F.2d 1446 (9th Cir. 1991), the court found that the fact that a limited publication was made for promotional purposes did not transform that limited publication into a general publication.

The movie posters and lobby cards from which AVELA draws the images that it licenses were not distributed to the general public. (*See supra* at 21-22.) Rather, they were distributed to theater owners in accordance with an agreement between Loew’s and National Screen Accessories Inc. (“National Screen”), whereby Loew’s authorized National Screen to distribute accessories intended to advertise or exploit motion pictures produced between July 8, 1937 and December 31, 1939. (*Id.*)¹² The National Screen agreement provided that the accessories

¹² The “press books” that were provided to theater owners were also distributed pursuant to this agreement. (Sep. App. 928.)

were provided solely for the limited purpose of supplying them to theater owners to promote Loew's films, and further provided that the accessories for each film had to either be returned or destroyed when distribution of the film was discontinued. (Sep. App. 927-30.) The distribution of the movie posters and lobby cards for *The Wizard of Oz* and *Gone With the Wind* to theater owners pursuant to the agreement between Loew's and National Screen fits squarely within the definition of a "limited publication" and, accordingly, those materials are not in the public domain.

AVELA asserts that "the materials used by AVELA were distributed to the general public" (Appls. Br. at 22) but has provided *no* competent evidence that the movie posters or lobby cards – the materials that AVELA actually purports to license – were distributed to the general public. To the contrary, AVELA's expert, Ed Poole, specifically acknowledged in his affidavit that "the posters were not produced for the general public." (Appls. App. 158.) AVELA's assertion that distribution of "publicity materials" for *The Wizard of Oz* "reached audiences as high as 91 million people" (Appls. Br. at 22) is particularly misleading. The exhibit that AVELA cites in support of this statement clearly refers to the number of people who MGM predicts will see the "advertising campaign" for *The Wizard of Oz*, and specifically references magazine and newspaper advertising. (Appls.

App. 1079.) AVELA does not license magazine or newspaper ads; it licenses movie posters and lobby cards, which the exhibit does not mention.

AVELA's reliance on *Milton H. Green Archives, Inc. v. BPI Communications, Inc.*, 378 F. Supp. 2d 1189 (C.D. Cal. 2005), is misplaced. First, it is a decision of a district court in a different jurisdiction, which is not binding on this Court. More importantly, the decision does not support AVELA's position. The *Milton H. Greene* case involved photographs, not movie posters or lobby cards. The court found that the photographs had been provided to publicists and motion picture studios for placement in newspapers and magazines in order to promote the studios' motion pictures, and that as a result "[c]opies of the photographs were available to the general public in newspapers and magazines." *Id.* at 1198. AVELA, of course, licenses movie posters and lobby cards that were not distributed to the public, not photos that were published in newspapers or magazines.

The court in *Milton H. Greene* similarly found that the distribution of the photographs to publicists and movie studios was not made without the right of further reproduction, distribution or sale, because "distribution was the very reason Milton Green provided the photographs to them." *Id.* at 1199. Again, the issue in this case is not publication of photographs, but of movie posters and lobby cards. The undisputed evidence is that Loew's, through National Screen, provided the

movie posters and lobby cards to the theater owners for the limited purpose of displaying them, not for further reproduction or distribution, and that the National Screen agreement required that the materials be returned or destroyed when distribution of the film was discontinued. (Sep. App. 927-30.)

Finally, AVELA neglects to mention that the court in *Milton H. Greene* specifically held that distribution of the photographs in order to publicize the motion pictures *did* meet the “limited purpose” element of the limited publication doctrine. 378 F. Supp. 2d at 1199. In short, the undisputed evidence establishes that there was no general publication of the movie posters and lobby cards that AVELA licenses, and AVELA’s claim that those materials are in the public domain must therefore fail.

IV. THE DISTRICT COURT DID NOT ERR IN FINDING THAT WARNER BROS. ESTABLISHED OWNERSHIP OF THE COPYRIGHTS.

AVELA does not dispute that copyrights for the films were registered and renewed.¹³ Instead, AVELA argues that Warner Bros. failed to submit admissible

¹³ Even if it did, a court may take judicial notice of copyright registrations and renewals under Fed. R. Evid. 201(b). *Island Software and Computer Serv., Inc. v. Microsoft Corp.*, 413 F.3d 257, 261 (2nd Cir. 2005) (“Island asserts that, because Microsoft submitted to the district court only copies of its federal copyright registrations, and did not swear to the authenticity of those copies, the summary judgment record does not support a finding of copyright ownership. But under Rule 201(b) of the Federal Rules of Evidence, a court may take judicial notice of facts that are ‘capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned.’ The district court was

evidence of the chain of title from the original copyright holders, Loew's and Selznik, to the current copyright holder, TEC. (Appls. Br. at 30-34.) In particular, AVELA argues that the District Court erred in admitting the affidavit of Kate Chilton, Vice President and Senior Litigation Counsel for WBEI, as evidence of the chain of title. (*Id.*) AVELA's arguments concerning the Chilton affidavit and chain of title fail.

