

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

WARNER BROS. ENTERTAINMENT,	)	
INC., et al.,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	Case No. 4:06CV546 HEA
	)	
DAVE GROSSMAN CREATIONS, INC.,	)	
et al.,	)	
	)	
Defendants.	)	
	)	

**OPINION, MEMORANDUM AND ORDER**

This matter is before the Court on Plaintiffs' Motion for Summary Judgment, [Doc. No. 183] and Defendants A.V.E.L.A., Inc. d/b/a Art & Vintage Entertainment Licensing Agency, Art-Nostalgia.com, Inc., Leo Valencia, and X One X Movie Archives, Inc.'s Motion for Summary Judgment, [Doc. 211], and Plaintiffs' Motion to Strike Exhibits, to Supplement Motions for Sanctions and for Conference and for Appointment of Special Master. Oppositions to the respective motions for summary judgment have been filed. For the reasons set forth below, Plaintiffs' Motion for Summary Judgment is granted in part and denied in part. Defendants' Motion for Summary Judgment is denied and Plaintiffs' Motion to Strike Exhibits, to Supplement Motions for Sanctions and for Conference and for Appointment of

Special Master is denied.

### **Facts and Background**

Plaintiffs brought this action alleging they are the legal and/or beneficial owners of all copyrights, trademarks, commercial use and merchandising rights, publicity rights and related rights associated with the motion pictures “Gone With the Wind” and “Wizard of Oz” and multiple Tom & Jerry animated motion pictures.<sup>1</sup> Plaintiffs further allege Defendants have infringed their copyright and trademark rights, have engaged in unfair competition, and are trading on the goodwill of Plaintiffs. Defendants counterclaim, alleging libel, injurious falsehood, tortious interference with contract, unfair competition, unlawful restraint of trade, and unlawful tying and exclusive dealing arrangements. Both Plaintiffs and Defendants seek declaratory relief seeking findings that they are, respectively, entitled to copyright and trademark protection.

Both Plaintiffs and Defendants have moved for summary judgment on Plaintiffs’ claims. Plaintiffs also argue that they are entitled to summary dismissal of Defendants’ counterclaims.

### **Copyrights and Chain of Title**

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<sup>1</sup> For ease of reference, the Court will refer to Wizard of Oz, Gone With The Wind and the Tom and Jerry films as “the subject films” or “the subject motion pictures,” unless context requires specifically naming them individually.

Plaintiffs are the owners of the copyrights in the subject films, as established through the following:<sup>2</sup>

Turner Entertainment Co., TEC, is wholly-owned by WTTA Incorporated, WTTA, which is wholly-owned by Warner Bros. Entertainment, Inc., WBEI.

On August 7, 1939, Loew's Incorporated registered its copyright in the Wizard of Oz, with the U.S. Copyright Office. The original certificate of registration was numbered L9039. On February 25, 1960, Loew's changed its name to MGM. On August 8, 1966, Metro-Goldwyn-Mayer, Inc., successor in interest to Lowe's, renewed the copyright in the Wizard of Oz with the Copyright Office. That renewal certificate of copyright registration was numbered R390474.

On July 30, 1936, Selznick International Pictures, Inc., (Selznick), and Margaret Mitchell Marsh, (Mitchell), entered into an agreement, whereby Selznick purchased the motion picture rights to Mitchell's novel, Gone With The Wind. On August 25, 1938, Loew's and Selznick entered into an agreement whereby Loew's agreed to loan Clark Gable's services to Selznick, provide financing and distribute

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<sup>2</sup> Defendants argue that Plaintiffs have failed to sufficiently delineate through admissible evidence the chain of title to the subject films. Plaintiffs have submitted the affidavit of Katherine Chilton, Vice President and Senior Litigation Counsel for Warner Bros. Entertainment, Inc., in which Ms. Chilton avers that she has personal knowledge of the facts set forth in her affidavit. This personal knowledge was obtained through corporate documents and other materials which she reviewed, and which have been produced to Defendants through discovery. Defendants have failed to present any evidence to controvert the averments contained in the affidavit. The Court, therefore concludes that the facts set forth above are true and accurate.

the film, in exchange, Selznick agreed to share its revenues and pay a distribution fee. The agreement also provided that Loew's was to copyright *Gone With The Wind* jointly in its own name and in the name of Selznick.

On December 31, 1939, Selznick registered its copyright for the motion picture, *Gone With The Wind*, with the Copyright Office. The original certificate of registration was numbered L9390.

On January 31, 1940, Loew's requested Selznick comply with the agreement. Shortly thereafter, Selznick assigned its copyright in the motion picture, *Gone With The Wind*, to Loew's and itself.

On December 4, 1961, the Stephens Mitchell Trust and MGM, entered into an agreement,, whereby Mitchell's beneficiaries confirmed that MGM owned picture rights to Mitchell's novel, *Gone With The Wind*, including all copyrights and renewals of any such copyrights, as well as merchandising rights and certain other rights in the novel itself.

On January 3, 1967, MGM renewed the copyright in the motion picture, *Gone With The Wind*, with the Copyright Office. The renewal certificate of copyright registration was numbered R399224.

On July 1, 1990, the Stephens Mitchell Trust and TEC entered into another agreement, whereby the parties once again confirmed TEC's ownership in certain

rights associated with the novel, *Gone With The Wind*, the similarly titled motion picture, and all merchandising rights related thereto.

William Hanna and Joseph Barbera were employed by Loew's and MGM from May 19, 1937 and August 11, 1937, respectively through 1957. While employed by Loew's and MGM, and on their behalf, Hanna and Barbera created the characters, Tom and Jerry and the vast majority of the animated motion pictures in which Tom and Jerry appeared.

Tom and Jerry have appeared in at least 255 animated shorts and motion pictures. Warner Bros. is the registered copyright holder for each of these films.

On February 29, 1980, MGM assigned all of its right, title and interest in its motion picture copyrights to Metro-Goldwyn-Mayer Film Co. Film Co. changed its name to MGM/UA Entertainment Co. on April 12, 1982. On March 25, 1986, MGM/UA changed its name to MGM Entertainment Co.

On August 4, 1986, MGM Entertainment merged into TBS Entertainment Co. TBS Entertainment changed its name to TEC on August 8, 1986. Effective August 5, 1986, it was the owner of all MGM's motion picture library, including all copyrights and other intellectual property rights associated with the motion pictures, *Wizard of Oz*, *Gone With The Wind* and the entire Tom and Jerry animated motion picture series.

On May 13, 1994, Turner Entertainment Group, Inc., TEG, was incorporated as a wholly-owned direct subsidiary of Turner Broadcasting System, Inc., TBS. On August 1, 1994, all shares of TEC were transferred from TBS to TEG.