A district court's decisions regarding admissibility of evidence in deciding a motion for summary judgment are reviewed for abuse of discretion. *General Elec. Co.*, 522 U.S. at 141–43. The District Court here did not abuse its discretion in admitting Chilton's affidavit testimony as to the chain of title. The Chilton affidavit sets out the specific facts regarding the chain of title in the copyrights from the original copyright holders to the present copyright holder, TEC. (Appls. App. 107-11.) The affidavit also sets forth the basis for Chilton's testimony – specifically her review of corporate documents that were produced to AVELA in discovery. (*Id.* 107.) No more is needed for admission of the affidavit. *See, e.g., Bender v. Xcel Energy, Inc.*, Civil No. 04-3117, 2008 WL 2042521, *2-3 (D. Minn. May 12, 2008) (referring to an earlier grant of summary judgment relying in part on an affidavit submitted by an employee regarding matters that predated his

entitled to take judicial notice of Microsoft's federal copyright registrations, as published in the Copyright Office's registry.”).

employment with the moving party; his statements in the affidavit were “based on personal knowledge, reasonable inquiry, or review of documents.”); *Bender v. Xcel Energy, Inc.*, 507 F.3d 1161 (8th Cir. 2007) (affirming district court’s grant of summary judgment).

Moreover, the documents establishing the chain of title were filed by Warner Bros. as an exhibit to its original complaint in this case. (*See* Sep. App. 27-87.) Those documents – which AVELA has had since the very beginning of this case – were part of the record that was before the District Court on summary judgment, and are therefore properly considered by this Court. *Simmons v. Cook*, 154 F.3d 805, 808 (8th Cir. 1998) (appellate court “may affirm the district court’s ruling on any basis supported by the record”).

AVELA cites no authority supporting its position that Chilton’s affidavit is either inadmissible or insufficient to establish the chain of title. Indeed, in *U.S. v. Shumway*, 199 F.3d 1093 (9th Cir. 1997), the Ninth Circuit *reversed* the district court’s exclusion on summary judgment of a party’s affidavit on the ground that the affidavit was “self-serving and conclusory” – the same argument that AVELA makes about the Chilton affidavit. 199 F.3d at 1103-04. As the Ninth Circuit noted, “the affidavit was of course ‘self-serving,’ . . . [a]nd properly so, because otherwise there would be no point in submitting it.” *Id.* at 1104. The Ninth Circuit also found that the affidavit stated facts, not merely conclusions, and was therefore

not “too conclusory to be cognizable.” *Id.* The Chilton affidavit similarly sets forth specific facts regarding the chain of title from the original copyright holders to TEC. In *Religious Tech. Ctr. v. Netcom On-Line Communications Servs., Inc.*, 923 F. Supp. 1231 (N.D. Cal. 1995), the court found that the plaintiffs had established ownership of copyrights in the works at issue by presenting copies of the registrations, assignments and licensing agreements, but nothing in the opinion suggests that chain of title cannot also be proved by the testimony of a person who has reviewed the chain of title documents.¹⁴

AVELA has not shown that the District Court abused its discretion in admitting the Chilton affidavit. Furthermore, the documents supporting Chilton’s sworn testimony as to the chain of title were filed by Warner Bros. at the outset of this case and were part of the record that was before the District Court when it ruled on Warner Bros.’ summary judgment motion. AVELA’s argument that Warner Bros. failed to prove ownership of the copyrights in the films is meritless and should be rejected.

¹⁴ Moreover, all but one of the copyright transfers described in the Chilton affidavit (the assignment from MGM to Filmco) occurred by corporate mergers or name changes. (Appls. App. 111-12.) Copyright transfers that occur as a result of corporate mergers and similar transactions are considered transfers by operation of law, which are not required to be in writing. *Taylor Corp. v. Four Seasons Greetings, LLC*, 403 F.3d 958, 963 (8th Cir. 2005).

CONCLUSION

The District Court correctly held that, as a matter of law, AVELA's licensing activities infringe Warner Bros.' copyrights in *The Wizard of Oz*, *Gone With the Wind* and the Tom and Jerry animated films. AVELA does not dispute that, if District Court's decision granting summary judgment in favor of Warner Bros. on its copyright claim was correct – which it is – then the District Court's permanent injunction order should be affirmed. Accordingly, for the reasons set forth above, the District Court's March 4, 2010 permanent injunction order should be affirmed.

Dated: October 15, 2010

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CERTIFICATE OF COMPLIANCE

I hereby certify that the foregoing brief complies with the type-volume limitations of Fed. R. App. P. 32(a)(7)(B)(i) because, per the word count of the word processing system used in preparing the brief, the brief contains 10,301 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii).

I further certify that the brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because it was prepared in a proportionally spaced typeface using Microsoft Word 2003 in fourteen-point, Times New Roman font.

I further certify that this brief has been scanned for viruses with the most recent version of a commercial virus scanning program (McAfee VirusScan Enterprise, Version 8.7*i*) and according to the program is free of viruses.

Dated: October 15, 2010

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CERTIFICATE OF SERVICE

I hereby certify that on October 15, 2010, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Eighth Circuit by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system.

I further certify that some of the participants in the case are not CM/ECF users. I have mailed the foregoing document by First-Class Mail, postage prepaid, to the following non-CM/ECF participants:

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