Time Warner, Inc acquired TBS, and therefore TEG and TEC in October, 1996. Since 1996, Time Warner and its wholly owned and direct and indirect subsidiaries, including TEC have owned MGM's classic motion picture library, including all copyrights, trademarks, other intellectual property rights, publicity rights, and merchandising rights associated with the motion pictures at issue herein.

### **Trademark and Unfair Competition Claims**

Plaintiffs have registered numerous words and phrases from the subject motion pictures with the U.S. Patent and Trademark Office. The first of the registrations occurred in 1995 and various different registrations continued through 2005.

### **Rights of Publicity Contracts**

Warner Bros., by contracts dated September 27, 1935 and June 12, 1939, owns, holds, and or controls the exclusive publicity rights--the right to use the name, voice, signature photograph, or likeness--to Frances Gumm, professionally known as Judy Garland in her character as Dorothy from Wizard of Oz.

Warner Bros., by contracts dated April 11, 1936, June 4, 1937, January 3, 1938, March 17, 1938, and June 12, 1939, owns, holds, and or controls the exclusive publicity rights--the right to use the name, voice, signature photograph, or likeness-- to Ray Bolger in his character as Scarecrow from Wizard of Oz.

Warner Bros., by contracts dated November 4, 1938 and June 30, 1939, owns, holds, and or controls the exclusive publicity rights--the right to use the name, voice, signature photograph, or likeness--to Jack Haley in his character as Tin Man from Wizard of Oz.

Warner Bros., by contracts dated September 9, 1939 and May 17, 1939, owns, holds, and or controls the exclusive publicity rights--the right to use the name, voice, signature photograph, or likeness--Bert Lahr in his character as Cowardly Lion from Wizard of Oz.

Warner Bros., by contracts dated January 16, 1939, owns, holds, and or controls the exclusive publicity rights--the right to use the name, voice, signature photograph, or likeness--to Vivien Leigh in her character as Scarlett O'Hara from Gone With The Wind.

Warner Bros., by contracts dated November 1, 1991, owns, holds, and or controls the exclusive publicity rights--the right to use the name, voice, signature photograph, or likeness--to Clark Gable in his character as Rhett Butler from Gone

With The Wind. Further, Warner Bros., by contract dated November 1, 1991 also owns, holds and/or controls the exclusive publicity rights--the right to use the name, voice, signature photograph, or likeness--to Clark Gable the artist.

### **Defendant's Acquisition of Movie Items**

Defendant Leo Valencia, (Valencia) is the President, CEO and sole shareholder of Defendants A.V.E.L.A., d/b/a Art & Vintage Entertainment Licensing Agency, (AVELA), Art-Nostalgia.Com, Inc. (Art Nostalgia) and X One X, d/b/a X One X Movie Archives, Inc. (X One X).

Since at least 1985, Defendants have been collecting artwork and photographs related to classic movies, television programs, musical performances and other areas of entertainment. Defendants operate a multimedia licensing and merchandising agency. Defendants derive their images, which they subsequently license to others, from publicity materials<sup>3</sup> 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.

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<sup>3</sup> The publicity materials include movie posters, theater lobby displays and card, pre-written press stories, newspaper and magazine advertisements with photographs of actors or scenes, press books, souvenirs to be sold to movie goers and news bulletins.



Included within this license are the rights to produce merchandise, such as figurines, t-shirts, banks, and the like.

Some of these acquisitions were obtained as follows:

Picture Perfect, which began operating sometime in 1994, was in the business of restoring, stabilizing and preserving movie paper, other art and collectibles. Shortly after Picture Perfect opened Valencia asked Joe Hernandez, owner of Picture Perfect to restore several hundred pieces of artwork that he had purchased from an artist in the Philippines. These pieces of art had nothing to do with movie paper or motion pictures.

Valencia told Hernandez that he was fascinated by old movie paper, and that he had been sold transparencies containing old movie paper, such as lobby cards, one sheets, and six sheets. The transparencies were described as being professionally taken photographs.

Picture Perfect offered its customers a professional photograph service, whereby it would take a professional photograph of its customer's collectible, and then, transform that photograph into a transparency. Some customers had Picture Perfect photograph their un-restored pieces of movie paper, while others had it photograph their restored, stabilized and preserved pieces of movie paper.

Valencia ultimately asked Hernandez if he would sell him any of the

transparencies commissioned by Picture Perfect's other customers. Hernandez began to sell transparencies to Valencia. Picture Perfect sold Valencia approximately \$2,000-\$3,000 worth of transparencies. With respect to fully restored pieces, Valencia never saw the un-restored version of each respective piece of movie paper from Picture Perfect.

Picture Perfect went out of business in 1998.

Studio Conservation, Inc., (Studio C) is in the business of preserving movie paper, other art and collectibles. Studio C provides a service whereby its customers are able to restore, stabilize and preserve their old, damaged and dilapidated movie paper, other art and collectibles.

Diane Jeffrey is the President and CEO of Studio C. Prior to the opening of Studio C, Jeffrey was the office manager for Picture Perfect, Inc. Jeffrey, as President of Studio C, sold transparencies to Valencia, in the approximate amount of \$4,000-\$5,000.

Prior to the sale of transparencies by Studio C, and at the request of Valencia, Jeffrey signed an agreement on behalf of Studio C assigning the "artistic contributions during the restoration process of movie publicity artwork."

Plaintiffs contend Defendant's actions of licensing images from the movie publicity artwork infringe their copyrights, trademarks, publicity rights and unfairly

compete with Plaintiffs and are trading on the goodwill of Plaintiffs. Plaintiffs seek damages and injunctive relief, and seek declaratory relief in the form of a cancellation of Defendants' registered copyrights. Plaintiffs also seek dismissal of the counter-claims filed by Defendants. Defendants seek summary judgment in their favor on Plaintiffs' claims.

### **Discussion**

#### **Summary Judgment Standard**

The standards for summary judgment are well settled. In determining whether summary judgment should issue, the Court must view the facts and inferences from the facts in the light most favorable to the nonmoving party. *Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 587 (1986); *Woods v. DaimlerChrysler Corp.*, 409 F.3d 984, 990 (8th Cir. 2005); *Littrell v. City of Kansas City, Mo.*, 459 F.3d 918, 921 (8th Cir. 2006). The moving party has the burden to establish both the absence of a genuine issue of material fact and that it is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247 (1986); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986); *Enterprise Bank v. Magna Bank*, 92 F.3d 743, 747 (8<sup>th</sup> Cir. 1996). Once the moving party has met this burden, the nonmoving party may not rest on the allegations in his pleadings but by affidavit or other evidence must set forth specific

facts showing that a genuine issue of material fact exists. Fed.R.Civ.P. 56(e); *Anderson* 477 U.S. at 256; *Littrell*, 459 F.3d at 921. “The party opposing summary judgment may not rest on the allegations in its pleadings; it must ‘set forth specific facts showing that there is a genuine issue for trial.’” *United of Omaha Life Ins. Co. v. Honea*, 458 F.3d 788, 791 (8th Cir.2006) (quoting Fed.R.Civ.P. 56(e)); “‘Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment.’ *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).” *Hitt v. Harsco Corp.*, 356 F.3d 920, 923 (8th Cir. 2004). An issue of fact is genuine when “a reasonable jury could return a verdict for the nonmoving party” on the question. *Anderson*, 477 U.S. at 248; *Woods*, 409 F.3d at 990. To survive a motion for summary judgment, the “nonmoving party must ‘substantiate his allegations with sufficient probative evidence [that] would permit a finding in [his] favor based on more than mere speculation, conjecture, or fantasy.’” *Wilson v. Int’l Bus. Machs. Corp.*, 62 F.3d 237, 241 (8th Cir. 1995)(quotation omitted).” *Putman v. Unity Health System*, 348 F.3d 732, 733-34 (8th Cir. 2003). A party may not merely point to unsupported self-serving allegations, but must substantiate allegations with sufficient probative evidence that would permit a finding in the plaintiff’s favor. *Wilson v. Int’l Bus. Mach. Corp.*, 62 F.3d 237, 241 (8th Cir.1995). “The mere existence of a scintilla of evidence in support of the [party’s]

position will be insufficient; there must be evidence on which the jury could reasonably find for the plaintiff.” *Anderson*, 477 U.S. 242 at 252; *Davidson & Associates v. Jung* 422 F.3d 630, 638 (8th Cir. 2005). Summary Judgment will be granted when, viewing the evidence in the light most favorable to the nonmoving party and giving the nonmoving party the benefit of all reasonable inferences, there are no genuine issues of material fact and the moving party is entitled to judgment as a matter of law. *Samuels v. Kansas City Mo. Sch. Dist.*, 437 F.3d 797, 801 (8th Cir.2006). “Mere allegations, unsupported by specific facts or evidence beyond the nonmoving party’s own conclusions, are insufficient to withstand a motion for summary judgment.” *Thomas v. Corwin*, 483 F.3d 516, 526-7(8th Cir. 2007).

### **Copyright Claims**

A copyright holder has certain exclusive rights to the copyrighted work, including the right to reproduce all or any part of the copyrighted work. 17 U.S.C. § 106. One infringes a copyright when he or she violates one of the exclusive rights to a work held by a copyright owner, and the owner has the right to sue for infringement. See 17 U.S.C. § 501. To establish its claim for copyright infringement, Plaintiffs are required to prove “ownership of a valid copyright and copying of original elements.” *Taylor Corp. v. Four Seasons Greetings, LLC*, 403

F.3d 958, 962-63 (8th Cir.2005) (internal quotations omitted). “Copying may be established (1) by direct evidence or (2) by showing that the defendants had access to the copyrighted materials and showing that substantial similarity of ideas and expression existed between the alleged infringing materials and the copyrighted materials. *Hartman v. Hallmark Cards, Inc.*, 833 F.2d 117, 120 (8th Cir.1987).” *Rottlund Co. v. Pinnacle Corp.*, 452 F.3d 726, 731 (8th Cir. 2006).

There is no dispute that the characters contained within 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.

Initially, Defendants contend that Plaintiffs’ copyright claims must fail because Defendants have not copied any of Plaintiffs’ films. Rather, according to Defendants, they have only copied artwork that has fallen into the public domain. They argue, therefore, Plaintiffs cannot establish the second element of copyright infringement since there has been no copying of Plaintiffs’ copyrighted motion pictures.

Plaintiffs’ position is that their copyrights for the motion pictures encompass the characters contained therein as well as the film itself.

It is elementary that literary characters are entitled to somewhat limited

copyright protection, and courts, have afforded cartoon characters even greater protection. Because a cartoon character has physical as well as conceptual qualities, it is more readily suitable than literary characters for copyright protection. See *Sid & Marty Krofft Television Prods., Inc. v. McDonalds Corp.*, 562 F.2d 1157, 1169 (9th Cir. 1977). See also, *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978)(finding copyright protection available for a comic book character “which has physical as well as conceptual qualities[,]” and recognizing that “comic book characters . . . are distinguishable from literary characters”); *Silverman v. CBS Inc.*, 632 F.Supp.1344, 1355 (“Cartoons, and other graphic representations of characters, have been afforded greater copyright protection than characters described only by words.”); *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1266 (11th Cir. 2001) (explaining regarding literary characters that “[a]t one end of the spectrum, scenes a faire –the stock scenes and hackneyed character types that “naturally flow from a common theme” – are considered “ideas,” and therefore are not copyrightable. But as plots become more intricately detailed and characters become more idiosyncratic, they at some point cross the line into “expression” and are protected by copyright (internal citations omitted)). “Characters that have received copyright protection have displayed consistent, widely identifiable traits.”

Where a character “is only the chessman in the game of telling the story he is

not within the area of the protection afforded by the copyright.” *Warner Bros. Pictures, Inc. v. Columbia Broad. Sys., Inc.*, 216 F.2d 945, 950 (9th Cir.1954). *Warner Bros.* held that a character could only be granted copyright protection if it “constituted the story being told.” *Id.* This is because literary characters are difficult to delineate and may be based on nothing more than an unprotected idea that the protection is to be limited. *Id.*; see *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir.1978). *Air Pirates*, however, distinguished cartoon characters from literary characters, based on the reasoning that comic book characters have “physical as well as conceptual qualities, [and are] more likely to contain some unique elements of expression.” *Id.*, 581 F.2d at 755.

Similarly, copyright protection for characters that are especially distinctive, has been recognized. See *Olson v. Nat'l Broad. Co.*, 855 F.2d 1446, 1452 (9th Cir.1988). *Olson* noted, consistent with *Air Pirates*, that copyright protection “may be afforded to characters visually depicted in a television series or a movie,” *Olson*, 855 F.2d at 1452 (citing *Silverman v. CBS, Inc.*, 632 F.Supp. 1344, 1355 (S.D.N.Y.1986)). “Characters that have received copyright protection have displayed consistent, widely identifiable traits.” *Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1175 (9th Cir.2003) (citing *Toho Co., Ltd. v. William Morrow & Co., Inc.*, 33 F.Supp.2d 1206, 1215-16 (C.D.Cal. 1998) (recognizing copyright protection for



Godzilla)); *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Corp.*, 900 F.Supp. 1287, 1296-97 (C.D.Cal. 1995) (recognizing copyright protection for James Bond); *Anderson v. Stallone*, No. 87-0592, 1989 WL 206431, \*7 (C.D.Cal. Apr.25, 1989) (recognizing copyright protection for Rocky Balboa).

With respect to the cartoon characters Tom and Jerry, the above analysis ends 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.

The remaining characters, *i.e.*, Judy Garland as Dorothy Gale, Ray Bolger as Scarecrow, Jack Haley as Tin Man, and Bert Lahr as Cowardly Lion in *Wizard of Oz* and Vivian Leigh as Scarlett O'Hara and Clark Gable as Rhett Butler in *Gone With the Wind*, can be seen as more akin to a comic book character than a literary character based on their distinct characteristics and idiosyncracies in their portrayal of the character. Each character has widely identifiable traits and is especially distinctive. Each has been extensively developed through the films. Be it Dorothy's inherent wisdom coupled with her Midwestern farm girl innocence, Scarlett O'Hara's seemingly ruthless will coupled with her beauty and charm, Rhett Butler's strength and endurance and "un-flappability," coupled with his inexplicable devotion to Scarlett, or the apparent inconsistencies of Scarecrow, (without a brain vs. wisdom and leader), Tin Man (without a heart vs. compassion and tenderness) and Cowardly

Lion, (without courage vs. bravery and chivalrousness), they are especially distinctive; they consistently display widely identifiable traits throughout the movies; they are like no others; and they are “the stor[ies] being told.” See *Rice*, 330 F.3d at 1175; *Olson*, 855 F.2d at 1452. Thus, these characters are entitled to copyright protection because of their “physical as well as conceptual qualities [and] ... unique elements of expression” *Air Pirates*, 581 F.2d at 755; *Halicki Films, LLC v. Sanderson Sales and Marketing* 547 F.3d 1213, 1224 -1225 (9th Cir. 2008).

Defendants’ argument that, *even if* the characters would be entitled to copyright protection, the characters are no longer protected because the publication of the characters in the public domain materials caused them to become public domain material as well, is unavailing. 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 become copyrightable. But for the films, these characters would remain literary figures without the particular idiosyncracies that have established each character as a unique icon in American culture.

Defendants admittedly copy the publicity materials. Plaintiffs have stated that they would have no quarrel, except with respect to their state law right of publicity claims, with the mere copying of the movie artwork. However, 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.

### **Trademark and Unfair Competition Claims**

Defendants contend that because they only copy those images in the public domain Plaintiffs have no trademark protection, relying on *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003). The Supreme Court held in *Dastar*, that Section 43(a) [of the Lanham Act] applies only to the producer of tangible goods that were offered for sale, not the author of any idea, concept, or communication embodied in those goods. *Id.*, at 37. The Court further held that once a copyright has expired, the right to copy the work passes to the public and trademark protection does not, in essence, resurrect copying rights.

The right to copy, and to copy without attribution, once a copyright has expired, like "the right to make [an article whose patent has expired]-including the right to make it in precisely the shape it carried when patented-passes to the public." *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 230, 84 S.Ct. 784, 11 L.Ed.2d 661 (1964); *see also Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 121-122, 59 S.Ct. 109, 83 L.Ed. 73 (1938). "In general, unless an

intellectual property right such as a patent or copyright protects an item, it will be subject to copying.” *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 29, 121 S.Ct. 1255, 149 L.Ed.2d 164 (2001). The rights of a patentee or copyright holder are part of a “carefully crafted bargain,” *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150-151, 109 S.Ct. 971, 103 L.Ed.2d 118 (1989), under which, once the patent or copyright monopoly has expired, the public may use the invention or work at will and without attribution.

*Id.* at 33-34. Defendants’ reliance, however, is misplaced by virtue of the existing copyrights in the films and the component parts thereof, as set forth above.

Moreover, Plaintiffs are seeking to enforce their trademarks on tangible goods which embody the characters and scenes from the films, not the ideas, concepts, or communications of films themselves.

Plaintiffs have brought this action seeking recovery under the Lanham Act, 15 U.S.C. §§ 1114, 1125(a), 1125(c).<sup>4</sup> Plaintiffs urge summary judgment based on

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<sup>4</sup> These sections provide, in pertinent part:

1114. Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant--

2. (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in

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commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

As used in this paragraph, the term "any person" includes the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(2) Notwithstanding any other provision of this chapter, the remedies given to the owner of a right infringed under this chapter or to a person bringing an action under section 1125(a) or (d) of this title shall be limited as follows:

(A) Where an infringer or violator is engaged solely in the business of printing the mark or violating matter for others and establishes that he or she was an innocent infringer or innocent violator, the owner of the right infringed or person bringing the action under section 1125(a) of this title shall be entitled as against such infringer or violator only to an injunction against future printing.

(B) Where the infringement or violation complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical or in an electronic communication as defined in section 2510(12) of Title 18, the remedies of the owner of the right infringed or person bringing the action under section 1125(a) of this title as against the publisher or distributor of such newspaper, magazine, or other similar periodical or electronic communication shall be limited to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodicals or in future transmissions of such electronic communications. The limitations of this subparagraph shall apply only to innocent infringers and innocent violators.

(C) Injunctive relief shall not be available to the owner of the right infringed or person bringing the action under section 1125(a) of this title with respect to an

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issue of a newspaper, magazine, or other similar periodical or an electronic communication containing infringing matter or violating matter where restraining the dissemination of such infringing matter or violating matter in any particular issue of such periodical or in an electronic communication would delay the delivery of such issue or transmission of such electronic communication after the regular time for such delivery or transmission, and such delay would be due to the method by which publication and distribution of such periodical or transmission of such electronic communication is customarily conducted in accordance with sound business practice, and not due to any method or device adopted to evade this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter or violating matter.

15 U.S.C.A. § 1114

**1125. False designations of origin, false descriptions, and dilution forbidden**

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

(2) As used in this subsection, the term "any person" includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.



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15 U.S.C.A. § 1125(a).

(c) Dilution by blurring; dilution by tarnishment

(1) Injunctive relief

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) Definitions

**(A)** For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

**(i)** The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

**(ii)** The amount, volume, and geographic extent of sales of goods or services offered under the mark.

**(iii)** The extent of actual recognition of the mark.

**(iv)** Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

**(B)** For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

**(i)** The degree of similarity between the mark or trade name and the famous mark.

- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
  - (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
  - (iv) The degree of recognition of the famous mark.
  - (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
  - (vi) Any actual association between the mark or trade name and the famous mark.
- (C) For purposes of paragraph (1), “dilution by tarnishment” is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

(3) Exclusions

The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

- (A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with--
  - (I) advertising or promotion that permits consumers to compare goods or services; or
  - (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.
- (B) All forms of news reporting and news commentary.
- (C) Any noncommercial use of a mark.

(4) Burden of proof



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In a civil action for trade dress dilution under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that--

(A) the claimed trade dress, taken as a whole, is not functional and is famous; and

(B) if the claimed trade dress includes any mark or marks registered on the principal register, the unregistered matter, taken as a whole, is famous separate and apart from any fame of such registered marks.

(5) Additional remedies

In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 1116 of this title. The owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and the principles of equity if--

(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after October 6, 2006; and

(B) in a claim arising under this subsection--

(I) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.

(6) Ownership of valid registration a complete bar to action

The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register under this chapter shall be a complete bar to an action against that person, with respect to that mark, that--

(A)(I) is brought by another person under the common law or a statute of a State; and

their registration of words and phrases from the films, certain images and common law trademark. To prevail on their claims for trademark infringement and unfair competition under the Lanham Act, Plaintiffs must prove (1) that they own valid, distinctive trademarks and (2) a likelihood of confusion between the registered mark and the alleged infringing use by Defendants.<sup>5</sup> See *First Bank v. First Bank Sys., Inc.*, 84 F.3d 1040,1044 (8th Cir.1996).

Registration of a trademark is prima facie evidence of the validity of the mark. See 15 U.S.C. § 1057. In addition, registered trademarks “are presumed to be distinctive.” *Aromatique, Inc. v. Golden Seal, Inc.*, 28 F.3d 863, 869 (8th 1994).

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(ii) seeks to prevent dilution by blurring or dilution by tarnishment; or

(B) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.

(7) Savings clause

Nothing in this subsection shall be construed to impair, modify, or supersede the applicability of the patent laws of the United States.

15 U.S.C.A. § 1125 (c)

<sup>5</sup> Trademark-infringement claims and unfair-competition claims under the Lanham Act are both subject to this two-part test. See *Jeld-Wen, Inc. v. Dalco Indus., Inc.*, No. 99-1005, 1999 WL 1024002, at \*2 (8th Cir. Nov. 10, 1999) (citing *Hubbard Feeds, Inc. v. Animal Feed Supplement, Inc.*, 182 F.3d 598, 601 (8th Cir.1999)).

The likelihood of customer confusion is the “hallmark of any trademark infringement claim.” *Northland Ins. Cos. v. Blaylock*, 115 F.Supp.2d 1108, 1117 (D.Minn.2000) (quoting *Polymer Tech. Corp. v. Mimran*, 37 F.3d 74, 80 (2d Cir. 1994)). In evaluating whether a likelihood of confusion exists, the Court considers the following factors: (1) the strength of the owner’s mark; (2) the similarity between the owner’s mark and the alleged infringer’s mark; (3) the degree to which the products compete with each other; (4) the alleged infringer’s intent to “pass off” its own goods as those of the trademark owner; (5) incidents of actual confusion; and (6) whether the degree of care exercised by a consumer can eliminate a likelihood of confusion that would otherwise exist. *Hubbard Feeds*, 182 F.3d at 602; see also *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980). “These factors do not operate in a mathematically precise formula; rather, [courts] use them at the summary judgment stage as a guide to determine whether a reasonable jury could find a likelihood of confusion.” *Duluth New-Tribune v. Mesaba Publ’g Co.*, 84 F.3d 1093, 1096 (8th Cir.1996). “[N]o one factor controls, and because the inquiry is inherently case-specific, different factors may be entitled to more weight in different cases.” *Kemp v. Bumble Bee Seafoods, Inc.*, 398 F.3d 1049, 1054 (8th Cir. 2005).

Plaintiffs have offered evidence that certain words, phrases and images from

the subject films are federally registered. Plaintiffs also claim common law trademark rights in the brand names *Gone With The Wind*, *Wizard of Oz* and *Tom & Jerry*.

Plaintiffs assert that as a result of the promotion and popularity of these films since their inception 70 years ago<sup>6</sup>, the marks have become indelibly woven into America's fabric and that the goodwill associated with the marks is invaluable. Plaintiffs argue that their marks are therefore strong because they have been used in commerce in connection with film memorabilia for approximately 65 years. The strength of the marks has been established and this factor weighs in favor the likelihood of confusion.

Plaintiffs assert that the marks used by Defendants are virtually identical to theirs. Defendant in essence has copied a large variety of items from the publicity materials containing the actual actors in costume and the actual cartoon drawings of *Tom & Jerry*. They again, argue, however, the copying is legitimate based upon their public domain argument discussed above. Thus, faced with such undisputed evidence in the record that the images and phrases are virtually identical, therefore, the Court finds that this factor also weighs in favor of the likelihood of confusion. See *Davis*, 430 F.3d at 903-04 (holding that the use of a mark that is "almost

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<sup>6</sup> The longevity of *Tom & Jerry* is probably a few years longer, see *supra*.

identical” to the owner’s mark weighs in favor of a finding of a likelihood of confusion).

Plaintiffs claim to have used the marks in connection with various consumer merchandise. Defendants have used images from the film artwork to license the use on various consumer merchandise. There is nothing in the record to suggest that the products of Plaintiffs and those of Defendants, both of which relate to the production of consumer film memorabilia, are not engaged in direct competition with each other. The degree of competition, therefore, weighs in favor of the likelihood of confusion.

The problem with Plaintiffs’ position regarding use of the marks is that it assumes too much. While Plaintiffs are clearly incensed by Defendants’ actions, they assume that the registered marks, encompass every aspect taken from the films. This Court agrees with Judge Cooper in her assessment:

Plaintiff appears to be basing some or all of its trademark infringement claims on the use of images of the Betty Boop cartoon character. However, Plaintiff does not address how its registered trademarks encompass the use of the image of Betty Boop; nor does Plaintiff separately address the nature or source of its common law trademark rights, if any, in Betty Boop images. Among the other questions before the Court with these cross-motions for summary judgment are: (a) whether the products Defendants sell and the rights Defendants license to others constitute a use of one or more of the marks Plaintiff owns, and (b) whether Defendants’ use is likely to create confusion as to the origin of the products. Plaintiff’s evidence of its trademark registrations indicate protection for a “word mark” for “Betty Boop.”

*Fleischer Studios, Inc. v. A.V.E.L.A.*, Cause Number 2:06cv6229-FMC-MANx (U.S. Dist. Calif. December 16, 2008). Plaintiffs' registrations are for words, phrases and an image of Tom & Jerry. Nowhere do Plaintiffs explain how these registrations establish trademark protection to, for example, the actors in costume or the scenes from the films, *to wit*, registration of "Gone With The Wind" including a picture of Rhett Butler holding Scarlett O'Hara, or registration of Wizard of Oz and Dorothy including Dorothy dabbing the Cowardly Lion's tears. Likewise, with respect to their common law trademark claims, although Plaintiffs frequently point out that the films are famous, emblematic, and have become part of the fabric of American culture, Plaintiffs do not provide sufficient evidence that they are entitled to trademark protection in all aspects of the films. Merely stating they have been using the marks for over 65 years does not necessarily give rise to trademark protection in light of the fact that, as Defendants point out, there are indeed numerous other reproductions of characters and scenes available. Put another way, the Court is not convinced that summary judgment is proper considering the magnitude of items available from sources other than Plaintiffs.

The final factor in the infringement analysis considers whether the degree of purchaser care can eliminate any likelihood of confusion that would otherwise exist. Plaintiffs' allegations of infringement include Defendants representations to their

licensees that the films are “evergreen,” “tried and true,” etc. Plaintiffs argue that Defendants’ representations are based on Plaintiffs’ trademarks rather than anything from Defendants and because of this, licensees will be confused as to the origin of the goods, and will be unable to distinguish between Plaintiff’s goods and those of Defendants; the licensees will assume that the items are coming from Plaintiffs because of the films’ long successful history. This factor again favors Plaintiffs establishing a likelihood of confusion.

In sum, while Plaintiffs have established several facts, which for subsequent rulings have been determined, Plaintiffs have yet to present sufficient evidence to establish the fundamental element of trademark protection, *i.e.*, that they are the owners of protectable trademarks in those aspects of the films that are the subject of the controversy. As such, summary judgment is not appropriate at this time on the trademark claims.

### **Right of Publicity Claims**

Plaintiffs also seek summary judgment on their right of publicity claims under Cal.Civ.Code § 3344.1.<sup>7</sup> The record is not sufficiently established on this

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<sup>7</sup> Section 3344.1 provides:

a)(1) Any person who uses a deceased personality's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services, without prior consent from the person or persons specified in subdivision (c), shall be liable for any damages



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sustained by the person or persons injured as a result thereof. In addition, in any action brought under this section, the person who violated the section shall be liable to the injured party or parties in an amount equal to the greater of seven hundred fifty dollars (\$750) or the actual damages suffered by the injured party or parties, as a result of the unauthorized use, and any profits from the unauthorized use that are attributable to the use and are not taken into account in computing the actual damages. In establishing these profits, the injured party or parties shall be required to present proof only of the gross revenue attributable to the use and the person who violated the section is required to prove his or her deductible expenses. Punitive damages may also be awarded to the injured party or parties. The prevailing party or parties in any action under this section shall also be entitled to attorney's fees and costs.

(2) For purposes of this subdivision, a play, book, magazine, newspaper, musical composition, audiovisual work, radio or television program, single and original work of art, work of political or newsworthy value, or an advertisement or commercial announcement for any of these works, shall not be considered a product, article of merchandise, good, or service if it is fictional or nonfictional entertainment, or a dramatic, literary, or musical work.

(3) If a work that is protected under paragraph (2) includes within it a use in connection with a product, article of merchandise, good, or service, this use shall not be exempt under this subdivision, notwithstanding the unprotected use's inclusion in a work otherwise exempt under this subdivision, if the claimant proves that this use is so directly connected with a product, article of merchandise, good, or service as to constitute an act of advertising, selling, or soliciting purchases of that product, article of merchandise, good, or service by the deceased personality without prior consent from the person or persons specified in subdivision (c).

(b) The rights recognized under this section are property rights, freely transferable or descendible, in whole or in part, by contract or by means of any trust or any other testamentary instrument, executed before or after January 1, 1985. The rights recognized under this section shall be deemed to have existed at the time of death of any deceased personality who died prior to January 1, 1985, and, except as provided in subdivision (o), shall vest in the persons entitled to these property rights under the testamentary instrument of the deceased personality effective as of the date of his or her death. In the absence of an express transfer in a testamentary instrument of the deceased personality's rights in his or her name, voice, signature, photograph, or likeness, a provision in the testamentary instrument that provides for the disposition of the residue of the deceased personality's assets shall be effective to transfer the rights recognized under this section in accordance with the terms of that provision. The rights established by this section shall also be freely transferable or descendible by contract, trust, or any other testamentary instrument by any subsequent owner of the deceased personality's rights as recognized by this section. Nothing in this section shall be construed to render invalid or unenforceable any contract entered into by a deceased personality during his or her lifetime by which the deceased personality assigned the rights, in whole or in part, to use his or her name, voice, signature, photograph or likeness, regardless of whether the contract was entered into before or after January 1, 1985.



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(c) The consent required by this section shall be exercisable by the person or persons to whom the right of consent, or portion thereof, has been transferred in accordance with subdivision (b), or if no transfer has occurred, then by the person or persons to whom the right of consent, or portion thereof, has passed in accordance with subdivision (d).

(d) Subject to subdivisions (b) and (c), after the death of any person, the rights under this section shall belong to the following person or persons and may be exercised, on behalf of and for the benefit of all of those persons, by those persons who, in the aggregate, are entitled to more than a one-half interest in the rights:

(1) The entire interest in those rights belong to the surviving spouse of the deceased personality unless there are any surviving children or grandchildren of the deceased personality, in which case one-half of the entire interest in those rights belong to the surviving spouse.

(2) The entire interest in those rights belong to the surviving children of the deceased personality and to the surviving children of any dead child of the deceased personality unless the deceased personality has a surviving spouse, in which case the ownership of a one-half interest in rights is divided among the surviving children and grandchildren.

(3) If there is no surviving spouse, and no surviving children or grandchildren, then the entire interest in those rights belong to the surviving parent or parents of the deceased personality.

(4) The rights of the deceased personality's children and grandchildren are in all cases divided among them and exercisable in the manner provided in

1. Section 240 of the Probate Code according to the number of the deceased personality's children represented. The share of the children of a dead child of a deceased personality can be exercised only by the action of a majority of them.

(e) If any deceased personality does not transfer his or her rights under this section by contract, or by means of a trust or testamentary instrument, and there are no surviving persons as described in subdivision (d), then the rights set forth in subdivision (a) shall terminate.

(f)(1) A successor in interest to the rights of a deceased personality under this section or a licensee thereof may not recover damages for a use prohibited by this section that occurs before the successor in interest or licensee registers a claim of the rights under paragraph (2).

(2) Any person claiming to be a successor in interest to the rights of a deceased personality under this section or a licensee thereof may register that claim with the Secretary of State on a form prescribed by the Secretary of State and upon payment of a fee as set forth in subdivision (d) of Section 12195 of the Government Code. The form shall be verified and shall include the name and date of death of the deceased personality, the name and address of the claimant, the basis of the

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claim, and the rights claimed.

(3) Upon receipt and after filing of any document under this section, the Secretary of State shall post the document along with the entire registry of persons claiming to be a successor in interest to the rights of a deceased personality or a registered licensee under this section upon the World Wide Web, also known as the Internet. The Secretary of State may microfilm or reproduce by other techniques any of the filings or documents and destroy the original filing or document. The microfilm or other reproduction of any document under the provisions of this section shall be admissible in any court of law. The microfilm or other reproduction of any document may be destroyed by the Secretary of State 70 years after the death of the personality named therein.

(4) Claims registered under this subdivision shall be public records.

(g) No action shall be brought under this section by reason of any use of a deceased personality's name, voice, signature, photograph, or likeness occurring after the expiration of 70 years after the death of the deceased personality.

(h) As used in this section, "deceased personality" means any natural person whose name, voice, signature, photograph, or likeness has commercial value at the time of his or her death, whether or not during the lifetime of that natural person the person used his or her name, voice, signature, photograph, or likeness on or in products, merchandise or goods, or for purposes of advertising or selling, or solicitation of purchase of, products, merchandise, goods, or services. A "deceased personality" shall include, without limitation, any such natural person who has died within 70 years prior to January 1, 1985.

(I) As used in this section, "photograph" means any photograph or photographic reproduction, still or moving, or any video tape or live television transmission, of any person, such that the deceased personality is readily identifiable. A deceased personality shall be deemed to be readily identifiable from a photograph when one who views the photograph with the naked eye can reasonably determine who the person depicted in the photograph is.

(j) For purposes of this section, a use of a name, voice, signature, photograph, or likeness in connection with any news, public affairs, or sports broadcast or account, or any political campaign, shall not constitute a use for which consent is required under subdivision (a).

(k) The use of a name, voice, signature, photograph, or likeness in a commercial medium shall not constitute a use for which consent is required under subdivision (a) solely because the material containing the use is commercially sponsored or contains paid advertising. Rather, it shall be a question of fact whether or not the use of the deceased personality's name, voice, signature, photograph, or likeness was so directly connected with the commercial sponsorship or with the paid advertising as to constitute a use for which consent is required under subdivision (a).

issue. While Plaintiffs claim they do not need to register per the statute, Plaintiffs fail to delineate why this is so, thus precluding entry of summary judgment on this claim.

### **Defendants' Counterclaims**

Plaintiffs contend they are also entitled to summary judgment on Defendants

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(l) Nothing in this section shall apply to the owners or employees of any medium used for advertising, including, but not limited to, newspapers, magazines, radio and television networks and stations, cable television systems, billboards, and transit ads, by whom any advertisement or solicitation in violation of this section is published or disseminated, unless it is established that the owners or employees had knowledge of the unauthorized use of the deceased personality's name, voice, signature, photograph, or likeness as prohibited by this section.

(m) The remedies provided for in this section are cumulative and shall be in addition to any others provided for by law.

(n) This section shall apply to the adjudication of liability and the imposition of any damages or other remedies in cases in which the liability, damages, and other remedies arise from acts occurring directly in this state. For purposes of this section, acts giving rise to liability shall be limited to the use, on or in products, merchandise, goods, or services, or the advertising or selling, or soliciting purchases of, products, merchandise, goods, or services prohibited by this section.

(o) Notwithstanding any provision of this section to the contrary, if an action was taken prior to May 1, 2007, to exercise rights recognized under this section relating to a deceased personality who died prior to January 1, 1985, by a person described in subdivision (d), other than a person who was disinherited by the deceased personality in a testamentary instrument, and the exercise of those rights was not challenged successfully in a court action by a person described in subdivision (b), that exercise shall not be affected by subdivision (b). In such a case, the rights that would otherwise vest in one or more persons described in subdivision (b) shall vest solely in the person or persons described in subdivision (d), other than a person disinherited by the deceased personality in a testamentary instrument, for all future purposes.

(p) The rights recognized by this section are expressly made retroactive, including to those deceased personalities who died before January 1, 1985.

Counterclaims. Defendants argue that it is premature at this point to address their counterclaims through summary judgment standards. Based on the rulings contained herein, the Court agrees that summary judgment is not proper as to Defendants' counterclaims.

### **Defendants' Motion for Summary Judgment**

Defendants' motion is, for all intents and purposes, the converse of Plaintiffs' Motion for Summary Judgment. Defendants urge summary judgment on Plaintiffs' claims basically in response to Plaintiffs' Motion. Based on the rulings set forth above, summary judgment in favor of Defendants is clearly not proper and the motion is therefore denied.

### **Conclusion**

Plaintiffs have established that there exist no genuine issues of material fact with respect to their copyright claim. They are, therefore entitled to summary judgment on Count I. As discussed, the record does not establish that Plaintiffs are entitled to summary judgment on their remaining claims. While the Court has found certain facts to be applied to the issues raised in the motion, other issues remain, precluding entry of summary judgment on these claims. The Motion is therefore denied, without prejudice, as to those claims.

Defendants are not entitled to summary judgment on Plaintiffs' claims.

Denying Plaintiffs' motion does not operate to entitle Defendants to summary judgment. Defendants' Motion for Summary Judgment is denied.

Plaintiffs' Motion to Strike Exhibits, to Supplement Motions for Sanctions and for Conference and for Appointment of Special Master is denied.

Accordingly,

**IT IS HEREBY ORDERED** that Plaintiffs' Motion for Summary Judgment, [Doc. No. 183], is granted in part and denied in part, as provided herein.

**IT IS FURTHER ORDERED** that Plaintiffs shall submit within 7 days from the date of this order a memorandum in support of their claimed damages on Count I, which memorandum shall include any argument Plaintiffs may have with respect to entry of a final judgment on Count I prior to the completion of this matter in its entirety.

**IT IS FURTHER ORDERED** that Defendants shall be given 7 days from the date of the filing of Plaintiffs' Memorandum to respond.

**IT IS FURTHER ORDERED** that Defendants A.V.E.L.A., Inc. d/b/a Art & Vintage Entertainment Licensing Agency, Art-Nostalgia.com, Inc., Leo Valencia, and X One X Movie Archives, Inc.'s Motion for Summary Judgment, [Doc. 211], is **denied**.

**IT IS FURTHER ORDERED** that Plaintiffs' Motion to Strike Exhibits, to

Supplement Motions for Sanctions and for Conference and for Appointment of  
Special Master is **denied**.

Dated this 20th day of March, 2009.



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HENRY EDWARD AUTREY  
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

WARNER BROS. ENTERTAINMENT, )  
INC., et al., )  
 )  
 Plaintiffs, )  
 )  
 vs. )  
 )  
 DAVE GROSSMAN CREATIONS, INC., )  
 et al., )  
 )  
 Defendants. )  
 )

Case No. 4:06CV546 HEA

**OPINION, MEMORANDUM AND ORDER**

This matter is before the Court on Plaintiffs' Motion for Permanent Injunction, [Doc. No. 256]. Defendants oppose the motion. Plaintiffs move for a permanent injunction against Defendants following summary judgment in their favor on claims of copyright infringement. For the reasons set forth below, Plaintiffs' motion is granted.

**Facts and Background**

The relevant facts are set forth in the Court's Opinion, Memorandum and Order entered March 20, 2009. In that Opinion, the Court found that Plaintiffs were the owners of the Copyrights in the films Wizard of Oz and Gone with the Wind, as well as the entire series of animated shorts and motion pictures featuring the cartoon



characters, Tom and Jerry. Defendants “licensed” images from these motion pictures and animated shorts to various product makers and distributors. Plaintiffs filed this action alleging copyright infringement, among other claims. In the March 20, 2009 Opinion, the Court entered summary judgment in favor of Plaintiffs and against Defendants for copyright infringement. Plaintiffs now seek a permanent injunction against Defendants from further continued infringement.

### Discussion

The Copyright Act provides:

Any court having jurisdiction of a civil action arising under this title may ... grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.

17 U.S.C. § 502(a). “Injunctions regularly are issued pursuant to the mandate of Section 502, because the public interest is the interest in upholding copyright protections.” *Taylor Corp. v. Four Seasons Greetings, LLC*, 403 F.3d 958, 968 (8th Cir.2005) (citation omitted). Additionally, the Court has the equitable power to order destruction of all infringing copies in Defendant’s possession. 17 U.S.C. § 503(b). To determine whether permanent injunctive relief is warranted, the Court balances three factors: (1) the threat of irreparable harm to the moving party; (2) the balance of harm between this harm and the harm suffered by the nonmoving party if the injunction is granted; and (3) the public interest.



*Taylor*, 403 F.3d at 967.

### **Irreparable Harm**

There exists in this Circuit a long line of case law which presumes the existence of irreparable harm based upon a finding of copyright infringement. See, e.g., *Nat'l Football League v. McBee & Bruno's, Inc.*, 792 F.2d 726, 729 (8th Cir.1986) (“Copyright law has long held that irreparable injury is presumed when the exclusive rights of the holder are infringed.”) (citation omitted).

Defendants argue that because Plaintiffs seek monetary damages, they are therefore precluded from seeking injunctive relief. Defendants are brazenly incorrect with respect to their “election” argument. Defendant has not controverted Plaintiffs’ evidence that they continue to “license” the images, the very same images this Court has held infringe Plaintiffs’ copyrighted images. The harm Plaintiffs face is irreparable and monetary damages are inadequate precisely because actual damages are difficult to compute and Defendants continue to infringe. Given the large volume of “licensing” of Defendants and their continued refusal to accept responsibility for their actions, it is reasonable to conclude that an injunction is necessary to prevent future infringement. This threat of repeated infringement, the

difficulty of detecting future infringement<sup>1</sup> and Defendants' failure to heed this Court's ruling on the summary judgment motion weighs heavily in favor of a finding of a threat of irreparable harm. Plaintiffs are entitled to monetary damages for *past* infringement and have established the irreparable harm element of this analysis. Like naughty, selfish children defendants have worked to thwart this Court's Order and continue to unfairly and illegally gain from Plaintiffs' protected works. This factor clearly favors the entry of a permanent injunction.

### **Balance of the Hardships**

The balance of the hardships acutely favors an injunction. Defendants' conduct could create exponential harm to Plaintiffs, but the requested injunction would inflict minimal hardship on Defendants. There is no cognizable harm to Defendants in being enjoined from doing something that is against the law and for which they have already been found liable. Defendants have pitifully failed to identify any hardship that would be inflicted upon them if the injunction is issued. See *Taylor*, 403 F.3d at 968 (harm to the defendant is minimal because the defendant could continue to sell other designs in its portfolio). As Plaintiffs point out, Defendants do not rely solely on the copyrighted images for their licenses, and

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<sup>1</sup> As previously detailed throughout this litigation, Defendants have not been entirely forthcoming with answers to discovery as to their operations and use of the subject images.

Defendants can continue to license those images not protected by Plaintiffs' copyrights.

### **Public Interest**

Injunctions regularly are issued pursuant to the mandate of section 502, because the public interest is the interest in upholding copyright protections. Since Congress has elected to grant certain exclusive rights to the owner of a copyright in a protected work, it is virtually axiomatic that the public interest can only be served by upholding copyright protections and, correspondingly, preventing the misappropriation of the skills, creative energies, and resources which are invested in the protected work. *Taylor Corp.*, 403 F.3d at 968 (citations omitted). The public interest weighs in favor of an injunction. The general rule applies here: the public interest is in favor of upholding copyright protections and the copyright holder's exclusivity. Defendants have presented no evidence or authority to the contrary. There is no exception to the general for the Defendants herein.

### **Conclusion**

The Court grants Plaintiffs' request for an injunction. Analysis of each equitable factor favors entry of a permanent injunction barring future infringement.

Accordingly,

**IT IS HEREBY ORDERED** that Plaintiffs' Motion for a Permanent Injunction, [Doc. No 256], is **GRANTED**.

**IT IS FURTHER ORDERED** that, with the exception noted below, Defendants are permanently enjoined 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 Tom and Jerry.

**IT IS FURTHER ORDERED** that, with the exception noted below, Defendants are **permanently enjoined** from licensing, attempting to license, or otherwise using for commercial gain images from the film The Wizard of Oz as well as images of Judy Garland as Dorothy Gale, Ray Bolger as Scarecrow, Jack Haley as Tin Man, and Burt Lahr as Cowardly Lion.

**IT IS FURTHER ORDERED** that, with the exception noted below, Defendants are **permanently enjoined** from licensing, attempting to license, or otherwise using for commercial gain images from the film Gone With the Wind as well as images of Vivien Leigh as Scarlett O'Hara and Clark Gable as Rhett Butler.

**IT IS FURTHER ORDERED** that Defendants are not enjoined from licensing, attempting to license, or otherwise using for commercial gain reproductions of public domain movie publicity materials, in their entirety and without alteration or modification. However, licensing, attempting to license or

otherwise using for commercial gain images of movie publicity materials for use in any manner that displays less than the full movie publicity material are enjoined.

Dated this 4th day of March, 2010.



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HENRY EDWARD AUTREY  
UNITED STATES DISTRICT JUDGE